

SIouxLAND HUMAN INVESTMENT  
PARTNERSHIP, INC.

Sioux City, Iowa

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INDEPENDENT AUDITOR'S REPORTS  
FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION

June 30, 2020 and 2019

SIouxLAND HUMAN INVESTMENT PARTNERSHIP, INC.

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Siouxland Human Investment Partnership, Inc.  
Sioux City, Iowa

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Siouxland Human Investment Partnership, Inc. (SHIP) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Siouxland Human Investment Partnership, Inc. as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Prior Period Financial Statements***

The financial statements of Siouxland Human Investment Partnership, Inc. as of June 30, 2019, were audited by other auditors whose report dated March 13, 2020, expressed an unmodified opinion on those statements.

### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying Schedules of Revenues, Expenses, and Changes in Net Assets, Changes in Agency Funds, and Funds Received and Disbursed on pages 18 through 22 are also presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2021 on our consideration of SHIP's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the SHIP's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SHIP's internal control over financial reporting and compliance.

Sioux City, Iowa  
March 12, 2021

*King, Reinsch, Prosser + Co., L.L.P.*

SIOUXLAND HUMAN INVESTMENT PARTNERSHIP, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2020 AND 2019

ASSETS

	<u>2020</u>	<u>2019</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 3,168,728	\$ 3,171,198
Grants and contracts receivable	790,320	914,543
Other receivables	46,288	68,757
Prepaid expenses	49,166	37,174
Total current assets	<u>\$ 4,054,502</u>	<u>\$ 4,191,672</u>
<b>FURNITURE, FIXTURES, AND EQUIPMENT:</b>		
Office furniture and equipment	\$ 20,436	\$ 20,436
Less: accumulated depreciation	<u>(11,936)</u>	<u>(10,863)</u>
Net furniture, fixtures, and equipment	<u>\$ 8,500</u>	<u>\$ 9,573</u>
Total assets	<u>\$ 4,063,002</u>	<u>\$ 4,201,245</u>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 199,578	\$ 365,868
Refundable grant advances	542,628	482,173
Deferred revenue	113,421	189,997
Other accrued liabilities	189,412	190,899
Agency funds payable	28,803	6,730
Total current liabilities	<u>\$ 1,073,842</u>	<u>\$ 1,235,667</u>
<b>NONCURRENT LIABILITIES:</b>		
Note payable - PPP loan	<u>\$ 225,000</u>	<u>\$ -</u>
<b>NET ASSETS:</b>		
Without donor restrictions:		
Undesignated	\$ 1,726,163	\$ 1,927,581
Board designated for cash reserves	<u>1,037,997</u>	<u>1,037,997</u>
Total net assets	<u>\$ 2,764,160</u>	<u>\$ 2,965,578</u>
Total liabilities and net assets	<u>\$ 4,063,002</u>	<u>\$ 4,201,245</u>

See accompanying notes to the financial statements.

SIOUXLAND HUMAN INVESTMENT PARTNERSHIP, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Revenues and support:		
Contributions:		
Federal grants	\$ 1,546,901	\$ 1,946,421
State grants	2,643,404	2,186,637
Other donations	455,712	446,873
Contract and service fees	1,699,018	2,207,008
Administration fees	26,508	14,880
Interest income	<u>23,765</u>	<u>27,986</u>
Total revenues and support	\$ 6,395,308	\$ 6,829,805
Expenses:		
Program services	\$ 6,176,950	\$ 6,147,666
Supporting activities:		
Administration	373,255	340,698
Grant development	<u>46,521</u>	<u>34,636</u>
Total expenses	<u>\$ 6,596,726</u>	<u>\$ 6,523,000</u>
(Decrease) increase in net assets without donor restrictions	\$ (201,418)	\$ 306,805
Net assets at beginning of year	<u>2,965,578</u>	<u>2,658,773</u>
Net assets at end of year	<u>\$ 2,764,160</u>	<u>\$ 2,965,578</u>

SIouxLAND HUMAN INVESTMENT PARTNERSHIP, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020				2019			
	Program Services	Supporting Activities		Total	Program Services	Supporting Activities		Total
		Administration	Grant Development			Administration	Grant Development	
Expenses:								
Administration	\$ -	\$ -	\$ -	\$ -	\$ 82	\$ -	\$ -	\$ 82
Contracted services	361,194	-	21,651	382,845	362,245	-	11,400	373,645
Equipment	-	-	-	-	478	-	-	478
Facilities and operations	49,041	15,777	-	64,818	48,429	20,600	-	69,029
Supplies	73,631	56	-	73,687	109,468	-	-	109,468
General	346,233	94,588	-	440,821	354,479	54,800	-	409,279
Awards to subrecipients	1,575,097	-	-	1,575,097	1,773,914	-	-	1,773,914
Salaries and benefits	3,520,930	249,957	24,870	3,795,757	3,225,976	254,284	23,236	3,503,496
Training and tuition	8,216	10,090	-	18,306	15,757	7,462	-	23,219
Travel	117,788	2,787	-	120,575	131,773	3,492	-	135,265
Depreciation	1,073	-	-	1,073	2,220	-	-	2,220
Miscellaneous	123,747	-	-	123,747	122,845	60	-	122,905
<b>Total expenses</b>	<b>\$ 6,176,950</b>	<b>\$ 373,255</b>	<b>\$ 46,521</b>	<b>\$ 6,596,726</b>	<b>\$ 6,147,666</b>	<b>\$ 340,698</b>	<b>\$ 34,636</b>	<b>\$ 6,523,000</b>

SIOUXLAND HUMAN INVESTMENT PARTNERSHIP, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Cash received from other donations	\$ 520,075	\$ 576,615
Cash received from contracts and service fees	1,651,000	2,210,252
Cash received from government agencies	4,304,531	4,066,024
Miscellaneous receipts	26,508	14,880
Interest received	23,765	27,986
Payments to suppliers and vendors	(1,380,546)	(1,176,182)
Payments for salaries and benefits	(3,797,706)	(3,524,164)
Payments to subrecipients	<u>(1,575,097)</u>	<u>(1,773,914)</u>
Net cash (used) provided by operating activities	<u>\$ (227,470)</u>	<u>\$ 421,497</u>
Cash flows from financing activities:		
Proceeds from PPP note	<u>\$ 225,000</u>	<u>\$ -</u>
Net cash provided by financing activities	<u>\$ 225,000</u>	<u>\$ -</u>
Net (decrease) increase in cash and cash equivalents	\$ (2,470)	\$ 421,497
Cash and cash equivalents at beginning of year	<u>3,171,198</u>	<u>2,749,701</u>
Cash and cash equivalents at end of year	<u>\$ 3,168,728</u>	<u>\$ 3,171,198</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (201,418)	\$ 306,805
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	1,073	2,220
(Increase) decrease in operating assets:		
Grants and contracts receivable	124,223	(15,191)
Other receivables	22,469	52,834
Prepaid expenses	(11,992)	(3,213)
Increase (decrease) in operating liabilities:		
Accounts payable	(166,290)	70,401
Refundable grant advances	60,455	26,805
Deferred revenue	(76,576)	(14,388)
Other accrued liabilities	(1,487)	(20,668)
Agency funds payable	<u>22,073</u>	<u>15,892</u>
Net cash (used) provided by operating activities	<u>\$ (227,470)</u>	<u>\$ 421,497</u>

See accompanying notes to the financial statements.

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SIouxLAND HUMAN INVESTMENT PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities - Siouxland Human Investment Partnership, Inc. (SHIP) is a not-for-profit organization located in Sioux City, Iowa providing leadership in response to identified community needs. SHIP also provides influence to engage Siouxland in creating a comprehensive service delivery system to support and strengthen children, families, and individuals. SHIP's Board of Directors also serves as the designated Early Childhood Iowa Local Board and Decategorization Board for Woodbury County. A description of the significant programs administered by SHIP is as follows:

Bridging and Overcoming Obstacles through Service and Training (BOOST) - Program serves individuals ages 18 to 24 who have been involved in the juvenile or adult justice systems. The program helps participants obtain their GED, receive job skills training, explore and enroll in post-secondary education, acquire credentialed training, and connect with area employers for job placement and continued employment.

Beyond the Bell (BTB) - Before and after school program and summer program that serves children from Pre-K to 8th grade. The BTB programs are held at various public and parochial school locations in Sioux City and South Sioux City. The program includes academic tutoring, recreation, field trips, arts and crafts, service learning, family literacy events, and other enrichment activities.

21st Century Community Learning Centers Program - Legislature initiative established to expand community learning to before and after school hours that provides students with academic enrichment opportunities along with activities designed to complement the students' regular academic program.

Division of Criminal and Juvenile Justice Planning (CJJP) - Provides juvenile justice programming in conformance with the annual Child Welfare, Juvenile Justice and Youth Development Plan to prevent juvenile crime, provide services to juvenile offenders, and otherwise improve Iowa's juvenile justice system.

Child Welfare - Iowa Department of Human Services Decategorization (DCAT) - Decategorization initiative designed to redirect child welfare and juvenile justice funding to services which are more preventative, family centered, and community-based in order to reduce use of more restrictive approaches.

Sky Ranch Behavioral Services - Provides preventative services, delivered by mental health specialists, to juveniles and their families prior to placement in an effort to eliminate the need for out of home placement.

SIOUXLAND HUMAN INVESTMENT PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED):

Maternal Infant Early Childhood Home Visitation Program (MIECHV) - Strengthens, improves and expands Title V programs, improves coordination of services for at-risk communities, and identifies and provides services to improve outcomes for families in at-risk communities.

Early Childhood Iowa (ECI) - An initiative to empower individuals and their communities to achieve desired results to improve the quality of life for children ages birth - 5 years and their families in Ida and Woodbury Counties.

School Ready Program - Iowa Legislature initiative to ensure that children aged 0 to 5 are healthy and ready to learn when they enter kindergarten.

Growing Community Connections (GCC) - A community collaborative in Dakota County, Nebraska that unites partners from all over the area for the single purpose of improving the quality of life and social-emotional well-being of children and families in the community.

Employer of Record - SHIP has entered into various agreements with different not-for-profit agencies. These agreements add the third-party not-for-profit employees to SHIP's payroll, allowing the third-party not-for profit employees to obtain insurance and benefits through SHIP.

SHIP has entered into various agency agreements with different governmental and not-for-profit agencies. These transactions have been recorded as Agency funds. Agency funds represent assets entrusted to SHIP only for the purpose of receiving, holding and disbursing such funds according to the depositor's intentions.

Iowa Department of Human Services Decategorization (DCAT) - In addition to the Program services discussed above, SHIP also administers DCAT agency funds.

Juvenile Court Services of the Third Judicial District (JCS) - Pursuant to a 28E agreement with Woodbury County, SHIP is responsible for payment of claims submitted and approved by JCS for services and programs rendered by subcontractors. In addition, pursuant to a 28E agreement with JCS, SHIP is responsible for claims submitted by JCS to the State of Iowa.

Basis of Accounting - The financial statements have been prepared on the accrual basis of accounting in accordance with GAAP in the United States of America.

SIouxLAND HUMAN INVESTMENT PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED):

Basis of Presentation - SHIP reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

*Net Assets Without Donor Restrictions* - Net assets that are not subject to donor-imposed restrictions.

*Net Assets With Donor Restrictions* - Net assets subject to donor-imposed restrictions. Some donor restrictions are temporary in nature; such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where by the donor has stipulated the resources be maintained in perpetuity.

Cash Equivalents - For purposes of the statement of cash flows, SHIP considers all highly liquid investments with an initial maturity of three months upon acquisition or less to be cash equivalents.

Change in Accounting Principle - In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Accounting Guidance for Contributions Received and Made*. This ASU was issued to clarify accounting guidance for contributions received and contributions made. The amendments to FASB Accounting Standards Codification (ASC) included in this ASU assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. During the year ended June 30, 2020, SHIP prospectively adopted the provisions in ASU 2018-08. The implementation of this standard did not have a material impact on SHIP's financial statements.

Grants and Contracts Receivable - Represent consideration from grantors and other sources of which the Organization has an unconditional right to receive. Grants and contracts receivable are stated at the amounts management expects to collect from the outstanding balances. As of June 30, 2020 and 2019, management has determined based on historical experience, that all amounts are collectible and no allowance for doubtful accounts is necessary.

SIouxLAND HUMAN INVESTMENT PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED):

Revenue and Revenue Recognition - Revenue is recognized when earned. Program service fees received in advance are deferred to the applicable period in which the related services are performed. Contributions are recognized when cash, other assets, or an unconditional promise to give is received. Conditional contributions are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Contributions received are recorded as increases in net assets with or without donor restrictions depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the contribution is received. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Compensated Absences - The Organization accumulates the amount of earned but unused vacation payable to employees. The amount of compensated absences are recorded as a liability and included in the other accrued liabilities on the statement of financial position. The compensated absences liability at June 30, 2020 and 2019 was \$57,879 and \$31,993, respectively.

Income Taxes - The entity is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, income earned in the performance of their exempt purpose is not subject to income tax and accordingly, the financial statements do not reflect a provision for income taxes.

Furniture, Fixtures, and Equipment - Equipment acquired by SHIP is considered to be owned by SHIP. Equipment acquired by subcontractors is considered to be owned by the subcontractor or granting agency if required by the grant. Equipment is recorded at cost or if donated, at the estimated fair value at the time of donation. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets. SHIP's policy is to capitalize all equipment acquired with a cost or estimated fair value greater than \$5,000.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

SIOUXLAND HUMAN INVESTMENT PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED):

Functional Allocation of Expenses - The costs of providing SHIP's various programs and supporting activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the functions benefited. The expenses that are allocated include salaries and employee benefits which are allocated on the basis of estimates of time and effort.

Subsequent Events - The Organization evaluated for subsequent events through March 12, 2021, the date the financial statements were available to be issued.

NOTE 2 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the financial position date, comprise the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 3,168,728	\$ 3,171,198
Grants and contracts receivable	790,320	914,543
Other receivables	<u>46,288</u>	<u>68,757</u>
	<u>\$ 4,005,336</u>	<u>\$ 4,154,498</u>

SHIP's board adopted an operating reserve policy during the year ended June 30, 2016 to build and maintain an adequate level of reserves to support the organization's day-to-day operations in the event of unforeseen shortfalls. In order to fund the reserve the board transferred carry-over funds earned by the organization from non-grant revenue sources. As of June 30, 2020, there was \$1,037,997 in the operating reserve account. Additional funds will be transferred by board action as needed.

SIouxLAND HUMAN INVESTMENT PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

NOTE 3 - GRANTS AND CONTRACTS RECEIVABLE:

Grants and contracts receivable consisted of the following at June 30, 2020 and 2019:

<u>Funding Source</u>	<u>Description</u>	<u>2020</u>	<u>2019</u>
Iowa Department of Education	21st Century Community Learning	\$ 34,898	\$ 166,562
Nebraska Department of Education	21st Century Community Learning	68,402	49,782
Iowa Department of Human Rights	CJJP	8,042	4,834
Iowa Department of Human Services	Decategorization	396,059	310,269
U.S. Department of Labor	OVW	56,110	15,666
Various	Employer of Record	65,561	14,419
U.S. Department of Labor	BOOST	76,550	43,106
Iowa Department of Public Health	MIECHV	-	138,123
Various	Beyond the Bell	15,480	94,479
Various	Sky Ranch	25,996	55,359
Prevent Child Abuse Iowa	Parent Development	-	5,308
Various	Administration	-	1,318
NE Children and Families Foundation	Growing Community Connections	43,222	7,542
IA College Student Aid Commission	College Changes Everything	-	7,776
		<u>\$ 790,320</u>	<u>\$ 914,543</u>

NOTE 4 - REFUNDABLE GRANT ADVANCES:

The balance at June 30, 2020 and 2019 consisted of:

<u>Description</u>	<u>2020</u>	<u>2019</u>
ECI and School Ready Programs	\$ 140,405	\$ 126,294
Growing Community Connections	366,605	322,286
Other program services	35,618	33,593
	<u>\$ 542,628</u>	<u>\$ 482,173</u>

NOTE 5 - DEFERRED REVENUE:

The balance at June 30, 2020 and 2019 consisted of:

<u>Description</u>	<u>2020</u>	<u>2019</u>
Beyond the Bell	\$ 20,269	\$ 90,731
Beyond the Bell - additional funding and scholarships	66,414	93,481
Other programs	26,738	5,785
	<u>\$ 113,421</u>	<u>\$ 189,997</u>

SIouxLAND HUMAN INVESTMENT PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

NOTE 6 - NOTE PAYABLE - PAYCHECK PROTECTION PROGRAM:

SHIP received \$225,000 from the Paycheck Protection Program (PPP) during 2020 and recorded the financial liability in accordance with FASB ASC 470, Debt. The loan bears interest at 1 percent. Monthly payments of \$12,662 were scheduled to begin on November 17, 2020 with a final payment on April 17, 2022. The PPP loan deferral period for payment of principal and interest was extended to ten months after the end of the 24-week covered period. If SHIP does not receive forgiveness before the end of the deferral period, monthly principal and interest payments will be due with final payment on April 17, 2022. Based on guidance in FASB ASC 470, the proceeds from the loan will remain recorded as a liability until the loan is, in part or wholly, forgiven and SHIP has been legally released.

NOTE 7 - RETIREMENT BENEFITS:

SHIP contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits that are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117 or at [www.ipers.org](http://www.ipers.org).

Plan members are required to contribute 6.29 percent of their annual salary and the entity is required to contribute 9.44 percent of annual covered payroll. Contribution requirements are established by State statute. SHIP's contributions to IPERS for the years ended June 30, 2020 and 2019, were \$250,254 and \$227,635, respectively, and were equal to the required contributions for the year.

NOTE 8 - CONCENTRATION OF CREDIT RISK:

At various times during the year ended June 30, 2020, SHIP's financial institute balance exceeded the amount insured by the Federal Deposit Insurance Corporation. SHIP has exposure on any amount that exceeds this limit, should the financial institution fail. To minimize this exposure, SHIP holds repurchase agreements for which the bank pledges government securities as collateral up to a specified dollar amount. SHIP also regularly analyzes the strength of the financial institution they use to minimize their risk.

SIouxLAND HUMAN INVESTMENT PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

NOTE 9 - AGENCY FUNDS:

The cash activity of the Agency Funds for the years ended June 30, 2020 and 2019 are as follows:

	(Receivable) Payable Balance at June 30, 2019	Receipts	Disbursements	(Receivable) Payable Balance at June 30, 2020
DCAT - Clusters	\$ (30,631)	\$ 103,518	\$ (79,256)	\$ (6,369)
Juvenile Court Services (JCS)	23,651	36,908	(53,514)	7,045
Memorial March	176	4,600	(1,944)	2,832
Middle School Athletics	16,098	6,847	(7,992)	14,953
DCAT - Family Assistance	(5,281)	97,968	(91,039)	1,648
Siouxland Pride	3,837	566	(211)	4,192
Woodbury County Veterans	556	100	(177)	479
Future Fest West	(1,676)	1,676	-	-
FSA	-	5,771	(1,938)	3,833
March For Our Lives	-	734	-	734
EFSP - Urban Native Center	-	11,582	(11,582)	-
Keep NE Beautiful	-	-	(544)	(544)
WIA Community Outreach	-	3,867	(3,867)	-
	<u>\$ 6,730</u>	<u>\$ 274,137</u>	<u>\$ (252,064)</u>	<u>\$ 28,803</u>

	(Receivable) Payable Balance at June 30, 2018	Receipts	Disbursements	(Receivable) Payable Balance at June 30, 2019
DCAT - Clusters	\$ (6,297)	\$ 76,729	\$ (101,063)	\$ (30,631)
Juvenile Court Services (JCS)	(5,662)	128,738	(99,425)	23,651
Memorial March	(8)	2,137	(1,953)	176
Middle School Athletics	16,088	8,401	(8,391)	16,098
DCAT - Family Assistance	(12,262)	106,809	(99,828)	(5,281)
Siouxland Pride	2,072	3,052	(1,287)	3,837
Woodbury County Veterans	830	15	(289)	556
Future Fest West	(3,923)	3,997	(1,750)	(1,676)
	<u>\$ (9,162)</u>	<u>\$ 329,878</u>	<u>\$ (313,986)</u>	<u>\$ 6,730</u>



SIouxLAND HUMAN INVESTMENT PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

NOTE 10 - EARLY CHILDHOOD IOWA AREA BOARD:

Siouxland Human Investment Partnership acts as an Early Childhood Iowa Area Board, an organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. The Area Board receives state grants to administer early childhood and school ready programs. Financial activity of the Area Board is presented in SHIP's basic financial statements as a program because of SHIP's role as local board operator. The Area Board's financial data for the year ended June 30, 2020 is as follows:

	<u>Early Childhood Fund (State)</u>	<u>School Ready Fund (State)</u>	<u>Total</u>
Revenues:			
State of Iowa Grants:			
Early Childhood	\$ 269,342	\$ -	\$ 269,342
Family Support, Parent Education, Preschool	-	821,609	821,609
Quality Improvement	-	65,127	65,127
Total State of Iowa Grants	<u>\$ 269,342</u>	<u>\$ 886,736</u>	<u>\$ 1,156,078</u>
Interest	91	272	363
Total revenues	<u>\$ 269,433</u>	<u>\$ 887,008</u>	<u>\$ 1,156,441</u>
Expenditures:			
Program services:			
Early Childhood	\$ 267,458	\$ -	\$ 267,458
Family Support, Parent Education, Preschool	-	769,693	769,693
Quality Improvement	-	65,127	65,127
Total program services	<u>\$ 267,458</u>	<u>\$ 834,820</u>	<u>\$ 1,102,278</u>
Administration	<u>13,467</u>	<u>26,585</u>	<u>40,052</u>
Total expenditures	<u>\$ 280,925</u>	<u>\$ 861,405</u>	<u>\$ 1,142,330</u>
Net Change	\$ (11,492)	\$ 25,603	\$ 14,111
Balances - Beginning of Year	<u>36,911</u>	<u>89,383</u>	<u>126,294</u>
Balances - End of Year	<u>\$ 25,419</u>	<u>\$ 114,986</u>	<u>\$ 140,405</u>

No findings related to the operations of the Early Childhood Iowa Area Board were noted. The information shown above agrees to the annual report submitted by the Early Childhood Iowa Area Board to the State of Iowa for June 30, 2020. Total revenues and expenditures do not agree with SHIP's records because a different basis of accounting is used. Early childhood and school ready programs report refundable advances totaling \$140,405 as of June 30, 2020. See Note 4 for additional information on refundable advances.

SIouxLAND HUMAN INVESTMENT PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

NOTE 10 - EARLY CHILDHOOD IOWA AREA BOARD (CONTINUED):

The Area Board's financial data for the year ended June 30, 2019 is as follows:

	Early Childhood Fund (State)	School Ready Fund (State)	Total
Revenues:			
State of Iowa Grants:			
Early Childhood	\$ 266,564	\$ -	\$ 266,564
Family Support, Parent Education, Preschool	-	788,720	788,720
Quality Improvement	-	65,515	65,515
Total State of Iowa Grants	\$ 266,564	\$ 854,235	\$ 1,120,799
Interest	670	2,010	2,680
Total revenues	\$ 267,234	\$ 856,245	\$ 1,123,479
Expenditures:			
Program services:			
Early Childhood	\$ 269,790	\$ -	\$ 269,790
Family Support, Parent Education, Preschool	-	814,027	814,027
Quality Improvement	-	65,515	65,515
Total program services	\$ 269,790	\$ 879,542	\$ 1,149,332
Administration	13,328	25,627	38,955
Total expenditures	\$ 283,118	\$ 905,169	\$ 1,188,287
Net Change	\$ (15,884)	\$ (48,924)	\$ (64,808)
Balances - Beginning of Year	52,795	138,307	191,102
Balances - End of Year	\$ 36,911	\$ 89,383	\$ 126,294

No findings related to the operations of the Early Childhood Iowa Area Board were noted. The information shown above agrees to the annual report submitted by the Early Childhood Iowa Area Board to the State of Iowa for June 30, 2019. Total revenues and expenditures do not agree with SHIP's records because a different basis of accounting is used. Early childhood and school ready programs report refundable advances totaling \$126,294 as of June 30, 2019. See Note 4 for additional information on refundable advances.

SIouxLAND HUMAN INVESTMENT PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

NOTE 11 - SIGNIFICANT RISKS AND UNCERTAINTIES:

In March 2020, the World Health Organization declared the outbreak of the COVID-19 coronavirus as a global pandemic. As a result of the pandemic, economic uncertainties have arisen. The extent the pandemic may have on the operational and financial performance of SHIP will depend on the certain developments including the duration and spread of the outbreak and the impact on employees, vendors, grantors, and the communities SHIP serves. The extent the pandemic may impact the future financial condition or future results of operations is uncertain and cannot be predicted.

NOTE 12 - RECLASSIFICATIONS:

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. There was no change to the change in net assets for the year or the total net assets as a result of these reclassifications.

NOTE 13 - PROSPECTIVE ACCOUNTING CHANGES:

In June 2020, FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)* to defer the effective dates of targeted new accounting standards for certain entities as a result of the adverse effects of the COVID-19 pandemic. For non-public entities such as SHIP, the required implementation of ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* has been delayed to SHIP's year ending June 30, 2021. Additionally, the required implementation of ASU 2016-02, *Leases (Topic 842)* has been delayed to the SHIP's year ending June 30, 2023.

As previously noted, in May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* to clarify the principles used to recognize revenue for all entities. This new standard requires the recognition of revenue from exchange transactions when promised goods or services are transferred to customers in an amount that reflects the consideration to which SHIP expects to be entitled in exchange for those goods and services. Subsequent to the issuance of ASU 2014-09, FASB has issued several additional updates to Topic 606, offering clarifications, targeted relief and optional practical expedients, most of which are effective concurrently with the adoption of ASU 2014-09. SHIP will be adopting this guidance during its year ending June 30, 2021 and is currently evaluating the impact the implementation of the guidance resulting from ASU 2014-09 and subsequent amendments to Topic 606 will have on its financial position and results of activities.

SIouxLAND HUMAN INVESTMENT PARTNERSHIP, INC.

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2020

	<u>BOOST</u>	<u>Beyond the Bell</u>	<u>Beyond the Bell (Additional Funds)</u>	<u>Beyond the Bell (South Sioux City)</u>	<u>BTB 21st Century (Irving, Leeds)</u>	<u>BTB 21st Century (Liberty)</u>	<u>BTB 21st Century (Hunt)</u>	<u>CJJP</u>	<u>Child Welfare DCAT</u>
Revenues and support:									
Contributions:									
Federal grants	\$ 426,695	\$ -	\$ -	\$ 165,485	\$ 205,316	\$ 88,156	\$ 33,493	\$ 18,523	\$ 21,193
State grants	-	2,784	-	3,829	-	-	-	-	1,345,096
Other donations	-	80,620	6,721	-	-	-	-	-	-
Contract and service fees	-	1,078,719	156,442	-	-	-	-	-	-
Administration fees	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-
Total revenues and support	<u>\$ 426,695</u>	<u>\$ 1,162,123</u>	<u>\$ 163,163</u>	<u>\$ 169,314</u>	<u>\$ 205,316</u>	<u>\$ 88,156</u>	<u>\$ 33,493</u>	<u>\$ 18,523</u>	<u>\$ 1,366,289</u>
Expenses:									
Administration	\$ 31,940	\$ -	\$ -	\$ 12,419	\$ 10,266	\$ 4,905	\$ 3,541	\$ 882	\$ 75,731
Contracted services	78,302	-	-	-	-	-	-	-	196,879
Facilities and operations	-	33,297	-	-	-	-	-	-	-
Supplies	3,363	33,301	3,750	12,668	7,681	1,000	3,188	-	-
General	14,094	62,577	65,731	5,110	9,435	1,010	1,000	-	131,160
Awards to subrecipients	-	-	-	-	-	-	-	-	-
Salaries and benefits	292,674	972,250	93,979	112,462	156,946	77,682	23,357	17,641	919,045
Training and tuition	1,485	-	-	-	-	-	-	-	2,673
Travel	1,334	14,423	-	21,894	9,277	2,961	1,804	-	40,496
Depreciation	-	1,073	-	-	-	-	-	-	-
Miscellaneous	3,503	18,542	-	4,761	11,711	598	603	-	305
Total expenses	<u>\$ 426,695</u>	<u>\$ 1,135,463</u>	<u>\$ 163,460</u>	<u>\$ 169,314</u>	<u>\$ 205,316</u>	<u>\$ 88,156</u>	<u>\$ 33,493</u>	<u>\$ 18,523</u>	<u>\$ 1,366,289</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ 26,660</u>	<u>\$ (297)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SIouxLAND HUMAN INVESTMENT PARTNERSHIP, INC.

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2020

(CONTINUED)

	<u>Sky Ranch Behavioral Services</u>	<u>MIECHV</u>	<u>JCS School Liaisons</u>	<u>OVW Justice for Families</u>	<u>SCCAN</u>	<u>Early Childhood Iowa</u>	<u>College Changes Everything</u>	<u>Employer of Record</u>	<u>GCC Rooted in Relationships</u>
Revenues and support:									
Contributions:									
Federal grants	\$ -	\$ 400,536	\$ -	\$ 187,504	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	10,001	3,160	99,655	-	1,894	1,142,291	12,194	-	-
Other donations	6,245	2,479	-	-	-	-	3,462	-	139,466
Contract and service fees	246,644	-	-	-	-	-	-	211,569	-
Administration fees	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	363	-	-	-
Total revenues and support	<u>\$ 262,890</u>	<u>\$ 406,175</u>	<u>\$ 99,655</u>	<u>\$ 187,504</u>	<u>\$ 1,894</u>	<u>\$ 1,142,654</u>	<u>\$ 15,656</u>	<u>\$ 211,569</u>	<u>\$ 139,466</u>
Expenses:									
Administration	\$ 7,350	\$ 1,010	\$ -	\$ 1,660	\$ -	\$ 38,883	\$ 3,897	\$ 13,359	\$ 16,000
Contracted services	31,385	-	-	-	-	-	-	-	35,561
Facilities and operations	14,299	-	-	-	-	-	-	-	1,445
Supplies	1,315	-	-	1,163	-	-	-	-	2,890
General	3,239	473	3,368	2,449	1,894	6,545	1,509	-	6,880
Awards to subrecipients	-	383,538	-	170,107	-	1,021,452	-	-	-
Salaries and benefits	183,023	18,553	95,634	11,875	-	70,631	10,034	198,210	37,445
Training and tuition	1,058	-	-	250	-	2,750	-	-	-
Travel	12,816	-	653	-	-	2,393	66	-	8,328
Depreciation	-	-	-	-	-	-	-	-	-
Miscellaneous	8,405	-	-	-	-	-	150	-	30,917
Total expenses	<u>\$ 262,890</u>	<u>\$ 403,574</u>	<u>\$ 99,655</u>	<u>\$ 187,504</u>	<u>\$ 1,894</u>	<u>\$ 1,142,654</u>	<u>\$ 15,656</u>	<u>\$ 211,569</u>	<u>\$ 139,466</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ 2,601</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SIouxLAND HUMAN INVESTMENT PARTNERSHIP, INC.

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2020

(CONTINUED)

	<u>GCC SOC/ EMOT PCIT</u>	<u>GCC COVID Relief</u>	<u>GCC Community Well Being</u>	<u>Paycheck Protection Program</u>	<u>Other Grants</u>	<u>Total Program</u>	<u>Administration</u>	<u>Total</u>	<u>Eliminations</u>	<u>Total</u>
Revenues and support:										
Contributions:										
Federal grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,546,901	\$ -	\$ 1,546,901	\$ -	\$ 1,546,901
State grants	22,500	-	-	-	-	2,643,404	-	2,643,404	-	2,643,404
Other donations	-	23,453	177,265	-	6,591	446,302	9,410	455,712	-	455,712
Contract and service fees	-	-	-	-	-	1,693,374	5,644	1,699,018	-	1,699,018
Administration fees	-	-	-	-	-	-	376,116	376,116	(349,608)	26,508
Interest income	-	-	-	-	178	541	23,224	23,765	-	23,765
Total revenues and support	\$ 22,500	\$ 23,453	\$ 177,265	\$ -	\$ 6,769	\$ 6,330,522	\$ 414,394	\$ 6,744,916	\$ (349,608)	\$ 6,395,308
Expenses:										
Administration	\$ 2,045	\$ -	\$ 13,392	\$ -	\$ 253	\$ 237,533	\$ -	\$ 237,533	\$ (237,533)	\$ -
Contracted services	-	352	18,715	-	-	361,194	21,651	382,845	-	382,845
Facilities and operations	-	-	-	-	-	49,041	15,777	64,818	-	64,818
Supplies	-	-	3,312	-	-	73,631	56	73,687	-	73,687
General	919	23,101	31,304	-	6,516	378,314	94,588	472,902	(32,081)	440,821
Awards to subrecipients	-	-	-	-	-	1,575,097	-	1,575,097	-	1,575,097
Salaries and benefits	9,001	-	75,482	225,000	-	3,600,924	274,827	3,875,751	(79,994)	3,795,757
Training and tuition	-	-	-	-	-	8,216	10,090	18,306	-	18,306
Travel	91	-	1,252	-	-	117,788	2,787	120,575	-	120,575
Depreciation	-	-	-	-	-	1,073	-	1,073	-	1,073
Miscellaneous	10,444	-	33,808	-	-	123,747	-	123,747	-	123,747
Total expenses	\$ 22,500	\$ 23,453	\$ 177,265	\$ 225,000	\$ 6,769	\$ 6,526,558	\$ 419,776	\$ 6,946,334	\$ (349,608)	\$ 6,596,726
Increase (decrease) in net assets	\$ -	\$ -	\$ -	\$ (225,000)	\$ -	\$ (196,036)	\$ (5,382)	\$ (201,418)	\$ -	\$ (201,418)

SIouxLAND HUMAN INVESTMENT PARTNERSHIP, INC.

SCHEDULE OF CHANGES IN AGENCY FUNDS

YEAR ENDED JUNE 30, 2020

	<u>Memorial March</u>	<u>DCAT Family Assistance</u>	<u>JCS</u>	<u>Middle School Athletics</u>	<u>DCAT Clusters</u>	<u>Siouxland Pride Donations</u>	<u>Woodbury County Veterans</u>	<u>FSA</u>	<u>March For Our Lives</u>	<u>EFSP - Urban Native Center</u>	<u>Keep NE Beautiful</u>	<u>Total Agency</u>
<b>Additions:</b>												
Revenues	\$ 4,600	\$ 86,966	\$ 16,516	\$ 6,847	\$ 62,354	\$ 566	\$ -	\$ 12,105	\$ 734	\$ 11,582	\$ 988	\$ 203,258
Interest income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total additions	\$ 4,600	\$ 86,966	\$ 16,516	\$ 6,847	\$ 62,354	\$ 566	\$ -	\$ 12,105	\$ 734	\$ 11,582	\$ 988	\$ 203,258
<b>Deductions:</b>												
Administration	\$ -	\$ 4,295	\$ -	\$ -	\$ 3,071	\$ -	\$ -	\$ 576	\$ -	\$ -	\$ -	\$ 7,942
Contracted services	-	-	68	7,992	800	-	-	(2,650)	-	-	544	6,754
General expenses	1,944	83,260	32,734	-	51,256	211	177	11,029	-	11,582	444	192,637
Salaries and benefits	-	-	-	-	3,274	-	-	-	-	-	-	3,274
Travel	<u>-</u>	<u>-</u>	<u>1,294</u>	<u>-</u>	<u>4,807</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,101</u>
Total deductions	\$ 1,944	\$ 87,555	\$ 34,096	\$ 7,992	\$ 63,208	\$ 211	\$ 177	\$ 8,955	\$ -	\$ 11,582	\$ 988	\$ 216,708
Net increase (decrease)	\$ 2,656	\$ (589)	\$ (17,580)	\$ (1,145)	\$ (854)	\$ 355	\$ (177)	\$ 3,150	\$ 734	\$ -	\$ -	\$ (13,450)

SIOUXLAND HUMAN INVESTMENT PARTNERSHIP, INC.

SCHEDULE OF FUNDS RECEIVED AND DISBURSED

YEAR ENDED JUNE 30, 2020

	<u>Total Grants and Administration</u>	<u>Total Agency</u>	<u>Eliminations</u>	<u>Total</u>
Additions:				
Revenues	\$ 6,371,543	\$ 203,258	\$ -	\$ 6,574,801
Interest income	<u>23,765</u>	<u>-</u>	<u>-</u>	<u>23,765</u>
Total additions	\$ 6,395,308	\$ 203,258	\$ -	\$ 6,598,566
Deductions:				
Administration	\$ -	\$ 7,942	\$ -	\$ 7,942
Contracted services	382,845	6,754	-	389,599
Facilities and operations	64,818	-	-	64,818
Supplies	73,687	-	-	73,687
General expenses	440,821	192,637	-	633,458
Awards to subrecipients	1,575,097	-	-	1,575,097
Salaries and benefits	3,795,757	3,274	-	3,799,031
Training and tuition	18,306	-	-	18,306
Travel	120,575	6,101	-	126,676
Depreciation	1,073	-	-	1,073
Miscellaneous	<u>123,747</u>	<u>-</u>	<u>-</u>	<u>123,747</u>
Total deductions	\$ 6,596,726	\$ 216,708	\$ -	\$ 6,813,434
Net	<u>\$ (201,418)</u>	<u>\$ (13,450)</u>	<u>\$ -</u>	<u>\$ (214,868)</u>

NOTE 1 - DCAT RECORDKEEPING:

SHIP administers funds in compliance with allocations from the grantor. SHIP sub-contracts for programs and services, audits requests for payments from sub-contractors, and submits reimbursement requests to the grantor. The grantor pays the sub-contractor based upon the reimbursement requests.



SIOUXLAND HUMAN INVESTMENT PARTNERSHIP, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2020

<u>Federal Grantor/Pass-Through Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
<b>Direct:</b>				
U.S. Department of Labor - Employment and Training Administration: Reintegration of Ex-Offenders	17.270	YF-32161-18-60-A-19		\$ 426,695
U.S. Department of Justice: Justice Systems Response to Families	16.021	2017-FJ-AX-0010	\$ 170,108	<u>187,505</u>
Total Direct			<u>\$ 170,108</u>	<u>\$ 614,200</u>
<b>Indirect:</b>				
U.S. Department of Justice: Indirect Through Iowa Department of Human Rights: Woodbury County Decategorization Board: Juvenile Justice and Delinquency Prevention	16.540	03-JD18-19F	\$ -	<u>\$ 18,523</u>
U.S. Department of Education: Indirect Through Iowa Department of Education: Twenty-First Century Community Learning Centers	84.287	C10, C11, C14-SHIP	\$ -	\$ 326,964
Indirect Through Nebraska Department of Education: Twenty-First Century Community Learning Centers	84.287	SSC-BTB-SHIP	-	<u>165,485</u>
Total Twenty-First Century Community Learning Centers			<u>\$ -</u>	<u>\$ 492,449</u>
U.S. Department of Health and Human Services: Indirect Through Iowa Department of Human Services: Promoting Safe and Stable Families	93.556	Child Care	\$ -	\$ 21,193
Indirect Through Iowa Department of Public Health: MIECHV Cluster: Maternal, Infant, and Early Childhood Home Visiting Grant Program	93.870	5889CH12	<u>\$ 380,500</u>	<u>\$ 400,536</u>
Total MIECHV Cluster			<u>\$ 380,500</u>	<u>\$ 400,536</u>
Total U.S. Department of Health and Human Services			<u>\$ 380,500</u>	<u>\$ 421,729</u>
Total Indirect			<u>\$ 380,500</u>	<u>\$ 932,701</u>
Total			<u>\$ 550,608</u>	<u>\$ 1,546,901</u>

SIOUXLAND HUMAN INVESTMENT PARTNERSHIP, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2020

NOTE 1 - BASIS OF PRESENTATION:

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal award activity of Siouxland Human Investment Partnership, Inc. under programs of federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance.)* Because the Schedule presents only a selected portion of the operations of Siouxland Human Investment Partnership, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Siouxland Human Investment Partnership, Inc.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE:

Siouxland Human Investment Partnership, Inc. has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors  
Siouxland Human Investment Partnership, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Siouxland Human Investment Partnership, Inc. (SHIP) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 12, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered SHIP's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SHIP's internal control. Accordingly, we do not express an opinion on the effectiveness of Siouxland Human Investment Partnership Inc.'s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether SHIP's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Sioux City, Iowa  
March 12, 2021

*King, Reinsch, Prosser + Co., L.L.P.*



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors  
Siouxland Human Investment Partnership, Inc.

**Report on Compliance for Each Major Federal Program**

We have audited Siouxland Human Investment Partnership, Inc.'s (SHIP) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of SHIP's major federal programs for the year ended June 30, 2020. SHIP's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of SHIP's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about SHIP's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of SHIP's compliance.

**Opinion on Each Major Federal Program**

In our opinion, SHIP complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.



## Report on Internal Control Over Compliance

Management of SHIP is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered SHIP's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of SHIP's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Sioux City, Iowa  
March 12, 2021

*King, Kinsch, Prosser & Co., L.L.P.*

SIOUXLAND HUMAN INVESTMENT PARTNERSHIP, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2020

Part I: Summary of Auditor's Results:

- (a) The auditor's report expresses an unmodified opinion on whether the financial statements of Siouxland Human Investment Partnership, Inc. were prepared in accordance with GAAP.
- (b) No material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) No instances of noncompliance material to the financial statements of Siouxland Human Investment Partnership, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- (d) No material weaknesses in internal control over Siouxland Human Investment Partnership, Inc.'s major federal award programs were disclosed by the audit.
- (e) The auditor's report on compliance for the major federal programs for Siouxland Human Investment Partnership, Inc. expresses unmodified opinions on the major federal programs.
- (f) The audit disclosed no audit findings which are required to be reported in accordance with 2 CFR section 200.516(a).
- (g) The programs tested as major programs were:

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
Twenty-First Century Community Learning Centers	84.287	\$ <u>492,449</u>
Maternal, Infant, and Early Childhood Home Visiting Grant Program	93.870	\$ <u>400,536</u>

- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (i) Siouxland Human Investment Partnership, Inc. qualified as a low-risk auditee.

Part II: Findings Related to the Financial Statements:

No matters were reported.

Part III: Findings and Questioned Costs for Federal Awards:

No matters were reported.