

NORTHEAST IOWA COMMUNITY  
ACTION CORPORATION

FINANCIAL REPORT

JANUARY 31, 2007

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INDEPENDENT AUDITOR'S REPORT  
ON THE FINANCIAL STATEMENTS

To the Board of Directors  
Northeast Iowa Community Action Corporation  
Decorah, Iowa

We have audited the accompanying statement of financial position of Northeast Iowa Community Action Corporation (a nonprofit corporation) as of January 31, 2007, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northeast Iowa Community Action Corporation as of January 31, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2007, on our consideration of Northeast Iowa Community Action Corporation'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Hacker, Nelson & Co., P.C.*

Decorah, Iowa  
May 18, 2007

## NORTHEAST IOWA COMMUNITY ACTION CORPORATION

STATEMENT OF FINANCIAL POSITION  
January 31, 2007

## ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 2,293,049
Receivables	
Funding source	630,659
Other	541,873
Due from affiliate	150,398
Prepaid expenses	45,525
	<hr/>
Total current assets	3,661,504
	<hr/>
PROPERTY AND EQUIPMENT, net	1,901,357
	<hr/>
OTHER ASSETS	
Investment in affiliates	515,194
	<hr/>
Total assets	<u>\$ 6,078,055</u>

## LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	
General	\$ 628,155
Current portion of long-term debt	148,851
Deferred revenue	835,499
	<hr/>
Total current liabilities	1,612,505
	<hr/>
LONG-TERM DEBT	
Notes payable, less current portion	476,733
	<hr/>
NET ASSETS	
Unrestricted	3,988,817
	<hr/>
Total liabilities and net assets	<u>\$ 6,078,055</u>

See Notes to Financial Statements.

## NORTHEAST IOWA COMMUNITY ACTION CORPORATION

STATEMENT OF ACTIVITIES  
Year Ended January 31, 2007

REVENUE AND OTHER SUPPORT	
Federal and state grants	\$ 9,233,650
Local	2,649,759
Interest	141,240
Contributions	74,658
	<hr/>
Total revenues and other support	12,099,307
EXPENDITURES	
Program services	10,994,830
Supporting services	
Management and general	548,144
Fundraising	60,493
	<hr/>
Total expenditures	11,603,467
	<hr/>
Change in net assets from operations	495,840
OTHER CHANGES	
Equity in limited partnerships earnings	(293)
	<hr/>
Change in net assets	495,547
NET ASSETS, beginning of year	3,493,270
	<hr/>
NET ASSETS, end of year	\$ 3,988,817
	<hr/> <hr/>

See Notes to Financial Statements.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended January 31, 2007

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Employee salaries	\$ 3,256,797	\$ 279,009	\$ 43,097	\$ 3,588,903
Employee fringe benefits	993,728	75,791	7,728	1,077,247
Contractual	566,751	58,514	2,926	628,191
Travel	77,842	46,172	2,309	126,323
Space costs	233,126	13,775	689	247,590
Consumable supplies	179,624	19,967	998	200,589
Equipment	1,096,003			1,096,003
Direct assistance	2,741,147			2,741,147
Depreciation	86,218			86,218
Food	603,797			603,797
Vehicle costs	304,559			304,559
Other	939,458	54,916	2,746	997,120
Contributed materials, facilities and services	74,658			74,658
Capitalization of equipment and contributed materials and services	(168,878)			(168,878)
Total expenditures	\$ 10,994,830	\$ 548,144	\$ 60,493	\$ 11,603,467

See Notes to Financial Statements.

## NORTHEAST IOWA COMMUNITY ACTION CORPORATION

STATEMENT OF CASH FLOWS  
Year Ended January 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 495,840
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Purchase of equipment included in expenses	406,024
Sale of equipment included in revenue	(19,661)
Depreciation	86,218
Loss from limited partnerships	(293)
(Increase) decrease in:	
Receivables	
Funding source	265,923
Other	(348,827)
Prepaid expenses	(45,525)
Increase (decrease) in:	
Payables	
General	108,316
Deferred revenue	(16,715)
Net cash provided by operating activities	<u>931,300</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of equipment	<u>(1,045,944)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on debt	(11,425)
Proceeds from loans borrowed	<u>131,024</u>
Net cash provided by financing activities	<u>119,599</u>
Net increase in cash	4,955
CASH AND CASH EQUIVALENTS	
Beginning of year	<u>2,288,094</u>
End of year	<u>\$ 2,293,049</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash payments for interest	<u>\$ 28,192</u>

See Notes to Financial Statements.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

a. Background and Nature of Activities

Northeast Iowa Community Action Corporation is a non-profit corporation organized under the laws of the State of Iowa. The Corporation was created under the Economic Opportunity Act of 1964. The Community Services Act of 1974 continued the Community Action Program under the Community Services Administration. The Community Services Administration has been disbanded, and since July 1982, the Corporation's administrative costs have been funded by allocation of indirect costs to programs specifically benefited. Primary funding sources consist of federal, state and local agencies.

The Corporation operates programs in seven northeast Iowa counties and is governed by a twenty-one member board of directors, seven members representing low-income people, seven representing the public sector and seven representing private organizations.

The purpose of the Corporation is to stimulate a better focusing of all available resources upon the goal of enabling low-income families and individuals to gain the skills, knowledge and motivation needed for them to become self-sufficient.

The basic programs operated during the year by the Corporation include:

*Outreach Program*

Workers assisting low-income people in assessing their needs and assisting them in applying for available services.

*Educational Related Programs*

Operates a comprehensive early childhood development program for economically disadvantaged preschool children and their families.

*Energy Related Programs*

Works with low-income persons to provide assistance with heating and cooling payments.

*Weatherization Programs*

Assists low-income persons in weatherizing their homes and decreasing energy consumption.

*Regional Transit System Program*

Provides public transportation services in five northeast Iowa counties.

*Family Planning Program*

Provides subsidized family planning to persons in need of family planning, with priority given to low-income individuals and others without access to such services for reasons beyond their control.

*Housing Programs*

Provides affordable housing to low-income people.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

a. Background and Nature of Activities (Continued)

*Family Special Supplementary Food Program for Women, Infants and Children "WIC"*

Assists eligible persons in meeting nutritional requirements of pregnant or nursing mothers and children under five years of age in five northeast Iowa counties.

*Family Development and Self-Sufficiency*

Provides training and assistance for parents receiving aid to dependent children to enable them to be self-sufficient.

b. Financial Statement Presentation

The accounts of Northeast Iowa Community Action Corporation are organized on the basis of grants received and are maintained in separate funds. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, net assets, revenues and expenses.

The Corporation follows Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Corporation is required to report information regarding its financial position and activities according to three classes of net assets: permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. As required by this statement, the Corporation has prepared its external financial statements to present the three classes of net assets required. The Corporation has no permanently restricted net assets.

Permanently restricted net assets are those that may never be spent by the Organization, including gifts of endowment, as well as the earnings on those assets when permanently restricted by the donor.

Temporarily restricted net assets carry restrictions that expire upon the passage of a prescribed period or upon the occurrence of a stated event as specified by the donor. Included in this category are gifts held by the Corporation pending their use in accordance with donor stipulations.

Unrestricted net assets, as defined by the Financial Accounting Standards Board (FASB), are composed of all resources not included in the above categories. Included are expendable resources used to support the Corporation's core activities. Donor-restricted resources intended for capital projects are released and reclassified as unrestricted support when spent. All expenses are recorded as a reduction to unrestricted net assets.

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies (Continued)

#### b. Financial Statement Presentation (Continued)

##### Unrestricted net assets (Continued)

However, in reality a substantial portion of these assets are not available for general organization purposes. Included in unrestricted net assets are significant resources subject to contractual agreements with external parties. In addition, a significant portion of these net assets as of January 31, 2007, is invested in the Organization's property and equipment. While FASB requires that all these resources be reported as unrestricted, the Corporation manages them in compliance with Board designations, legal requirements, and contractual obligations.

Federal and state grants are recorded as revenue when earned. The financial statements present any funds received and not expended as deferred revenue. Expenses are recorded when the liability is incurred. Disbursements for the purchase of fixed assets providing future benefits whose title remains with the funding source are recorded as expenses in the program at the time of purchase.

The Corporation follows Statement of Financial Accounting Standards (SFAS) No. 116, Accounting for Contributions Received and Contributions Made. In accordance with SFAS No. 116, contributions received are recorded as unrestricted or temporarily restricted depending on the existence and/or nature of any donor restrictions. Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

#### c. Investment in Affiliates

The financial statements include the investments of NEICAC in its affiliates, NEICAC Senior Housing Limited Partnership and Decorah Woolen Mill Limited Partnership (the Partnerships) under the equity method. The Corporation is the general partner in the Partnerships, owns a .01% interest, and the Corporation's Board of Directors serve as directors of both Partnerships. The Partnerships were formed to finance the construction and operation of housing complexes in Decorah utilizing low income housing credits. Both Partnerships have a fiscal year end of December 31. NEICAC Senior Housing Limited Partnership and Decorah Woolen Mill Limited Partnership were audited separately as of December 31, 2006 and received unqualified opinions dated February 12, 2007 and February 12, 2007, respectively.

#### d. Pooled Cash and Cash Equivalents

The Corporation maintains one checking account for handling most of the program funds. Interest earned by this account is allocated to the various programs based upon the average balances on a quarterly basis. The Corporation includes certificates of deposit with cash equivalents since there is no penalty for early withdrawal.

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies (Continued)

#### e. Interfund Receivables/Payables

During the course of its operations, the Corporation has numerous transactions between funds. To the extent that certain transactions between funds had not been paid or received as of January 31, 2007, balances of interfund amounts receivable or payable have been recorded. In accordance with SFAS No. 117, interfund receivables and payables have been eliminated in the Statement of Financial Position.

#### f. Fixed Assets

Fixed asset purchases funded by grants have been expensed in the grant period. Fixed assets with a cost of \$2,445,078 are not included in the Statement of Financial Position since title remains with the funding sources. Equipment purchased with local funds are stated at cost. Depreciation is computed using the straight-line method over the estimated lives of the related assets, which range from 3-40 years. Depreciation expense totaled \$86,218 for the year ended January 31, 2007. Accumulated depreciation totaled \$721,776 as of January 31, 2007. Expenditures for maintenance repairs and minor replacements are charged to the current year, while major replacements and betterments costing over \$2,500 per item are capitalized. The cost of assets disposed of is deleted. Long-lived assets, such as property, plant, and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying value of the asset exceeds its fair value. The Corporation has not encountered any events in which impairment of fixed assets has occurred.

#### g. Income Taxes

Northeast Iowa Community Action Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, the Corporation has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for fiscal 2007.

#### h. Annual Leave and Vacation Leave

The Corporation employees accumulate sick leave and annual leave for subsequent use. These accumulations are not funded and are not recognized as expenses by the Corporation until used.

#### i. Annual Budget

Northeast Iowa Community Action Corporation does not prepare an agency wide annual budget. The Corporation does, however, prepare individual program budgets that contemplate revenues and expenditures over the life of each program.

#### j. Concentrations of Credit Risk

Financial instruments that potentially subject the Corporation to significant concentrations of credit risk consist principally of accounts receivables and cash. Receivables are primarily from the U.S. Government, the State of Iowa and local governments in Iowa. These receivables are uncollateralized.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

j. Concentrations of Credit Risk (Continued)

The Corporation's cash balances at two financial institutions fluctuate during the year and at various times exceed the Federal Deposit Insurance Corporation \$100,000 insurance limit. The Corporation's funds are considered public funds under state law and are thus secured by pledged investments of a multiple financial institution collateral pool.

k. Management Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Deposits

At year end the carrying amount of the Corporation's deposits was \$2,293,049 and the bank balances totaled \$2,886,464. Of the bank balances, \$76,218 was covered by federal depository insurance. The balance was covered by a multiple financial institution collateral pool in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against members of the pool to insure there will be no loss of public funds.

3. Contributed Services

Contributed services, which require special skills that would be purchased if not donated, or create or enhance a nonfinancial asset are recognized in the Statement of Activities. This amount equaled \$None for the year ended January 31, 2007. Other donated services are from parents and others which do not meet the requirements to be recognized in the financial statements.

4. Contributed Facilities

The Corporation occupies without charge certain premises located in government owned buildings. The estimated fair rental value of the premises is reported as contributions and contributed facilities in the accompanying financial statements. The amount of contributed facilities for the year ended January 31, 2007 is \$74,658.

5. Support from Governmental Units

The Corporation receives substantially all of its support from federal, state and local governments. The federal government is the source for 67% of the Corporation's revenue and support. A significant reduction in the level of this support, if this were to occur, would have a significant effect on the Corporation's programs and activities.

6. Indirect Costs

Indirect costs are certain administrative expenditures incurred for a common or joint purpose benefiting more than one program and not readily assignable to the programs specifically benefited. During fiscal 2007, the Corporation's indirect costs were allocated in accordance with its plan as submitted to its cognizant agency, the Department of Health and Human Services.

NOTES TO FINANCIAL STATEMENTS

6. Indirect Costs (Continued)

The indirect cost plan and rate was reviewed and approved by its cognizant agency for the year ending January 31, 2007. The Corporation's approved provisional rate for the year ended January 31, 2007 was 11.9%. This rate applied to the programs included in these financial statements at an estimated finalized rate of approximately 11.97% of base expenditures. The actual rate will be finalized at a later date by the Corporation's cognizant agency. For FY07, the indirect cost plan and rate was determined based on salary and benefits.

7. Equity in Affiliates

The Corporation has minority interests (.01 percent) in both NEICAC Senior Housing and Decorah Woolen Mill, limited partnerships, formed to construct and operate housing facilities in Decorah, Iowa. The partnerships are accounted for under the equity method of accounting. Summary information on the partnerships as of December 31, 2006 follows:

	<u>NEICAC Senior Housing</u>	<u>Decorah Woolen Mill</u>
Assets	\$ 922,990	\$ 1,797,398
Less liabilities	<u>613,449</u>	<u>472,668</u>
Net assets	<u>\$ 309,541</u>	<u>\$ 1,324,730</u>
Operating revenues	<u>\$ 58,684</u>	<u>\$ 63,749</u>
Net loss	<u>\$ (17,183)</u>	<u>\$ (29,162)</u>
Corporation's interest Share of net loss	<u>\$ (2)</u>	<u>\$ (291)</u>
Equity in net assets	<u>\$ 31</u>	<u>\$ 515,163</u>

8. Property and Equipment

A summary of property and equipment, categorized by acquiring program/source, is as follows:

<u>Acquiring Program/Source</u>	<u>Land</u>	<u>Buildings</u>	<u>Construction in Progress</u>	<u>Vehicles/ Equipment</u>	<u>Total</u>
Contributions				\$ 223,643	\$ 223,643
Waukon USDA		\$ 455,194			455,194
Transit				509,703	509,703
Ridgewood Duplex		131,024			131,024
Rent to Own			\$ 275,000		275,000
Calmar 6-Plex					
Phase I	\$ 9,975	477,568		11,983	499,526
Phase II	<u>9,975</u>	<u>501,715</u>		<u>17,353</u>	<u>529,043</u>
	19,950	1,565,501	275,000	762,682	2,623,133
Less accumulated depreciation	<u>None</u>	<u>345,797</u>		<u>375,979</u>	<u>721,776</u>
	<u>\$19,950</u>	<u>\$1,219,704</u>	<u>\$ 275,000</u>	<u>\$ 386,703</u>	<u>\$1,901,357</u>

NOTES TO FINANCIAL STATEMENTS

8. Property and Equipment (Continued)

The components of Northeast Iowa Community Action Corporation's accumulated depreciation at January 31, 2007 is as follows:

	<u>Buildings</u>	<u>Vehicles</u>	<u>Equipment</u>	<u>Total</u>
Balance, beginning of year	\$ 306,895	\$188,239	\$ 200,594	\$ 695,728
Current year depreciation	38,902	32,623	14,693	86,218
Current year deletions		(60,170)		(60,170)
Balance, end of year	<u>\$ 345,797</u>	<u>\$160,692</u>	<u>\$ 215,287</u>	<u>\$ 721,776</u>

9. Long-term Debt

Details of long-term debt as of January 31, 2007 are as follows:

	<u>Balance Due</u>	
	<u>Total</u>	<u>Current</u>
Calmar 6-Plex I Program		
Bank of the West, Decorah		
4.2% interest bearing note payable, due \$498 per month including interest through October 2008, with a balloon payment then due, collateralized by real estate.	\$ 34,803	\$ 4,642
Iowa Finance Authority		
1.0% interest bearing note payable, due \$1,082 annually through May 2011, collateralized by real estate.	5,119	1,031
Calmar 6-Plex II Program		
Bank of the West, Decorah		
4.2% interest bearing note payable, due \$1,003 per month including interest through January 2008, with a balloon payment then due, collateralized by real estate.	130,310	130,310
Iowa Finance Authority		
1.0% interest bearing note payable, due \$1,309 annually through May 2011, collateralized by real estate.	8,714	1,222
Waukon Head Start Building		
United States Department of Agriculture		
4.75% interest bearing note payable, due \$1,615 monthly including interest through November 2042, collateralized by real estate.	316,527	4,022
Ridgewood Duplex Building		
Habitat for Humanity		
0.0% interest bearing note payable, due \$304 monthly through September 2032, collateralized by real estate.	90,391	3,652
0.0% interest bearing note payable, with 10% forgiven each year through November 2016.	39,720	3,972
	<u>\$ 625,584</u>	<u>\$ 148,851</u>

NOTES TO FINANCIAL STATEMENTS

9. Long-term Debt (Continued)

Maturities of long-term debt during the years following January 31, 2007 are as follows:

Long-term debt maturities	
2008	\$ 148,851
2009	44,277
2010	14,344
2011	14,582
2012	14,692
2013-2017	68,691
2018-2022	53,862
2023-2027	63,385
2028-2032	74,542
2033-2037	72,492
2038-2042	35,707
2043	20,159
	<u>\$ 625,584</u>

Interest expense totaled \$28,192 for the year ending January 31, 2007. No interest cost was capitalized for the year ended January 31, 2007.

10. Pension and Retirement Benefits

The Corporation 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, which 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.

Plan members are required to contribute 3.70% of their annual covered salary and the Corporation is required to contribute 5.75% of annual covered payroll. Contribution requirements are established by State statute. The Corporation's contribution to IPERS for the years ended January 31, 2007, 2006, and 2005 were \$194,359, \$192,662, and \$182,845, respectively, equal to the required contributions for each year.

11. Deferred Revenue

Deferred revenue consists of the following as January 31, 2007:

U.S. Department of Health & Human Services	
Wrap-arounds	\$ 406,051
Elkader Wrap-around	38,286
	<u>444,337</u>
State Department of Human Rights	
Low Income Home Energy Assistance	225,251
Community Services Block Grant	41,708
Community Services Block Grant Discretionary Awards	1,644
	<u>268,603</u>
Other Sources	
Child Developments	28,715
Oelwein Child Development	7,529
EHS Pilot Incentive	4,917
	<u>41,161</u>
Local Sources	
Contributions	81,398
	<u>\$ 835,499</u>

NOTES TO FINANCIAL STATEMENTS

12. Leases

The Corporation leases office space from Winneshiek County for \$4,542 per month on a month to month basis. The Corporation is required to provide insurance and upkeep on the building.

The WIC Program leased a 2005 Dodge Grand Caravan for \$408 a month for 36 months. The Corporation provides insurance and maintenance on the vehicle. The lease expires August 2007.

The Weatherization Assistance Program leases storage space in West Union, Iowa at an annual cost of \$540. This lease expires July 2007. Northeast Iowa Community Action Corporation provides insurance on stored materials.

The Corporation leases Outreach office space from Fayette County for \$240 per month on a month to month basis.

The Bremer County Family Service office leases office space in Waverly, Iowa for \$450 per month. The lease expires August 2009.

The Transit Program leases garage, office, and vehicle parking space and wash bay from Kenneth Schatz for \$800 per month in West Union. The lease expires June 2010.

The Corporation leases office space from Upper Explorerland Regional Planning Commission for \$30 per month. The lease expires on June 30, 2007.

The Corporation leases a copier from Business System Inc. for \$615 per month. The lease expires on December 1, 2007.

The Head Start Program leases classroom space under various agreements as follows:

Center	Period of Lease	Monthly Rent
Monona HS	July 1, 2006 to June 30, 2007	\$ 750
Postville CD	July 1, 2006 to June 30, 2007	500
Monona HS	March 1, 2005 to February 28, 2009	850

Head Start Program has space donated for several classrooms but the Corporation must pay a monthly amount to cover utilities. Each center must provide equipment required to operate and provide insurance for the equipment and employees. The following is a summary of the Head Start and child development leases:

Center	Period of Lease	Monthly Utility Payment
Howard-Winn. CSD HS	July 1, 2006 to June 30, 2007	\$ 225
Riceville HS	July 1, 2006 to June 30, 2007	150
Starmont HS	July 1, 2006 to June 30, 2007	400
First United Church CD	July 1, 2006 to June 30, 2007	350
Rainbow Land Preschool	Sept. 1, 2006 to August 31, 2007	500
Guttenberg HS	July 1, 2006 to June 30, 2007	300
St Benedict Church	June 1, 2006 to May 31, 2007	465
Elkader Child Care	July 1, 2006 to August 31, 2007	500
Oelwein CSD	August 1, 2006 to July 31, 2007	350

## NOTES TO FINANCIAL STATEMENTS

### 12. Leases (Continued)

The future minimum lease payments required under the operating leases that have initial or remaining non-cancelable lease terms are \$78,564 as of January 31, 2007.

The Corporation acts as a lessor, and leases four transit vans and two transit buses to other nonprofit agencies. These leases are annual leases. The lease payments are \$630 per year. These leases are for one year periods with no future lease commitments at January 31, 2007.

### 13. Contingent Liabilities

The Corporation participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants were subjected to local audit but still remain open to audit by the appropriate grantor government. If expenditures are disallowed by the grantor government due to noncompliance with grant program regulations, the Corporation may be required to reimburse the grantor government. As of January 31, 2007 significant amounts of grant expenditures have not been audited by granting authorities but the Corporation believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual funds or the overall financial position of the Corporation.

The Corporation is the general partner in NEICAC Senior Housing Limited Partnership (the Partnership). The Partnership constructed a 16 unit senior housing complex in Decorah, Iowa at a total cost of \$980,520. The funds for the project were provided by loans from the Iowa Department of Economic Development of \$383,779 and the Iowa Finance Authority of \$21,658. Also, the construction was financed by the sale of \$466,000 of low income housing tax credits and thus will require compliance with various IRS regulations over a number of years. The Corporation loaned the project approximately \$4,654 for start up costs and operations and deferred its development fee of \$96,000.

The Corporation is the general partner in Decorah Woolen Mill Limited Partnership (the Partnership). The Partnership constructed a 15 unit housing complex in Decorah, Iowa at a total cost of \$1,740,245. The funds for the project were provided by loans from the Iowa Department of Economic Development of \$330,000. Also, the construction was financed by the sale of \$294,925 of federal historic rehabilitation tax credits and thus will require compliance with various IRS regulations over a number of years.

The Partnership agreements include requirements of the Corporation to maintain insurance, retain reserves for replacements and operating deficits, furnish information to limited partners and limits payments to the Corporation. The Corporation has materially complied with the partnership agreements during the year ended January 31, 2007.

The Corporation has entered into an agreement with Winneshiek County Habitat for Humanity to build a duplex for handicapped persons in Winneshiek County. Winneshiek County Habitat for Humanity loaned the Corporation \$39,720 to help build this duplex, in which 10% would be written off on an annual basis. The Corporation must own the building for 20 years.

NOTES TO FINANCIAL STATEMENTS

14. Fair Value of Financial Instruments

The estimated fair value of the Corporation's financial instruments as of January 31, 2007 are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Cash and cash equivalents	\$2,293,049	\$2,293,049
Notes payable	625,584	576,067

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Cash and cash equivalents-the carrying amount approximates fair value because of the short maturities of those investments.

Notes payable-the fair values were determined based on current rates offered the Corporation for debt of similar maturities.

15. Agency Risk Management

Northeast Iowa Community Action Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The Corporation assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

16. Commitments

The Corporation has entered into agreements to construct single family homes - four in Cresco and one in Postville for low income families in the area. As of January 31, 2007, \$150,141 is still outstanding of which \$120,640 is from federal funds.

17. Subsequent Events

The Corporation has entered into agreements to borrow money from Hawkeye REC for \$220,000 and the Bank of the West for \$55,000 to help pay for the homes in Cresco and Postville.

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INDEPENDENT AUDITOR'S REPORT  
ON THE SUPPLEMENTARY INFORMATION

To the Board of Directors  
Northeast Iowa Community Action Corporation  
Decorah, Iowa

Our report on our audit of the financial statements of Northeast Iowa Community Action Corporation as of and for the year ended January 31, 2007 appears on page 1. The audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information as of and for the year ended January 31, 2007 presented on Schedules 1 through 39 is for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied to in the audit of the financial statements, and, in our opinion, except for the effects on Schedules 3-39 of preparing this information using guidelines established by the former AICPA audit guide "Audits of Voluntary Health and Welfare Organizations (AVHWO)", as explained below, such information is fairly stated in all material respects in relation to the financial statements taken as a whole.

U.S. generally accepted accounting principles (GAAP) require nonprofit organizations to follow SFAS No. 116 and 117 in preparing financial statements. The information in Schedules 3-39 has been presented under AVHWO guidelines, which the Corporation uses for internal reporting and reporting to funding sources, and is not current GAAP. This information, shown on a fund basis, does not report changes in net assets, includes all contributed services in inkind revenues and expenditures, includes capitalized equipment and contributed materials and services as expenditures and includes management and general expenses in fund expenditures.

We have also previously audited, in accordance with U.S. generally accepted auditing standards, the statement of financial position as of January 31, 2006, and the related statements of activities, functional expenses and cash flows for the year then ended (none of which is presented herein), and we expressed an unqualified opinion on those financial statements. We expressed a qualified opinion on the supplementary information for the year ended January 31, 2006 because the information was presented under the superseded AVHWO guidelines. In our opinion, except for the effects of preparing this information using guidelines established by the AVHWO as explained above, the supplementary information presented on Schedules 12 to 39 which relates to the year ended January 31, 2006, is fairly stated in all material respects in relation to the financial statements from which it has been derived.

*Hacker, Nelson & Co., P.C.*

Decorah, Iowa  
May 18, 2007

NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
 COMBINING STATEMENT OF FINANCIAL POSITION  
 BY FUNDING SOURCE  
 January 31, 2007

	U. S. Department of Health and Human Services	Department of Homeland Security	State Department of Human Rights	State Department of Health	U. S. Department of Agriculture	Other Sources	Total
ASSETS							
CURRENT ASSETS							
Cash and cash equivalents	\$ 449,698	\$ 5	\$ 19,599	\$ 48,895	\$ -	\$ 41,670	\$ 559,867
Receivables							
Funding source	89,369	-	441,900	2,455	63,384	7,488	604,596
Other	-	-	-	28,467	-	-	28,467
Due from other funds	5,081	-	139,435	298	-	7,963	152,777
Total assets	\$ 544,148	\$ 5	\$ 600,934	\$ 80,115	\$ 63,384	\$ 57,121	\$ 1,345,707
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Accounts payable							
General	\$ 55,748	\$ 5	\$ 84,852	\$ 9,371	\$ 55,004	\$ 2,221	\$ 207,201
Due to other funds	44,063	-	247,479	22,466	8,380	3,139	325,527
Deferred revenue	444,337	-	268,603	-	-	41,161	754,101
Unrestricted	544,148	5	600,934	31,837	63,384	46,521	1,286,829
Total liabilities and net assets	\$ 544,148	\$ 5	\$ 600,934	\$ 80,115	\$ 63,384	\$ 57,121	\$ 1,345,707

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

COMBINING STATEMENT OF FINANCIAL POSITION

LOCAL FUNDS  
January 31, 2007

	Local				Contributions
	Transit 2007	Weatherization 2007	Head Start Local	Calmar 6-Plex	
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash	\$ 339,593	\$ 53,223	\$ 93,491	\$ 18,442	\$ 996
Receivables					
Funding source					21,183
Other	484,985		16,273		12,148
Due from other funds	2,237	4,868	4,660		453,619
Due from affiliate					150,398
Prepaid expenses					45,525
<b>PROPERTY AND EQUIPMENT, NET</b>	826,815	58,091	114,424	18,442	22,179
<b>INVESTMENT IN AFFILIATES</b>	331,131	None	None	754,935	None
	None	None	None	None	None
<b>Total assets</b>	<b>\$ 1,157,946</b>	<b>\$ 58,091</b>	<b>\$ 114,424</b>	<b>\$ 773,377</b>	<b>\$ 22,179</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable					
General	\$ 206,258	\$ -	\$ -	\$ 16,956	\$ -
Due to other funds	182,605	-	4,689	6,094	22,179
Due to affiliates					-
Current portion of long-term debt				137,205	
Deferred revenue					81,398
<b>Total current liabilities</b>	<b>388,863</b>	<b>-</b>	<b>4,689</b>	<b>160,255</b>	<b>22,179</b>
<b>LONG-TERM DEBT</b>					
Notes payable, less current portion				41,759	
<b>NET ASSETS</b>					
Unrestricted	331,131			571,363	25,887
Designated for fixed assets	437,952	58,091	109,735		2,062,809
Undesignated					
<b>Total net assets</b>	<b>769,083</b>	<b>58,091</b>	<b>109,735</b>	<b>571,363</b>	<b>None</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,157,946</b>	<b>\$ 58,091</b>	<b>\$ 114,424</b>	<b>\$ 773,377</b>	<b>\$ 22,179</b>

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

COMBINING STATEMENT OF FINANCIAL POSITION  
LOCAL FUNDS

January 31, 2007

	General Relief	Low-Rent Housing	Rent to Own	Ridgewood Duplex	Waukon USDA	Total
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash	\$ -	\$ -	\$ -	\$ 2,354	\$ 25,300	\$ 1,733,182
Receivables						26,063
Funding source	370	4,510	-			513,406
Other						465,540
Due from other funds	156					150,398
Due from affiliate						45,525
Prepaid expenses						
	526	4,510	-	2,354	25,300	2,934,114
<b>PROPERTY AND EQUIPMENT, NET</b>						
	None	None	275,000	129,386	385,018	1,901,357
<b>INVESTMENT IN AFFILIATES</b>						
	None	None	None	None	None	515,194
<b>Total assets</b>	<b>\$ 526</b>	<b>\$ 4,510</b>	<b>\$ 275,000</b>	<b>\$ 131,740</b>	<b>\$ 410,318</b>	<b>\$ 5,350,665</b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable				\$ 1,077		\$ 420,954
General						292,790
Due to other funds	412	4,510	36,504			-
Due to affiliates				7,624	4,022	148,851
Current portion of long-term debt						81,398
Deferred revenue						
<b>Total current liabilities</b>	<b>412</b>	<b>4,510</b>	<b>36,504</b>	<b>8,701</b>	<b>4,022</b>	<b>943,993</b>
<b>LONG-TERM DEBT</b>						
Notes payable, less current portion				122,487	312,487	476,733
<b>NET ASSETS</b>						
Unrestricted			275,000		68,509	1,271,890
Designated for fixed assets			(36,504)	552	25,300	2,658,049
Undesignated	114					
<b>Total net assets</b>	<b>114</b>	<b>None</b>	<b>238,496</b>	<b>552</b>	<b>93,809</b>	<b>3,929,939</b>
<b>Total liabilities and net assets</b>	<b>\$ 526</b>	<b>\$ 4,510</b>	<b>\$ 275,000</b>	<b>\$ 131,740</b>	<b>\$ 410,318</b>	<b>\$ 5,350,665</b>

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 BY FUNDING SOURCE  
 Year Ended January 31, 2007

	U.S. Department of Health and Human Services	Department of Homeland Security	State Department of Human Rights	State Department of Health	State Department of Economic Development	D.S. Department of Agriculture	Other Sources	Total
<b>REVENUES</b>								
Federal grants	\$ 2,816,163	\$ 24,126	\$ 3,688,937	\$ 266,058	\$ 5,755	\$ 693,567	\$ 312,933	\$ 7,494,606
State grants	-	-	107,344	50,000	-	-	-	470,277
Local	-	-	23,010	206,023	262,606	-	126,878	618,517
Inkind	562,302	-	-	10,124	-	-	-	572,426
<b>Total revenues</b>	<b>3,378,465</b>	<b>24,126</b>	<b>3,819,291</b>	<b>482,205</b>	<b>318,361</b>	<b>693,567</b>	<b>439,811</b>	<b>9,155,826</b>
<b>EXPENDITURES</b>								
<b>Direct</b>								
Employee salaries	1,604,821		588,410	165,287	6,511	63,836	138,627	2,567,492
Employee fringe benefits	496,546		183,734	57,491	1,652	16,768	49,620	805,811
Contractual	26,687		55,942	94,142	307,042	-	47,021	530,834
Travel	16,269		38,195	9,691	-	4,930	456	69,541
Space costs	147,005		18,026	13,947	-	2,124	1,332	182,434
Consumable supplies	114,770		23,528	4,950	-	7,179	76	150,503
Equipment	8,350		-	12,745	-	-	-	21,095
Direct assistance		23,741	2,510,343	-	-	151,376	-	2,685,460
Augmentation			(152,411)	-	-	5,808	-	(146,603)
Food	29,249		405,567	8,191	2,165	572,784	-	602,033
Other	122,194		-	10,124	-	15,787	-	553,924
Inkind	562,302		-	-	-	-	-	572,426
<b>Total direct</b>	<b>3,128,193</b>	<b>23,741</b>	<b>3,671,334</b>	<b>376,568</b>	<b>317,390</b>	<b>683,408</b>	<b>394,316</b>	<b>8,594,950</b>
<b>Indirect</b>	<b>279,913</b>	<b>385</b>	<b>94,453</b>	<b>27,249</b>	<b>971</b>	<b>9,592</b>	<b>22,375</b>	<b>434,938</b>
<b>Total expenditures</b>	<b>3,408,106</b>	<b>24,126</b>	<b>3,765,787</b>	<b>403,817</b>	<b>318,361</b>	<b>693,000</b>	<b>416,691</b>	<b>9,029,888</b>
Excess revenues over (under) expenditures	(29,641)	None	53,504	78,388	None	567	23,120	125,938
<b>FUND BALANCE, beginning of year</b>	None	None	None	21,658	None	None	59,519	81,177
<b>TRANSFERS, NET</b>	29,641	None	(53,504)	(51,768)	None	(567)	(72,039)	(148,237)
<b>FUND BALANCE, end of year</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>\$ 48,278</b>	<b>\$ None</b>	<b>\$ None</b>	<b>\$ 10,600</b>	<b>\$ 58,878</b>

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

LOCAL FUNDS

Year Ended January 31, 2007

	Transit		Local Weatherization		Head Start Local	Calmar 6-Flax	
	2006	2007	2006	2007		2006	2007
<b>REVENUES</b>							
Federal grants	\$ 191,606	\$ 418,927					
State grants	130,800	268,363					
Local revenue	948,167	450,210	\$ 4,029	\$ 138	\$ 77,667	\$ 36,190	\$ 23,843
Equity in limited partnerships earnings							
Interest			(4)	587	3,949		
<b>Total revenue</b>	<b>1,270,573</b>	<b>1,137,500</b>	<b>4,025</b>	<b>725</b>	<b>81,616</b>	<b>36,190</b>	<b>23,843</b>
<b>EXPENDITURES</b>							
<b>Direct</b>							
Employee salaries	277,299	403,690				874	1,412
Employee fringe benefits	70,761	102,566				166	268
Contractual	14,680	21,903				1,825	435
Travel	4,330	5,198					
Space costs	7,822	13,679				14,272	11,828
Consumable supplies	9,168	8,138			442		
Equipment	905,259	169,649					
Direct assistance	22,541	15,323				15,099	10,785
Depreciation							
Augmentation							
Other	138,522	231,208				8,738	5,159
<b>Total direct</b>	<b>1,450,382</b>	<b>972,354</b>	<b>-</b>	<b>-</b>	<b>442</b>	<b>40,974</b>	<b>29,887</b>
<b>Indirect</b>	<b>51,642</b>	<b>60,244</b>	<b>163</b>	<b>163</b>		<b>124</b>	<b>200</b>
<b>Total expenditures</b>	<b>1,502,024</b>	<b>1,032,598</b>	<b>163</b>	<b>-</b>	<b>442</b>	<b>41,098</b>	<b>30,087</b>
<b>Excess revenues over (under) expenditures</b>	<b>(231,451)</b>	<b>104,902</b>	<b>3,862</b>	<b>725</b>	<b>81,174</b>	<b>(4,908)</b>	<b>(6,244)</b>
<b>FUND BALANCE, beginning of year</b>	<b>895,632</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>158,558</b>	<b>582,515</b>	<b>None</b>
<b>TRANSFERS, NET REPROGRAMMED FUNDS</b>	<b>(664,181)</b>	<b>664,181</b>	<b>(3,862)</b>	<b>53,504</b>	<b>(129,997)</b>	<b>(577,607)</b>	<b>577,607</b>
				<b>3,862</b>	<b>None</b>		
<b>FUND BALANCE, end of year</b>	<b>\$ None</b>	<b>\$ 769,083</b>	<b>\$ None</b>	<b>\$ 58,091</b>	<b>\$ 109,735</b>	<b>\$ None</b>	<b>\$ 571,363</b>

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

LOCAL FUNDS

Year Ended January 31, 2007

	Weatherization Utilities		Contributions	General Relief		Low-Rent Housing	
	2006	2007		2006	2007	2006	2007
<b>REVENUES</b>							
Federal grants							
State grants							
Local revenue	\$ 192,993	\$ 19,769	\$ 812,251	\$ 10,276	\$ 13,200	\$ 32,958	\$ 3,179
Equity in limited partnerships earnings			(293)				
Interest			44,198				
<b>Total revenue</b>	<b>192,993</b>	<b>19,769</b>	<b>856,156</b>	<b>10,276</b>	<b>13,200</b>	<b>32,958</b>	<b>3,179</b>
<b>EXPENDITURES</b>							
<b>Direct</b>							
Employee salaries			302,215	2,626	3,456	21,261	2,059
Employee fringe benefits			84,445	980	1,288	8,216	782
Contractual			58,514				
Travel			47,009	164	81		
Space costs			13,775	169	245		
Consumable supplies			32,338				
Equipment							
Direct assistance			55,687				
Depreciation			8,452				
Augmentation	183,417	19,698		5,891	7,452		
Other			118,694				
<b>Total direct</b>	<b>183,417</b>	<b>19,698</b>	<b>721,129</b>	<b>9,830</b>	<b>12,522</b>	<b>29,477</b>	<b>2,841</b>
<b>Indirect</b>	<b>9,576</b>	<b>71</b>	<b>2,128</b>	<b>446</b>	<b>564</b>	<b>3,481</b>	<b>338</b>
<b>Total expenditures</b>	<b>192,993</b>	<b>19,769</b>	<b>723,257</b>	<b>10,276</b>	<b>13,086</b>	<b>32,958</b>	<b>3,179</b>
Excess revenues over (under) expenditures	None	None	132,899	None	114	None	None
FUND BALANCE, beginning of year	None	None	1,920,492	None	None	None	None
TRANSFERS, NET REPROGRAMMED FUNDS			35,305	None	None	None	None
FUND BALANCE, end of year	\$ None	\$ None	\$ 2,088,696	\$ None	\$ 114	\$ None	\$ None

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

LOCAL FUNDS

Year Ended January 31, 2007

	Rent to Own	Ridgewood Duplex	Waukon USDA	Total
<b>REVENUES</b>				
Federal grants				\$ 610,533
State grants	\$ 222,934			658,234
Local revenue	6,000	\$ 5,828	\$ 19,380	2,619,941
Equity in limited partnerships earnings				(293)
Interest	91,915		595	141,240
<b>Total revenue</b>	<b>320,849</b>	<b>5,828</b>	<b>19,975</b>	<b>4,029,655</b>
<b>EXPENDITURES</b>				
<b>Direct</b>				
Employee salaries	6,519			1,021,411
Employee fringe benefits	1,964			271,436
Contractual				97,357
Travel				56,782
Space costs		3,366		65,156
Consumable supplies				50,086
Equipment				1,074,908
Direct assistance		1,638	11,380	55,687
Depreciation				86,218
Augmentation		272	15,142	203,115
Other	161,929			693,007
<b>Total direct</b>	<b>170,412</b>	<b>5,276</b>	<b>26,522</b>	<b>3,675,163</b>
<b>Indirect</b>	<b>1,010</b>			<b>129,987</b>
<b>Total expenditures</b>	<b>171,422</b>	<b>5,276</b>	<b>26,522</b>	<b>3,805,150</b>
<b>Excess revenues over (under) expenditures</b>	<b>149,427</b>	<b>552</b>	<b>(6,547)</b>	<b>224,505</b>
<b>FUND BALANCE, beginning of year</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>3,557,197</b>
<b>TRANSFERS, NET REPROGRAMMED FUNDS</b>	<b>89,069</b>	<b>None</b>	<b>100,356</b>	<b>148,237</b>
<b>FUND BALANCE, end of year</b>	<b>\$ 238,496</b>	<b>\$ 552</b>	<b>\$ 93,809</b>	<b>\$ 3,925,939</b>

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
STATE DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Year Ended January 31, 2007

	Head Start #07CH6090/40		Combined Wrap-Arounds		Elkader Wrap-Around		Early Childhood #07CH609D/40		Total
	T & TA	2006	2007	2006	2007	2006	2007	Direct	
<b>REVENUES</b>									
Direct									
Federal grants	\$ 1,646,082	\$ 18,799	\$ 335,946	\$ 67,951	\$ 35,015	\$ 9,714	\$ 10,708	\$ 691,948	\$ 2,816,163
State grants	-	-	-	-	-	-	-	-	-
Local revenue	405,317	-	-	-	-	-	-	156,985	562,302
Inkind	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>2,051,399</b>	<b>18,799</b>	<b>335,946</b>	<b>67,951</b>	<b>35,015</b>	<b>9,714</b>	<b>10,708</b>	<b>848,933</b>	<b>3,378,465</b>
<b>EXPENDITURES</b>									
Direct									
Employee salaries	904,859		213,026	38,690	22,326	4,391	-	421,529	1,604,821
Employee fringe benefits	299,846		67,056	11,226	3,920	839	-	113,659	496,546
Contractual	26,519		-	-	-	-	-	168	26,687
Travel	2,800		137	-	-	-	-	13,332	16,269
Space costs	120,212		6,752	-	1,265	-	-	18,776	147,005
Consumable supplies	65,729		13,266	11,947	4,279	3,862	-	15,687	114,770
Equipment	-		-	-	-	-	-	8,350	8,350
Food	27,683		83	-	-	-	-	1,483	29,249
Other	55,074	18,799	2,089	148	102	-	10,708	35,274	122,194
Inkind	405,317	-	-	-	-	-	-	156,985	562,302
<b>Total direct</b>	<b>1,908,039</b>	<b>18,799</b>	<b>302,409</b>	<b>62,011</b>	<b>31,892</b>	<b>9,092</b>	<b>10,708</b>	<b>785,243</b>	<b>3,128,193</b>
Indirect	154,322	None	33,537	5,940	3,123	622	-	82,369	279,913
<b>Total expenditures</b>	<b>2,062,361</b>	<b>18,799</b>	<b>335,946</b>	<b>67,951</b>	<b>35,015</b>	<b>9,714</b>	<b>10,708</b>	<b>867,612</b>	<b>3,408,106</b>
Excess revenues over (under) expenditures	(10,962)	None	None	None	None	None	None	(18,679)	(29,641)
<b>FUND BALANCE, beginning of year</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>
<b>TRANSFERS, NET</b>	<b>10,962</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>18,679</b>	<b>29,641</b>
<b>FUND BALANCE, end of year</b>	<b>\$ None</b>	<b>\$ None</b>	<b>\$ None</b>	<b>\$ None</b>	<b>\$ None</b>	<b>\$ None</b>	<b>\$ None</b>	<b>\$ None</b>	<b>\$ None</b>

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 DEPARTMENT OF HOMELAND SECURITY  
 Year Ended January 31, 2007

	Family Support Center <u>2006</u>
REVENUES	
Federal grants	\$ 24,126
Local revenue	-
	<hr/>
Total revenue	24,126
	<hr/>
EXPENDITURES	
Direct	
Direct assistance	23,741
	<hr/>
Indirect	385
	<hr/>
Total expenditures	24,126
	<hr/>
Excess revenues over (under) expenditures	None
FUND BALANCE, beginning of year	<hr/> None
FUND BALANCE, end of year	<hr/> <u>\$ None</u>

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 STATE DEPARTMENT OF HUMAN RIGHTS  
 Year Ended January 31, 2007

	HEAP			
	Weatherization Assistance for Low Income Persons DOE 05-09I	Low Income Heat Energy Assistance 06-09-I	07-09-I	Weatherization Assistance for Low Income Persons HEAP 05-09I
<b>REVENUES</b>				
Federal grants	\$ 511	\$ 1,554,677	\$ 1,120,052	\$ 265,689
State grants				\$ 106,296
Local revenue				
	511	1,554,677	1,120,052	265,689
				106,296
<b>EXPENDITURES</b>				
Direct				
Employee salaries	-	38,166	58,208	-
Employee fringe benefits	-	13,037	17,436	-
Contractual	-	-	-	-
Travel	-	1,473	2,172	-
Space costs	-	1,834	938	-
Consumable supplies	-	5,844	3,412	-
Direct assistance	-	1,481,791	1,027,704	-
Augmentation	456	169,275	-	106,192
Other	-	6,439	1,180	-
Total direct	456	1,548,584	1,111,050	251,915
Indirect	55	6,093	9,002	13,774
Total expenditures	511	1,554,677	1,120,052	265,689
Excess revenues over (under) expenditures	None	None	None	None
FUND BALANCE, beginning of year	None	None	None	None
Less: funds returned or to be returned to funding source	None	None	None	None
TRANSFERS, NET	None	None	None	None
FUND BALANCE, end of year	\$ None	\$ None	\$ None	\$ None

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
STATE DEPARTMENT OF HUMAN RIGHTS  
Year Ended January 31, 2007

	Community Services Block Grant				2006	2007	Total
	CSBG-06-09-CI	CSBG-07-09-CI	06-25-F4	07-25-F4			
<b>REVENUES</b>							
Federal grants	\$ 192,911	\$ 27,083	\$ 56,476	\$ 66,428	\$ -	\$ -	\$ 3,688,937
State grants			50,081	57,263			107,344
Local revenue			(1,207)	24,217			23,010
	<u>192,911</u>	<u>27,083</u>	<u>105,350</u>	<u>147,908</u>	<u>-</u>	<u>-</u>	<u>3,819,291</u>
<b>EXPENDITURES</b>							
Direct							
Employee salaries	111,862	13,438	60,976	83,643	32,817	189,300	588,410
Employee fringe benefits	28,366	3,362	19,595	24,114	12,574	65,250	183,734
Contractual	-	-	-	-	7,951	47,991	55,942
Travel	4,743	568	5,267	21,859	327	1,786	38,195
Space costs	9,679	800	1,655	900	362	1,858	18,026
Consumable supplies	7,121	1,553	379	2,418	127	2,674	23,528
Direct assistance	-	-	18	830	-	-	2,510,343
Augmentation	-	-	-	-	(165,881)	(620,664)	(152,411)
Other	14,453	5,363	6,787	1,321	58,219	311,805	405,567
Total direct	<u>176,224</u>	<u>25,084</u>	<u>94,677</u>	<u>135,085</u>	<u>(53,504)</u>	<u>None</u>	<u>3,671,334</u>
Indirect	16,687	1,999	10,673	12,823	None	None	94,453
Total expenditures	<u>192,911</u>	<u>27,083</u>	<u>105,350</u>	<u>147,908</u>	<u>(53,504)</u>	<u>None</u>	<u>3,765,787</u>
Excess revenues over (under) expenditures	None	None	None	None	53,504	None	53,504
FUND BALANCE, beginning of year	None	None	None	None	None	None	None
Less: funds returned or to be returned to funding source	None	None	None	None	None	None	None
TRANSFERS, NET	None	None	None	None	(53,504)	None	(53,504)
FUND BALANCE, end of year	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
STATE DEPARTMENT OF HEALTH  
Year Ended January 31, 2007

	#5886A042	#5886NUS2	#5887NUS2	#5886MH20	#5887MH20	Total
<b>REVENUES</b>						
Federal grants	\$ 168,779	\$ 2,087	\$ 3,349	\$ 49,733	\$ 42,110	\$ 266,058
Local	(38)			89,797	116,264	206,023
Inkind		7,616	2,508			10,124
<b>Total revenues</b>	<b>168,741</b>	<b>9,703</b>	<b>5,857</b>	<b>139,530</b>	<b>158,374</b>	<b>482,205</b>
<b>EXPENDITURES</b>						
<b>Direct</b>						
Employee salaries	89,265	782	1,347	46,161	27,732	165,287
Employee fringe benefits	31,100	275	390	16,141	9,585	57,491
Contractual	11,682	-	-	44,365	38,095	94,142
Travel	5,754	157	408	2,453	919	9,691
Space costs	5,752	-	-	3,874	4,321	13,947
Equipment				4,950	-	4,950
Consumable supplies	5,189	551	997	1,971	4,037	12,745
Other	2,313	-	-	3,561	2,317	8,191
Inkind		7,616	2,508			10,124
<b>Total direct</b>	<b>151,055</b>	<b>9,381</b>	<b>5,650</b>	<b>123,476</b>	<b>87,006</b>	<b>376,568</b>
<b>Indirect</b>	<b>14,754</b>	<b>136</b>	<b>505</b>	<b>7,413</b>	<b>4,441</b>	<b>27,249</b>
<b>Total expenditures</b>	<b>165,809</b>	<b>9,517</b>	<b>6,155</b>	<b>130,889</b>	<b>91,447</b>	<b>403,817</b>
Excess revenues over (under) expenditures	2,932	186	(298)	8,641	66,927	78,388
<b>FUND BALANCE, beginning of year</b>	<b>(3,053)</b>	<b>None</b>	<b>None</b>	<b>24,711</b>	<b>None</b>	<b>21,658</b>
<b>REPROGRAMMED FUNDS</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>
<b>TRANSFERS. NET</b>	<b>121</b>	<b>(186)</b>	<b>298</b>	<b>(33,352)</b>	<b>(18,649)</b>	<b>(51,768)</b>
<b>FUND BALANCE, end of year</b>	<b>\$ None</b>	<b>\$ None</b>	<b>\$ None</b>	<b>\$ None</b>	<b>\$ 48,278</b>	<b>\$ 48,278</b>

See Independent Auditor's Report on the Supplementary Information.

## NORTHEAST IOWA COMMUNITY ACTION CORPORATION

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCESSTATE DEPARTMENT OF ECONOMIC DEVELOPMENT  
Year Ended January 31, 2007

	<u>HOME</u>
	<u>05-HM-296</u>
<b>REVENUES</b>	
Federal grants	\$ 5,755
State grants	50,000
Local revenue	<u>262,606</u>
Total revenue	<u>318,361</u>
<b>EXPENDITURES</b>	
Direct	
Employee salaries	6,511
Employee fringe benefits	1,652
Travel	-
Space costs	-
Contractual	307,042
Other	2,185
Direct assistance	<u>-</u>
Total direct	317,390
Indirect	<u>971</u>
Total expenditures	<u>318,361</u>
Excess revenues over (under) expenditures	None
TRANSFERS, NET	<u>None</u>
FUND BALANCE, end of year	<u>\$ None</u>

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
U.S. DEPARTMENT OF AGRICULTURE  
Year Ended January 31, 2007

	USDA		Family Day Care		Total
	#96-8010	#96-8010	#96-8013	#96-8013	
<b>REVENUES</b>					
Federal grants	\$ 130,600	\$ 76,935	\$ 334,206	\$ 151,826	\$ 693,567
<b>EXPENDITURES</b>					
Direct					
Employee salaries	18,835	4,256	27,046	13,699	63,836
Employee fringe benefits	4,437	1,284	7,577	3,470	16,768
Contractual	-	-	-	-	-
Travel	268	64	3,881	717	4,930
Space costs			1,405	719	2,124
Consumable supplies	1,134	724	3,790	1,531	7,179
Food	96,148	64,546	283,307	128,783	572,784
Other	7,009	5,402	2,512	864	15,787
Total direct	127,831	76,276	329,518	149,783	683,408
Indirect	2,769	659	4,121	2,043	9,592
Total expenditures	130,600	76,935	333,639	151,826	693,000
Excess revenues over (under) expenditures	None	None	567	None	567
FUND BALANCE, beginning of year	None	None	None	None	None
TRANSFERS, net	None	None	(567)	None	(567)
FUND BALANCE, end of year	\$ None	\$ None	\$ None	\$ None	\$ None

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
OTHER SOURCES

Year Ended January 31, 2007

	Child Development		Oelwein		Utilities		Housing Capacity 2007	BHS Pilot 2007	Total
	2006	2007	2006	2007	2006	2007			
<b>REVENUES</b>									
State grants	\$ 58,946	\$ 100,284	\$ 20,390	\$ 33,161			\$55,069	\$45,083	\$ 312,933
Local revenue					\$117,726	\$ 9,152			126,878
<b>Total revenue</b>	<b>58,946</b>	<b>100,284</b>	<b>20,390</b>	<b>33,161</b>	<b>117,726</b>	<b>9,152</b>	<b>55,069</b>	<b>45,083</b>	<b>439,811</b>
<b>EXPENDITURES</b>									
<b>Direct</b>									
Employee salaries	39,838	58,209	13,216	22,307	5,057	-			138,627
Employee fringe benefits	14,562	23,036	3,642	6,863	1,517	-			49,620
Contractual	-	1,380	-	520	-	-	121	45,000	47,021
Travel	(12)	355	30	-	-	-		83	456
Space costs	-	-	-	-	-	-			1,332
Consumable supplies	76	-	1,332	-	-	-			76
Equipment	-	-	-	-	-	-			-
Direct assistance	-	-	-	-	149,058	2,318			151,376
Other	(1,992)	7,636	164	-	-	-			5,808
<b>Total direct</b>	<b>52,472</b>	<b>90,616</b>	<b>18,384</b>	<b>29,690</b>	<b>155,632</b>	<b>2,318</b>	<b>121</b>	<b>45,083</b>	<b>394,316</b>
<b>Indirect</b>	<b>6,474</b>	<b>9,668</b>	<b>2,006</b>	<b>3,471</b>	<b>756</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,375</b>
<b>Total expenditures</b>	<b>58,946</b>	<b>100,284</b>	<b>20,390</b>	<b>33,161</b>	<b>156,388</b>	<b>2,318</b>	<b>121</b>	<b>45,083</b>	<b>416,691</b>
<b>Excess of revenues over (under) expenditures</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>(38,662)</b>	<b>6,834</b>	<b>54,948</b>	<b>None</b>	<b>23,120</b>
<b>FUND BALANCE, beginning of year</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>42,428</b>	<b>None</b>	<b>17,091</b>	<b>None</b>	<b>59,519</b>
<b>REPROGRAMMED FUNDS</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>(3,766)</b>	<b>3,766</b>	<b>None</b>	<b>None</b>	<b>None</b>
<b>TRANSFERS, NET</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>(72,039)</b>	<b>None</b>	<b>(72,039)</b>
<b>FUND BALANCE, end of year</b>	<b>\$ None</b>	<b>\$ None</b>	<b>\$ None</b>	<b>\$ None</b>	<b>\$ None</b>	<b>\$ 10,600</b>	<b>\$ None</b>	<b>\$ None</b>	<b>\$ 10,600</b>

See Independent Auditor's Report on the Supplementary Information.

## NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 DEPARTMENT OF HOMELAND SECURITY  
 FY 2006 FAMILY SUPPORT CENTER  
 January 31, 2007

	Budget	Actual	Over (Under) Budget
<b>ALLAMAKEE</b>			
<b>REVENUES</b>			
Federal	\$ 4,366	\$ 4,366	None
<b>EXPENDITURES</b>			
Rent	\$ 2,139	2,289	150
Utilities	2,140	1,989	(151)
Administration	87	86	(1)
Total expenditures	<u>\$ 4,366</u>	<u>4,364</u>	<u>(2)</u>
Excess revenues over (under) expenditures		2	<u>\$ 2</u>
FUND BALANCE, beginning of contract		None	
Less: Funds returned or to be returned to funding source		2	
FUND BALANCE, end of contract		<u>\$ None</u>	
<b>FAYETTE</b>			
<b>REVENUES</b>			
Federal	\$ 7,973	\$ 7,973	None
<b>EXPENDITURES</b>			
Rent	\$ 3,025	3,262	237
Utilities	3,025	2,788	(237)
Food	1,764	1,764	None
Administration	159	157	(2)
Total expenditures	<u>\$ 7,973</u>	<u>7,971</u>	<u>(2)</u>
Excess revenues over (under) expenditures		2	<u>\$ 2</u>
FUND BALANCE, beginning of contract		None	
Less: Funds returned or to be returned to funding source		(2)	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 DEPARTMENT OF HOMELAND SECURITY  
 FY 2006 FAMILY SUPPORT CENTER  
 January 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>BREMER</b>			
<b>REVENUES</b>			
Federal	\$ 2,331	\$ 2,331	\$ None
<b>EXPENDITURES</b>			
Rent	\$ 2,331	2,331	None
Utilities	-	-	None
Total expenditures	<u>\$ 2,331</u>	<u>2,331</u>	<u>None</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	
<b>HOWARD</b>			
<b>REVENUES</b>			
Federal	\$ 2,117	\$ 2,117	\$ None
<b>EXPENDITURES</b>			
Rent	\$ 1,037	1,587	550
Utilities	1,038	488	(550)
Administration	42	42	None
Total expenditures	<u>\$ 2,117</u>	<u>2,117</u>	<u>None</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		None	
Less: Funds returned or to be returned to funding source		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 12  
(Continued)

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
DEPARTMENT OF HOMELAND SECURITY  
FY 2006 FAMILY SUPPORT CENTER  
January 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>RICEVILLE</b>			
<b>REVENUES</b>			
Federal	\$ 500	\$ 500	None
<b>EXPENDITURES</b>			
Food	\$ 490	490	None
Administration	10	10	None
Total expenditures	<u>\$ 500</u>	<u>500</u>	<u>None</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		None	
Less: Funds returned or to be returned to funding source		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	
<b>WINNESHIEK</b>			
<b>REVENUES</b>			
Federal	\$ 4,549	\$ 4,549	None
<b>EXPENDITURES</b>			
Rent	\$ 2,229	2,667	438
Utilities	2,229	1,791	(438)
Administration	91	91	None
Total expenditures	<u>\$ 4,549</u>	<u>4,549</u>	<u>None</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		None	
Less: Funds returned or to be returned to funding source		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 DEPARTMENT OF HOMELAND SECURITY  
 FY 2006 FAMILY SUPPORT CENTER  
 January 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
CHICKASAW			
REVENUES			
Federal	\$ 2,290	\$ 2,290	\$ None
EXPENDITURES			
Rent	\$ 1,290	1,798	508
Utilities	1,000	492	(508)
Total expenditures	<u>\$ 2,290</u>	<u>2,290</u>	<u>None</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		None	
Less: Funds returned or to be returned to funding source		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 13

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 FEDERAL - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
 HEAD START PROGRAM  
 GRANT #07CH6090/40  
 January 31, 2007

	Budget	Actual	Over (Under) Budget
<b>REVENUES</b>			
Federal	\$ 1,669,304	\$ 1,664,881	\$ (4,423)
Local	597,594	416,279	(181,315)
<b>Total revenues</b>	<u>\$ 2,266,898</u>	<u>2,081,160</u>	<u>(185,738)</u>
<b>EXPENDITURES</b>			
Personnel	\$ 880,528	904,859	24,331
Fringe benefits	306,317	299,846	(6,471)
Travel	4,200	2,800	(1,400)
Equipment	-	-	None
Supplies	64,800	65,729	929
Contractual	30,698	26,519	(4,179)
Other costs	229,659	221,768	(7,891)
<b>Total direct</b>	<u>1,516,202</u>	<u>1,521,521</u>	<u>5,319</u>
<b>Indirect</b>	<u>153,102</u>	<u>143,360</u>	<u>(9,742)</u>
<b>Total federal cost</b>	<u>1,669,304</u>	<u>1,664,881</u>	<u>(4,423)</u>
<b>GRANTEES CONTRIBUTION</b>	<u>597,594</u>	<u>416,279</u>	<u>(181,315)</u>
<b>Total expenditures</b>	<u>\$ 2,266,898</u>	<u>2,081,160</u>	<u>(185,738)</u>
<b>Excess revenues over (under) expenditures</b>		None	<u>\$ None</u>
<b>FUND BALANCE, beginning of contract</b>		None	
<b>Transfer in</b>		None	
<b>FUND BALANCE, end of contract</b>		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 14

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 FEDERAL - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
 FY 2006 OELWEIN WRAP AROUND  
 January 31, 2007

	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
<b>REVENUES</b>			
Federal	<u>\$ 48,000</u>	<u>\$ 48,000</u>	<u>\$ None</u>
<b>EXPENDITURES</b>			
Personnel costs	\$ 33,413	38,336	4,923
Facility costs	940	925	(15)
Supplies and materials	7,960	3,098	(4,862)
Net food costs	500	672	172
Transportation costs	877	143	(734)
Indirect	<u>4,310</u>	<u>4,826</u>	<u>516</u>
Total expenditures	<u>\$ 48,000</u>	<u>48,000</u>	<u>None</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		None	
REPROGRAMMED FUNDS		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 FEDERAL - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
 FY 2006 POSTVILLE WRAP AROUND  
 January 31, 2007

	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
<b>REVENUES</b>			
Federal	\$ 48,000	\$ 48,000	\$ None
<b>EXPENDITURES</b>			
Personnel costs	\$ 35,494	32,659	(2,835)
Facility costs	1,800	1,800	None
Supplies and materials	5,627	9,533	3,906
Net food costs	-	-	None
Transportation costs	500	100	(400)
Indirect	4,579	3,908	(671)
Total expenditures	<u>\$ 48,000</u>	<u>48,000</u>	<u>None</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		None	
REPROGRAMMED FUNDS		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 FEDERAL - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
 FY 2006 WAUKON WRAP AROUND  
 January 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
Federal	<u>\$ 48,000</u>	<u>\$ 48,000</u>	<u>\$ None</u>
<b>EXPENDITURES</b>			
Personnel costs	\$ 37,555	42,279	4,724
Facility costs	1,480	265	(1,215)
Supplies and materials	3,157	-	(3,157)
Net food costs	500	173	(327)
Transportation costs	500	194	(306)
Indirect	4,808	5,089	281
 Total expenditures	 <u>\$ 48,000</u>	 <u>48,000</u>	 <u>None</u>
 Excess revenues over (under) expenditures		 None	 <u>\$ None</u>
 FUND BALANCE, beginning of contract		 None	
 REPROGRAMMED FUNDS		 <u>None</u>	
 FUND BALANCE, end of contract		 <u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

## NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 FEDERAL - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
 FY 2006 WAVERLY WRAP AROUND  
 January 31, 2007

	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
REVENUES			
Federal	<u>\$ 48,000</u>	<u>\$ 27,000</u>	<u>\$ (21,000)</u>
EXPENDITURES			
Personnel costs	\$ 39,679	23,902	(15,777)
Facility costs	1,000	76	(924)
Supplies and materials	1,042	-	(1,042)
Net food costs	500	88	(412)
Transportation costs	693	-	(693)
Indirect	<u>5,086</u>	<u>2,934</u>	<u>(2,152)</u>
Total expenditures	<u>\$ 48,000</u>	<u>27,000</u>	<u>(21,000)</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		None	
REPROGRAMMED FUNDS		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 FEDERAL - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
 FY 2006 CRESCO WRAP AROUND  
 January 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
Federal	\$ 48,000	\$ 45,000	\$ (3,000)
<b>EXPENDITURES</b>			
Personnel costs	\$ 36,007	36,367	360
Facility costs	790	775	(15)
Supplies and materials	5,834	3,363	(2,471)
Net food costs	500	83	(417)
Transportation costs	250	-	(250)
Indirect	4,619	4,412	(207)
Total expenditures	<u>\$ 48,000</u>	<u>45,000</u>	<u>(3,000)</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		None	
REPROGRAMMED FUNDS		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 19

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 FEDERAL - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
 FY 2006 GUTTENBERG WRAP AROUND  
 January 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
Federal	\$ 48,000	\$ 48,000	\$ None
<b>EXPENDITURES</b>			
Personnel costs	\$ 35,703	39,501	3,798
Facility costs	1,090	1,042	(48)
Supplies and materials	5,126	2,344	(2,782)
Net food costs	500	337	(163)
Transportation costs	1,000	-	(1,000)
Indirect	4,581	4,776	195
<b>Total expenditures</b>	<u>\$ 48,000</u>	<u>48,000</u>	<u>None</u>
<b>Excess revenues over (under) expenditures</b>		None	<u>\$ None</u>
<b>FUND BALANCE, beginning of contract</b>		None	
<b>REPROGRAMMED FUNDS</b>		<u>None</u>	
<b>FUND BALANCE, end of contract</b>		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 20

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 FEDERAL - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
 FY 2006 MONONA WRAP AROUND  
 January 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
Federal	\$ 48,000	\$ 42,000	\$ (6,000)
<b>EXPENDITURES</b>			
Personnel costs	\$ 42,026	37,180	(4,846)
Facility costs	-	25	25
Supplies and materials	100	90	(10)
Net food costs	-	81	81
Transportation costs	453	-	(453)
Indirect	5,421	4,624	(797)
<b>Total expenditures</b>	<b>\$ 48,000</b>	<b>42,000</b>	<b>(6,000)</b>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		None	
REPROGRAMMED FUNDS		None	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 21

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 FEDERAL - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
 FY 2006 RICEVILLE WRAP AROUND  
 January 31, 2007

	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
<b>REVENUES</b>			
Federal	\$ 48,000	\$ 39,000	\$ (9,000)
<b>EXPENDITURES</b>			
Personnel costs	\$ 33,931	33,198	(733)
Facility costs	1,240	869	(371)
Supplies and materials	6,278	731	(5,547)
Net food costs	400	196	(204)
Transportation costs	1,800	55	(1,745)
Indirect	4,351	3,951	(400)
Total expenditures	<u>\$ 48,000</u>	<u>39,000</u>	<u>(9,000)</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		None	
REPROGRAMMED FUNDS		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 22

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 FEDERAL - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
 FY 2006 STRAWBERRY POINT WRAP AROUND  
 January 31, 2007

	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
<b>REVENUES</b>			
Federal	<u>\$ 48,000</u>	<u>\$ 48,000</u>	<u>\$ None</u>
<b>EXPENDITURES</b>			
Personnel costs	\$ 36,389	40,202	3,813
Facility costs	1,240	975	(265)
Supplies and materials	4,210	1,905	(2,305)
Net food costs	500	50	(450)
Transportation costs	1,000	-	(1,000)
Indirect	4,661	4,868	207
Total expenditures	<u>\$ 48,000</u>	<u>48,000</u>	<u>None</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		None	
REPROGRAMMED FUNDS		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 23

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 FEDERAL - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
 FY 2006 DECORAH WRAP AROUND  
 January 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
Federal	<u>\$ 42,000</u>	<u>\$ 42,000</u>	<u>\$ None</u>
<b>EXPENDITURES</b>			
Personnel costs	\$ 37,197	37,425	228
Facility costs	-	-	None
Supplies and materials	5	-	(5)
Net food costs	-	-	None
Transportation costs	-	-	None
Indirect	<u>4,798</u>	<u>4,575</u>	<u>(223)</u>
Total expenditures	<u>\$ 42,000</u>	<u>42,000</u>	<u>None</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		None	
REPROGRAMMED FUNDS		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

## NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 FEDERAL - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
 FY 2006 ELKADER WRAP AROUND  
 January 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
Federal	\$ 48,000	\$ 45,000	\$ (3,000)
<b>EXPENDITURES</b>			
Personnel costs	\$ 34,525	32,937	(1,588)
Facility costs	2,080	1,265	(815)
Supplies and materials	5,285	6,600	1,315
Net food costs	500	110	(390)
Transportation costs	1,200	102	(1,098)
Indirect	4,410	3,986	(424)
Total expenditures	<u>\$ 48,000</u>	<u>45,000</u>	<u>(3,000)</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		None	
REPROGRAMMED FUNDS		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

## NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 FEDERAL - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
 EARLY CHILDHOOD PROGRAM  
 GRANT #07CH6090/40  
 January 31, 2007

	Budget	Actual	Over (Under) Budget
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
<b>REVENUES</b>			
Federal	\$ 721,071	\$ 702,656	\$ (18,415)
Inkind	180,268	175,664	(4,604)
	<u>\$ 901,339</u>	<u>878,320</u>	<u>(23,019)</u>
<b>EXPENDITURES</b>			
Personnel	\$ 414,074	421,529	7,455
Fringe benefits	114,602	113,659	(943)
Travel	11,400	13,332	1,932
Equipment	10,000	8,350	(1,650)
Supplies	16,220	15,687	(533)
Contractual	10,500	168	(10,332)
Other costs	76,076	66,241	(9,835)
	<u>652,872</u>	<u>638,966</u>	<u>(13,906)</u>
Total direct	652,872	638,966	(13,906)
Indirect	<u>68,199</u>	<u>63,690</u>	<u>(4,509)</u>
Total federal cost	<u>721,071</u>	<u>702,656</u>	<u>(18,415)</u>
GRANTEE CONTRIBUTION	<u>180,268</u>	<u>175,664</u>	<u>(4,604)</u>
Total expenditures	<u>\$ 901,339</u>	<u>878,320</u>	<u>(23,019)</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		None	
Transfer in		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 26

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 FEDERAL - STATE DEPARTMENT OF HUMAN RIGHTS  
 FY 2006 WEATHERIZATION ASSISTANCE  
 PROGRAM (NO. HEAP 05-09I)  
 January 31, 2007

	Budget	Actual	Over (Under) Budget
<b>REVENUES</b>			
Federal	\$ 513,686	\$ 444,717	\$ (68,969)
<b>EXPENDITURES</b>			
Administration	\$ 23,205	10,000	(13,205)
Health and safety	83,623	102,001	18,378
Support	108,399	134,474	26,075
Labor	113,046	67,866	(45,180)
Materials	113,045	63,428	(49,617)
Liability insurance	6,358	6,358	None
Other	66,010	60,590	(5,420)
Total expenditures	\$ 513,686	444,717	(68,969)
Excess revenues over (under) expenditures		None	\$ <u>None</u>
FUND BALANCE, beginning of contract		None	
FUND BALANCE, end of contract		\$ <u>None</u>	

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 27

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 FEDERAL - STATE DEPARTMENT OF HUMAN RIGHTS  
 FY 2006 WEATHERIZATION ASSISTANCE  
 PROGRAM (NO. HEAP 06-09I)  
 January 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
Federal	\$ 281,609	\$ 265,689	\$ (15,920)
<b>EXPENDITURES</b>			
Administration	\$ 13,774	13,774	None
Health and safety	47,572	97,766	50,094
Support	61,796	72,280	10,484
Labor	64,445	38,716	(25,729)
Materials	64,445	29,596	(34,849)
Liability insurance	13,557	13,557	None
Other	15,920	-	(15,920)
Total expenditures	<u>\$ 281,609</u>	<u>265,689</u>	<u>(15,920)</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 FEDERAL - STATE DEPARTMENT OF HUMAN RIGHTS  
 FY 2006 WEATHERIZATION ASSISTANCE  
 PROGRAM (NO. DOE 05-09I)  
 January 31, 2007

	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
<b>REVENUES</b>			
Federal	<u>\$ 187,592</u>	<u>\$ 187,592</u>	<u>\$ None</u>
<b>EXPENDITURES (By contract line item)</b>			
Administration	\$ 22,324	22,324	None
Health and safety	33,054	33,494	440
Support	42,847	49,384	6,537
Labor	44,684	48,780	4,096
Materials	<u>44,683</u>	<u>33,610</u>	<u>(11,073)</u>
Total expenditures	<u>\$ 187,592</u>	<u>187,592</u>	<u>None</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		None	
Less: Funds returned or to be returned to funding source		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 29

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 FEDERAL - STATE DEPARTMENT OF HUMAN RIGHTS  
 FY 2006 COMMUNITY SERVICES BLOCK GRANT  
 PROGRAM (NO. CSBG-06-09-CI)  
 January 31, 2007

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 257,137	\$ 257,137	\$ None
EXPENDITURES (By contract line item)			
Salaries	\$ 149,000	146,332	(2,668)
Fringe benefits	37,209	37,828	619
Space costs	13,384	13,383	(1)
Travel	6,000	5,941	(59)
Other costs	28,467	31,299	2,832
Indirect	23,077	22,354	(723)
Total expenditures	\$ 257,137	257,137	None
Excess revenues over (under) expenditures		None	\$ <u>None</u>
FUND BALANCE, beginning of contract		None	
Less: Funds returned or to be returned to funding source		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 30

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS

FEDERAL - STATE DEPARTMENT OF HUMAN RIGHTS

FaDSS-06-25-F4

January 31, 2007

	Budget	Actual	Over (Under) Budget
<b>REVENUES</b>			
Federal	\$ 117,380	\$ 116,546	\$ (834)
State	104,091	103,352	(739)
Local	27,498	26,291	(1,207)
<b>Total revenues</b>	<b>\$ 248,969</b>	<b>246,189</b>	<b>(2,780)</b>
<b>EXPENDITURES</b>			
Personnel	\$ 197,034	188,438	(8,596)
Travel	13,500	16,444	2,944
Space/utilities	4,272	4,272	None
Other costs	8,646	13,439	4,793
Third-party payments	100	93	(7)
Indirect	25,417	23,503	(1,914)
<b>Total expenditures</b>	<b>\$ 248,969</b>	<b>246,189</b>	<b>(2,780)</b>
Excess revenues over (under) expenditures		None	\$ <u>None</u>
FUND BALANCE, beginning of contract		None	
FUND BALANCE, end of contract		\$ <u>None</u>	

See Independent Auditor's Report on the Supplementary Information.

## NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 FEDERAL - STATE DEPARTMENT OF HUMAN RIGHTS  
 2006 LOW INCOME HOME ENERGY ASSISTANCE  
 PROGRAM (NO. LIHEAP-06-09-I)  
 January 31, 2007

	Budget	Actual	Over (Under) Budget
<b>REVENUES</b>			
Federal	\$ 2,555,857	\$ 2,529,723	\$ (26,134)
Local	None	-	None
Total revenues	<u>\$ 2,555,857</u>	<u>2,529,723</u>	<u>(26,134)</u>
<b>EXPENDITURES</b>			
Section I			
A. Regular assistance	\$ 1,975,653	1,950,968	(24,685)
B. Energy crisis intervention			
Furnace repair	None	-	None
Emergency delivery	95,423	95,410	(13)
Emergency temporary shelter	None	-	None
Emergency cooling	None	-	None
	<u>95,423</u>	<u>95,410</u>	<u>(13)</u>
C. Client services	39,374	37,938	(1,436)
D. Data expansion	3,450	3,450	None
E. Summer deliverable fuel	303,110	303,110	None
Section II			
Administration	138,847	138,847	None
Total expenditures	<u>\$ 2,555,857</u>	<u>2,529,723</u>	<u>(26,134)</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		None	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

## NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 FEDERAL - STATE DEPARTMENT OF HEALTH  
 FY 2006 FAMILY PLANNING PROGRAM (NO. 5886MH20)  
 January 31, 2007

	Budget	Actual	Over (Under) Budget
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
<b>REVENUES</b>			
Federal	\$ 83,302	\$ 83,302	\$ None
Local	144,966	150,831	5,865
	<u>\$ 228,268</u>	<u>234,133</u>	<u>5,865</u>
<b>EXPENDITURES (By cost category)</b>			
Employee salaries	\$ 84,880	70,635	(14,245)
Employee fringe benefits	25,957	24,841	(1,116)
Contractual	75,630	70,143	(5,487)
Equipment	4,500	4,950	450
Supplies	13,080	9,659	(3,421)
Communication	None	-	None
Space costs	5,731	5,784	53
Travel	4,192	3,075	(1,117)
Training	None	-	None
Indirect	14,298	11,694	(2,604)
	<u>\$ 228,268</u>	<u>200,781</u>	<u>(27,487)</u>
Excess revenues over (under) expenditures		33,352	<u>\$ 33,352</u>
FUND BALANCE, beginning of contract		None	
TRANSFER to Contributions		<u>(33,352)</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 FEDERAL - STATE DEPARTMENT OF HEALTH  
 FY 2006 SPECIAL SUPPLEMENTAL FOOD PROGRAMS FOR W.I.C.  
 PROGRAM (NO.5886A042)  
 January 31, 2007

	Budget	Actual	Over (Under) Budget
<b>REVENUES</b>			
Federal	\$ 264,018	\$ 252,587	\$ (11,431)
Local	None	(121)	(121)
	<u>\$ 264,018</u>	<u>252,466</u>	<u>(11,552)</u>
<b>EXPENDITURES</b>			
Salaries	\$ 126,650	137,323	10,673
Fringe benefits	47,671	47,608	(63)
Contractual	22,160	13,484	(8,676)
Administration/management	34,787	22,691	(12,096)
Travel	10,364	8,436	(1,928)
Indirect	22,386	23,045	659
Total expenditures	<u>\$ 264,018</u>	<u>252,587</u>	<u>(11,431)</u>
Excess revenues over (under) expenditures		(121)	<u>\$ (121)</u>
FUND BALANCE, beginning of contract		25,754	
TRANSFER from Contributions		121	
RETURNED TO FUNDING SOURCE		<u>(25,754)</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
 SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 FEDERAL - STATE DEPARTMENT OF HEALTH  
 FY 2005 SPECIAL SUPPLEMENTAL FOOD PROGRAMS FOR W.I.C.  
 PROGRAM (NO.5886NU52)  
 January 31, 2007

	Budget	Actual	Over (Under) Budget
<b>REVENUES</b>			
Federal	\$ 5,290	\$ 3,856	\$ (1,434)
Local	10,580	7,697	(2,883)
	\$ 15,870	11,553	(4,317)
<b>EXPENDITURES</b>			
Salaries	\$ 11,765	9,518	(2,247)
Fringe benefits	675	560	(115)
Contractual	-	-	None
Administration/management	1,525	674	(851)
Travel	292	319	27
Indirect	1,613	296	(1,317)
Total expenditures	\$ 15,870	11,367	(4,503)
Excess revenues over (under) expenditures		186	\$ 186
FUND BALANCE, beginning of contract		None	
TRANSFER to Contributions		(186)	
FUND BALANCE, end of contract		\$ None	

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 35

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 STATE - DEPARTMENT OF EDUCATION  
 OELWEIN CHILD DEVELOPMENT 2006  
 January 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
State	\$ 54,254	\$ 54,254	\$ None
<b>EXPENDITURES</b>			
Salaries	\$ 32,500	35,746	3,246
Employee benefits	9,555	10,506	951
Administration costs	5,425	5,798	373
Labor	960	678	(282)
Travel	480	30	(450)
Supplies	1,696	-	(1,696)
Other costs	3,638	1,496	(2,142)
Total expenditures	<u>\$ 54,254</u>	<u>54,254</u>	<u>None</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 35

(Continued)

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS

STATE - DEPARTMENT OF EDUCATION

CHILD DEVELOPMENT 2006

January 31, 2007

	<u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
<b>REVENUES</b>			
State	\$ 172,862	\$ 172,033	\$ (829)
<b>EXPENDITURES</b>			
Salaries	\$ 99,199	108,557	9,358
Employee benefits	34,504	38,560	3,956
Travel	1,080	208	(872)
Purchased services	2,690	1,215	(1,475)
Supplies	2,815	76	(2,739)
Other costs	15,214	4,983	(10,231)
Indirect	17,260	18,434	1,174
Total expenditures	<u>\$ 172,862</u>	<u>172,033</u>	<u>(829)</u>
Excess revenues over (under) expenditures		None	\$ <u>None</u>
FUND BALANCE, beginning of contract		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

## NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 OTHER SOURCES - VARIOUS (INCLUDING FEDERAL HIGHWAY  
 ADMINISTRATION AND IOWA DEPARTMENT OF TRANSPORTATION)  
 FY 2006 TRANSIT PROGRAM  
 January 31, 2007

	Budget	Actual	Over (Under) Budget
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
<b>REVENUES</b>			
Federal	\$ 599,518	\$ 366,800	\$ (232,718)
State	394,617	358,986	(35,631)
Local	1,743,749	1,431,490	(312,259)
	<u>2,737,884</u>	<u>2,157,276</u>	<u>(580,608)</u>
Total revenues	<u>\$ 2,737,884</u>	<u>2,157,276</u>	<u>(580,608)</u>
<b>EXPENDITURES</b>			
Direct			
Employee salaries	\$ 588,531	623,312	34,781
Employee fringe benefits	187,882	157,427	(30,455)
Contractual	37,000	35,591	(1,409)
Travel	15,200	12,049	(3,151)
Space costs and rentals	23,630	19,665	(3,965)
Consumable supplies	34,859	26,663	(8,196)
Equipment	1,623,690	934,679	(689,011)
Other charges	126,935	406,127	279,192
	<u>2,637,727</u>	<u>2,215,513</u>	<u>(422,214)</u>
Total direct	<u>2,637,727</u>	<u>2,215,513</u>	<u>(422,214)</u>
Indirect	<u>100,157</u>	<u>100,665</u>	<u>508</u>
Total expenditures	<u>\$ 2,737,884</u>	<u>2,316,178</u>	<u>(421,706)</u>
Excess revenues over (under) expenditures		(158,902)	<u>\$ (158,902)</u>
FUND BALANCE, beginning of contract		494,393	
REPROGRAMMED FUNDS		<u>(335,491)</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS

FY 2006 WEATHERIZATION ASSISTANCE PROGRAM

UTILITY CONTRACT

January 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>CONTRACT #MEC-06-09I</b>			
<b>REVENUES</b>			
Local	\$ 14,871	\$ 14,871	\$ None
<b>EXPENDITURES</b>			
Administration-indirect	\$ 744	744	None
Support	1,487	966	(521)
Labor	6,320	7,191	871
Material	6,320	5,970	(350)
Total expenditures	<u>\$ 14,871</u>	<u>14,871</u>	<u>None</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	
 <b>CONTRACT #IPL-06-09I</b>			
<b>REVENUES</b>			
Local	<u>\$ 135,860</u>	<u>\$ 119,802</u>	<u>\$ (16,058)</u>
<b>EXPENDITURES</b>			
Administration-indirect	\$ 6,794	6,062	(732)
Support	13,586	10,979	(2,607)
Labor	57,740	37,591	(20,149)
Material	57,740	66,584	8,844
Total expenditures	<u>\$ 135,860</u>	<u>121,216</u>	<u>(14,644)</u>
Excess revenues over (under) expenditures		(1,414)	<u>\$ (1,414)</u>
FUND BALANCE, beginning of contract		None	
Add: Funds requested		<u>1,414</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 37  
(Continued)

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
FY 2006 WEATHERIZATION ASSISTANCE PROGRAM  
UTILITY CONTRACT  
January 31, 2007

	Budget	Actual	Over (Under) Budget
CONTRACT #AQU-06-09I			
REVENUES			
Local	\$ 60,349	\$ 60,349	None
EXPENDITURES			
Administration-indirect	\$ 3,017	3,017	None
Support	6,036	5,069	(967)
Labor	25,648	22,117	(3,531)
Material	25,648	30,146	4,498
Total expenditures	\$ 60,349	60,349	None
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
FUND BALANCE, end of contract		\$ None	

See Independent Auditor's Report on the Supplementary Information.

## NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 STATE - IOWA FINANCE AUTHORITY  
 HOUSING ASSISTANCE FUND (HAF #02-09)  
 January 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
State	\$ 172,500	\$ 161,250	\$ (11,250)
Local	11,500	6,841	(4,659)
	<u>\$ 184,000</u>	<u>168,091</u>	<u>(15,909)</u>
<b>EXPENDITURES</b>			
Salaries	\$ 60,000	58,940	(1,060)
Fringe benefits	15,810	17,139	1,329
Contractual	9,000	80	(8,920)
Administration/management	88,767	4,887	(83,880)
Travel	1,400	4,922	3,522
Indirect	9,023	10,084	1,061
	<u>\$ 184,000</u>	<u>96,052</u>	<u>(87,948)</u>
Excess revenues over (under) expenditures		72,039	<u>\$ 72,039</u>
FUND BALANCE, beginning of contract		None	
TRANSFER to Rent to Own		(72,039)	
RETURNED TO FUNDING SOURCE		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

## NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 STATE - DEPARTMENT OF ECONOMIC DEVELOPMENT  
 HOME INVESTMENT PARTNERSHIP PROGRAM (05-HM-296)  
 January 31, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
Federal	\$ 110,640	\$ 110,640	\$ None
State	50,000	50,000	None
Local	<u>223,393</u>	<u>262,606</u>	<u>39,213</u>
	<u>\$ 384,033</u>	<u>423,246</u>	<u>39,213</u>
<b>EXPENDITURES</b>			
Salaries	\$ 6,281	6,511	230
Fringe benefits	1,815	1,652	(163)
Contractual	373,393	412,607	39,214
Administration/management	1,500	1,505	5
Travel			None
Indirect	<u>1,044</u>	<u>971</u>	<u>(73)</u>
Total expenditures	<u>\$ 384,033</u>	<u>423,246</u>	<u>39,213</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		None	
RETURNED TO FUNDING SOURCE		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended January 31, 2007

<u>Section I: Summary of the Independent Auditor's Results</u>	<u>Yes</u>	<u>No</u>	<u>None Reported</u>
<b>Financial Statements</b>			
Type of auditor's report issued: unqualified.			
<b>Internal control over financial reporting:</b>			
Material weakness(es) identified?		X	
Significant deficiencies identified that are not considered to be material weaknesses?	X		
Noncompliance material to financial statements noted?		X	
<b>Federal Awards</b>			
<b>Internal control over major programs:</b>			
Material weakness(es) identified?		X	
Significant deficiencies identified that are not considered to be material weakness(es)?	X		
Type of auditor's report issued on compliance for major programs: unqualified.			
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?			X
<b>Identification of major programs</b>			
CFDA Number 93.568 Low Income Home Energy Assistance			
CFDA Number 20.509 Formula Grants for Other Than Urbanized Areas			
CFDA Number 20.500 Federal Transit Capital Investment Grants			
CFDA Number 81.042 Weatherization Assistance for Low Income Persons			
Dollar threshold used to distinguish between Type A and Type B programs: \$300,000			
Auditee qualified as low-risk auditee?		X	

Section II: Findings Related to the Financial Statements:

**Significant deficiencies**

07-1 Reporting financial data reliably in accordance with generally accepted accounting principles requires management to possess sufficient knowledge and expertise to select and apply accounting principles and prepare year-end financial statements, including footnote disclosures. Management presently lacks the qualifications and training to appropriately fulfill these responsibilities, which is a common situation in small entities.

Obtaining additional generally accepted accounting principles knowledge through reading relevant accounting literature and attending local professional education courses should help management significantly improve in their ability to prepare and take responsibility for reliable generally accepted accounting principles financial statements.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended January 31, 2007

Section III: Findings and Questioned Costs for Federal Awards:

Instances of noncompliance - None  
Significant deficiencies

CFDA Number 93.568 Low Income Home Energy Assistance  
Federal Award Year 2006 and 2007  
U.S. Department of Health and Human Services  
Passed through Iowa Department of Human Rights

See 07-1 above

CFDA Number 20.209 Formula Grants for Other than Urbanized Areas  
Federal Award Year 2006 and 2007  
U.S. Department of Transportation

See 07-1 above

CFDA Number 20.500 Federal Transit Capital Investment Grants  
Federal Award Year 2006 and 2007  
U.S. Department of Transportation

See 07-1 above

CFDA Number 81.042 Weatherization Assistance for Low Income Persons  
Federal Award Year 2006 and 2007  
U.S. Department of Energy  
Passed through Iowa Department of Human Rights

See 07-1 above

Section IV: Other Findings Related to Required Statutory Reporting:

See Management Letter dated May 18, 2007

Section V: Summary of Prior Federal Audit Findings and Questioned Costs:

N/A

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended January 31, 2007

Grantor/Program	CFDA Number	Grant Number	Period of Grant	Program Expenditures
U.S. Department of Health and Human Services				
Direct				
Head Start	93.600	07CH6090/40	02/01/06-01/31/07	\$ 1,664,881
Head Start Discretionary	93.600	07CH6090/40	02/01/06-01/31/07	702,656
Passed through Iowa Department of Human Rights				
Wrap-Around Child Care	93.600	N/A	09/01/05-08/31/06	335,946
			09/01/06-08/31/07	67,951
			09/01/05-08/31/06	35,015
			09/01/06-08/31/07	9,714
				<u>2,816,163</u>
Passed through Iowa Department of Human Rights				
Low Income Home Energy Assistance	93.568	LIHEAP 06-09-I	10/01/05-09/30/06	1,554,677
		LIHEAP 07-09-I	10/01/06-09/30/07	1,120,052
		HEAP 05-09I	04/01/05-03/31/06	106,192
		HEAP 06-09I	04/01/06-03/31/07	265,689
		HEAP 07-09I	01/01/07-03/31/08	106,296
				<u>3,152,906</u>
Subtotal U.S. Department of Health and Human Services				<u>5,969,069</u>
Other Federal Awards				
Department of Homeland Security				
Direct				
Emergency Food and Shelter National Board Program	97.024	N/A	01/01/06-12/31/06	24,126
U.S. Department of Health and Human Services				
Passed through Iowa Department of Human Rights				
Community Services Block Grant	93.569	CSBG-06-09-CI	10/01/05-12/31/06	192,911
		CSBG-07-09-CI	10/01/06-09/30/07	27,083
				<u>219,994</u>
Community Services Block Grant Discretionary Awards				
	93.570	FADSS 06-25-P4	07/01/05-06/30/06	56,476
		FADSS 07-25-P4	07/01/06-06/30/07	66,428
				<u>122,904</u>

See Independent Auditor's Report on the Schedule of Expenditures of Federal Awards.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended January 31, 2007

Grantor/Program	CFDA Number	Grant Number	Period of Grant	Program Expenditures
Other Federal Awards (Continued)				
U.S. Department of Health and Human Services (Continued)				
Passed through Iowa Department of Health				
Family Planning Services	93.217	5886MH20 5887MH20	10/01/05-09/30/06 10/01/06-09/30/07	\$ 49,733 42,110
				<u>91,843</u>
Subtotal U.S. Department of Health and Human Services				<u>434,741</u>
U.S. Department of Transportation				
Federal Transit Administration				
Formula Grants for Other Than Urbanized Areas	20.509	Section 5311	07/01/05-06/30/06 07/01/06-06/30/07	46,683 331,150
				<u>377,833</u>
Federal Transit - Capital Investment Grants	20.500	IA-18-X021	07/01/05-06/30/06 07/01/06-06/30/07	144,923 87,777
				<u>232,700</u>
Subtotal U.S. Department of Transportation				<u>610,533</u>
U.S. Department of Housing and Urban Development				
Passed through Iowa Department of Economic Development				
HOME Investment Partnerships Program	14.239	05-HM-296	03/31/05-03/31/07	5,755
U.S. Department of Energy				
Passed through Iowa Department of Human Rights				
Weatherization Assistance for Low Income Persons	81.042	DOE 05-09I DOE 06-09I	04/01/05-03/31/06 04/01/06-03/31/07	511 192,622
				<u>193,133</u>
Subtotal U.S. Department of Energy				<u>193,133</u>

See Independent Auditor's Report on the Schedule of Expenditures of Federal Awards.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended January 31, 2007

Grantor/Program	CFDA Number	Grant Number	Period of Grant	Program Expenditures
Other Federal Awards (Continued)				
U.S. Department of Agriculture				
Passed through Iowa Department of Education				
Child and Adult Care Food Program	10.558	96-8010	10/01/05-09/30/06	\$ 130,600
		96-8013	10/01/06-09/30/07	76,935
			10/01/05-09/30/06	334,206
			10/01/06-09/30/07	151,826
				<u>693,567</u>
Passed through Iowa Department of Public Health				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	5886A042	10/01/05-09/30/06	168,779
		5886NU52	10/01/05-09/30/06	2,087
		5887NU52	10/01/06-09/30/07	3,349
				<u>174,215</u>
Subtotal U.S. Department of Agriculture				<u>867,782</u>
Subtotal Other Federal Awards				<u>2,136,070</u>
Total Federal Awards				<u>\$ 8,105,139</u>

See Independent Auditor's Report on the Schedule of Expenditures of Federal Awards.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended January 31, 2007

Note 1.

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Northeast Iowa Community Action Corporation and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

See Independent Auditor's Report on the Schedule of Expenditures of Federal Awards.

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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  
Northeast Iowa Community Action Corporation  
Decorah, Iowa

We have audited the financial statements of Northeast Iowa Community Action Corporation (a nonprofit corporation) as of and for the year ended January 31, 2007 and have issued our report thereon dated May 18, 2007. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Northeast Iowa Community Action Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over financial reporting described in the accompanying schedule of findings and questioned costs as item 07-1 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northeast Iowa Community Action Corporation's financial statements are free of 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*.

We noted certain matters that we reported to management of Northeast Iowa Community Action Corporation in a separate letter dated May 18, 2007.

This report is intended solely for the information and use of the Board, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Hacke, Nelson & Co., P.C.*

Decorah, Iowa  
May 18, 2007

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors  
Northeast Iowa Community Action Corporation  
Decorah, Iowa

Compliance

We have audited the compliance of Northeast Iowa Community Action Corporation (a nonprofit corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended January 31, 2007. The Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Corporation's management. Our responsibility is to express an opinion on Northeast Iowa Community Action Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Northeast Iowa Community Action Corporation'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. Our audit does not provide a legal determination of Northeast Iowa Community Action Corporation's compliance with those requirements.

In our opinion, Northeast Iowa Community Action Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended January 31, 2007.

Internal Control Over Compliance

The management of Northeast Iowa Community Action Corporation is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Northeast Iowa Community Action Corporation's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 the Corporation's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the Corporation's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 07-1 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

#### Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of Northeast Iowa Community Action Corporation as of and for the year ended January 31, 2007, and have issued our report thereon dated May 18, 2007. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Hacker, Nelson & Co., P.C.*

Decorah, Iowa  
May 18, 2007

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MANAGEMENT LETTER

To the Board of Directors  
Northeast Iowa Community Action Corporation  
Decorah, Iowa

In planning and performing our audit of the financial statements of Northeast Iowa Community Action Corporation for the year ended January 31, 2007, we considered the Corporation's internal control to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal control and operating efficiency. The following summarizes our comments and suggestions regarding those matters. A separate report dated May 18, 2007 contains our report on the Corporation's internal control. This letter does not affect our report dated May 18, 2007 on the financial statements of Northeast Iowa Community Action Corporation. Comment 1 is an unresolved comment from prior year. All other prior year management letter comments have been resolved.

1. Program Budgets

Contract expenditures did not exceed amounts budgeted by program except for programs supplemented by local funds. Federal and state funded expenditures did not exceed amounts budgeted.

2. HEAP

During our testing of HEAP files, there was one file that went over the \$8,000 expenditure limit for materials and labor. The waiver request was filled out after the work had been complete.

Recommendation

We recommend that all expenditures be reviewed throughout the project to verify that the cost does not exceed the allowable amount prior to the work being completed.

Response

In reviewing the file it looks like we went over the limit by \$698.32 (including \$263.00 of re-inspection work). The home was originally evaluated on 2/7/06 and completed on 6/30/06. It got stalled in the system due to various reasons including the fact that a boiler was needed. During this time the limit was raised for boiler work - thus pushing us over the \$8,000 limit. Subsequent discussion with the State staff assured this was acceptable and the waiver was granted to us on 7/13/06. We will be more diligent when the NEAT audit runs. If we are nearing the maximum in any way we will contact the State for the waiver before the house is completed.

Conclusion

Response accepted.

3. Compensated Absences

During our audit, we noticed that that Corporation does not record a liability for compensated absences for the employees as required by generally accepted accounting principles.

Recommendation

We recommend that the Corporation consider recording the accrued compensation for its employees in local funds for the amount earned by the employees.

Response

The Corporation has sufficient local funds to cover the accrued level time on the books. The Administration will work with the Board of Directors to formalize the process of funding accrued level to assure we meet generally accepted accounting principles by recording the liability on the books.

Conclusion

Response accepted.

We would like to acknowledge the many courtesies and assistance extended to us by the personnel of Northeast Iowa Community Action Corporation during the course of our examination.

If you have any questions concerning these or other matters, we would be happy to discuss them with you at your convenience.

*Hacker, Nelson & Co., P.C.*

Decorah, Iowa  
May 18, 2007