

NORTHEAST IOWA COMMUNITY
ACTION CORPORATION

FINANCIAL REPORT

JANUARY 31, 2008

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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, 2008, 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, 2008, 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 19, 2008, 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 important for assessing the results of our audit.

Hacker, Nelson & Co., P.C.

Decorah, Iowa
May 19, 2008

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
STATEMENT OF FINANCIAL POSITION
January 31, 2008

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 2,811,635
Receivables	
Funding source	844,724
Other	284,936
Due from affiliate	150,398
Prepaid expenses	-
Total current assets	<u>4,091,693</u>
PROPERTY AND EQUIPMENT, net	<u>1,796,155</u>
OTHER ASSETS	
Investment in affiliates	<u>514,880</u>
Total assets	<u><u>\$ 6,402,728</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	
General	\$ 1,045,749
Compensated absences	118,591
Current portion of long-term debt	31,127
Deferred revenue	<u>609,450</u>
Total current liabilities	<u>1,804,917</u>
LONG-TERM DEBT	
Notes payable, less current portion	<u>841,232</u>
NET ASSETS	
Unrestricted	<u>3,756,579</u>
Total liabilities and net assets	<u><u>\$ 6,402,728</u></u>

See Notes to Financial Statements.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
STATEMENT OF ACTIVITIES
Year Ended January 31, 2008

	Unrestricted
REVENUE AND OTHER SUPPORT	
Federal and state grants	\$ 7,677,261
Local	2,185,309
Interest	61,022
Contributions	70,437
Total revenues and other support	9,994,029
EXPENDITURES	
Program services	9,489,393
Supporting services	
Management and general	557,635
Fundraising	61,052
Total expenditures	10,108,080
Change in net assets from operations	(114,051)
OTHER CHANGES	
Equity in limited partnerships earnings	(5)
Change in net assets	(114,056)
NET ASSETS, beginning of year, restated	3,870,635
NET ASSETS, end of year	\$ 3,756,579

See Notes to Financial Statements.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended January 31, 2008

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Employee salaries	\$ 3,456,507	\$ 288,567	\$ 44,390	\$ 3,789,464
Employee fringe benefits	1,029,578	77,903	7,104	1,114,585
Contractual	254,679	62,473	3,124	320,276
Travel	67,986	40,327	2,016	110,329
Space costs	232,768	15,225	761	248,754
Consumable supplies	189,081	27,593	1,380	218,054
Equipment	14,006			14,006
Direct assistance	1,938,991			1,938,991
Depreciation	109,607			109,607
Food	693,230			693,230
Vehicle costs	166,206			166,206
Other	1,268,598	45,547	2,277	1,316,422
Contributed materials, facilities and services	70,437			70,437
Capitalization of equipment and contributed materials and services	(2,281)			(2,281)
Total expenditures	\$ 9,489,393	\$ 557,635	\$ 61,052	\$ 10,108,080

See Notes to Financial Statements.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
STATEMENT OF CASH FLOWS
Year Ended January 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (113,742)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	109,607
Loss from limited partnerships	(314)
(Increase) decrease in:	
Receivables	
Funding source	(214,065)
Other	256,937
Prepaid expenses	45,525
Increase (decrease) in:	
Payables	
General	417,594
Deferred revenue	(226,049)
	275,493
Net cash provided by operating activities	275,493
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of equipment	(3,673)
	(3,673)
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on debt	(186,456)
Proceeds from loans borrowed	433,222
	246,766
Net cash provided by financing activities	246,766
Net increase in cash	518,586
CASH AND CASH EQUIVALENTS	
Beginning of year	2,293,049
End of year	\$ 2,811,635
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash payments for interest	\$ 28,672

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.

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.

1. Summary of Significant Accounting Policies (Continued)

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.

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, 2008, 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. Board designated net assets for fixed assets total \$914,657 at January 31, 2008.

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.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

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, 2007 and received unqualified opinions dated February 29, 2008 and February 20, 2008, 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.

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, 2008, 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 \$2,444,711 are not included in the Statement of Financial Position since title remains with the funding sources. The grantor agencies reserve the right to have the assets be returned or sold if the Corporation discontinues their use. 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 \$109,607 for the year ended January 31, 2008. Accumulated depreciation totaled \$830,972 as of January 31, 2008. 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 2008.

h. Annual Leave and Vacation Leave

The Corporation employees accumulate sick leave and annual leave for subsequent use. The accumulation of annual leave is recognized when earned however, the accumulation of sick leave is 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.

1. Summary of Significant Accounting Policies (Continued)

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.

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 \$2,811,644 and the bank balances totaled \$2,941,397. Of the bank balances, \$None were 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, 2008. 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, 2008 is \$70,437.

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 69% 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 2008, 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.

The indirect cost plan and rate was reviewed and approved by its cognizant agency for the year ending January 31, 2008. The Corporation's approved provisional rate for the year ended January 31, 2008 was 12.7%. This rate applied to the programs included in these financial statements at an estimated finalized rate of approximately 12.9% of base expenditures. The actual rate will be finalized at a later date by the Corporation's cognizant agency. For FY08, the indirect cost plan and rate was determined based on salary and benefits.

NOTES TO FINANCIAL STATEMENTS

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, 2007 follows:

	NEICAC Senior Housing	Decorah Woolen Mill
Assets	\$ 921,623	\$ 1,772,051
Less liabilities	626,234	477,815
Net assets	\$ 295,389	\$ 1,294,236
Operating revenues	\$ 59,061	\$ 66,438
Net loss	\$ (14,152)	\$ (30,496)
Corporation's interest Share of net loss	\$ (2)	\$ (3)
Equity in net assets	\$ 30	\$ 514,850

8. Property and Equipment

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

Acquiring Program/Source	Land	Buildings	Vehicles/ Equipment	Total
Contributions			\$ 223,643	\$ 223,643
Waukon USDA		\$ 455,194		455,194
Transit			513,702	513,702
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	9,975	501,715	17,353	529,043
	19,950	1,840,501	766,681	2,627,132
Less accumulated depreciation	None	392,629	438,348	830,977
	\$ 19,950	\$ 1,447,872	\$ 328,333	\$ 1,796,155

The components of Northeast Iowa Community Action Corporation's accumulated depreciation at January 31, 2008 is as follows:

	Buildings	Vehicles	Equipment	Total
Balance, beginning of year	\$ 345,039	\$ 160,692	\$ 215,639	\$ 721,370
Current year depreciation	47,590	32,936	29,081	109,607
Balance, end of year	\$ 392,629	\$ 193,628	\$ 244,720	\$ 830,977

NOTES TO FINANCIAL STATEMENTS

9. Long-term Debt

Details of long-term debt as of January 31, 2008 are as follows:

	Balance Due	
	Total	Current
Calmar 6-Plex I Program		
<i>Decorah Bank & Trust, Decorah</i>		
4.2% interest bearing note payable, due \$1,242 per month including interest through January 2018, with a balloon payment then due, collateralized by real estate.	\$ 158,222	\$ 8,419
 <i>Iowa Finance Authority</i>		
1.0% interest bearing note payable, due \$1,082 annually through May 2011, collateralized by real estate.	4,076	1,041
 Calmar 6-Plex II Program		
<i>Iowa Finance Authority</i>		
1.0% interest bearing note payable, due \$1,309 annually through May 2011, collateralized by real estate.	7,505	1,234
 Waukon Head Start Building		
<i>United States Department of Agriculture</i>		
4.75% interest bearing note payable, due \$1,615 monthly including interest through November 2042, collateralized by real estate.	312,066	4,217
 Rent to Own		
<i>Hawkeye Tri-County Electric</i>		
1.0% interest bearing note payable, due \$708 monthly through February 2010, collateralized by real estate.	214,205	6,374
 Postville Home		
<i>Bank of the West, Decorah</i>		
4.95% interest bearing note payable, due \$400 monthly through March 2012, collateralized by real estate.	53,493	2,218
 Ridgewood Duplex Building		
<i>Habitat for Humanity</i>		
0.0% interest bearing note payable, due \$304 monthly through September 2032, collateralized by real estate.	87,043	3,652
 0.0% interest bearing note payable, with 10% forgiven each year through November 2016.	35,749	3,972
	\$ 872,359	\$ 31,127

NOTES TO FINANCIAL STATEMENTS

9. Long-term Debt (Continued)

Maturities of long-term debt during the years following January 31, 2008 are as follows:

Long-term debt maturities	
2009	\$ 31,127
2010	31,899
2011	227,574
2012	26,812
2013	26,666
2014-2018	218,391
2019-2023	55,589
2024-2028	66,577
2029-2033	73,969
2034-2038	76,012
2039-2043	37,743
	\$ 872,359

Interest expense totaled \$28,672 for the year ending January 31, 2008. No interest cost was capitalized for the year ended January 31, 2008.

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% from February 1, 2007 through June 30, 2007 and 3.90% from July 1, 2007 through January 31, 2008, of their annual covered salary and the Corporation is required to contribute 5.75% from February 1, 2007 through June 30, 2007 and 6.05% from July 1, 2007 through January 31, 2008, of annual covered payroll. Contribution requirements are established by State statute. The Corporation's contribution to IPERS for the years ended January 31, 2008, 2007, and 2006 were \$211,724, \$194,359, and \$192,662, respectively, equal to the required contributions for each year.

11. Deferred Revenue

Deferred revenue consists of the following as of January 31, 2008:

U.S. Department of Health & Human Services	
Wrap-around	\$ 386,992
Elkader wrap-around	34,543
	421,535
State Department of Human Rights	
Weatherization Assistance for Low Income Persons	9,482
Community Services Block Grant	1,932
Community Services Block Grant Discretionary Awards	49,871
	61,285
Other Sources	
Child Developments	40,262
Oelwein Child Development	4,970
	45,232
Local Sources	
Contributions	81,398
	\$ 609,450

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

The Corporation leases Outreach office space from Kevin or Jan Hassman in New Hampton, Iowa for \$475 per month.

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, 2008.

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

Center	Monthly Period of Lease	Rent
Monona HS	July 1, 2007 to June 30, 2008	\$ 750
Postville CD	July 1, 2007 to June 30, 2008	500
Postville	July 1, 2007 to June 30, 2008	600
West Union HS	August 1, 2007 to June 30, 2008	400
Monona HS	March 1, 2007 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	Monthly Utility Period of Lease	Payment
Howard-Winn CSD HS	July 1, 2007 to June 30, 2008	\$ 225
Riceville HS	July 1, 2007 to June 30, 2008	150
First Union Church CD	July 1, 2007 to June 30, 2008	400
Rainbow Land Preschool	September 1, 2007 to August 31, 2008	500
Guttenberg HS	July 1, 2007 to June 30, 2008	300
Decorah CSD	June 1, 2007 to May 31, 2008	400
Elkader	September 1, 2007 to August 31, 2008	575
Oelwein CSD	August 1, 2007 to July 31, 2008	350
Civic Center	July 1, 2007 to June 30, 2008	400

The future minimum lease payments required under the operating leases that have initial or remaining non-cancelable lease terms are \$55,425 as of January 31, 2008.

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, 2008.

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, 2008 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. As of January 31, 2008, the balance of the loan from the Corporation to the project for its development fee was \$75,398.

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 Corporation loaned the project its development fee of \$75,000.

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, 2008.

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 forgiven on an annual basis. The Corporation must own the building for 20 years. See Note 9.

14. Fair Value of Financial Instruments

The estimated fair value of the Corporation's financial instruments as of January 31, 2008 are as follows:

	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 2,811,635	\$ 2,811,635
Notes payable	872,359	813,956

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.

NOTES TO FINANCIAL STATEMENTS

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. Subsequent Events

The Corporation has sold the Postville house for low income families in the subsequent to year end for \$60,000. They have also changed the main bank accounts from Bank of the West to Decorah Bank & Trust. The Corporation also received \$283,370 donation in publicly traded stocks to help fund the family planning program. The Corporation has sold those stocks for \$288,994.

17. Restatement

The beginning net assets were restated by \$118,591 to record the liability for compensated absences.

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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, 2008 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, 2008 presented on Schedules 1 through 34 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 3-34 of preparing this information under guidelines used to report to regulatory and funding agencies, 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 3-34 has been presented in 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, 2007, 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, 2007 because the information was presented under the guidelines described in the preceding paragraph. In our opinion, except for the effects of preparing this information using guidelines as explained above, the supplementary information presented on Schedules 12 to 34 which relates to the year ended January 31, 2007, 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 19, 2008

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NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF FINANCIAL POSITION
 BY FUNDING SOURCE
 January 31, 2008

	U.S. Department of Health and Human Services	Department of Homeland Security	State Department of Human Rights	State Department of Health
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 429,346	\$ 7	\$ 171,285	\$ 105
Receivables				
Funding source	54,980	-	679,019	598
Other	-	-		74,048
Due from other funds	1,989	-	216,288	
Total assets	\$ 486,315	\$ 7	\$ 1,066,592	\$ 74,751
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable				
General	\$ 21,967		\$ 632,387	\$ 4,713
Due to other funds	42,813	\$ 7	372,920	20,012
Deferred revenue	421,535	-	61,285	-
	486,315	7	1,066,592	24,725
NET ASSETS				
Unrestricted	None	None	None	50,026
Total liabilities and net assets	\$ 486,315	\$ 7	\$ 1,066,592	\$ 74,751

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 1

State Department of Economic Development	U.S. Department of Agriculture	Other Sources	Total
\$ -	\$ -	\$ 93,439	\$ 694,182
5,276	73,111	1,787	814,771
-	-	-	74,048
-	2,340	1,376	221,993
<u>\$ 5,276</u>	<u>\$ 75,451</u>	<u>\$ 96,602</u>	<u>\$ 1,804,994</u>
\$ -	\$ 62,306	\$ 30,172	\$ 751,545
5,276	13,145	4,590	458,763
-	-	45,232	528,052
5,276	75,451	79,994	1,738,360
None	None	16,608	66,634
<u>\$ 5,276</u>	<u>\$ 75,451</u>	<u>\$ 96,602</u>	<u>\$ 1,804,994</u>

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NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF FINANCIAL POSITION
 LOCAL FUNDS
 January 31, 2008

	Transit 2008	Local Weatherization 2008	Head Start Local	Calmar 6-Plex	Weatherization Utilities
ASSETS					
CURRENT ASSETS					
Cash	\$ 420,047	\$ 56,705	\$ 184,119	\$ 21,849	\$ 4,181
Receivables					
Funding source	-				22,101
Other	202,498		7,927		
Due from other funds	165		10,892	-	2,365
Due from affiliate					
Prepaid expenses					
	<u>622,710</u>	<u>56,705</u>	<u>202,938</u>	<u>21,849</u>	<u>28,647</u>
PROPERTY AND EQUIPMENT, NET	<u>280,605</u>	<u>None</u>	<u>None</u>	<u>729,457</u>	<u>None</u>
INVESTMENT IN AFFILIATES	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>
Total assets	<u>\$ 903,315</u>	<u>\$ 56,705</u>	<u>\$ 202,938</u>	<u>\$ 751,306</u>	<u>\$ 28,647</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable					
General	\$ 87,394	\$ -	\$ 900	\$ 21,302	\$ -
Due to other funds	92,142	2,778	5,748	6,118	28,647
Due to affiliates					
Compensated absences					
Current portion of long-term debt				10,694	
Deferred revenue					
Total current liabilities	<u>179,536</u>	<u>2,778</u>	<u>6,648</u>	<u>38,114</u>	<u>28,647</u>
LONG-TERM DEBT					
Notes payable, less current portion				<u>159,109</u>	
NET ASSETS					
Unrestricted					
Designated for fixed assets	280,605			554,083	
Undesignated	443,174	53,927	196,290		
Total net assets	<u>723,779</u>	<u>53,927</u>	<u>196,290</u>	<u>554,083</u>	<u>None</u>
Total liabilities and net assets	<u>\$ 903,315</u>	<u>\$ 56,705</u>	<u>\$ 202,938</u>	<u>\$ 751,306</u>	<u>\$ 28,647</u>

See Independent Auditor's Report on the Supplementary Information.

<u>Contributions</u>	<u>General Relief</u>	<u>Low-Rent Housing</u>	<u>Rent to Own</u>	<u>Ridgewood Duplex</u>	<u>Waukon USDA</u>	<u>Fayette General Relief</u>	<u>Family Planning</u>	<u>Total</u>
\$ 1,392,940	\$ -	\$ -	\$ 3,498	\$ 2,665	\$ 25,870	\$ -	\$ 5,579	\$ 2,117,453
302	1,979	5,338	-			535		29,953
408,377		319					161	210,888
150,398								422,118
-								150,398
<u>1,952,017</u>	<u>1,979</u>	<u>5,657</u>	<u>3,498</u>	<u>2,665</u>	<u>25,870</u>	<u>535</u>	<u>5,740</u>	<u>2,930,810</u>
18,396	None	None	267,949	126,110	373,638	None	None	1,796,155
514,880	None	None	None	None	None	None	None	514,880
<u>\$ 2,485,293</u>	<u>\$ 1,979</u>	<u>\$ 5,657</u>	<u>\$ 271,447</u>	<u>\$ 128,775</u>	<u>\$ 399,508</u>	<u>\$ 535</u>	<u>\$ 5,740</u>	<u>\$ 5,241,845</u>
\$ 179,911	\$ 526		\$ 2,374	\$ 1,757		\$ 40		\$ 294,204
42,247	1,470	\$ 5,657				541		185,348
-								-
118,591			8,592	7,624	\$ 4,217			118,591
81,398								31,127
<u>422,147</u>	<u>1,996</u>	<u>5,657</u>	<u>10,966</u>	<u>9,381</u>	<u>4,217</u>	<u>581</u>	<u>\$ None</u>	<u>710,668</u>
			259,106	115,168	307,849			841,232
18,396			-	-	61,573			914,657
2,044,750	(17)		1,375	4,226	25,869	(46)	5,740	2,775,288
2,063,146	(17)	None	1,375	4,226	87,442	(46)	5,740	3,689,945
<u>\$ 2,485,293</u>	<u>\$ 1,979</u>	<u>\$ 5,657</u>	<u>\$ 271,447</u>	<u>\$ 128,775</u>	<u>\$ 399,508</u>	<u>\$ 535</u>	<u>\$ 5,740</u>	<u>\$ 5,241,845</u>

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NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BY FUNDING SOURCE
 Year Ended January 31, 2008

	U.S. Department of Health and Human Services	Department of Homeland Security	State Department of Human Rights	State Department of Health
REVENUES				
Federal grants	\$ 2,908,150	\$ 23,749	\$ 2,854,661	\$ 114,803
State grants	-		116,351	
Local	-	(7)	30,253	242,019
Inkind	589,447			21,892
Total revenues	3,497,597	23,742	3,001,265	378,714
EXPENDITURES				
Direct				
Employee salaries	1,661,005		636,615	148,732
Employee fringe benefits	508,471		196,261	46,462
Contractual	23,461		66,006	56,302
Travel	12,439		25,990	11,338
Space costs	144,661		20,455	12,931
Consumable supplies	109,986		36,743	5,847
Equipment	-			34,808
Direct assistance		23,373	1,774,995	
Augmentation			(164,378)	
Food	48,348			
Other	123,825		338,243	9,422
Inkind	589,447			21,892
Total direct	3,221,643	23,373	2,930,930	347,734
Indirect	289,345	369	70,487	24,680
Total expenditures	3,510,988	23,742	3,001,417	372,414
Excess revenues over (under) expenditures	(13,391)	None	(152)	6,300
FUND BALANCE, beginning of year	None	None	None	48,278
TRANSFERS, NET	13,391	None	152	(4,552)
FUND BALANCE, end of year	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ 50,026</u>

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 3

State Department of Economic Development	U.S. Department of Agriculture	Other Sources	Total
	\$ 768,031		\$ 6,669,394
\$ 11,594		\$ 248,960	376,905
-	-	94,368	366,633
	-		611,339
11,594	768,031	343,328	8,024,271
-	58,476	141,595	2,646,423
-	15,624	51,532	818,350
-	-	37,009	182,778
	4,522	564	54,853
	2,156	432	180,635
	14,656	401	167,633
		-	34,808
		67,555	1,865,923
		14,311	(150,067)
	644,882	-	693,230
11,594	18,033	-	501,117
		-	611,339
11,594	758,349	313,399	7,607,022
-	9,411	23,921	418,213
11,594	767,760	337,320	8,025,235
None	271	6,008	(964)
None	None	10,600	58,878
None	(271)	None	8,720
\$ None	\$ None	\$ 16,608	\$ 66,634

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NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 LOCAL FUNDS
 Year Ended January 31, 2008

	Transit		Local Weatherization		Head Start
	2007	2008	2007	2008	Local
REVENUES					
Federal grants	\$ 218	\$ 193,844			
State grants	89,053	245,492			
Local revenue	518,319	583,039			\$ 131,855
Equity in limited partnerships earnings					
Interest			\$ 303	\$ 464	4,017
Total revenue	607,590	1,022,375	303	464	135,872
EXPENDITURES					
Direct					
Employee salaries	310,016	478,955			
Employee fringe benefits	78,162	118,415			
Contractual	20,151	26,047			25,000
Travel	5,680	9,383			
Space costs	9,190	12,167			
Consumable supplies	6,968	7,397			318
Equipment	(41,096)	20,294			
Direct assistance					
Depreciation	31,624	22,901			
Augmentation					
Other	192,983	240,866			10,608
Total direct	613,678	936,425	-	-	35,926
Indirect	49,300	75,866	849	1,717	
Total expenditures	662,978	1,012,291	849	1,717	35,926
Excess revenues over (under) expenditures	(55,388)	10,084	(546)	(1,253)	99,946
FUND BALANCE, beginning of year	769,083	None	58,091	None	109,735
TRANSFERS, NET				(2,365)	(13,391)
REPROGRAMMED FUNDS	(713,695)	713,695	(57,545)	57,545	None
FUND BALANCE, end of year	\$ None	\$ 723,779	\$ None	\$ 53,927	\$ 196,290

See Independent Auditor's Report on the Supplementary Information.

Calmar 6-Plex		Weatherization Utilities		Contributions	General Relief	
2007	2008	2007	2008		2007	2008
\$ 31,817	\$ 21,816	\$ 167,224	\$ 22,101	\$ 817,593	\$ 3,307	\$ 9,051
				(5)		
				55,610		
<u>31,817</u>	<u>21,816</u>	<u>167,224</u>	<u>22,101</u>	<u>873,198</u>	<u>3,307</u>	<u>9,051</u>
2,909	2,327			323,452	399	350
553	446			89,568	(307)	128
1,980	1,591			62,473		
				40,413		
13,633	9,357			15,225	175	245
				32,196		
				73,068		
15,100	10,785			7,491		
		157,879	22,102			
5,369	6,480			130,182	3,133	8,284
<u>39,544</u>	<u>30,986</u>	<u>157,879</u>	<u>22,102</u>	<u>774,068</u>	<u>3,400</u>	<u>9,007</u>
440	352	10,812	897	5,760	21	61
<u>39,984</u>	<u>31,338</u>	<u>168,691</u>	<u>22,999</u>	<u>779,828</u>	<u>3,421</u>	<u>9,068</u>
(8,167)	(9,522)	(1,467)	(898)	93,370	(114)	(17)
571,772	None	None	None	1,970,105	114	None
		1,467	898	(329)	None	None
<u>(563,605)</u>	<u>563,605</u>					
<u>\$ None</u>	<u>\$ 554,083</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ 2,063,146</u>	<u>\$ None</u>	<u>\$ (17)</u>

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 LOCAL FUNDS
 Year Ended January 31, 2008

	Low-Rent Housing		Rent to Own	
	2007	2008	2007	2008
REVENUES				
Federal grants				
State grants	\$ 34,116	\$ 3,293	\$ 64,946	\$ -
Local revenue			26,409	14,850
Equity in limited partnerships earnings				
Interest				31
Total revenue	<u>34,116</u>	<u>3,293</u>	<u>91,355</u>	<u>14,881</u>
EXPENDITURES				
Direct				
Employee salaries	21,922	2,123	489	
Employee fringe benefits	8,349	799	96	
Contractual				
Travel				
Space costs				750
Consumable supplies				
Equipment				
Direct assistance				
Depreciation				7,051
Augmentation				
Other			327,610	7,292
Total direct	<u>30,271</u>	<u>2,922</u>	<u>328,195</u>	<u>15,093</u>
Indirect	<u>3,845</u>	<u>371</u>	<u>69</u>	
Total expenditures	<u>34,116</u>	<u>3,293</u>	<u>328,264</u>	<u>15,093</u>
Excess revenues over (under) expenditures	None	None	(236,909)	(212)
FUND BALANCE, beginning of year	None	None	238,496	None
TRANSFERS, NET	None	None	None	None
REPROGRAMMED FUNDS			(1,587)	1,587
FUND BALANCE, end of year	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ 1,375</u>

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 4
(Continued)

Ridgewood Duplex		Waukon USDA	Fayette General Relief	Family Planning		Total
2007	2008			2007	2008	
						\$ 194,062
						436,900
\$ 5,660	\$ 10,027	\$ 19,380	\$ 2,560	\$ 4,133	\$ 405	2,389,546
11	16	570	-			(5)
<u>5,671</u>	<u>10,043</u>	<u>19,950</u>	<u>2,560</u>	<u>4,133</u>	<u>405</u>	<u>3,081,525</u>
			99			1,143,041
			26			296,235
				256		137,498
3,785	3,592					55,476
				2,362	1,180	68,119
						50,421
						(20,802)
1,637	1,638	11,380				73,068
						109,607
839	549	14,937	2,465			179,981
<u>6,261</u>	<u>5,779</u>	<u>26,317</u>	<u>2,590</u>	<u>2,618</u>	<u>1,180</u>	<u>951,597</u>
			16			150,376
<u>6,261</u>	<u>5,779</u>	<u>26,317</u>	<u>2,606</u>	<u>2,618</u>	<u>1,180</u>	<u>3,194,617</u>
(590)	4,264	(6,367)	(46)	1,515	(775)	(113,092)
552	None	93,809	None	None	None	3,811,757
None	None	None	None	5,000	None	(8,720)
38	(38)	None	None	(6,515)	6,515	None
<u>\$ None</u>	<u>\$ 4,226</u>	<u>\$ 87,442</u>	<u>\$ (46)</u>	<u>\$ None</u>	<u>\$ 5,740</u>	<u>\$ 3,689,945</u>

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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, 2008

	Head Start #07CH6090/41		Combined Wrap-Arounds		Elkader Wrap-Around	
	Direct	T & TA	2007	2008	2007	2008
REVENUES						
Federal grants	\$ 1,669,903	\$ 22,062	\$ 352,049	\$ 93,008	\$ 38,286	\$ 13,457
State grants			-	-		
Local revenue	-		-	-		
Inkind	418,531					
Total revenue	2,088,434	22,062	352,049	93,008	38,286	13,457
EXPENDITURES						
Direct						
Employee salaries	916,961		220,332	56,344	26,832	6,769
Employee fringe benefits	299,412		72,205	15,563	5,312	1,298
Contractual	23,296		-	-	-	-
Travel	1,765		-	-	-	-
Space costs	115,532		7,825	-	1,847	-
Consumable supplies	63,208		13,465	11,967	171	4,366
Equipment	-		-	-	-	-
Food	36,405		83	-	-	-
Other	58,845	22,062	599	-	-	-
Inkind	418,531		-	-		
Total direct	1,933,955	22,062	314,509	83,874	34,162	12,433
Indirect	158,940	None	37,540	9,134	4,124	1,024
Total expenditures	2,092,895	22,062	352,049	93,008	38,286	13,457
Excess revenues over (under) expenditures	(4,461)	None	None	None	None	None
FUND BALANCE, beginning of year	None	None	None	None	None	None
TRANSFERS, NET	4,461					
FUND BALANCE, end of year	\$ None	\$ None	\$ None	\$ None	\$ None	\$ None

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 5

Early Childhood #07CH6090/41		
Direct	T & TA	Total
\$ 706,996	\$ 12,389	\$ 2,908,150
-	-	-
170,916		589,447
877,912	12,389	3,497,597
433,767	-	1,661,005
114,681	-	508,471
165	-	23,461
10,674	-	12,439
19,457	-	144,661
16,809	-	109,986
-	-	-
11,860		48,348
29,930	12,389	123,825
170,916	-	589,447
808,259	12,389	3,221,643
78,583	-	289,345
886,842	12,389	3,510,988
(8,930)	None	(13,391)
None	None	None
8,930		13,391
\$ None	\$ None	\$ None

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 DEPARTMENT OF HOMELAND SECURITY
 Year Ended January 31, 2008

	Family Support Center 2007
REVENUES	
Federal grants	\$ 23,749
Local revenue	(7)
Total revenue	23,742
EXPENDITURES	
Direct	
Direct assistance	23,373
Indirect	369
Total expenditures	23,742
Excess revenues over (under) expenditures	None
FUND BALANCE, beginning of year	None
FUND BALANCE, end of year	\$ None

See Independent Auditor's Report on the Supplementary Information.

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NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 STATE DEPARTMENT OF HUMAN RIGHTS
 Year Ended January 31, 2008

	Weatherization Assistance for Low Income Persons		Low Income Heat Energy Assistance		HEAP Weatherization Assistance For Low Income Persons	
	DOE 07-09I	07-09-I	08-09-I	HEAP 07-09I	HEAP 08-09I	
REVENUES						
Federal grants	\$ 154,818	\$ 469,665	\$ 1,541,234	\$ 204,311	\$ 121,743	
State grants						
Local revenue						
	<u>154,818</u>	<u>469,665</u>	<u>1,541,234</u>	<u>204,311</u>	<u>121,743</u>	
EXPENDITURES						
Direct						
Employee salaries	-	60,169	70,742	-	-	
Employee fringe benefits	-	19,208	21,321	-	-	
Contractual	-	-	-	-	-	
Travel	-	1,498	1,604	-	-	
Space costs	-	1,876	938	-	-	
Consumable supplies	-	2,886	2,980	-	-	
Direct assistance	-	346,643	1,427,954	-	-	
Augmentation	164,299	-	-	195,656	118,410	
Other	-	27,305	4,003	-	-	
Total direct	164,299	459,585	1,529,542	195,656	118,410	
Indirect	(9,481)	10,232	11,692	8,655	3,333	
Total expenditures	<u>154,818</u>	<u>469,817</u>	<u>1,541,234</u>	<u>204,311</u>	<u>121,743</u>	
Excess revenues over (under) expenditures	None	(152)	None	None	None	
FUND BALANCE, beginning of year	None	None	None	None	None	
Less: funds returned or to be returned to funding source	None	None	None	None	None	
TRANSFERS, NET	<u>None</u>	<u>152</u>	<u>None</u>	<u>None</u>	<u>None</u>	
FUND BALANCE, end of year	<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, 2008

	Special Supplemental Food Program for Women, Infants and Children		Family Planning Project		Total
	#5887NU52	#5888NU52	#5887MH20	#5888MH20	
REVENUES					
Federal grants	\$ 6,989	\$ 1,094	\$ 40,273	\$ 66,447	\$ 114,803
Local	-	-	142,917	99,102	242,019
Inkind	16,084	5,808			21,892
Total revenues	23,073	6,902	183,190	165,549	378,714
EXPENDITURES					
Direct					
Employee salaries	1,678	269	95,413	51,372	148,732
Employee fringe benefits	501	57	30,032	15,872	46,462
Contractual	-	238	53,383	2,681	56,302
Travel	770	-	7,493	3,075	11,338
Space costs	-	489	8,382	4,060	12,931
Equipment	5,847	-			5,847
Consumable supplies	-	-	8,324	26,484	34,808
Other	-	-	5,983	3,439	9,422
Inkind	16,084	5,808			21,892
Total direct	24,880	6,861	209,010	106,983	347,734
Indirect	(22)	41	16,121	8,540	24,680
Total expenditures	24,858	6,902	225,131	115,523	372,414
Excess revenues over (under) expenditures	(1,785)	-	(41,941)	50,026	6,300
FUND BALANCE, beginning of year	None	None	48,278	None	48,278
REPROGRAMMED FUNDS	None	None	None	None	None
TRANSFERS, NET	1,785	-	(6,337)	-	(4,552)
FUND BALANCE, end of year	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ 50,026</u>	<u>\$ 50,026</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 ECONOMIC DEVELOPMENT
 Year Ended January 31, 2008

	Homeless Shelter 08-II-96002
REVENUES	
Federal grants	\$ -
State grants	11,594
Local revenue	-
	-
Total revenue	11,594
EXPENDITURES	
Direct	
Employee salaries	-
Employee fringe benefits	-
Travel	-
Space costs	-
Contractual	-
Other	11,594
Direct assistance	-
	-
Total direct	11,594
Indirect	
	-
Total expenditures	11,594
Excess revenues over (under) expenditures	None
TRANSFERS, NET	None
FUND BALANCE, end of year	\$ 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
 U.S. DEPARTMENT OF AGRICULTURE
 Year Ended January 31, 2008

	USDA		Family Day Care		Total
	#96-8010	#96-8010	#96-8013	#96-8013	
REVENUES					
Federal grants	\$ 125,739	\$ 80,961	\$ 374,857	\$ 186,474	\$ 768,031
EXPENDITURES					
Direct					
Employee salaries	10,938	4,976	27,146	15,416	58,476
Employee fringe benefits	3,091	1,368	7,267	3,898	15,624
Contractual					-
Travel	109	65	3,243	1,105	4,522
Space costs			1,437	719	2,156
Consumable supplies	1,532	508	11,629	987	14,656
Food	100,355	67,962	315,390	161,175	644,882
Other	7,932	5,277	4,103	721	18,033
Total direct	123,957	80,156	370,215	184,021	758,349
Indirect	1,782	805	4,371	2,453	9,411
Total expenditures	125,739	80,961	374,586	186,474	767,760
Excess revenues over (under) expenditures	None	None	271	None	271
FUND BALANCE, beginning of year	None	None	None	None	None
TRANSFERS, net	None	None	(271)	None	(271)
FUND BALANCE, end of year	\$ None	\$ None	\$ None	\$ None	\$ None

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NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 OTHER SOURCES
 Year Ended January 31, 2008

	Child Development			
	Combined		Oelwein	
	2007	2008	2007	2008
REVENUES				
State grants	\$ 71,715	\$ 104,355	\$ 21,093	\$ 37,030
Local revenue				
Total revenue	<u>71,715</u>	<u>104,355</u>	<u>21,093</u>	<u>37,030</u>
EXPENDITURES				
Direct				
Employee salaries	43,261	60,317	13,895	23,798
Employee fringe benefits	14,606	24,136	4,074	8,585
Contractual	-	1,655	-	534
Travel	132	193	-	-
Space costs	-	-	432	-
Consumable supplies	401	-	-	-
Equipment	-	-	-	-
Direct assistance	-	-	-	-
Other	6,429	7,328	554	-
Total direct	<u>64,829</u>	<u>93,629</u>	<u>18,955</u>	<u>32,917</u>
Indirect	<u>6,886</u>	<u>10,726</u>	<u>2,138</u>	<u>4,113</u>
Total expenditures	<u>71,715</u>	<u>104,355</u>	<u>21,093</u>	<u>37,030</u>
Excess of revenues over (under) expenditures	None	None	None	None
FUND BALANCE, beginning of year	None	None	None	None
REPROGRAMMED FUNDS	None	None	None	None
TRANSFERS, NET	None	None	None	None
FUND BALANCE, end of year	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>

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SCHEDULE 11

Utilities		EHS Pilot	Total
2007	2008	2007	
\$ 67,404	\$ 6,159	\$ 14,767	\$ 248,960
		20,805	94,368
<u>67,404</u>	<u>6,159</u>	<u>35,572</u>	<u>343,328</u>
-	-	324	141,595
-	-	131	51,532
-	-	34,820	37,009
-	-	239	564
-	-		432
-	-		401
-	-		-
67,736	(181)		67,555
<u>-</u>	<u>-</u>	<u>-</u>	<u>14,311</u>
67,736	(181)	35,514	313,399
-	-	58	23,921
<u>67,736</u>	<u>(181)</u>	<u>35,572</u>	<u>337,320</u>
(332)	6,340	None	6,008
10,600	None	None	10,600
(10,268)	10,268	None	None
None	None	None	None
<u>\$ None</u>	<u>\$ 16,608</u>	<u>\$ None</u>	<u>\$ 16,608</u>

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS
DEPARTMENT OF HOMELAND SECURITY
FY 2007 FAMILY SUPPORT CENTER
January 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
ALLAMAKEE			
REVENUES			
Federal	\$ 4,066	\$ 4,066	\$ None
EXPENDITURES			
Rent	\$ 2,085	1,992	(93)
Utilities	1,900	1,992	92
Administration	81	80	(1)
Total expenditures	<u>\$ 4,066</u>	<u>4,064</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		<u>2</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	
FAYETTE			
REVENUES			
Federal	\$ 7,620	\$ 7,620	\$ None
EXPENDITURES			
Rent	\$ 3,000	2,334	(666)
Utilities	2,704	3,370	666
Food	1,764	1,764	None
Administration	152	149	(3)
Total expenditures	<u>\$ 7,620</u>	<u>7,617</u>	<u>(3)</u>
Excess revenues over (under) expenditures		3	<u>\$ 3</u>
FUND BALANCE, beginning of contract		None	
Less: Funds returned or to be returned to funding source		<u>3</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

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NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS
 DEPARTMENT OF HOMELAND SECURITY
 FY 2007 FAMILY SUPPORT CENTER
 January 31, 2008

	Budget	Actual	Over (Under) Budget
BREMER			
REVENUES			
Federal	\$ 2,584	\$ 2,584	\$ None
EXPENDITURES			
Rent	\$ 1,000	2,584	1,584
Utilities	1,584	-	(1,584)
Total expenditures	\$ 2,584	2,584	None
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
FUND BALANCE, end of contract		\$ None	
HOWARD			
REVENUES			
Federal	\$ 2,514	\$ 2,514	\$ None
EXPENDITURES			
Rent	\$ 1,474	1,785	311
Utilities	500	189	(311)
Food	490	490	None
Administration	50	49	(1)
Total expenditures	\$ 2,514	2,513	(1)
Excess revenues over (under) expenditures		1	\$ 1
FUND BALANCE, beginning of contract		None	
Less: Funds returned or to be returned to funding source		1	
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
 DEPARTMENT OF HOMELAND SECURITY
 FY 2007 FAMILY SUPPORT CENTER
 January 31, 2008

	Budget	Actual	Over (Under) Budget
CHICKASAW			
REVENUES			
Federal	\$ 2,395	\$ 2,395	\$ None
EXPENDITURES			
Rent	\$ 800	1,273	473
Utilities	1,595	1,122	(473)
Total expenditures	\$ 2,395	2,395	None
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
Less: Funds returned or to be returned to funding source		None	
FUND BALANCE, end of contract		\$ None	
WINNESHIEK			
REVENUES			
Federal	\$ 4,570	\$ 4,570	\$ None
EXPENDITURES			
Rent	\$ 2,700	2,225	(475)
Utilities	1,779	2,254	475
Administration	91	90	(1)
Total expenditures	\$ 4,570	4,569	(1)
Excess revenues over (under) expenditures		1	\$ 1
FUND BALANCE, beginning of contract		None	
Less: Funds returned or to be returned to funding source		1	
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
 FEDERAL - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
 HEAD START PROGRAM
 GRANT #07CH6090/41
 January 31, 2008

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 1,691,965	\$ 1,691,965	\$ None
Local	422,992	422,992	None
Total revenues	\$ 2,114,957	2,114,957	None
EXPENDITURES			
Personnel	\$ 928,875	916,961	(11,914)
Fringe benefits	302,195	299,412	(2,783)
Travel	4,200	1,765	(2,435)
Equipment	-	-	None
Supplies	62,800	63,208	408
Contractual	24,400	23,296	(1,104)
Other costs	213,149	232,844	19,695
Total direct	1,535,619	1,537,486	1,867
Indirect	156,346	154,479	(1,867)
Total federal cost	1,691,965	1,691,965	None
GRANTEE CONTRIBUTION	422,992	422,992	None
Total expenditures	\$ 2,114,957	2,114,957	None
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
Transfer in		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
 FEDERAL - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
 FY 2007 OELWEIN WRAP AROUND

January 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 48,000	\$ 48,000	\$ None
EXPENDITURES			
Personnel costs	\$ 33,955	36,946	2,991
Facility costs	925	910	(15)
Supplies and materials	7,340	5,235	(2,105)
Net food costs	500	201	(299)
Transportation costs	900	16	(884)
Indirect	4,380	4,692	312
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 2007 POSTVILLE WRAP AROUND
 January 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 48,000	\$ 48,000	\$ None
EXPENDITURES			
Personnel costs	\$ 34,225	34,125	(100)
Facility costs	1,800	1,800	None
Supplies and materials	7,060	7,741	681
Net food costs	-	-	None
Transportation costs	500	-	(500)
Indirect	4,415	4,334	(81)
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 2007 WAUKON WRAP AROUND
 January 31, 2008

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 48,000	\$ 48,000	\$ None
EXPENDITURES			
Personnel costs	\$ 39,957	41,774	1,817
Facility costs	1,600	371	(1,229)
Supplies and materials	325	-	(325)
Net food costs	500	-	(500)
Transportation costs	500	550	50
Indirect	5,118	5,305	187
Total expenditures	\$ 48,000	48,000	None
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
REPROGRAMMED FUNDS		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
 FEDERAL - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
 FY 2007 WAVERLY WRAP AROUND
 January 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 48,000	\$ 36,000	\$ (12,000)
EXPENDITURES			
Personnel costs	\$ 39,918	30,574	(9,344)
Facility costs	985	410	(575)
Supplies and materials	880	968	88
Net food costs	500	165	(335)
Transportation costs	600	-	(600)
Indirect	5,117	3,883	(1,234)
Total expenditures	<u>\$ 48,000</u>	<u>36,000</u>	<u>(12,000)</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>	

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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 2007 CRESCO WRAP AROUND
 January 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 48,000	\$ 33,000	\$ (15,000)
EXPENDITURES			
Personnel costs	\$ 36,355	27,998	(8,357)
Facility costs	925	938	13
Supplies and materials	5,306	508	(4,798)
Net food costs	500	-	(500)
Transportation costs	250	-	(250)
Indirect	4,664	3,556	(1,108)
Total expenditures	<u>\$ 48,000</u>	<u>33,000</u>	<u>(15,000)</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 2007 GUTTENBERG WRAP AROUND

January 31, 2008

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 48,000	\$ 45,000	\$ (3,000)
EXPENDITURES			
Personnel costs	\$ 35,718	34,786	(932)
Facility costs	1,060	1,018	(42)
Supplies and materials	5,139	4,716	(423)
Net food costs	500	18	(482)
Transportation costs	1,000	44	(956)
Indirect	4,583	4,418	(165)
Total expenditures	\$ 48,000	45,000	(3,000)
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
REPROGRAMMED FUNDS		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
 FEDERAL - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
 FY 2007 MONONA WRAP AROUND
 January 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 48,000	\$ 45,000	\$ (3,000)
EXPENDITURES			
Personnel costs	\$ 42,349	39,793	(2,556)
Facility costs	-	-	-
Supplies and materials	188	166	(22)
Net food costs	-	-	-
Transportation costs	-	-	-
Indirect	5,463	5,041	(422)
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
 FY 2007 RICEVILLE WRAP AROUND
 January 31, 2008

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 48,000	\$ 36,000	\$ (12,000)
EXPENDITURES			
Personnel costs	\$ 32,718	27,747	(4,971)
Facility costs	1,200	1,073	(127)
Supplies and materials	7,687	3,477	(4,210)
Net food costs	400	179	(221)
Transportation costs	1,800	-	(1,800)
Indirect	4,195	3,524	(671)
Total expenditures	\$ 48,000	36,000	(12,000)
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
REPROGRAMMED FUNDS		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
 FEDERAL - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
 FY 2007 STRAWBERRY POINT WRAP AROUND

January 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 48,000	\$ 45,000	\$ (3,000)
EXPENDITURES			
Personnel costs	\$ 36,405	36,768	363
Facility costs	1,275	1,305	30
Supplies and materials	4,156	2,017	(2,139)
Net food costs	500	20	(480)
Transportation costs	1,000	220	(780)
Indirect	4,664	4,670	6
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		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 - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
 FY 2007 DECORAH WRAP AROUND

January 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 42,000	\$ 36,000	\$ (6,000)
EXPENDITURES			
Personnel costs	\$ 37,172	31,943	(5,229)
Facility costs	-	-	None
Supplies and materials	33	-	(33)
Net food costs	-	-	None
Transportation costs	-	-	None
Indirect	4,795	4,057	(738)
Total expenditures	<u>\$ 42,000</u>	<u>36,000</u>	<u>(6,000)</u>
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.

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 2007 ELKADER WRAP AROUND

January 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 48,000	\$ 48,000	\$ None
EXPENDITURES			
Personnel costs	\$ 36,155	37,374	1,219
Facility costs	2,125	1,847	(278)
Supplies and materials	3,656	4,022	366
Net food costs	500	11	(489)
Transportation costs	900	-	(900)
Indirect	4,664	4,746	82
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
 EARLY CHILDHOOD PROGRAM
 GRANT #07CH6090/41
 January 31, 2008

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 731,621	\$ 719,385	\$ (12,236)
Inkind	182,905	179,846	(3,059)
Total revenues	\$ 914,526	899,231	(15,295)
EXPENDITURES			
Personnel	\$ 444,310	433,767	(10,543)
Fringe benefits	116,462	114,681	(1,781)
Travel	10,800	10,674	(126)
Equipment	-	-	None
Supplies	11,700	16,809	5,109
Contractual	8,700	165	(8,535)
Other costs	68,431	73,636	5,205
Total direct	660,403	649,732	(10,671)
Indirect	71,218	69,653	(1,565)
Total federal cost	731,621	719,385	(12,236)
GRANTEE CONTRIBUTION	182,905	179,846	(3,059)
Total expenditures	\$ 914,526	899,231	(15,295)
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
Transfer in		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
 FEDERAL - STATE DEPARTMENT OF HUMAN RIGHTS
 FY 2007 WEATHERIZATION ASSISTANCE
 PROGRAM (NO. HEAP 07-091)
 January 31, 2008

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 334,480	\$ 310,607	\$ (23,873)
EXPENDITURES			
Administration	\$ 15,639	15,639	None
Health and safety	54,759	84,969	30,210
Support	67,088	105,111	38,023
Labor	75,974	50,440	(25,534)
Materials	75,974	33,248	(42,726)
Liability insurance	19,126	21,200	2,074
Other	25,920	-	(25,920)
Total expenditures	\$ 334,480	310,607	(23,873)
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
 FEDERAL - STATE DEPARTMENT OF HUMAN RIGHTS
 FY 2007 COMMUNITY SERVICES BLOCK GRANT
 PROGRAM (NO. CSBG-07-09-CI)
 January 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 257,137	\$ 257,137	\$ None
EXPENDITURES (By contract line item)			
Salaries	\$ 130,000	134,564	4,564
Fringe benefits	35,336	34,839	(497)
Space costs	11,168	10,167	(1,001)
Travel	8,475	8,110	(365)
Other costs	51,294	47,943	(3,351)
Indirect	20,864	21,514	650
Total expenditures	<u>\$ 257,137</u>	<u>257,137</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
 FEDERAL - STATE DEPARTMENT OF HUMAN RIGHTS

FaDSS-07-25-F4

January 31, 2008

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 128,082	\$ 128,082	\$ None
State	113,583	113,583	None
Local	27,498	26,470	(1,028)
Total revenues	\$ 269,163	268,135	(1,028)
EXPENDITURES			
Personnel	\$ 199,481	198,960	(521)
Travel	19,000	20,370	1,370
Space/utilities	4,590	4,407	(183)
Other costs	21,222	19,062	(2,160)
Third-party payments	1,500	930	(570)
Indirect	23,370	24,406	1,036
Total expenditures	\$ 269,163	268,135	(1,028)
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
 FEDERAL - STATE DEPARTMENT OF HUMAN RIGHTS
 2007 LOW INCOME HOME ENERGY ASSISTANCE
 PROGRAM (NO. LIHEAP-07-09-I)
 January 31, 2008

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 1,601,758	\$ 1,589,717	\$ (12,041)
Local	None	-	None
Total revenues	\$ 1,601,758	1,589,717	(12,041)
EXPENDITURES			
Section I			
A. Regular assistance	\$ 1,113,652	1,111,002	(2,650)
B. Energy crisis intervention			
Furnace repair	None	-	None
Emergency delivery	93,603	93,603	None
Emergency temporary shelter	None	-	None
Emergency cooling	None	-	None
	93,603	93,603	None
C. Client services	67,129	58,751	(8,378)
D. Data expansion	22,750	21,811	(939)
E. Summer deliverable fuel	169,742	169,742	None
Section II			
Administration	134,882	134,808	(74)
Total expenditures	\$ 1,601,758	1,589,717	(12,041)
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
 FEDERAL - STATE DEPARTMENT OF HEALTH
 FY 2007 FAMILY PLANNING PROGRAM (NO. 5887MH20)
 January 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 82,383	\$ 82,383	\$ None
Local	274,355	259,181	(15,174)
Total revenues	\$ 356,738	341,564	(15,174)
EXPENDITURES (By cost category)			
Employee salaries	\$ 138,495	123,145	(15,350)
Employee fringe benefits	43,340	39,617	(3,723)
Contractual	104,720	91,478	(13,242)
Equipment	-	-	-
Supplies	26,700	20,661	(6,039)
Communication	None	None	None
Space costs	12,964	12,703	(261)
Travel	8,625	8,412	(213)
Training	None	None	None
Indirect	21,894	20,562	(1,332)
Total expenditures	\$ 356,738	316,578	(40,160)
Excess revenues over (under) expenditures		24,986	\$ 24,986
FUND BALANCE, beginning of contract		None	
TRANSFER to contributions		(24,986)	
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
 FEDERAL - STATE DEPARTMENT OF HEALTH
 FY 2007 SPECIAL SUPPLEMENTAL FOOD PROGRAMS FOR W.I.C.
 PROGRAM (NO.5887NU52)
 January 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 16,494	\$ 10,338	\$ (6,156)
Local	32,988	20,675	(12,313)
	<u>\$ 49,482</u>	<u>31,013</u>	<u>(18,469)</u>
EXPENDITURES			
Salaries	\$ 34,270	23,701	(10,569)
Fringe benefits	1,559	891	(668)
Contractual	-	-	None
Administration/management	6,308	4,760	(1,548)
Travel	1,394	1,178	(216)
Indirect	5,951	483	(5,468)
Total expenditures	<u>\$ 49,482</u>	<u>31,013</u>	<u>(18,469)</u>
Excess revenues over (under) expenditures		-	<u>\$ None</u>
FUND BALANCE, beginning of contract		None	
TRANSFER to contributions		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
 STATE - DEPARTMENT OF EDUCATION
 OELWEIN CHILD DEVELOPMENT 2007

January 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
State	\$ 54,254	\$ 54,254	\$ None
EXPENDITURES			
Salaries	\$ 35,262	36,202	940
Employee benefits	9,947	10,937	990
Administration costs	5,425	5,609	184
Labor	1,080	520	(560)
Travel	240	-	(240)
Supplies	480	432	(48)
Other costs	1,820	554	(1,266)
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.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS
 STATE - DEPARTMENT OF EDUCATION
 CHILD DEVELOPMENT 2007
 January 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
State	\$ 172,812	\$ 171,999	\$ (813)
EXPENDITURES			
Salaries	\$ 101,101	101,470	369
Employee benefits	36,135	37,642	1,507
Travel	764	487	(277)
Purchased services	2,020	1,380	(640)
Supplies	960	401	(559)
Other costs	15,359	14,065	(1,294)
Indirect	16,473	16,554	81
Total expenditures	<u>\$ 172,812</u>	<u>171,999</u>	<u>(813)</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 2007 TRANSIT PROGRAM
 January 31, 2008

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 554,997	\$ 419,145	\$ (135,852)
State	415,118	357,416	(57,702)
Local	972,198	968,529	(3,669)
Total revenues	\$ 1,942,313	1,745,090	(197,223)
EXPENDITURES			
Direct			
Employee salaries	\$ 624,000	713,706	89,706
Employee fringe benefits	214,832	180,728	(34,104)
Contractual	28,500	42,054	13,554
Travel	22,500	10,878	(11,622)
Space costs and rentals	23,600	22,869	(731)
Consumable supplies	55,000	15,106	(39,894)
Equipment	693,467	438,064	(255,403)
Other charges	172,205	162,627	(9,578)
Total direct	1,834,104	1,586,032	(248,072)
Indirect	108,209	109,544	1,335
Total expenditures	\$ 1,942,313	1,695,576	(246,737)
Excess revenues over (under) expenditures		49,514	\$ 49,514
FUND BALANCE, beginning of contract		403,749	
REPROGRAMMED FUNDS		(453,263)	
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
 FY 2007 WEATHERIZATION ASSISTANCE PROGRAM
 UTILITY CONTRACT
 January 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
CONTRACT #MEC-07-091			
REVENUES			
Local	\$ 14,871	\$ 14,871	\$ None
EXPENDITURES			
Administration-indirect	\$ 744	744	None
Support	1,487	1,045	(442)
Labor	6,320	5,845	(475)
Material	6,320	7,237	917
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>	
CONTRACT #IPL-07-091			
REVENUES			
Local	\$ 135,860	\$ 98,187	\$ (37,673)
EXPENDITURES			
Administration-indirect	\$ 6,794	4,976	(1,818)
Health and safety		2,406	2,406
Support	13,586	7,831	(5,755)
Labor	57,740	31,579	(26,161)
Material	57,740	51,395	(6,345)
Total expenditures	<u>\$ 135,860</u>	<u>98,187</u>	<u>(37,673)</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
FY 2007 WEATHERIZATION ASSISTANCE PROGRAM
UTILITY CONTRACT
January 31, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
CONTRACT #AQU-07-09I			
REVENUES			
Local	\$ 73,935	\$ 73,935	\$ None
EXPENDITURES			
Administration-indirect	\$ 3,696	3,696	None
Support	7,393	6,569	(824)
Labor	31,423	26,269	(5,154)
Material	31,423	37,401	5,978
Total expenditures	<u>\$ 73,935</u>	<u>73,935</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.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended January 31, 2008

Section I: Summary of the Independent Auditor's Results	Yes	No	None Reported
Financial Statements			
Type of auditor's report issued: unqualified.			
Internal control over financial reporting:			
Material weakness(es) identified?		X	
Significant deficiencies identified that are not considered to be material weaknesses?		X	
Noncompliance material to financial statements noted?		X	
Federal Awards			
Internal control over major programs:			
Material weakness(es) identified?		X	
Significant deficiencies identified that are not considered to be material weaknesses?		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
Identification of major programs			
CFDA Number 93.600 Head Start			
CFDA Number 93.570 Community Services Block Grant Discretionary Awards			
CFDA Number 93.217 Family Planning			
CFDA Number 10.558 Child and Adult Care Food Program			
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:			
Instances of noncompliance - None			
Significant deficiencies - None			
Section III: Findings and Questioned Costs for Federal Awards:			
Instances of noncompliance - None			
Significant deficiencies - None			
Section IV: Other Findings Related to Required Statutory Reporting:			
See Management Letter dated May 19, 2008			
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, 2008

Grantor/Program	CFDA Number	Grant Number	Period of Grant	Program Expenditures
U.S. Department of Health and Human Services				
Direct				
Head Start	93.600	07CH6090/41	02/01/07-01/31/08	\$ 1,691,965
Head Start Discretionary	93.600	07CH6090/41	02/01/07-01/31/08	719,385
Passed through Iowa Department of Human Rights				
Wrap-Around Child Care	93.600	N/A	09/01/06-08/31/07	352,049
			09/01/07-08/31/08	93,008
			09/01/06-08/31/07	38,286
			09/01/07-08/31/08	<u>13,457</u>
				2,908,150
Passed through Iowa Department of Human Rights				
Low Income Home Energy Assistance	93.568	LIHEAP 07-09-I	10/01/06-09/30/07	469,665
		LIHEAP 08-09-I	10/01/07-09/30/08	1,541,234
		HEAP 07-09I	01/01/07-03/31/08	204,311
		HEAP 08-09I	01/01/08-12/31/08	<u>121,743</u>
				2,336,953
Subtotal U.S. Department of Health and Human Services				<u>5,245,103</u>
Other Federal Awards				
Department of Homeland Security				
Direct				
Emergency Food and Shelter National Board Program	97.024	N/A	01/01/07-12/31/07	<u>23,749</u>
U.S. Department of Health and Human Services				
Passed through Iowa Department of Human Rights				
Community Services Block Grant	93.569	CSBG-07-09-CI	10/01/06-09/30/07	230,054
		CSBG-08-09-CI	10/01/07-09/30/08	<u>3,488</u>
				233,542
Community Services Block Grant Discretionary Awards				
	93.570	FADSS 07-25-F4	07/01/06-06/30/07	61,654
		FADSS 08-25-F4	07/01/07-06/30/08	<u>67,694</u>
				129,348
Passed through Iowa Department of Health				
Family Planning Services	93.217	5887MH20	10/01/06-09/30/07	40,273
		5889MH20	10/01/07-09/30/08	<u>66,447</u>
				106,720
Subtotal U.S. Department of Health and Human Services				<u>469,610</u>
U.S. Department of Transportation				
Federal Transit Administration				
Formula Grants for Other Than Urbanized Areas	20.509	Section 5311	07/01/07-06/30/08	193,844
Federal Transit - Capital Investment Grants	20.500	IA-18-X021	07/01/06-06/30/07	<u>218</u>
Subtotal U.S. Department of Transportation				<u>194,062</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, 2008

Grantor/Program	CFDA Number	Grant Number	Period of Grant	Program Expenditures
Other Federal Awards (Continued)				
U.S. Department of Energy				
Passed through Iowa Department of Human Rights				
Weatherization Assistance for Low Income Persons	81.042	DOE 07-09I	04/01/07-03/31/08	\$ 154,818
U.S. Department of Agriculture				
Passed through Iowa Department of Education				
Child and Adult Care Food Program	10.558	96-8010	10/01/06-09/30/07	125,739
			10/01/07-09/03/08	80,961
		96-8013	10/01/06-09/30/07	374,857
			10/01/07-09/03/08	<u>186,474</u>
				768,031
Passed through Iowa Department of Public Health				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	5887NU52	10/01/06-09/30/07	6,989
		5888NU52	10/01/07-09/30/08	<u>1,094</u>
				8,083
Subtotal U.S. Department of Agriculture				<u>776,114</u>
Subtotal Other Federal Awards				<u>1,618,353</u>
Total Federal Awards				<u>\$ 6,863,456</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, 2008

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, 2008 and have issued our report thereon dated May 19, 2008. 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.

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.

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 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 internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 19, 2008.

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 19, 2008

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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, 2008. 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, 2008.

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.

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.

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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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, 2008, and have issued our report thereon dated May 19, 2008. 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 19, 2008

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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, 2008, 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 internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

However, during our audit we became aware of a matter that is an opportunity for strengthening internal controls and operating efficiency. The following summarizes our comments and suggestions regarding that matter. A separate report dated May 19, 2008 contains our report on the Corporation's internal control. This letter does not affect our report dated May 19, 2008 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.

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 19, 2008