

**NORTHEAST IOWA COMMUNITY
ACTION CORPORATION**

FINANCIAL REPORT

JANUARY 31, 2012

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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, 2012, 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, 2012, 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 16, 2012, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Hacker, Nelson & Co., P.C.

Decorah, Iowa
May 16, 2012

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
STATEMENT OF FINANCIAL POSITION
January 31, 2012

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 3,357,046
Receivables	
Funding source	567,774
Other	796,947
Inventory	<u>172,249</u>
 Total current assets	 <u>4,894,016</u>

PROPERTY AND EQUIPMENT, net

1,738,481

OTHER ASSETS

Investment in affiliates	388,410
Due from affiliate	<u>150,398</u>
 Total other assets	 <u>538,808</u>

Total assets

\$ 7,171,305

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	
General	\$ 719,015
Compensated absences	158,730
Current portion of long-term debt	23,963
Deferred revenue	<u>699,128</u>
 Total current liabilities	 <u>1,600,836</u>

LONG-TERM DEBT

Notes payable, less current portion	<u>665,630</u>
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NET ASSETS

Unrestricted	<u>4,904,839</u>
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Total liabilities and net assets

\$ 7,171,305

See Notes to Financial Statements.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
STATEMENT OF ACTIVITIES
Year Ended January 31, 2012

	Unrestricted
REVENUES AND OTHER SUPPORT	
Federal and state grants	\$ 12,315,410
Local	2,697,817
Interest	36,499
Contributions	85,166
Total revenues and other support	15,134,892
EXPENSES	
Program services	14,189,174
Supporting services	
Management and general	696,005
Fundraising	74,433
Total expenses	14,959,612
Change in net assets from operations	175,280
OTHER CHANGES	
Equity in limited partnerships loss	(5)
Gain on sale of fixed assets	36,441
Change in net assets	211,716
NET ASSETS, beginning of year	4,693,123
NET ASSETS, end of year	\$ 4,904,839

See Notes to Financial Statements.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended January 31, 2012

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Employee salaries	\$ 4,384,623	\$ 351,538	\$ 52,199	\$ 4,788,360
Employee fringe benefits	1,498,102	105,761	10,298	1,614,161
Contractual	349,220	103,934	5,197	458,351
Travel	103,295	43,636	2,182	149,113
Space costs	107,199	17,392	870	125,461
Consumable supplies	256,566	23,587	1,179	281,332
Equipment	331,323			331,323
Direct assistance	2,750,853			2,750,853
Depreciation	103,669			103,669
Food	667,509			667,509
Vehicle costs	281,234			281,234
Augmentation	1,048,616			1,048,616
Materials	1,137,018			1,137,018
Other	1,444,102	50,157	2,508	1,496,767
Contributed materials, facilities and services	85,166			85,166
Use of equipment and contributed materials and services	(359,321)			(359,321)
Total expenses	\$ 14,189,174	\$ 696,005	\$ 74,433	\$ 14,959,612

See Notes to Financial Statements.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
STATEMENT OF CASH FLOWS
Year Ended January 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 211,716
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	103,669
Loss from limited partnerships	5
Gain on sale of assets	(36,441)
(Increase) decrease in:	
Receivables	
Funding source	66,691
Other	(30,030)
Inventory	(172,249)
Increase (decrease) in:	
Payables	
General	313,804
Compensated absences	16,290
Deferred revenue	(282,418)
	<u>191,037</u>
Net cash provided by operating activities	<u>191,037</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of equipment	(271,167)
Proceeds from sale of equipment	248,685
	<u>(22,482)</u>
Net cash used in investing activities	<u>(22,482)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on debt	(331,681)
	<u>(163,126)</u>
Net decrease in cash	<u>(163,126)</u>
CASH AND CASH EQUIVALENTS	
Beginning of year	<u>3,520,172</u>
End of year	<u>\$ 3,357,046</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash payments for interest	<u>\$ 21,065</u>
Property sold or scrapped	
Cost	\$ 231,688
Less accumulated depreciation	<u>19,444</u>
Book value	<u>\$ 212,244</u>

See Notes to Financial Statements.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

a. Background and Nature of Activities

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

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

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

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

Outreach Program

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

Educational Related Programs

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

Energy Related Programs

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

Weatherization Programs

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

Regional Transit System Program

Provides public transportation services in five northeast Iowa counties.

Family Planning Program

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

Housing Programs

Provides affordable housing to low-income people.

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 reports 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 temporarily or 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 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, 2012, 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 \$1,021,042 at January 31, 2012.

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.

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. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Corporation.

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, 2011 and received unqualified opinions dated February 23, 2012 and February 23, 2012, respectively. Management has determined that the limited partners of NEICAC Senior Housing Limited Partnership and Decorah Woolen Mill Limited Partnership do have rights that could overcome the presumption of control by the general partner. Because of these rights, generally accepted accounting principles do not require the partnerships to be consolidated with the Corporation.

d. Pooled Cash and Cash Equivalents

The Corporation uses one checking account for most program funds. Interest earned by this account is allocated to the various programs based upon the average balances quarterly. The Corporation includes certificates of deposit with cash equivalents since there is no penalty for early withdrawal. The Corporation maintains a separate bank account for Waukon-USDA program to set money aside to cover the annual loan payment.

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, 2012, balances of interfund amounts receivable or payable have been recorded. For external reporting, interfund receivables and payables have been eliminated in the statement of financial position.

f. Inventory

Inventory is valued at cost. Inventory consists of the home built for the City of Oelwein.

g. Fixed Assets

Fixed asset purchases funded by grants have been expensed in the grant period. Fixed assets with a cost of \$2,756,424 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 is 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 \$103,669 for the year ended January 31, 2012. Accumulated depreciation totaled \$1,072,746 as of January 31, 2012. Expenditures for maintenance repairs and minor replacements are charged to the current year, while major replacements and betterments costing over \$5,000 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.

h. Revenue Recognition and Recognition of Bad Debts

Most of the Corporation's revenues come from grants received from federal, state and local governments. The Corporation does receive amounts from individuals and private organizations. Revenue is recognized when services are received by the individual clients.

Receivables are stated at the amount management expects to collect from outstanding balances. Receivables are considered delinquent based on how recently payments have been received. Balances still outstanding after management has used reasonable collection efforts are written off based on individual credit evaluation and specific circumstances of the customer.

1. Summary of Significant Accounting Policies (Continued)

i. 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 2012. Management of the Organization believes it has no material uncertain tax positions and, accordingly it will not recognize any liability for unrecognized tax benefits.

j. Annual Leave and Vacation Leave

The Corporation's 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 is not recognized as expense by the Corporation until used. Accumulated sick leave is not paid out at separation from the Corporation.

k. 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 expenses over the life of each program.

l. 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 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.

m. 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 \$3,357,046 and the bank balances totaled \$4,254,347. Of the bank balances, \$500,000 was covered by federal depository insurance. The balance was covered by a multiple financial institution collateral pool in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against members of the pool to insure there will be no loss of public funds.

Included in the carrying amount of \$3,357,046 is \$269 held at a broker, which is not collateralized.

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, 2012. Other donated services are from parents and others which do not meet the requirements to be recognized in the financial statements.

NOTES TO 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, 2012 is \$85,166.

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 74% 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 2012, 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, 2012. The Corporation's approved provisional rate for the year ended January 31, 2012 was 10.7%, the actual rate will be finalized at a later date by the Corporation's cognizant agency. For FY12, the indirect cost plan and rate was determined based on salary and benefits, which the actual rate was 11.4%

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. The Corporation's equity in Decorah Woolen Mill includes the rehabilitation credits, therefore their equity is greater than .01% but they receive only .01% of the net loss. Summary information on the partnerships as of December 31, 2011 follows:

	NEICAC Senior Housing	Decorah Woolen Mill	
Assets	\$ 914,231	\$ 1,522,499	
Less liabilities	684,574	497,459	
Net assets	\$ 229,657	\$ 1,025,040	
Operating revenues	\$ 59,475	\$ 58,284	
Net loss	\$ (19,067)	\$ (36,765)	
Corporation's interest			
Share of net loss	\$ (2)	\$ (3)	
Equity in net assets	\$ 22	\$ 388,388	

NOTES TO FINANCIAL STATEMENTS

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			\$ 145,693	\$ 145,693
Waukon USDA		\$ 455,194		455,194
Head Start Local		43,828		43,828
Transit			473,376	473,376
Ridgewood Duplex		131,024		131,024
Rent to Own		522,966		522,966
Calmar Apartments				
Phase I	\$ 9,975	477,568	11,983	499,526
Phase II	9,975	512,292	17,353	539,620
	19,950	2,142,872	648,405	2,811,227
Less accumulated depreciation	None	521,830	550,916	1,072,746
	\$ 19,950	\$ 1,621,042	\$ 97,489	\$ 1,738,481

The components of Northeast Iowa Community Action Corporation's accumulated depreciation at January 31, 2012 are as follows:

	Buildings	Vehicles	Equipment	Total
Balance, beginning of year	\$ 489,215	\$ 240,463	\$ 259,585	\$ 989,263
Current year depreciation	45,371	35,955	22,343	103,669
Current year disposals	(12,756)	(7,430)		(20,186)
Balance, end of year	\$ 521,830	\$ 268,988	\$ 281,928	\$ 1,072,746

9. Long-term Debt

Details of long-term debt as of January 31, 2012 are as follows:

	Balance Due	
	Total	Current
Calmar Apartments		
<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.	\$ 123,173	\$ 9,957
<i>Iowa Finance Authority</i>		
1.0% interest bearing note payable, due \$1,309 annually through May 2013, collateralized by real estate.	2,469	1,284

The real estate has a carrying value of \$636,858.

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 with carrying value of \$328,119.	292,026	5,098

NOTES TO FINANCIAL STATEMENTS

9. Long-term Debt (Continued)

	Balance Due	
	Total	Current
Rent to Own		
<i>Iowa Finance Authority</i>		
0.0% interest bearing note payable, forgivable in 2026.		
 This note is transferred with the related real estate as the homes are sold.	\$	180,000
 Ridgewood Duplex Building		
<i>Habitat for Humanity</i>		
0.0% interest bearing note payable, due \$304 monthly through September 2032, collateralized by real estate with a carrying value of \$113,008.	72,739	\$ 3,652
 0.0% interest bearing note payable, with 10% forgiven each year through November 2016.	19,186	3,972
	\$ 689,593	\$ 23,963

Maturities of long-term debt during the years following January 31, 2012 are as follows:

Long-term debt maturities	
2013	\$ 23,963
2014	24,538
2015	24,057
2016	24,792
2017	25,562
2018-2022	122,787
2023-2027	243,385
2028-2032	64,499
2033-2037	82,842
2038-2042	53,168
	\$ 689,593

Interest expense totaled \$21,065 for the year ending January 31, 2012. No interest cost was capitalized for the year ended January 31, 2012.

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 4.50% from February 1, 2011 through June 30, 2011 and 5.38% from July 1, 2011 through January 31, 2012, of their annual covered salary and the Corporation is required to contribute 6.95% from February 1, 2011 through June 30, 2011 and 8.07% from July 1, 2011 through January 31, 2012, of annual covered payroll. Contribution requirements are established by state statute. The Corporation's contribution to IPERS for the years ended January 31, 2012, 2011, and 2010 were \$351,442, \$319,280 and \$283,591 respectively, equal to the required contributions for each year.

NOTES TO FINANCIAL STATEMENTS

11. Deferred Revenue

Deferred revenue consists of the following as of January 31, 2012:

U.S. Department of Health and Human Services	
Wrap-Around Child Care	\$ 156,512
State Department of Human Rights	
ARRA - Weatherization Assistance for Low Income Persons	26,981
Low Income Home Energy Assistance	284,623
Community Services Block Grant	28,560
FaDSS	57,901
	398,065
U.S. Department of Agriculture	
USDA	2,411
FDC	12,122
	14,533
Other Sources	
Child Developments	38,603
Oelwein Child Developments	10,017
	48,620
Local Sources	
Contributions	81,398
	\$ 699,128

12. Leases

The Corporation leases office space from the following under the terms as described below:

- Winneshiek County for \$5,712 per month on a month to month basis. The Corporation is required to provide insurance and upkeep on the building.
- Fayette County for \$240 per month for Outreach on a month to month basis.
- Upper Explorerland Regional Planning Commission for \$30 per month. The lease expires on June 30, 2012.
- Gal Investments, Ltd for \$550 per month. The lease expires July 30, 2012.
- 414, LLC for \$500 per month. The lease expires June 30, 2012.
- City of Fayette for \$325 per month. The lease expires June 30, 2012.

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 2012.

The Crossroads Housing Program rented nine transitional homes under various agreements with monthly rent payments ranging from \$400 to \$650. The lease agreements expired in August 2011.

NOTES TO FINANCIAL STATEMENTS

12. Leases (Continued)

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

Center	Monthly Period of Lease	Rent
Monona HS	August 1, 2011 to July 31, 2012	\$ 750
Postville CD	July 1, 2011 to June 30, 2012	550
Postville	July 1, 2011 to June 30, 2012	650
Gunderson HS	March 1, 2011 to February 29, 2012	880

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

Center	Period of Lease	Monthly Utility Payment
Howard-Winn CSD HS	July 1, 2011 to June 30, 2012	\$ 300
First United Church CD	July 1, 2011 to June 30, 2012	400
Guttenberg HS	July 1, 2011 to June 30, 2012	300
Decorah CSD	June 1, 2011 to May 31, 2012	400
Elkader	September 1, 2011 to August 31, 2012	737
Oelwein CSD	August 1, 2011 to July 31, 2012	500
North Fayette	August 1, 2011 to July 31, 2012	400
Civic Center	July 1, 2011 to June 30, 2012	500

The future minimum lease payments required under the operating leases that have initial or remaining non-cancelable lease terms are as follows:

2013	<u>\$ 39,535</u>
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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, 2012 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 built a duplex for handicapped persons in Winneshiek County with Winneshiek County Habitat for Humanity. 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.

The Corporation built homes in the Cresco, Lawler, West Union, Tripoli, Oelwein and Volga areas for low-income families to eventually own. Some of the funds were provided by a loan from the Iowa Department of Economic Development of \$180,000. Once the home is purchased by the family, the loan is forgiven over the next fifteen years. If the family sells the home, then the family is responsible for repaying the outstanding loan. The loans are reported as liabilities on the Corporation's financial statements until the home is purchased by an eligible family.

13. Contingent Liabilities (Continued)

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, 2012, the balance of the loan from the Corporation to the project for its development fee was \$69,362.

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, and 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, 2012.

The Corporation has entered into an agreement to build two homes and a duplex in Oelwein for low-income families to eventually own. The funds were provided by Neighborhood Stabilization Program in which the City of Oelwein was granted. Once the homes and duplex are purchased by the family, the Corporation returns the sale proceeds less their agreed upon fee to the City of Oelwein to be reused to build additional homes. As of January 31, 2012, both homes are completed and one is sold, the duplex has been started.

14. 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.

15. Cafeteria Plan

The Corporation sponsors a Section 125 cafeteria plan. The benefits available under the plan are health insurance. Participants may elect salary reduction to cover family health insurance, disability insurance, non-covered medical and dental expenses and day care. There were 117 participants in the plan for the plan year ended January 31, 2012.

16. Subsequent Events

Subsequent events were evaluated through May 16, 2012 which is the date the financial statements were available to be issued.

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**INDEPENDENT AUDITOR'S REPORT
ON ADDITIONAL INFORMATION**

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

We have audited the financial statements of Northeast Iowa Community Action Corporation as of and for the year ended January 31, 2012, and have issued our report thereon dated May 16, 2012, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The supplemental information as of and for the year ended January 31, 2012 presented on Schedules 1 through 27 are presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, except for the effects on Schedules 3-27 of preparing this information under guidelines used to report to regulatory and funding agencies, as explained below, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The information in Schedules 3-27 has been presented in a format which the Corporation uses for internal reporting and reporting to funding sources, and is not current U.S. generally accepted accounting principles. 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, 2011, 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, 2011 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 13 to 27 which relates to the year ended January 31, 2011, 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 16, 2012

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NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF FINANCIAL POSITION
 BY FUNDING SOURCE
 January 31, 2012

	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	\$ 160,336	\$ 1,569	\$ 137,939	\$ 100
Receivables				
Funding source	60,171		404,678	639
Other			190,930	76,041
Due from other funds	4,858		209,667	
Inventory				
	<u>225,365</u>	<u>1,569</u>	<u>943,214</u>	<u>76,780</u>
Total assets	<u><u>\$ 225,365</u></u>	<u><u>\$ 1,569</u></u>	<u><u>\$ 943,214</u></u>	<u><u>\$ 76,780</u></u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable				
General	\$ 34,957	\$ 984	\$ 62,583	\$ 7,834
Due to other funds	33,896	585	482,566	35,299
Deferred revenue	<u>156,512</u>		<u>398,065</u>	
	<u>225,365</u>	<u>1,569</u>	<u>943,214</u>	<u>43,133</u>
NET ASSETS				
Unrestricted				<u>33,647</u>
Total liabilities and net assets	<u><u>\$ 225,365</u></u>	<u><u>\$ 1,569</u></u>	<u><u>\$ 943,214</u></u>	<u><u>\$ 76,780</u></u>

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 1

State Department of Economic Development	U.S. Department of Agriculture	Other Sources	Total
	\$ 6,251	\$ 65,069	\$ 371,264
	67,114	14,876	547,478
\$ 12,621		1,147	266,971
172,249			228,293
184,870	73,365	81,092	1,586,255
<u>\$ 184,870</u>	<u>\$ 73,365</u>	<u>\$ 81,092</u>	<u>\$ 1,586,255</u>
\$ 162,249	\$ 57,671	\$ 4,544	\$ 330,822
22,621	1,161	13,120	589,248
	14,533	48,620	617,730
184,870	73,365	66,284	1,537,800
		14,808	48,455
<u>\$ 184,870</u>	<u>\$ 73,365</u>	<u>\$ 81,092</u>	<u>\$ 1,586,255</u>

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NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF FINANCIAL POSITION
 LOCAL FUNDS
 January 31, 2012

	Transit 2011	Local Weatherization 2012	Head Start Local	Calmar Apartments
ASSETS				
CURRENT ASSETS				
Cash	\$ 715,425	\$ 31,562	\$ 227,843	\$ 25,681
Receivables				
Funding source				
Other	517,957		1,750	
Due from other funds	908		230	
	<u>1,234,290</u>	<u>31,562</u>	<u>229,823</u>	<u>25,681</u>
PROPERTY AND EQUIPMENT, NET	<u>92,008</u>	<u>None</u>	<u>39,753</u>	<u>636,861</u>
OTHER ASSETS				
Due from affiliate				
Investment in affiliates				
	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>
Total assets	<u>\$ 1,326,298</u>	<u>\$ 31,562</u>	<u>\$ 269,576</u>	<u>\$ 662,542</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable				
General	\$ 38,087		\$ 624	\$ 22,231
Due to other funds	234,047	\$ 991	919	6,131
Compensated absences				
Current portion of long-term debt				11,241
Deferred revenue				
Total current liabilities	<u>272,134</u>	<u>991</u>	<u>1,543</u>	<u>39,603</u>
LONG-TERM DEBT				
Notes payable, less current portion				<u>114,401</u>
NET ASSETS				
Unrestricted				
Designated for fixed assets	92,008		39,753	508,538
Undesignated	962,156	30,571	228,280	
Total net assets	<u>1,054,164</u>	<u>30,571</u>	<u>268,033</u>	<u>508,538</u>
Total liabilities and net assets	<u>\$ 1,326,298</u>	<u>\$ 31,562</u>	<u>\$ 269,576</u>	<u>\$ 662,542</u>

See Independent Auditor's Report on the Supplementary Information.

<u>Weatherization Utilities</u>	<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>
	\$ 1,589,962			\$ 25,932	\$ 2,235	\$ 27,247
\$ 7,852		\$ 1,857	\$ 5,349			
	<u>640,357</u>			<u>449</u>		
<u>7,852</u>	<u>2,230,319</u>	<u>1,857</u>	<u>5,349</u>	<u>26,381</u>	<u>2,235</u>	<u>27,247</u>
<u>None</u>	<u>5,765</u>	<u>None</u>	<u>None</u>	<u>522,968</u>	<u>113,007</u>	<u>328,119</u>
	<u>150,398</u>					
<u>None</u>	<u>150,398</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>
<u>\$ 7,852</u>	<u>\$ 2,386,482</u>	<u>\$ 1,857</u>	<u>\$ 5,349</u>	<u>\$ 549,349</u>	<u>\$ 115,242</u>	<u>\$ 355,366</u>
\$ 7,852	\$ 290,747	\$ 1,750	\$ 592	\$ 4,232	\$ 1,108	
	9,808	107	4,757	48,393	48	
	158,730				7,624	\$ 5,098
	<u>81,398</u>					
<u>7,852</u>	<u>540,683</u>	<u>1,857</u>	<u>5,349</u>	<u>52,625</u>	<u>8,780</u>	<u>5,098</u>
				<u>180,000</u>	<u>84,301</u>	<u>286,928</u>
	5,765			316,724	22,161	36,093
	<u>1,840,034</u>					<u>27,247</u>
<u>None</u>	<u>1,845,799</u>	<u>None</u>	<u>None</u>	<u>316,724</u>	<u>22,161</u>	<u>63,340</u>
<u>\$ 7,852</u>	<u>\$ 2,386,482</u>	<u>\$ 1,857</u>	<u>\$ 5,349</u>	<u>\$ 549,349</u>	<u>\$ 115,242</u>	<u>\$ 355,366</u>

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
COMBINING STATEMENT OF FINANCIAL POSITION
LOCAL FUNDS
January 31, 2012

	Fayette General Relief	Health Planning	Long-term Recovery	Family Planning Initiative	Housing Local	Crisis	Total
ASSETS							
CURRENT ASSETS							
Cash		\$ 23,773	\$ 6,212	\$ 66,614	\$ 83,958	\$ 159,338	\$ 2,985,782
Receivables							
Funding source	\$ 5,238						20,296
Other		250		8,954		1,065	529,976
Due from other funds	2			132	48,386		690,464
	<u>5,240</u>	<u>24,023</u>	<u>6,212</u>	<u>75,700</u>	<u>132,344</u>	<u>160,403</u>	<u>4,226,518</u>
PROPERTY AND EQUIPMENT, NET	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>1,738,481</u>
OTHER ASSETS							
Due from affiliate							150,398
Investment in affiliates					388,410		388,410
	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>388,410</u>	<u>None</u>	<u>538,808</u>
Total assets	<u>\$ 5,240</u>	<u>\$ 24,023</u>	<u>\$ 6,212</u>	<u>\$ 75,700</u>	<u>\$ 520,754</u>	<u>\$ 160,403</u>	<u>\$ 6,503,807</u>
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Accounts payable							
General	\$ 3,250	\$ 8		\$ 13,441	\$ 374	\$ 11,749	\$ 388,193
Due to other funds	1,990			1,107	13,359		329,509
Compensated absences							158,730
Current portion of long-term debt							23,963
Deferred revenue							81,398
Total current liabilities	<u>5,240</u>	<u>8</u>	<u>\$ None</u>	<u>14,548</u>	<u>13,733</u>	<u>11,749</u>	<u>981,793</u>
LONG-TERM DEBT							
Notes payable, less current portion							<u>665,630</u>
NET ASSETS							
Unrestricted							
Designated for fixed assets							1,021,042
Undesignated		24,015	6,212	61,152	507,021	148,654	3,835,342
Total net assets	<u>None</u>	<u>24,015</u>	<u>6,212</u>	<u>61,152</u>	<u>507,021</u>	<u>148,654</u>	<u>4,856,384</u>
Total liabilities and net assets	<u>\$ 5,240</u>	<u>\$ 24,023</u>	<u>\$ 6,212</u>	<u>\$ 75,700</u>	<u>\$ 520,754</u>	<u>\$ 160,403</u>	<u>\$ 6,503,807</u>

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
 BY FUNDING SOURCE
 Year Ended January 31, 2012

	U.S. Department of Health and Human Services	Department of Homeland Security	State Department of Human Rights	State Department of Health
REVENUES				
Federal grants	\$ 3,021,908	\$ 3,137	\$ 6,456,132	\$ 112,747
State grants			110,127	
Local			34,772	263,836
Inkind	622,801			6,546
Total revenues	3,644,709	3,137	6,601,031	383,129
EXPENDITURES				
Direct				
Employee salaries	1,740,947		998,874	180,293
Employee fringe benefits	624,556		341,656	57,059
Contractual	318		256,639	1,097
Travel	15,952		33,991	11,445
Space costs	11,000		17,843	14,736
Consumable supplies	64,094		23,198	80,503
Equipment			192,620	4,298
Direct assistance		3,074	2,581,826	
Augmentation			816,275	
Food	53,216			
Other	258,715		1,560,667	17,490
Inkind	622,801			6,546
Total direct	3,391,599	3,074	6,823,589	373,467
Indirect	266,496	63	231,860	25,396
Total expenditures	3,658,095	3,137	7,055,449	398,863
Excess revenues over (under) expenditures	(13,386)	None	(454,418)	(15,734)
FUND BALANCE, beginning of year	None	None	471,257	49,381
TRANSFERS, NET	13,386	None	(16,839)	None
FUND BALANCE, end of year	\$ None	\$ None	\$ None	\$ 33,647

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 3

State Department of Economic Development	U.S. Department of Agriculture	U.S. Department of Justice	Other Sources	Total
\$ 165,492 5,000	\$ 783,677	\$ 86,791	\$ 342,244 27,111 16,625	\$ 10,629,884 457,371 325,719 645,972
<u>170,492</u>	<u>783,677</u>	<u>86,791</u>	<u>385,980</u>	<u>12,058,946</u>
34,895	73,125	27,786	170,809	3,226,729
13,247	19,972	10,302	64,846	1,131,638
2,696	4,154		33,042	297,946
	5,620	5,398	3,311	75,717
810	1,045	237	541	46,212
	2,785		1,742	172,322
				196,918
95,878		42,721	27,354	2,750,853
			42,341	858,616
	614,293			667,509
20,436	52,722	347		1,910,377
			16,625	645,972
<u>167,962</u>	<u>773,716</u>	<u>86,791</u>	<u>360,611</u>	<u>11,980,809</u>
<u>5,151</u>	<u>9,961</u>		<u>25,612</u>	<u>564,539</u>
<u>173,113</u>	<u>783,677</u>	<u>86,791</u>	<u>386,223</u>	<u>12,545,348</u>
(2,621)	None	None	(243)	(486,402)
None	None	None	15,051	535,689
<u>2,621</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>(832)</u>
<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ 14,808</u>	<u>\$ 48,455</u>

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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, 2012

	Transit		Local Weatherization		Head Start
	2011	2012	2011	2012	Local
REVENUES					
Federal grants	\$ 30,737	\$ 529,896			
State grants	138,108	209,881			
Local revenue	609,868	835,377			\$ 48,907
Equity in limited partnerships earnings					
Interest	3,489	1,913	\$ 170	\$ 119	119
Total revenues	782,202	1,577,067	170	119	49,026
EXPENDITURES					
Direct					
Employee salaries	419,333	622,485			
Employee fringe benefits	125,193	182,397			
Contractual	19,800	25,203			
Travel	8,105	10,641			
Space costs	11,045	14,504			
Consumable supplies	6,763	11,010			
Equipment	75,339	59,066			
Depreciation	32,196	23,315			2,039
Augmentation					
Other	238,138	276,835	50	106	44,750
Total direct	935,912	1,225,456	50	106	46,789
Indirect	58,265	86,122	2,783	1,956	
Total expenditures	994,177	1,311,578	2,833	2,062	46,789
Excess revenues over (under) expenditures	(211,975)	265,489	(2,663)	(1,943)	2,237
FUND BALANCE, beginning of year	1,000,286	None	35,177	None	279,182
TRANSFERS, NET	364	None	None	None	(13,386)
REPROGRAMMED FUNDS	(788,675)	788,675	(32,514)	32,514	None
FUND BALANCE, end of year	\$ None	\$ 1,054,164	\$ None	\$ 30,571	\$ 268,033

See Independent Auditor's Report on the Supplementary Information.

Calmar Apartments		Weatherization Utilities		Contributions	General Relief	
2011	2012	2011	2012		2011	2012
\$ 34,154	\$ 23,596	\$ 200,760	\$ 1,701	\$ 860,043	\$ 1,326	\$ 10,933
				29,551		
<u>34,154</u>	<u>23,596</u>	<u>200,760</u>	<u>1,701</u>	<u>889,594</u>	<u>1,326</u>	<u>10,933</u>
4,009	3,130			369,835	75	461
1,566	1,113			132,154	25	107
830	250			103,934		
	7,135			46,774		
20,014				17,392	200	280
				24,441		
14,954	10,682			2,494		
3,389	2,381	188,454	1,546	134,780	1,015	10,024
<u>44,762</u>	<u>24,691</u>	<u>188,454</u>	<u>1,546</u>	<u>831,804</u>	<u>1,315</u>	<u>10,872</u>
596	454	12,306	155	7,354	11	61
<u>45,358</u>	<u>25,145</u>	<u>200,760</u>	<u>1,701</u>	<u>839,158</u>	<u>1,326</u>	<u>10,933</u>
(11,204)	(1,549)	None	None	50,436	None	None
521,291	None	None	None	1,912,817	None	None
None	None	None	None	(117,454)	None	None
<u>(510,087)</u>	<u>510,087</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>
<u>\$ None</u>	<u>\$ 508,538</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ 1,845,799</u>	<u>\$ None</u>	<u>\$ None</u>

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 LOCAL FUNDS
 Year Ended January 31, 2012

	<u>Low-Rent Housing</u>	<u>Rent to Own</u>	
	2011	2011	2012
REVENUES			
Federal grants			
State grants	\$ 41,033	\$ 273,500	
Local revenue		3,961	\$ 61,446
Equity in limited partnerships earnings			
Interest		2	22
	<u>41,033</u>	<u>277,463</u>	<u>61,468</u>
Total revenues	<u>41,033</u>	<u>277,463</u>	<u>61,468</u>
EXPENDITURES			
Direct			
Employee salaries	26,047	6,160	5,221
Employee fringe benefits	10,999	2,197	2,020
Contractual			
Travel			
Space costs			
Consumable supplies			
Equipment			
Depreciation		555	2,778
Augmentation			
Other		<u>68,121</u>	<u>13,728</u>
Total direct	37,046	77,033	23,747
Indirect			
	<u>3,987</u>	<u>882</u>	<u>795</u>
Total expenditures	<u>41,033</u>	<u>77,915</u>	<u>24,542</u>
Excess revenues over (under) expenditures	None	199,548	36,926
FUND BALANCE, beginning of year	None	71,435	None
TRANSFERS, NET	None	32,500	(23,685)
REPROGRAMMED FUNDS	None	<u>(303,483)</u>	<u>303,483</u>
FUND BALANCE, end of year	<u>\$ None</u>	<u>\$ None</u>	<u>\$ 316,724</u>

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 4
(Continued)

Ridgewood Duplex		Waukon USDA	Fayette General Relief		Health Planning	
2011	2012		2011	2012	2011	2012
\$ 5,117	\$ 9,383	\$ 19,380	\$ 5,549	\$ 16,484	\$ 3,753	\$ 8,576
19	14	148				
5,136	9,397	19,528	5,549	16,484	3,753	8,576
521	582		244	1,594	430	
210	207		65	382	236	
					2,011	205
1,270	6,413					
1,638	1,638	11,380				
978		14,008	5,208	14,297	3,135	660
4,617	8,840	25,388	5,517	16,273	5,812	865
79	85		32	211		
4,696	8,925	25,388	5,549	16,484	5,812	865
440	472	(5,860)	None	None	(2,059)	7,711
21,249	None	69,200	None	None	18,944	None
None	None	None	None	None	(71)	(510)
(21,689)	21,689	None	None	None	(16,814)	16,814
\$ None	\$ 22,161	\$ 63,340	\$ None	\$ None	\$ None	\$ 24,015

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 LOCAL FUNDS
 Year Ended January 31, 2012

	Long-term Recovery		Family Planning Initiative	
	2011	2012	2011	2012
REVENUES				
Federal grants				
State grants				
Local revenue			\$ 11,080	\$ 172,760
Equity in limited partnerships earnings				
Interest				
Total revenues	\$ None	\$ None	11,080	172,760
EXPENDITURES				
Direct				
Employee salaries			1,376	62,192
Employee fringe benefits			304	12,385
Contractual				
Travel			408	1,512
Space costs			4,011	16,999
Consumable supplies			8,062	38,720
Equipment				
Depreciation				
Augmentation				
Other			2,527	9,989
Total direct	None	None	16,688	141,797
Indirect				
Total expenditures	None	None	187	7,980
Total expenditures	None	None	16,875	149,777
Excess revenues over (under) expenditures	None	None	(5,795)	22,983
FUND BALANCE, beginning of year	5,417	None	56,380	None
TRANSFERS, NET	795	None	(9,649)	(2,767)
REPROGRAMMED FUNDS	(6,212)	6,212	(40,936)	40,936
FUND BALANCE, end of year	\$ None	\$ 6,212	\$ None	\$ 61,152

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 4
(Continued)

Housing Local	Crisis	Total
		\$ 560,633
\$ 5,000		667,522
14,499	\$ 140,767	3,099,420
(5)		(5)
933		36,499
<u>20,427</u>	<u>140,767</u>	<u>4,364,069</u>
37,936		1,561,631
10,963		482,523
10,388		160,405
3,740		73,396
		79,249
		109,010
		134,405
		103,669
		190,000
<u>22,279</u>	<u>138,244</u>	<u>1,004,642</u>
85,306	138,244	3,898,930
5,232		189,533
<u>90,538</u>	<u>138,244</u>	<u>4,088,463</u>
(70,111)	2,523	275,606
588,568	None	4,579,946
(11,436)	146,131	832
None	None	None
<u>\$ 507,021</u>	<u>\$ 148,654</u>	<u>\$ 4,856,384</u>

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NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
 Year Ended January 31, 2012

	Head Start #07CH6090/45		Combined Wrap-Around	
	Direct	T & TA	2011	2012
REVENUES				
Federal grants	\$ 1,750,513	\$ 26,669	\$ 380,176	\$ 96,989
Inkind	439,015			
Total revenues	2,189,528	26,669	380,176	96,989
EXPENDITURES				
Direct				
Employee salaries	976,139		231,990	70,188
Employee fringe benefits	361,989		94,275	17,426
Contractual				
Travel	936	6,536		
Space costs			11,000	
Consumable supplies	42,139		8,000	
Food	35,573			
Other	190,557	20,133		
Inkind	439,015			
Total direct	2,046,348	26,669	345,265	87,614
Indirect	148,461		34,911	9,375
Total expenditures	2,194,809	26,669	380,176	96,989
Excess revenues over (under) expenditures	(5,281)	None	None	None
FUND BALANCE, beginning of year	None	None	None	None
TRANSFERS, NET	5,281	None	None	None
FUND BALANCE, end of year	\$ None	\$ None	\$ None	\$ None

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 5

Early Childhood #07CH6090/45		
Direct	T & TA	Total
\$ 748,840	\$ 18,721	\$ 3,021,908
183,786		622,801
<u>932,626</u>	<u>18,721</u>	<u>3,644,709</u>
457,301	5,329	1,740,947
149,184	1,682	624,556
318		318
936	7,544	15,952
		11,000
13,955		64,094
17,643		53,216
43,859	4,166	258,715
<u>183,786</u>		<u>622,801</u>
866,982	18,721	3,391,599
<u>73,749</u>		<u>266,496</u>
<u>940,731</u>	<u>18,721</u>	<u>3,658,095</u>
(8,105)	None	(13,386)
None	None	None
<u>8,105</u>	<u>None</u>	<u>13,386</u>
<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 DEPARTMENT OF HOMELAND SECURITY
 Year Ended January 31, 2012

	Family Support Center 2011
REVENUES	
Federal grants	\$ 3,137
EXPENDITURES	
Direct	
Direct assistance	3,074
Indirect	63
Total expenditures	3,137
Excess revenues over (under) expenditures	None
FUND BALANCE, beginning of year	None
FUND BALANCE, end of year	\$ None

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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, 2012

	Weatherization Assistance for Low Income Persons		Low Income Home Energy Assistance	
	DOE 09-09I	DOE ARRA-09-09I	LIHEAP-11-09	LIHEAP-12-09
REVENUES				
Federal grants	\$ 16,499	\$ 2,979,469	\$ 1,924,347	\$ 941,441
State grants				
Local revenue				
Total revenues	<u>16,499</u>	<u>2,979,469</u>	<u>1,924,347</u>	<u>941,441</u>
EXPENDITURES				
Direct				
Employee salaries		56,710	62,105	80,514
Employee fringe benefits		21,553	15,328	25,659
Contractual				
Travel			1,758	2,174
Space costs			2,144	1,072
Consumable supplies			2,882	2,388
Equipment		192,620		
Direct assistance			1,767,493	814,333
Augmentation	16,499	2,503,816		
Other		44,992	64,218	3,941
Total direct	<u>16,499</u>	<u>2,819,691</u>	<u>1,915,928</u>	<u>930,081</u>
Indirect		<u>159,778</u>	<u>8,419</u>	<u>11,360</u>
Total expenditures	<u>16,499</u>	<u>2,979,469</u>	<u>1,924,347</u>	<u>941,441</u>
Excess revenues over (under) expenditures	None	None	None	None
FUND BALANCE, beginning of year	None	None	None	None
Less: funds returned or to be returned to funding source	None	None	None	None
TRANSFERS, NET	<u>None</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>

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
STATE DEPARTMENT OF HUMAN RIGHTS
Year Ended January 31, 2012

	WAP Main		Total
	2011	2012	
REVENUES			
Federal grants			\$ 6,456,132
State grants			110,127
Local revenue			34,772
Total revenues	\$ None	\$ None	6,601,031
EXPENDITURES			
Direct			
Employee salaries	75,449	396,110	998,874
Employee fringe benefits	29,276	146,910	341,656
Contractual	46,309	210,279	256,639
Travel	357	3,580	33,991
Space costs	430	2,147	17,843
Consumable supplies	1,767	3,277	23,198
Equipment			192,620
Direct assistance			2,581,826
Augmentation	(251,193)	(1,616,888)	816,275
Other	977,098	446,349	1,560,667
Total direct	879,493	(408,236)	6,823,589
Indirect	None	None	231,860
Total expenditures	879,493	(408,236)	7,055,449
Excess revenues over (under) expenditures	(879,493)	408,236	(454,418)
FUND BALANCE, beginning of year	471,257	None	471,257
Less: funds returned or to be returned to funding source	None	None	None
TRANSFERS, NET	408,236	(408,236)	(16,839)
FUND BALANCE, end of year	\$ None	\$ None	\$ None

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 STATE DEPARTMENT OF HEALTH
 Year Ended January 31, 2012

	Family Planning Project		Maternal & Child Health		Total
	#5881MH20	#5882MH20	2011	2012	
REVENUES					
Federal grants	\$ 35,639	\$ 77,108			\$ 112,747
Local	179,204	82,488	\$ 1,505	\$ 639	263,836
Inkind	6,546				6,546
Total revenues	221,389	159,596	1,505	639	383,129
EXPENDITURES					
Direct					
Employee salaries	121,387	57,599	899	408	180,293
Employee fringe benefits	37,845	18,945	196	73	57,059
Contractual	750	347			1,097
Travel	9,994	1,343	1	107	11,445
Space costs	9,824	4,912			14,736
Equipment	4,298				4,298
Consumable supplies	49,489	30,722	292		80,503
Other	13,599	3,891			17,490
Inkind	6,546				6,546
Total direct	253,732	117,759	1,388	588	373,467
Indirect	17,038	8,190	117	51	25,396
Total expenditures	270,770	125,949	1,505	639	398,863
Excess revenues over (under) expenditures	(49,381)	33,647	None	None	(15,734)
FUND BALANCE, beginning of year	49,381	None	None	None	49,381
REPROGRAMMED FUNDS	None	None	None	None	None
TRANSFERS, NET	None	None	None	None	None
FUND BALANCE, end of year	\$ None	\$ 33,647	\$ None	\$ None	\$ 33,647

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, 2012

	<u>Homeless Shelter</u> <u>11-II-96002</u>	<u>Homeless Prevention</u> <u>and Rapid Re-housing</u> <u>S09-DY-19-0001</u>	<u>Neighborhood</u> <u>Stabilization</u> <u>#08-NSP-013</u>	<u>Total</u>
REVENUES				
Federal grants		\$ 155,492	\$ 10,000	\$ 165,492
State grants	\$ 5,000			5,000
Total revenues	<u>5,000</u>	<u>155,492</u>	<u>10,000</u>	<u>170,492</u>
EXPENDITURES				
Direct				
Employee salaries		34,895		34,895
Employee fringe benefits		13,247		13,247
Travel		2,696		2,696
Space costs		810		810
Other	5,000	2,815	12,621	20,436
Direct assistance		95,878		95,878
Total direct	<u>5,000</u>	<u>150,341</u>	<u>12,621</u>	<u>167,962</u>
Indirect		<u>5,151</u>		<u>5,151</u>
Total expenditures	<u>5,000</u>	<u>155,492</u>	<u>12,621</u>	<u>173,113</u>
Excess revenues over (under) expenditures	None	None	(2,621)	(2,621)
FUND BALANCE, beginning of year	None	None	None	None
TRANSFERS, NET	<u>None</u>	<u>None</u>	<u>2,621</u>	<u>2,621</u>
FUND BALANCE, end of year	<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
 U.S. DEPARTMENT OF AGRICULTURE
 Year Ended January 31, 2012

	USDA		Family Day Care		Total
	#96-8010	#96-8010	#96-8013	#96-8013	
REVENUES					
Federal grants	\$ 117,142	\$ 90,495	\$ 412,581	\$ 163,459	\$ 783,677
EXPENDITURES					
Direct					
Employee salaries	13,950	7,238	34,770	17,167	73,125
Employee fringe benefits	3,856	1,882	9,611	4,623	19,972
Contractual			2,947	1,207	4,154
Travel			4,675	945	5,620
Space costs				1,045	1,045
Consumable supplies			2,091	694	2,785
Food	53,245	75,921	341,276	143,851	614,293
Other	44,186	4,478	3,789	269	52,722
Total direct	115,237	89,519	399,159	169,801	773,716
Indirect	1,905	976	4,748	2,332	9,961
Total expenditures	117,142	90,495	403,907	172,133	783,677
Excess revenues over (under) expenditures	None	None	8,674	(8,674)	None
FUND BALANCE, beginning of year	None	None	None	None	None
TRANSFERS, net	None	None	(8,674)	8,674	None
FUND BALANCE, end of year	\$ None	\$ None	\$ None	\$ None	\$ None

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 U.S. DEPARTMENT OF JUSTICE
 Year Ended January 31, 2012

	Crossroads Housing 2009-EH-S6-0037
REVENUES	
Federal grants	\$ 86,791
EXPENDITURES	
Direct	
Employee salaries	27,786
Employee fringe benefits	10,302
Travel	5,398
Space costs	237
Direct assistance	42,721
Other	347
Total expenditures	86,791
Excess revenues over (under) expenditures	None
FUND BALANCE, beginning of year	None
FUND BALANCE, end of year	\$ 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, 2012

	Child Development			
	Combined		Oelwein	
	2011	2012	2011	2012
REVENUES				
State grants	\$ 85,614	\$ 91,331	\$ 23,281	\$ 24,933
Local revenue				
Inkind				
Total revenues	85,614	91,331	23,281	24,933
EXPENDITURES				
Direct				
Employee salaries	54,006	51,562	13,942	13,993
Employee fringe benefits	18,294	22,327	5,681	5,820
Contractual				
Travel				
Space costs				
Consumable supplies				
Direct assistance				
Other	5,289	9,537	1,480	3,000
Inkind				
Total direct	77,589	83,426	21,103	22,813
Indirect	8,025	7,905	2,178	2,120
Total expenditures	85,614	91,331	23,281	24,933
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>

See Independent Auditor's Report on the Supplementary Information.

Utilities		Community Adolescent Pregnancy Prevention		Disaster Recovery Program	Unmet Disaster Needs	Total
2011	2012	2011	2012	2011	2011	
\$ 20,459	\$ 6,652	\$ 45,710	\$ 45,772	\$ 2,568	\$ 23,035	\$ 342,244
		11,186	5,439			27,111
						16,625
20,459	6,652	56,896	51,211	2,568	23,035	385,980
		17,663	17,863	1,780		170,809
		5,754	6,471	499		64,846
		17,018	16,024			33,042
		2,111	1,165	35		3,311
		(283)	824			541
		921	821			1,742
18,026	9,328					27,354
					23,035	42,341
		11,186	5,439			16,625
18,026	9,328	54,370	48,607	2,314	23,035	360,611
		2,526	2,604	254		25,612
18,026	9,328	56,896	51,211	2,568	23,035	386,223
2,433	(2,676)	None	None	None	None	(243)
15,051	None	None	None	None	None	15,051
(17,484)	17,484	None	None	None	None	None
None	None	None	None	None	None	None
\$ None	\$ 14,808	\$ None	\$ None	\$ None	\$ None	\$ 14,808

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS
 DEPARTMENT OF HOMELAND SECURITY
 FY 2011 FAMILY SUPPORT CENTER
 January 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
FAYETTE			
REVENUES			
Federal	\$ 3,137	\$ 3,137	\$ None
EXPENDITURES			
Rent	\$ 1,000	1,295	295
Utilities	1,000	705	(295)
Food	1,074	1,074	None
Administration	63	63	None
Total expenditures	<u>\$ 3,137</u>	<u>3,137</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 - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
 HEAD START PROGRAM
 GRANT #07CH6090/45
 January 31, 2012

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 1,777,182	\$ 1,777,182	\$ None
Local	444,296	439,015	(5,281)
Total revenues	<u>\$ 2,221,478</u>	<u>2,216,197</u>	<u>(5,281)</u>
EXPENDITURES			
Personnel	\$ 972,596	976,139	3,543
Fringe benefits	357,757	361,989	4,232
Travel	7,749	7,472	(277)
Supplies	40,380	42,139	1,759
Contractual	10,200	10,696	496
Other costs	240,831	235,567	(5,264)
Total direct	1,629,513	1,634,002	4,489
Indirect	<u>147,669</u>	<u>148,461</u>	<u>792</u>
Total federal cost	<u>1,777,182</u>	<u>1,782,463</u>	<u>5,281</u>
GRANTEE CONTRIBUTION	<u>444,296</u>	<u>439,015</u>	<u>(5,281)</u>
Total expenditures	<u>\$ 2,221,478</u>	<u>2,221,478</u>	<u>\$ None</u>
Excess revenues over (under) expenditures		(5,281)	<u>\$ (5,281)</u>
FUND BALANCE, beginning of contract		None	
Transfer in		<u>5,281</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 #07CH6090/45
 January 31, 2012

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 767,561	\$ 767,561	\$ None
Inkind	183,505	183,786	281
Total revenues	<u>\$ 951,066</u>	<u>951,347</u>	<u>281</u>
EXPENDITURES			
Personnel	\$ 459,719	462,630	2,911
Fringe benefits	151,121	150,866	(255)
Travel	8,214	8,480	266
Supplies	9,400	13,955	4,555
Contractual	800	318	(482)
Other costs	71,282	65,668	(5,614)
Total direct	700,536	701,917	1,381
Indirect	67,025	73,749	6,724
Total federal cost	<u>767,561</u>	<u>775,666</u>	<u>8,105</u>
GRANTEE CONTRIBUTION	<u>183,505</u>	<u>183,786</u>	<u>281</u>
Total expenditures	<u>\$ 951,066</u>	<u>959,452</u>	<u>8,386</u>
Excess revenues over (under) expenditures		(8,105)	<u>\$ (8,105)</u>
FUND BALANCE, beginning of contract		None	
Transfer in		8,105	
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 2011 WRAP AROUND
 January 31, 2012

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 507,000	\$ 459,000	\$ (48,000)
EXPENDITURES			
Personnel costs	\$ 436,104	397,214	(38,890)
Facility costs	11,000	11,000	None
Supplies and materials	8,000	8,000	None
Indirect	51,896	42,786	(9,110)
Total expenditures	\$ 507,000	459,000	(48,000)
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 - STATE DEPARTMENT OF HUMAN RIGHTS
 FY 2011 WEATHERIZATION ASSISTANCE
 PROGRAM (NO. HEAP 11-09)
 January 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 454,038	\$ 147,839	\$ (306,199)
EXPENDITURES			
Administration	\$ 21,481	5,649	(15,832)
Health and safety	78,775	54,730	(24,045)
Support	102,115	29,843	(72,272)
Labor	106,491	22,951	(83,540)
Materials	106,491	23,898	(82,593)
Liability insurance	8,685	8,685	None
Other	30,000	2,083	(27,917)
Total expenditures	<u>\$ 454,038</u>	<u>147,839</u>	<u>(306,199)</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS
 FEDERAL - STATE DEPARTMENT OF HUMAN RIGHTS
 FY 2011 COMMUNITY SERVICES BLOCK GRANT
 PROGRAM (NO. CSBG-11-09)
 January 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 277,315	\$ 277,315	\$ None
EXPENDITURES (By contract line item)			
Salaries	\$ 158,342	163,781	5,439
Fringe benefits	47,266	51,399	4,133
Space costs	8,684	7,313	(1,371)
Travel	7,200	5,959	(1,241)
Other costs	33,000	25,666	(7,334)
Indirect	22,823	23,197	374
Total expenditures	<u>\$ 277,315</u>	<u>277,315</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-11-09
 January 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 127,081	\$ 127,081	\$ None
State	112,695	112,695	None
Local	<u>31,000</u>	<u>31,700</u>	<u>700</u>
Total revenues	<u>\$ 270,776</u>	<u>271,476</u>	<u>700</u>
EXPENDITURES			
Personnel	\$ 206,611	196,828	(9,783)
Travel	21,396	19,489	(1,907)
Space/utilities	3,312	3,312	None
Other costs	16,337	13,112	(3,225)
Third-party payments	100	48	(52)
Indirect	<u>23,020</u>	<u>21,848</u>	<u>(1,172)</u>
Total expenditures	<u>\$ 270,776</u>	<u>254,637</u>	<u>(16,139)</u>
Excess revenues over (under) expenditures		16,839	<u>\$ 16,839</u>
FUND BALANCE, beginning of contract		None	
TRANSFERS OUT		<u>(16,839)</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
 2011 LOW INCOME HOME ENERGY ASSISTANCE
 PROGRAM (NO. LIHEAP-11-09)

January 31, 2012

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 3,339,265	\$ 3,331,856	\$ (7,409)
Local	None	None	None
Total revenues	\$ 3,339,265	3,331,856	(7,409)
EXPENDITURES			
Section I			
A. Regular assistance	\$ 2,343,360	2,335,951	(7,409)
B. Energy crisis intervention			
Emergency delivery	145,315	145,315	None
C. Client services	40,000	40,000	None
D. Data expansion	59,050	59,050	None
E. Summer deliverable fuel	560,271	560,271	None
Section II			
Administration	191,269	191,269	None
Total expenditures	\$ 3,339,265	3,331,856	(7,409)
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 2011 WEATHERIZATION ASSISTANCE
PROGRAM (NO. DOE 09-09I)
January 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 468,267	\$ 396,308	\$ (71,959)
EXPENDITURES (By contract line item)			
Administration	\$ 26,682	23,230	(3,452)
Health and safety	81,987	80,417	(1,570)
Support	106,280	125,000	18,720
Labor	110,834	84,278	(26,556)
Materials	110,834	51,733	(59,101)
Liability insurance	31,650	31,650	None
Total expenditures	<u>\$ 468,267</u>	<u>396,308</u>	<u>(71,959)</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 HEALTH
FY 2011 FAMILY PLANNING PROGRAM (NO. 5881MH20)
January 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 111,148	\$ 111,148	\$ None
Local	332,963	273,978	(58,985)
	<u>\$ 444,111</u>	<u>385,126</u>	<u>(58,985)</u>
EXPENDITURES (By cost category)			
Employee salaries	\$ 202,538	180,744	(21,794)
Employee fringe benefits	67,441	54,098	(13,343)
Contractual	3,500	1,076	(2,424)
Equipment	4,579	4,298	(281)
Supplies	105,619	91,408	(14,211)
Space costs	16,000	14,736	(1,264)
Travel	14,500	13,335	(1,165)
Indirect	29,934	25,431	(4,503)
	<u>\$ 444,111</u>	<u>385,126</u>	<u>(58,985)</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 2011
 January 31, 2012

OELWEIN	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
State	\$ 50,000	\$ 50,000	\$ None
EXPENDITURES			
Salaries	\$ 28,912	28,911	(1)
Employee benefits	11,570	11,611	41
Administration costs	4,818	4,498	(320)
Other costs	4,700	4,980	280
Total expenditures	<u>\$ 50,000</u>	<u>50,000</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 2011
January 31, 2012

DECORAH #NE-11-3489-088	Budget	Actual	Over (Under) Budget
REVENUES			
State	\$ 58,821	\$ 58,821	\$ None
EXPENDITURES			
Salaries	\$ 36,376	37,298	922
Employee benefits	12,968	12,046	(922)
Other costs	4,000	4,000	None
Indirect	5,477	5,477	None
Total expenditures	\$ 58,821	58,821	None
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
FUND BALANCE, end of contract		\$ None	
OELWEIN #NE-11-0496-087			
REVENUES			
State	\$ 61,850	\$ 61,850	\$ None
EXPENDITURES			
Salaries	\$ 38,692	37,684	(1,008)
Employee benefits	12,381	13,486	1,105
Other costs	4,700	5,000	300
Indirect	6,077	5,680	(397)
Total expenditures	\$ 61,850	61,850	None
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
FUND BALANCE, end of contract		\$ None	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS
STATE - DEPARTMENT OF EDUCATION
CHILD DEVELOPMENT 2011
January 31, 2012

POSTVILLE #NE-11-3490-089	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
State	\$ 62,307	\$ 62,307	\$ None
EXPENDITURES			
Salaries	\$ 37,338	35,771	(1,567)
Employee benefits	13,343	14,515	1,172
Other costs	6,000	6,439	439
Indirect	5,626	5,582	(44)
Total expenditures	<u>\$ 62,307</u>	<u>62,307</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 ECONOMIC DEVELOPMENT
 FY 2011 HOMELESS SHELTER GRANT
 PROGRAM (NO. 10-II-96002)
 January 31, 2012

	Budget	Actual	Over (Under) Budget
REVENUES			
State	\$ 10,000	\$ 10,000	\$ None
EXPENDITURES			
Homeless prevention	\$ 10,000	10,000	None
Total expenditures	\$ 10,000	10,000	None
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
FUND BALANCE, end of contract		\$ None	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS
 FEDERAL - STATE DEPARTMENT OF HUMAN SERVICES
 FY 2011 COMMUNITY ADOLESCENT PREGNANCY PREVENTION
 January 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
State	\$ 109,997	\$ 109,997	\$ None
Local	20,556	15,351	(5,205)
Total revenues	<u>\$ 130,553</u>	<u>125,348</u>	<u>(5,205)</u>
EXPENDITURES (By cost category)			
Employee salaries	\$ 44,032	44,032	None
Employee fringe benefits	14,271	14,271	None
Contractual	37,655	37,655	None
Supplies	2,344	2,344	None
Space costs	678	678	None
Travel	4,619	4,619	None
Indirect	26,954	21,749	(5,205)
Total expenditures	<u>\$ 130,553</u>	<u>125,348</u>	<u>(5,205)</u>
Excess revenues over (under) expenditures		<u>None</u>	<u>\$ None</u>
FUND BALANCE, beginning of contract		<u>None</u>	
TRANSFER to contributions		<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 2011 TRANSIT PROGRAM
 January 31, 2012

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 1,087,078	\$ 810,962	\$ (276,116)
State	326,684	343,597	16,913
Local	2,231,208	1,469,434	(761,774)
Total revenues	\$ 3,644,970	2,623,993	(1,020,977)
EXPENDITURES			
Direct			
Employee salaries	\$ 1,079,665	1,013,035	(66,630)
Employee fringe benefits	366,151	291,124	(75,027)
Contractual	54,000	44,979	(9,021)
Travel	19,000	19,057	57
Space costs and rentals	27,200	26,347	(853)
Consumable supplies	28,150	15,557	(12,593)
Equipment	1,205,791	383,685	(822,106)
Other charges	692,961	563,037	(129,924)
Total direct	3,472,918	2,356,821	(1,116,097)
Indirect	172,052	142,584	(29,468)
Total expenditures	\$ 3,644,970	2,499,405	(1,145,565)
Excess revenues over (under) expenditures		124,588	\$ 124,588
FUND BALANCE, beginning of contract		663,723	
TRANSFER from contributions		364	
REPROGRAMMED FUNDS		(788,675)	
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 2011 WEATHERIZATION ASSISTANCE PROGRAM
 UTILITY CONTRACT
 January 31, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
CONTRACT #MEC-11-09I			
REVENUES			
Local	\$ 37,378	\$ 31,926	\$ (5,452)
EXPENDITURES			
Administration-indirect	\$ 1,868	1,578	(290)
Support	3,738	2,759	(979)
Labor	15,886	14,084	(1,802)
Material	15,886	13,505	(2,381)
Total expenditures	<u>\$ 37,378</u>	<u>31,926</u>	<u>(5,452)</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-11-09I			
REVENUES			
Local	\$ 139,457	\$ 139,457	\$ None
EXPENDITURES			
Administration-indirect	\$ 6,973	6,973	None
Support	13,946	11,773	(2,173)
Labor	59,269	55,170	(4,099)
Material	59,269	65,541	6,272
Total expenditures	<u>\$ 139,457</u>	<u>139,457</u>	None
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 2011 WEATHERIZATION ASSISTANCE PROGRAM
UTILITY CONTRACT
January 31, 2012

	Budget	Actual	Over (Under) Budget
CONTRACT #BHE-11-09I			
REVENUES			
Local	\$ 75,106	\$ 75,106	\$ None
EXPENDITURES			
Administration-indirect	\$ 3,755	3,755	None
Support	7,511	6,255	(1,256)
Labor	31,920	32,457	537
Material	31,920	32,639	719
Total expenditures	\$ 75,106	75,106	None
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
FUND BALANCE, end of contract		\$ None	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended January 31, 2012**Part I: Summary of the Independent Auditor's Results:**

- (a) Unqualified opinions were issued on the financial statements.
- (b) No significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) No significant deficiencies in internal control over the major programs were disclosed by the audit of the financial statements.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no audit findings which are required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
 - CFDA Number 93.568 Low Income Home Energy Assistance
 - CFDA Number 81.042 Weatherization Assistance for Low Income Persons
 - CFDA Number 81.042 ARRA - Weatherization Assistance for Low Income Persons
 - CFDA Number 93.570 Community Services Block Grant Discretionary Awards
 - CFDA Number 14.264 Neighborhood Stabilization Program
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$344,369.
- (i) Northeast Iowa Community Action Corporation did qualify as a low-risk auditee.

Part II: Findings Related to the Financial Statements:

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

SIGNIFICANT DEFICIENCIES:

No matters were noted.

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NONCOMPLIANCE:

No matters were noted.

SIGNIFICANT DEFICIENCIES:

No matters were noted.

Part IV: Other Findings Related to Required Statutory Reporting:

See Management Letter dated May 16, 2012.

Part V: Summary of Prior Federal Audit Findings and Questions Costs

N/A

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended January 31, 2012

Grantor/Program	CFDA Number	Grant Number	Period of Grant	Program Expenditures
U.S. Department of Health and Human Services				
Direct				
Head Start	93.600	07CH6090/45	02/01/11-01/31/12	\$ 1,777,182
Head Start Discretionary		07CH6090/45	02/01/11-01/31/12	767,561
Passed through Iowa Department of Human Rights				
Wrap-Around Child Care	93.600	N/A	09/01/10-08/31/11	380,176
			09/01/11-08/31/12	96,989
				<u>3,021,908</u>
Passed through Iowa Department of Human Rights				
Low Income Home Energy Assistance	93.568	LIHEAP 11-09	10/01/10-09/30/11	1,924,347
		LIHEAP 12-09	10/01/11-09/30/12	941,441
		HEAP 11-09	01/01/11-12/31/11	137,272
		HEAP 12-09	01/01/12-12/31/12	32,634
				<u>3,035,694</u>
Subtotal U.S. Department of Health and Human Services				<u>6,057,602</u>
Other Federal Awards				
Department of Homeland Security				
Direct				
Emergency Food and Shelter National Board Program	97.024	N/A	01/01/11-12/31/11	3,137
Subtotal Department of Homeland Security				<u>3,137</u>
U.S. Department of Health and Human Services				
Passed through Iowa Department of Human Rights				
Community Services Block Grant	93.569	CSBG-11-09	10/01/10-12/31/11	222,643
		CSBG-12-09	10/01/11-12/31/12	77,643
				<u>300,286</u>
Community Services Block Grant Discretionary Awards				
	93.570	FaDSS 11-09	07/01/10-06/30/11	64,697
		FaDSS 12-09	07/01/11-06/30/12	59,487
				<u>124,184</u>
Passed through Iowa Department of Health				
Family Planning Services	93.217	5881MH20	10/01/10-09/30/11	35,639
		5882MH20	10/01/11-09/30/12	77,108
				<u>112,747</u>
Subtotal U.S. Department of Health and Human Services				<u>537,217</u>
U.S. Department of Transportation				
Federal Transit Administration				
Formula Grants for Other Than Urbanized Areas	20.509	Section 5311	07/01/10-06/30/11	481,132
			07/01/11-06/30/12	48,764
				<u>529,896</u>
Federal Transit - Capital Investment Grants				
	20.500	IA-04-0113	05/01/09-09/30/11	30,737
Subtotal U.S. Department of Transportation				<u>560,633</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, 2012

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 09-09I	04/01/09-03/31/11	\$ 16,499
ARRA - Weatherization Assistance for Low Income Persons		DOE ARRA-09-09I	04/01/09-03/31/12	<u>2,979,469</u>
Subtotal U.S. Department of Energy				<u>2,995,968</u>
U.S. Department of Agriculture				
Passed through Iowa Department of Education				
Child and Adult Care Food Program	10.558	96-8010	10/01/10-09/30/11	117,142
			10/01/11-09/30/12	90,495
		96-8013	10/01/10-09/30/11	412,581
			10/01/11-09/30/12	<u>163,459</u>
Subtotal U.S. Department of Agriculture				<u>783,677</u>
U.S. Department of Justice				
Passed through Helping Services for Northeast Iowa, Inc.				
Crossroads Transitional Housing	16.805	2009-HH-S6-0037	07/01/09-06/30/11	<u>86,791</u>
U.S. Department of Housing and Urban Development				
Passed through Iowa Finance Authority				
ARRA - Homeless Prevention and Rapid Re-housing	14.257	S09-DY-19-0001	07/14/09-07/13/12	<u>155,492</u>
Passed through City of Oelwein				
Neighborhood Stabilization Program	14.264	#08-NSP-013		<u>298,441</u>
Subtotal U.S. Department of Housing and Urban Development				<u>453,933</u>
Subtotal Other Federal Awards				<u>5,421,356</u>
Total Federal Awards				<u>\$ 11,478,958</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, 2012

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Northeast Iowa Community Action Corporation under programs of the federal government for the year ended January 31, 2012. 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*. Because the schedule presents only a selected portion of the operations of Northeast Iowa Community Action Corporation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Northeast Iowa Community Action Corporation.

Note 2. Summary of Significant Accounting Policies

- (1) Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.
- (3) The Corporation is a sub-contractor for the City of Oelwein in completing the Neighborhood Stabilization Program. The Corporation receives from the City of Oelwein to build the homes under the program, once the homes are sold the money is returned to the City of Oelwein to build another home. The Corporation receives a set amount disclosed in the agreement with the City of Oelwein for their services. The total amount received from the City of Oelwein is reported on the schedule of expenditures of federal awards, however the money kept by the Corporation is reported on the financial statements.

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

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**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, 2012, and have issued our report thereon dated May 16, 2012. 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

Management of Northeast Iowa Community Action Corporation is responsible for establishing and maintaining effective 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 Northeast Iowa Community Action 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 16, 2012.

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 16, 2012

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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 Northeast Iowa Community Action Corporation's (a nonprofit corporation) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Northeast Iowa Community Action Corporation's major federal programs for the year ended January 31, 2012. Northeast Iowa Community Action 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 Northeast Iowa Community Action 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended January 31, 2012.

Internal Control over Compliance

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 to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Northeast Iowa Community Action Corporation's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 financial statements of Northeast Iowa Community Action Corporation as of and for the year ended January 31, 2012, and have issued our report thereon dated May 16, 2012, which contained an unqualified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements 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 16, 2012

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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, 2012, 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.

As part of our audit, we are required to comment on the Corporation's compliance with certain aspects of state laws and rulings as specified by the Iowa Auditor of State. The following summarizes our comments and suggestions regarding that matter. A separate report dated May 16, 2012 contains our report on the Corporation's internal control. This letter does not affect our report dated May 16, 2012 on the financial statements of Northeast Iowa Community Action Corporation.

1. Questionable Disbursements

We noted no disbursements that may not meet the requirements of public purpose as defined in the Attorney General's Opinion dated April 25, 1979.

2. Deposit and Investments

We noted no instances of noncompliance with the deposit and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the Organization's investment policy.

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 16, 2012