

**NORTHEAST IOWA COMMUNITY
ACTION CORPORATION**

FINANCIAL REPORT

JANUARY 31, 2013

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INDEPENDENT AUDITOR'S REPORT
ON THE FINANCIAL STATEMENTS

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

Report on the Financial Statements

We have audited the accompanying financial statements of Northeast Iowa Community Action Corporation (a nonprofit corporation), which comprise the statement of financial position as of January 31, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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 from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northeast Iowa Community Action Corporation as of January 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2013, 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* in considering Northeast Iowa Community Action Corporation's internal control over financial reporting and compliance.

Hacke, Nelson & Co., P.C.

Decorah, Iowa
May 17, 2013

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
STATEMENT OF FINANCIAL POSITION
January 31, 2013

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 3,502,671
Receivables	
Funding source	584,145
Other	499,508
Inventory	<u>439,863</u>

Total current assets	<u>5,026,187</u>
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PROPERTY AND EQUIPMENT, net	<u>1,536,600</u>
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OTHER ASSETS

Investment in affiliates	388,404
Due from affiliate	<u>150,398</u>

Total other assets	<u>538,802</u>
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Total assets	<u><u>\$ 7,101,589</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	
General	\$ 949,991
Compensated absences	122,663
Current portion of long-term debt	25,075
Deferred revenue	<u>536,261</u>

Total current liabilities	<u>1,633,990</u>
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LONG-TERM DEBT

Notes payable, less current portion	<u>761,605</u>
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NET ASSETS

Unrestricted	<u>4,705,994</u>
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Total liabilities and net assets	<u><u>\$ 7,101,589</u></u>
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See Notes to Financial Statements.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
STATEMENT OF ACTIVITIES
Year Ended January 31, 2013

	Unrestricted
REVENUES AND OTHER SUPPORT	
Federal and state grants	\$ 10,056,007
Local	2,396,192
Interest	17,643
Contributions	76,287
Total revenues and other support	12,546,129
EXPENSES	
Program services	11,889,852
Supporting services	
Management and general	688,741
Fundraising	73,790
Total expenses	12,652,383
Change in net assets from operations	(106,254)
OTHER CHANGES IN NET ASSETS	
Equity in limited partnerships loss	(6)
Loss on sale of fixed assets	(92,585)
Change in net assets	(198,845)
NET ASSETS, beginning of year	4,904,839
NET ASSETS, end of year	\$ 4,705,994

See Notes to Financial Statements.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended January 31, 2013

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Employee salaries	\$ 4,308,531	\$ 363,996	\$ 52,514	\$ 4,725,041
Employee fringe benefits	1,411,283	112,016	10,640	1,533,939
Contractual	149,395	77,922	3,896	231,213
Travel	75,200	37,540	1,877	114,617
Space costs	106,388	17,392	870	124,650
Consumable supplies	264,602	25,808	1,290	291,700
Equipment	352,342			352,342
Direct assistance	2,514,601			2,514,601
Depreciation	81,617			81,617
Food	680,079			680,079
Vehicle costs	287,030			287,030
Augmentation	75,981			75,981
Materials	767,072			767,072
Other	913,037	54,067	2,703	969,807
Contributed materials, facilities and services	76,287			76,287
Use of equipment and contributed materials and services	(173,593)			(173,593)
Total expenses	\$ 11,889,852	\$ 688,741	\$ 73,790	\$ 12,652,383

See Notes to Financial Statements.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
STATEMENT OF CASH FLOWS
Year Ended January 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (198,845)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	81,617
Loss from limited partnerships	6
Loss on sale of assets	92,585
(Increase) decrease in:	
Receivables	
Funding source	(16,371)
Other	297,439
Inventory	(267,614)
Increase (decrease) in:	
Payables	
General	230,976
Compensated absences	(36,067)
Deferred revenue	(162,867)
	<u>20,859</u>
Net cash provided by operating activities	<u>20,859</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of equipment	(102,380)
Proceeds from sale of equipment	310,384
	<u>208,004</u>
Net cash provided by investing activities	<u>208,004</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on debt	(83,238)
	<u>145,625</u>
Net increase in cash	<u>145,625</u>
CASH AND CASH EQUIVALENTS	
Beginning of year	<u>3,357,046</u>
End of year	<u>\$ 3,502,671</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Noncash from investing and financing activities	
Property purchased with loans	
Cost	\$ 180,325
Loan proceeds	(180,325)
	<u>\$ None</u>
Cash payments for interest	<u>\$ 19,716</u>
Property sold or scrapped	
Cost	\$ 421,732
Less accumulated depreciation	18,763
Book value	<u>\$ 402,969</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.

The Corporation's financial statements are prepared in accordance with U.S. generally accepted accounting principles as prescribed by the Financial Accounting Standards Board for non-profit corporations.

1. Summary of Significant Accounting Policies (Continued)

b. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the funds and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles. Revenues are recognized when earned and expenses are recorded when the liability is incurred.

Purchases of property and equipment providing future benefits are recorded as expenses in the program at the time of purchase and capitalized in the appropriate fund.

c. 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, 2013, 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 \$709,247 at January 31, 2013.

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.

1. Summary of Significant Accounting Policies (Continued)

c. Financial Statement Presentation (Continued)

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.

d. 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, 2012 and received unmodified opinions dated February 23, 2013 and February 14, 2013, 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.

e. 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.

f. 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, 2013, 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.

g. Inventory

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

1. Summary of Significant Accounting Policies (Continued)

h. Fixed Assets

Fixed asset purchases funded by grants have been expensed in the grant period. Fixed assets with a cost of \$3,237,250 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 \$81,617 for the year ended January 31, 2013. Accumulated depreciation totaled \$1,135,600 as of January 31, 2013. 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.

i. 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.

j. 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 2013. Management of the Organization believes it has no material uncertain tax positions and, accordingly it will not recognize any liability for unrecognized tax benefits.

k. 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.

l. 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.

m. Concentrations of Credit Risk

Financial instruments that potentially subject the Corporation to significant concentrations of credit risk consists 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.

1. Summary of Significant Accounting Policies (Continued)

m. Concentrations of Credit Risk (Continued)

The Corporation's cash balances at two financial institutions fluctuate during the year and at various times exceed the Federal Deposit Insurance Corporation 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.

n. 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 \$3,502,671 and the bank balances totaled \$4,512,461. 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.

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. The Corporation didn't receive any services that meet this requirement. Other donated services are from parents and others which do not meet the requirements to be recognized in the financial statements.

4. Contributed Facilities

The Corporation occupies without charge certain premises located in government owned buildings. The estimated fair rental value of the premises is reported as contributions and contributed facilities in the accompanying financial statements. The amount of contributed facilities for the year ended January 31, 2013 is \$76,287.

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 73% 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 2013, 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, 2013. The Corporation's approved provisional rate for the year ended January 31, 2013 was 11.7%, 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 11.7%.

NOTES TO FINANCIAL STATEMENTS

7. Equity in Affiliates

The Corporation has minority interests (.01 percent) in both NEICAC Senior Housing and Decorah Woolen Mill, limited partnerships, formed to construct and operate housing facilities in Decorah, Iowa. The partnerships are accounted for under the equity method of accounting. 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, 2012 follows:

	NEICAC Senior Housing	Decorah Woolen Mill	
Assets	\$ 911,706	\$ 1,487,449	
Less liabilities	700,437	502,083	
Net assets	\$ 211,269	\$ 985,366	
Operating revenues	\$ 59,341	\$ 57,373	
Net loss	\$ (18,388)	\$ (39,674)	
Corporation's interest			
Share of net loss	\$ (2)	\$ (4)	
Equity in net assets	\$ 20	\$ 388,384	

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			484,032	484,032
Ridgewood Duplex		131,024		131,024
Rent to Own		372,819		372,819
Calmar Apartments				
Phase I	\$ 9,975	477,568	11,983	499,526
Phase II	9,975	512,292	17,353	539,620
	19,950	1,992,725	659,061	2,671,736
Less accumulated depreciation	None	565,333	569,803	1,135,136
	\$ 19,950	\$ 1,427,392	\$ 89,258	\$ 1,536,600

The components of Northeast Iowa Community Action Corporation's accumulated depreciation at January 31, 2013 are as follows:

	Buildings	Vehicles	Equipment	Total
Balance, beginning of year	\$ 521,830	\$ 268,988	\$ 281,928	\$ 1,072,746
Current year depreciation	43,503	18,434	19,680	81,617
Current year disposals		(18,763)		(18,763)
Balance, end of year	\$ 565,333	\$ 268,659	\$ 301,608	\$ 1,135,600

NOTES TO FINANCIAL STATEMENTS

9. Long-term Debt

Details of long-term debt as of January 31, 2013 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.	\$ 112,853	\$ 10,383
<i>Iowa Finance Authority</i>		
1.0% interest bearing note payable, due \$1,309 annually through May 2013, collateralized by real estate.	1,185	1,185
The real estate has a carrying value of \$611,223.		
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 \$316,739.	286,394	5,883
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.	121,000	
0.0% interest bearing note payable, forgivable in 2041.		
This note is transferred with the related real estate as the homes are sold.	180,325	
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 \$109,732.	69,035	3,652
0.0% interest bearing note payable, with 10% forgiven each year through November 2016.	15,888	3,972
	\$ 786,680	\$ 25,075

NOTES TO FINANCIAL STATEMENTS

9. Long-term Debt (Continued)

Maturities of long-term debt during the years following January 31, 2013 are as follows:

Long-term debt maturities	
2014	\$ 25,075
2015	24,621
2016	25,384
2017	26,182
2018	79,690
2019-2023	59,348
2024-2028	190,338
2029-2033	80,010
2034-2038	95,219
2039-2041	<u>180,813</u>
	<u>\$ 786,680</u>

Interest expense totaled \$19,716 for the year ending January 31, 2013. No interest cost was capitalized for the year ended January 31, 2013.

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 5.38% from February 1, 2012 through June 30, 2012 and 5.78% from July 1, 2012 through January 31, 2013, of their annual covered salary and the Corporation is required to contribute 8.07% from February 1, 2012 through June 30, 2012 and 8.67% from July 1, 2012 through January 31, 2013, of annual covered payroll. Contribution requirements are established by state statute. The Corporation's contribution to IPERS for the years ended January 31, 2013, 2012, and 2011 were \$379,459, \$351,442 and \$319,280 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, 2013:

U.S. Department of Health and Human Services	
Wrap-Around Child Care	\$ 125,093
State Department of Human Rights	
Low Income Home Energy Assistance	165,526
HEAP Weatherization Assistance for Low Income Persons	12,912
Community Services Block Grant	29,822
FaDSS	42,334
	250,594
U.S. Department of Agriculture	
USDA	1,044
FDC	9,177
	10,221
Other Sources	
Child Developments	56,557
Oelwein Child Developments	12,398
	68,955
Local Sources	
Contributions	81,398
	\$ 536,261

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, 2013.
- City of Fayette for \$325 per month on a month to month basis.
- Four Seasons Storage for \$540 annually with a 30 day notice to cancel.
- Central Community School District for \$200 per month. The lease expires on June 30, 2016.
- Cresco Fitness Center for \$300 annually. The lease expires June 30, 2017.
- Postville Community School District for \$125 per month. The lease expires June 30, 2017.

The Transit Program leases garage, office, and vehicle parking space and wash bay located in West Union from Kenneth Schatz for \$800 per month through June 30, 2012 and \$900 per month July 1, 2012 through June 30, 2017.

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, 2012 to July 31, 2013	\$ 750
Postville CD	July 1, 2012 to June 30, 2013	550
Postville HS	July 1, 2012 to June 30, 2013	650
Postville HS	August 1, 2012 to July 31, 2013	725

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, 2012 to June 30, 2013	\$ 300
First United Church CD	July 1, 2012 to June 30, 2013	400
Guttenberg HS	July 1, 2012 to June 30, 2013	300
Decorah CSD	June 1, 2012 to May 31, 2013	400
Elkader	September 1, 2012 to August 31, 2013	752
Oelwein CSD	August 1, 2012 to July 31, 2013	500
North Fayette	August 1, 2012 to July 31, 2013	400

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

2014	<u>\$ 79,100</u>
------	------------------

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, 2013 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 Volga, Tripoli, Waukon, Fayette, and Fredericksburg 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 \$301,325. The completed homes are reported as fixed assets on the Corporation's financial statements until the homes are sold. 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, 2013, the balance of the loan from the Corporation to the project for its development fee was \$69,398.

The Corporation is the general partner in Decorah Woolen Mill Limited Partnership (the partnership). The partnership constructed a 15 unit housing complex in Decorah, Iowa at a total cost of \$1,740,245. The funds for the project were provided by loans from the Iowa Department of Economic Development of \$330,000. Also, the construction was financed by the sale of \$294,925 of federal historic rehabilitation tax credits and thus will require compliance with various IRS regulations over a number of years. The Corporation loaned the project its development fee of \$75,000.

The partnership agreements include requirements of the Corporation to maintain insurance, retain reserves for replacements and operating deficits, 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, 2013.

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, 2013, both homes and duplex are completed and one is sold.

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 109 participants in the plan for the plan year ended January 31, 2013.

16. Subsequent Events

Subsequent events were evaluated through May 17, 2013 which is the date the financial statements were available to be issued.

The Corporation has entered into an agreement to purchase four vans for the Transit program for \$39,049 each.

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, 2013, and have issued our report thereon dated May 17, 2013, which contained an unmodified 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, 2013 presented on Schedules 1 through 26 is 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 through 26 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 through 26 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 kind 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, 2012, 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, 2012 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 through 26 which relates to the year ended January 31, 2012, 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 17, 2013

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NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF FINANCIAL POSITION
 BY FUNDING SOURCE
 January 31, 2013

	U.S. Department of Health and Human Services	State Department of Human Rights	State Department of Public Health	State Department of Economic Development
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 129,665	\$ 82,998	\$ 100	
Receivables				
Funding source	140,002	275,440	141	
Other		114,224	28,375	
Due from other funds		135,195	49,186	\$ 12,621
Inventory				439,863
	<u>269,667</u>	<u>607,857</u>	<u>77,802</u>	<u>452,484</u>
Total assets	<u>\$ 269,667</u>	<u>\$ 607,857</u>	<u>\$ 77,802</u>	<u>\$ 452,484</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable				
General	\$ 43,720	\$ 34,235	\$ 1,250	\$ 450,032
Due to other funds	100,854	287,999	76,552	2,452
Deferred revenue	125,093	250,594		
	<u>269,667</u>	<u>572,828</u>	<u>77,802</u>	<u>452,484</u>
NET ASSETS				
Unrestricted		35,029		
Total liabilities and net assets	<u>\$ 269,667</u>	<u>\$ 607,857</u>	<u>\$ 77,802</u>	<u>\$ 452,484</u>

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 1

U.S. Department of Agriculture	Other Sources	Total
\$ 3,173	\$ 32,584	\$ 248,520
65,181	23,754	504,518
	52,914	142,599
		249,916
		439,863
<u>68,354</u>	<u>109,252</u>	<u>1,585,416</u>
<u>\$ 68,354</u>	<u>\$ 109,252</u>	<u>\$ 1,585,416</u>
\$ 56,130	\$ 2,816	\$ 588,183
2,003	23,959	493,819
<u>10,221</u>	<u>68,955</u>	<u>454,863</u>
<u>68,354</u>	<u>95,730</u>	<u>1,536,865</u>
	<u>13,522</u>	<u>48,551</u>
<u>\$ 68,354</u>	<u>\$ 109,252</u>	<u>\$ 1,585,416</u>

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NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF FINANCIAL POSITION
 LOCAL FUNDS
 January 31, 2013

	Transit 2012	Local Weatherization 2012	Head Start Local	Calmar Apartments
ASSETS				
CURRENT ASSETS				
Cash	\$ 679,702	\$ 27,117	\$ 230,719	\$ 29,173
Receivables				
Funding source				
Other	352,389		4,420	
Due from other funds	5			
	<u>1,032,096</u>	<u>27,117</u>	<u>235,139</u>	<u>29,173</u>
PROPERTY AND EQUIPMENT, NET	<u>85,279</u>	<u>None</u>	<u>36,825</u>	<u>611,223</u>
OTHER ASSETS				
Due from affiliate				
Investment in affiliates				
	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>
Total assets	<u>\$ 1,117,375</u>	<u>\$ 27,117</u>	<u>\$ 271,964</u>	<u>\$ 640,396</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable				
General	\$ 44,772	\$ 92	\$ 41	\$ 28,047
Due to other funds	136,365	1,349	456	6,049
Compensated absences				
Current portion of long-term debt				11,568
Deferred revenue				
Total current liabilities	<u>181,137</u>	<u>1,441</u>	<u>497</u>	<u>45,664</u>
LONG-TERM DEBT				
Notes payable, less current portion				<u>102,470</u>
NET ASSETS				
Unrestricted				
Designated for fixed assets	85,279		36,825	492,262
Undesignated	850,959	25,676	234,642	
Total net assets	<u>936,238</u>	<u>25,676</u>	<u>271,467</u>	<u>492,262</u>
Total liabilities and net assets	<u>\$ 1,117,375</u>	<u>\$ 27,117</u>	<u>\$ 271,964</u>	<u>\$ 640,396</u>

See Independent Auditor's Report on the Supplementary Information.

<u>Weatherization Utilities</u>	<u>Contributions</u>	<u>General Relief</u>	<u>Rent to Own</u>	<u>Ridgewood Duplex</u>	<u>Waukon USDA</u>	<u>Fayette General Relief</u>
	\$ 1,725,354		\$ 16,366	\$ 6,161	\$ 27,344	
\$ 24,701		\$ 921	51,215			\$ 2,790
<u>4,265</u>	<u>680,971</u>					
<u>28,966</u>	<u>2,406,325</u>	<u>921</u>	<u>67,581</u>	<u>6,161</u>	<u>27,344</u>	<u>2,790</u>
<u>None</u>	<u>3,982</u>	<u>None</u>	<u>372,820</u>	<u>109,732</u>	<u>316,739</u>	<u>None</u>
	150,398					
<u>None</u>	<u>150,398</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>
<u>\$ 28,966</u>	<u>\$ 2,560,705</u>	<u>\$ 921</u>	<u>\$ 440,401</u>	<u>\$ 115,893</u>	<u>\$ 344,083</u>	<u>\$ 2,790</u>
\$ 28,966	\$ 282,635 188,336 122,663	\$ 921	\$ 1,802 106,387	\$ 1,303		\$ 44 2,746
	<u>81,398</u>			<u>7,624</u>	<u>\$ 5,883</u>	
<u>28,966</u>	<u>675,032</u>	<u>921</u>	<u>108,189</u>	<u>8,927</u>	<u>5,883</u>	<u>2,790</u>
			<u>301,325</u>	<u>77,299</u>	<u>280,511</u>	
	3,982 <u>1,881,691</u>		<u>30,887</u>	<u>29,667</u>	<u>30,345</u> <u>27,344</u>	
<u>None</u>	<u>1,885,673</u>	<u>None</u>	<u>30,887</u>	<u>29,667</u>	<u>57,689</u>	<u>None</u>
<u>\$ 28,966</u>	<u>\$ 2,560,705</u>	<u>\$ 921</u>	<u>\$ 440,401</u>	<u>\$ 115,893</u>	<u>\$ 344,083</u>	<u>\$ 2,790</u>

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
COMBINING STATEMENT OF FINANCIAL POSITION
LOCAL FUNDS
January 31, 2013

	Health Planning	Long-term Recovery	Housing Local	Crisis	Total
ASSETS					
CURRENT ASSETS					
Cash	\$ 35,902	\$ 6,212	\$ 326,254	\$ 143,847	\$ 3,254,151
Receivables					79,627
Funding source					356,909
Other	100				716,429
Due from other funds			31,188		4,407,116
	<u>36,002</u>	<u>6,212</u>	<u>357,442</u>	<u>143,847</u>	<u>4,407,116</u>
PROPERTY AND EQUIPMENT, NET	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>1,536,600</u>
OTHER ASSETS					
Due from affiliate					150,398
Investment in affiliates			388,404		388,404
	<u>None</u>	<u>None</u>	<u>388,404</u>	<u>None</u>	<u>538,802</u>
Total assets	<u>\$ 36,002</u>	<u>\$ 6,212</u>	<u>\$ 745,846</u>	<u>\$ 143,847</u>	<u>\$ 6,482,518</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable					
General	\$ 291		\$ 1,103	\$ 1,678	\$ 361,808
Due to other funds			951		472,526
Compensated absences					122,663
Current portion of long-term debt					25,075
Deferred revenue					81,398
Total current liabilities	<u>291</u>	<u>\$ None</u>	<u>2,054</u>	<u>1,678</u>	<u>1,063,470</u>
LONG-TERM DEBT					
Notes payable, less current portion					<u>761,605</u>
NET ASSETS					
Unrestricted					
Designated for fixed assets					709,247
Undesignated	35,711	6,212	743,792	142,169	3,948,196
Total net assets	<u>35,711</u>	<u>6,212</u>	<u>743,792</u>	<u>142,169</u>	<u>4,657,443</u>
Total liabilities and net assets	<u>\$ 36,002</u>	<u>\$ 6,212</u>	<u>\$ 745,846</u>	<u>\$ 143,847</u>	<u>\$ 6,482,518</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, 2013

	U.S. Department of Health and Human Services	State Department of Human Rights	State Department of Public Health	State Department of Economic Development
REVENUES				
Federal grants	\$ 3,028,344	\$ 4,183,962	\$ 379,963	
State grants		125,562		
Local		17,291	42,672	
Inkind	634,107		2,373	
Total revenues	3,662,451	4,326,815	425,008	\$ -
EXPENDITURES				
Direct				
Employee salaries	1,755,789	924,786	260,128	
Employee fringe benefits	590,514	325,994	79,133	
Contractual	458	69,443	(347)	
Travel	11,271	22,731	13,730	
Space costs	7,624	14,846	19,182	
Consumable supplies	83,106	17,497	108,827	
Direct assistance		2,485,455		
Augmentation		(135,493)		
Food	45,559			
Other	259,507	817,104	23,992	637
Inkind	634,107		2,373	
Total direct	3,387,935	4,542,363	507,018	637
Indirect	274,516	122,061	38,316	
Total expenditures	3,662,451	4,664,424	545,334	637
Excess revenues over (under) expenditures	None	(337,609)	(120,326)	(637)
FUND BALANCE, beginning of year	None	408,236	33,647	None
Less: funds returned or to be returned to funding source	None	(20,684)	None	None
TRANSFERS, NET	None	(14,914)	86,679	637
FUND BALANCE, end of year	\$ None	\$ 35,029	\$ None	\$ None

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 3

U.S. Department of Agriculture	Other Sources	Total
\$ 769,588		\$ 8,361,857
	\$ 321,985	447,547
	27,860	87,823
	16,353	652,833
<u>769,588</u>	<u>366,198</u>	<u>9,550,060</u>
71,851	157,008	3,169,562
19,525	63,017	1,078,183
3,657	37,779	110,990
5,756	4,550	58,038
3,136	687	45,475
3,924	12,112	225,466
	29,146	2,514,601
	22,204	(113,289)
634,520		680,079
16,220		1,117,460
	<u>16,353</u>	<u>652,833</u>
758,589	342,856	9,539,398
<u>10,999</u>	<u>24,628</u>	<u>470,520</u>
<u>769,588</u>	<u>367,484</u>	<u>10,009,918</u>
None	(1,286)	(459,858)
None	14,808	456,691
None	None	(20,684)
<u>None</u>	<u>None</u>	<u>72,402</u>
<u>\$ None</u>	<u>\$ 13,522</u>	<u>\$ 48,551</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, 2013

	Transit		Local Weatherization		Head Start Local
	2012	2013	2012	2013	
REVENUES					
Federal grants	\$ 44,589	\$ 567,708			
State grants	145,253	201,013			
Local revenue	666,936	932,418			\$ 30,367
Equity in limited partnerships earnings					
Interest	1,108	1,181	\$ 50	\$ 70	90
Total revenues	<u>857,886</u>	<u>1,702,320</u>	<u>50</u>	<u>70</u>	<u>30,457</u>
EXPENDITURES					
Direct					
Employee salaries	447,765	658,331		100	9,297
Employee fringe benefits	129,582	188,759		17	3,518
Contractual	11,244	21,102			
Travel	3,881	7,708			
Space costs	10,019	15,393			
Consumable supplies	18,237	10,618			
Equipment	150,425	201,917			
Depreciation	20,976	15,189			2,928
Augmentation					
Other	268,676	316,872	266	514	6,853
Total direct	<u>1,060,805</u>	<u>1,435,889</u>	<u>266</u>	<u>631</u>	<u>22,596</u>
Indirect					
	<u>75,599</u>	<u>99,110</u>	<u>864</u>	<u>3,254</u>	<u>1,499</u>
Total expenditures	<u>1,136,404</u>	<u>1,534,999</u>	<u>1,130</u>	<u>3,885</u>	<u>24,095</u>
Excess revenues over (under) expenditures	(278,518)	167,321	(1,080)	(3,815)	6,362
FUND BALANCE, beginning of year	1,047,435	None	30,571	None	265,105
TRANSFERS, NET	None	None	None	None	None
REPROGRAMMED FUNDS	(768,917)	768,917	(29,491)	29,491	None
FUND BALANCE, end of year	<u>\$ None</u>	<u>\$ 936,238</u>	<u>\$ None</u>	<u>\$ 25,676</u>	<u>\$ 271,467</u>

See Independent Auditor's Report on the Supplementary Information.

Calmar Apartments		Weatherization Utilities		Contributions	General Relief	
2012	2013	2012	2013		2012	2013
\$ 33,302	\$ 20,434	\$ 175,199	\$ 22,760	\$ 789,774	\$ 2,358	\$ 8,003
				14,264		
33,302	20,434	175,199	22,760	804,038	2,358	8,003
4,469	1,936			377,215	1,051	2,087
1,717	608			113,090	424	875
825	500			77,922		
20,268	7,954			37,540	33	35
				17,392	692	971
				25,808		
14,955	10,681			2,232		
3,004	2,073	166,510	22,760	99,281		3,688
45,238	23,752	166,510	22,760	750,480	2,200	7,656
724	298	8,689		2,296	158	347
45,962	24,050	175,199	22,760	752,776	2,358	8,003
(12,660)	(3,616)	None	None	51,262	None	None
508,538	None	None	None	1,844,016	None	None
None	None	None	None	(9,605)	None	None
(495,878)	495,878	None	None	None	None	None
\$ None	\$ 492,262	\$ None	\$ None	\$ 1,885,673	\$ None	\$ None

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 LOCAL FUNDS
 Year Ended January 31, 2013

	Community Housing Development Organization	Rent to Own	
		2012	2013
REVENUES			
Federal grants	\$ 50,000		\$ 180,325
State grants		\$ 1,500	51,215
Local revenue		5,470	23,085
Equity in limited partnerships earnings			
Interest		4	19
Total revenues	50,000	6,974	254,644
EXPENDITURES			
Direct			
Employee salaries	34,424	1,025	4,689
Employee fringe benefits	10,339	409	1,661
Contractual			
Travel			
Space costs			
Consumable supplies			
Equipment			
Depreciation			
Augmentation			
Other		4,988	94,927
Total direct	44,763	6,422	101,277
Indirect	5,237	154	742
Total expenditures	50,000	6,576	102,019
Excess revenues over (under) expenditures	None	398	152,625
FUND BALANCE, beginning of year	None	136,399	None
TRANSFERS, NET	None	(12,682)	(245,853)
REPROGRAMMED FUNDS	None	(124,115)	124,115
FUND BALANCE, end of year	\$ None	\$ None	\$ 30,887

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 4
(Continued)

Ridgewood Duplex		Waukon USDA	Fayette General Relief		Health Planning	
2012	2013		2012	2013	2012	2013
\$ 5,185	\$ 13,683	\$ 19,380	\$ 8,302	\$ 15,513	\$ 1,821	\$ 13,957
4	6	97				
5,189	13,689	19,477	8,302	15,513	1,821	13,957
638			620	1,491		
245			148	377		
				61	680	1,634
1,421	1,467			6	52	
1,638	1,638	11,380				
946		13,748	7,451	13,359	1,141	575
4,888	3,105	25,128	8,219	15,294	1,873	2,209
103			83	219		
4,991	3,105	25,128	8,302	15,513	1,873	2,209
198	10,584	(5,651)	None	None	(52)	11,748
18,885	None	63,340	None	None	24,015	None
None	None	None	None	None	None	None
(19,083)	19,083	None	None	None	(23,963)	23,963
\$ None	\$ 29,667	\$ 57,689	\$ None	\$ None	\$ None	\$ 35,711

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 LOCAL FUNDS
 Year Ended January 31, 2013

	Long-term Recovery		Family Planning Initiative	Housing Local
	2012	2013	2012	
REVENUES				
Federal grants				
State grants				\$ 5,000
Local revenue			\$ 25,729	9,144
Equity in limited partnerships earnings				(6)
Interest				750
Total revenues	\$ None	\$ None	25,729	14,888
EXPENDITURES				
Direct				
Employee salaries			5,771	4,570
Employee fringe benefits			1,257	2,730
Contractual				8,630
Travel			562	4,445
Space costs			3,598	
Consumable supplies			11,513	
Equipment				
Depreciation				
Augmentation				
Other			862	15,193
Total direct	None	None	23,563	35,568
Indirect			752	854
Total expenditures	None	None	24,315	36,422
Excess revenues over (under) expenditures	None	None	1,414	(21,534)
FUND BALANCE, beginning of year	6,212	None	61,152	507,022
TRANSFERS, NET	None	None	(62,566)	258,304
REPROGRAMMED FUNDS	(6,212)	6,212	None	None
FUND BALANCE, end of year	\$ None	\$ 6,212	\$ None	\$ 743,792

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 4
(Continued)

Crisis	Total
	\$ 842,622
	403,981
\$ 138,132	2,960,952
	(6)
	17,643
138,132	4,225,192
	1,555,479
	455,756
	120,223
	56,579
	79,175
	66,234
	352,342
	81,617
	189,270
144,617	999,034
144,617	3,955,709
	200,982
144,617	4,156,691
(6,485)	68,501
148,654	4,661,344
None	(72,402)
None	None
\$ 142,169	\$ 4,657,443

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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, 2013

	Head Start #07CH6090/46		Combined Wrap-Around	
	Direct	T & TA	2012	2013
REVENUES				
Federal grants	\$ 1,763,115	\$ 26,670	\$ 363,511	\$ 128,407
Inkind	447,445			
Total revenues	2,210,560	26,670	363,511	128,407
EXPENDITURES				
Direct				
Employee salaries	982,450	3,009	234,639	92,146
Employee fringe benefits	343,724	1,054	77,357	22,811
Contractual				
Travel	339	6,579		
Space costs			7,624	
Consumable supplies	61,564		7,388	
Food	33,364			
Other	186,512	15,553		
Inkind	447,445			
Total direct	2,055,398	26,195	327,008	114,957
Indirect	155,162	475	36,503	13,450
Total expenditures	2,210,560	26,670	363,511	128,407
Excess revenues over (under) expenditures	None	None	None	None
FUND BALANCE, beginning of year	None	None	None	None
TRANSFERS, NET	None	None	None	None
FUND BALANCE, end of year	\$ None	\$ None	\$ None	\$ None

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 5

Early Childhood #07CH6090/46		
Direct	T & TA	Total
\$ 727,786	\$ 18,855	\$ 3,028,344
186,662		634,107
<u>914,448</u>	<u>18,855</u>	<u>3,662,451</u>
437,261	6,284	1,755,789
143,506	2,062	590,514
458		458
	4,353	11,271
		7,624
14,154		83,106
12,195		45,559
52,262	5,180	259,507
<u>186,662</u>		<u>634,107</u>
846,498	17,879	3,387,935
<u>67,950</u>	<u>976</u>	<u>274,516</u>
<u>914,448</u>	<u>18,855</u>	<u>3,662,451</u>
None	None	None
None	None	None
<u>None</u>	<u>None</u>	<u>None</u>
<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>

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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, 2013

	Weatherization Assistance for Low Income Persons		
	DOE 11-09I	DOE 12-09	DOE ARRA-09-09I
REVENUES			
Federal grants	\$ 18,051	\$ 279,175	\$ 129,974
State grants			
Local revenue			
Total revenues	<u>18,051</u>	<u>279,175</u>	<u>129,974</u>
EXPENDITURES			
Direct			
Employee salaries			
Employee fringe benefits			
Contractual			
Travel			
Space costs			
Consumable supplies			
Direct assistance			
Augmentation		263,673	121,699
Other	18,051		1,390
Total direct	<u>18,051</u>	<u>263,673</u>	<u>123,089</u>
Indirect	None	15,502	6,885
Total expenditures	<u>18,051</u>	<u>279,175</u>	<u>129,974</u>
Excess revenues over (under) expenditures	None	None	None
FUND BALANCE, beginning of year	None	None	None
Less: funds returned or to be returned to funding source	None	None	None
TRANSFERS, NET	None	None	None
FUND BALANCE, end of year	<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, 2013

	FaDSS		WAP Main		Total
	FaDSS-12-09	FaDSS-13-09	2012	2013	
REVENUES					
Federal grants	\$ 67,594	\$ 73,997			\$ 4,183,962
State grants	59,942	65,620			125,562
Local revenue		17,291			17,291
Total revenues	127,536	156,908	\$ None	\$ None	4,326,815
EXPENDITURES					
Direct					
Employee salaries	66,640	92,086	71,528	375,507	924,786
Employee fringe benefits	21,499	29,013	28,726	142,537	325,994
Contractual	49		15,262	54,132	69,443
Travel	6,332	12,176	174	(5,078)	22,731
Space costs	1,380	1,932	429		14,846
Consumable supplies	1,137	1,725	688	5,294	17,497
Direct assistance					2,485,455
Augmentation			(117,833)	(955,532)	(135,493)
Other	5,273	5,807	468,105	289,268	817,104
Total direct	102,310	142,739	467,079	(93,872)	4,542,363
Indirect	10,312	14,169	None	None	122,061
Total expenditures	112,622	156,908	467,079	(93,872)	4,664,424
Excess revenues over (under) expenditures	14,914	None	(467,079)	93,872	(337,609)
FUND BALANCE, beginning of year	None	None	408,236	None	408,236
Less: funds returned or to be returned to funding source	None	None	None	None	(20,684)
TRANSFERS, NET	(14,914)	None	58,843	(58,843)	(14,914)
FUND BALANCE, end of year	\$ None	\$ None	\$ None	\$ 35,029	\$ 35,029

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 PUBLIC HEALTH
 Year Ended January 31, 2013

	Family Planning Project		Maternal & Child Health		Total
	#5882MH20	#5883MH20	2012	2013	
REVENUES					
Federal grants	\$ 280,716	\$ 95,591	\$ 2,786	\$ 870	\$ 379,963
Local	18,934	23,738			42,672
Inkind	2,373				2,373
Total revenues	302,023	119,329	2,786	870	425,008
EXPENDITURES					
Direct					
Employee salaries	174,735	82,758	1,980	655	260,128
Employee fringe benefits	53,142	25,436	431	124	79,133
Contractual	(347)				(347)
Travel	11,534	2,103	93		13,730
Space costs	14,056	5,126			19,182
Consumable supplies	75,356	33,471			108,827
Other	17,030	6,962			23,992
Inkind	2,373				2,373
Total direct	347,879	155,856	2,504	779	507,018
Indirect	25,284	12,659	282	91	38,316
Total expenditures	373,163	168,515	2,786	870	545,334
Excess revenues over (under) expenditures	(71,140)	(49,186)	None	None	(120,326)
FUND BALANCE, beginning of year	33,647	None	None	None	33,647
REPROGRAMMED FUNDS	None	None	None	None	None
TRANSFERS, NET	37,493	49,186	None	None	86,679
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
 STATE DEPARTMENT OF ECONOMIC DEVELOPMENT
 Year Ended January 31, 2013

	Neighborhood Stabilization
	#08-NSP-013
REVENUES	
Federal grants	\$ -
State grants	-
Total revenues	-
EXPENDITURES	
Direct	
Other	637
Total direct	637
Indirect	-
Total expenditures	637
Excess revenues over (under) expenditures	(637)
FUND BALANCE, beginning of year	None
TRANSFERS, NET	637
FUND BALANCE, end of year	\$ None

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 U.S. DEPARTMENT OF AGRICULTURE
 Year Ended January 31, 2013

	USDA		Family Day Care		Total
	#96-8010	#96-8010	#96-8013	#96-8013	
REVENUES					
Federal grants	\$ 129,978	\$ 87,991	\$ 398,235	\$ 153,384	\$ 769,588
EXPENDITURES					
Direct					
Employee salaries	11,647	7,468	35,228	17,508	71,851
Employee fringe benefits	3,063	1,946	9,747	4,769	19,525
Contractual			2,513	1,144	3,657
Travel			4,687	1,069	5,756
Space costs			2,091	1,045	3,136
Consumable supplies			3,722	202	3,924
Food	104,991	72,431	323,675	133,423	634,520
Other	8,465	5,045	2,418	292	16,220
Total direct	128,166	86,890	384,081	159,452	758,589
Indirect	1,812	1,101	5,480	2,606	10,999
Total expenditures	129,978	87,991	389,561	162,058	769,588
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.

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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, 2013

	Child Development			
	Combined		Oelwein	
	2012	2013	2012	2013
REVENUES				
State grants	\$ 85,627	\$ 79,509	\$ 21,667	\$ 25,102
Local revenue				
Inkind				
Total revenues	85,627	79,509	21,667	25,102
EXPENDITURES				
Direct				
Employee salaries	49,297	44,594	12,334	14,509
Employee fringe benefits	22,535	17,500	4,980	4,879
Contractual				
Travel				
Space costs				
Consumable supplies				
Direct assistance				
Other	6,108	10,150	2,500	3,446
Inkind				
Total direct	77,940	72,244	19,814	22,834
Indirect	7,687	7,265	1,853	2,268
Total expenditures	85,627	79,509	21,667	25,102
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	\$ None	\$ None	\$ None	\$ None

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 10

Utilities		Community Adolescent Pregnancy Prevention		Total
2012	2013	2012	2013	
\$ 20,806	\$ 7,054	\$ 58,114	\$ 51,966	\$ 321,985
		12,894	3,459	27,860
				16,353
20,806	7,054	71,008	55,425	366,198
		15,767	20,507	157,008
		5,822	7,301	63,017
		19,093	18,686	37,779
		2,830	1,720	4,550
		687		687
		11,616	496	12,112
24,649	4,497			29,146
				22,204
		12,894	3,459	16,353
24,649	4,497	68,709	52,169	342,856
		2,299	3,256	24,628
24,649	4,497	71,008	55,425	367,484
(3,843)	2,557	None	None	(1,286)
14,808	None	None	None	14,808
(10,965)	10,965	None	None	None
None	None	None	None	None
\$ None	\$ 13,522	\$ None	\$ None	\$ 13,522

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 #07CH6090/46
 January 31, 2013

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 1,789,785	\$ 1,789,785	\$ None
Local	447,445	447,445	None
Total revenues	<u>\$ 2,237,230</u>	<u>2,237,230</u>	<u>None</u>
EXPENDITURES			
Personnel	\$ 984,482	985,459	977
Fringe benefits	351,309	344,778	(6,531)
Travel	6,332	6,918	586
Supplies	58,515	61,564	3,049
Contractual	10,000	9,104	(896)
Other costs	220,992	226,325	5,333
Total direct	<u>1,631,630</u>	<u>1,634,148</u>	<u>2,518</u>
Indirect	<u>158,155</u>	<u>155,637</u>	<u>(2,518)</u>
Total federal cost	<u>1,789,785</u>	<u>1,789,785</u>	<u>None</u>
GRANTEE CONTRIBUTION	<u>447,445</u>	<u>447,445</u>	<u>None</u>
Total expenditures	<u>\$ 2,237,230</u>	<u>2,237,230</u>	<u>None</u>
Excess revenues over (under) expenditures		<u>None</u>	<u>\$ None</u>
FUND BALANCE, beginning of contract		None	
Transfer in		None	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS
 FEDERAL - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
 EARLY CHILDHOOD PROGRAM
 GRANT #07CH6090/46
 January 31, 2013

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 773,088	\$ 746,641	\$ (26,447)
Inkind	193,273	186,662	(6,611)
Total revenues	<u>\$ 966,361</u>	<u>933,303</u>	<u>(33,058)</u>
EXPENDITURES			
Personnel	\$ 463,232	443,545	(19,687)
Fringe benefits	152,895	145,568	(7,327)
Travel	8,776	4,353	(4,423)
Supplies	7,200	14,154	6,954
Contractual	200	458	258
Other costs	68,699	69,636	937
Total direct	701,002	677,714	(23,288)
Indirect	72,086	68,927	(3,159)
Total federal cost	<u>773,088</u>	<u>746,641</u>	<u>(26,447)</u>
GRANTEE CONTRIBUTION	<u>193,273</u>	<u>186,662</u>	<u>(6,611)</u>
Total expenditures	<u>\$ 966,361</u>	<u>933,303</u>	<u>(33,058)</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		None	
Transfer in		None	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS
 FEDERAL - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
 FY 2012 WRAP AROUND
 January 31, 2013

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 507,000	\$ 460,500	\$ (46,500)
EXPENDITURES			
Personnel costs	\$ 323,472	304,827	(18,645)
Fringe	116,456	94,783	(21,673)
Rent	12,000	7,624	(4,376)
Consumable	8,000	7,388	(612)
Indirect	47,072	45,878	(1,194)
Total expenditures	\$ 507,000	460,500	(46,500)
Excess revenues over (under) expenditures		None	\$ <u>None</u>
FUND BALANCE, beginning of contract		None	
REPROGRAMMED FUNDS		None	
FUND BALANCE, end of contract		\$ <u>None</u>	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS
 FEDERAL - STATE DEPARTMENT OF HUMAN RIGHTS
 FY 2012 WEATHERIZATION ASSISTANCE
 PROGRAM (NO. HEAP 12-09)
 January 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 527,132	\$ 527,132	\$ None
EXPENDITURES			
Administration	\$ 26,094	26,094	None
Health and safety	92,792	108,414	15,622
Support	118,029	163,956	45,927
Labor	126,571	103,763	(22,808)
Materials	126,571	78,093	(48,478)
Liability insurance	7,075	7,075	None
Other	30,000	19,053	(10,947)
Total expenditures	<u>\$ 527,132</u>	<u>506,448</u>	<u>(20,684)</u>
Excess revenues over (under) expenditures		20,684	20,684
Less funds returned to funding source		(20,684)	(20,684)
FUND BALANCE, beginning of contract		<u>None</u>	<u>None</u>
FUND BALANCE, end of contract		<u>\$ None</u>	<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 2012 COMMUNITY SERVICES BLOCK GRANT
 PROGRAM (NO. CSBG-12-09)
 January 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 276,354	\$ 276,354	\$ None
EXPENDITURES (By contract line item)			
Salaries	\$ 158,342	163,816	5,474
Fringe benefits	48,066	47,916	(150)
Space costs	8,684	7,786	(898)
Travel	7,200	4,758	(2,442)
Other costs	31,977	27,305	(4,672)
Indirect	22,085	24,773	2,688
Total expenditures	<u>\$ 276,354</u>	<u>276,354</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-12-09
 January 31, 2013

	<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	34,772	34,772	None
Total revenues	<u>\$ 274,548</u>	<u>274,548</u>	<u>None</u>
EXPENDITURES			
Personnel	\$ 208,600	205,491	(3,109)
Travel	26,248	17,955	(8,293)
Space/utilities	3,312	3,312	None
Other costs	13,133	9,907	(3,226)
Third-party payments	100	100	None
Indirect	23,155	22,869	(286)
Total expenditures	<u>\$ 274,548</u>	<u>259,634</u>	<u>(14,914)</u>
Excess revenues over (under) expenditures		14,914	<u>\$ (14,914)</u>
FUND BALANCE, beginning of contract		None	
TRANSFERS OUT		<u>(14,914)</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
 2012 LOW INCOME HOME ENERGY ASSISTANCE
 PROGRAM (NO. LIHEAP-12-09)

January 31, 2013

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 2,425,815	\$ 2,403,308	\$ (22,507)
Local	None	None	None
Total revenues	\$ 2,425,815	2,403,308	(22,507)
EXPENDITURES			
Section I			
A. Regular assistance	\$ 1,572,548	1,550,450	(22,098)
B. Emergency delivery	112,704	112,295	(409)
C. Client services	31,851	31,851	None
D. Data expansion	4,585	4,585	None
E. Summer deliverable fuel	498,319	498,319	None
Section II			
Administration	205,808	205,808	None
Total expenditures	\$ 2,425,815	2,403,308	(22,507)
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 2012 WEATHERIZATION ASSISTANCE
 PROGRAM (NO. DOE 11-09I)
 January 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 246,373	\$ 18,051	\$ (228,322)
EXPENDITURES (By contract line item)			
Administration	\$ 13,379		(13,379)
Health and safety	41,932		(41,932)
Support	56,117		(56,117)
Labor	58,447		(58,447)
Materials	58,447		(58,447)
Liability insurance	18,051	18,051	None
Total expenditures	<u>\$ 246,373</u>	<u>18,051</u>	<u>(228,322)</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
 FY 2009 WEATHERIZATION ASSISTANCE
 PROGRAM (NO. DOE-ARRA-09-09I)
 January 31, 2013

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 3,109,443	\$ 3,109,443	\$ None
EXPENDITURES (By contract line item)			
Administration	\$ 158,289	158,289	None
Health and safety	522,126	575,503	53,377
Support	673,886	751,915	78,029
Labor	707,311	756,393	49,082
Materials	707,311	541,704	(165,607)
Other	340,520	325,639	(14,881)
Total expenditures	\$ 3,109,443	3,109,443	None
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
Less: Funds returned or to be returned to funding source		None	
FUND BALANCE, end of contract		\$ None	

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 PUBLIC HEALTH
 FY 2012 FAMILY PLANNING PROGRAM (NO. 5882MH20)
 January 31, 2013

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 350,515	\$ 357,824	\$ 7,309
Local	124,529	103,795	(20,734)
Total revenues	475,044	461,619	(13,425)
EXPENDITURES (By cost category)			
Employee salaries	215,087	232,334	17,247
Employee fringe benefits	68,491	72,087	3,596
Supplies	145,241	126,999	(18,242)
Space costs	20,000	18,968	(1,032)
Travel	12,500	12,877	377
Indirect	35,761	35,847	86
Total expenditures	497,080	499,112	2,032
Excess revenues over (under) expenditures	(22,036)	(37,493)	(15,457)
FUND BALANCE, beginning of contract	None	None	None
NET TRANSFERS	22,036	37,493	15,457
FUND BALANCE, end of contract	<u>\$ None</u>	<u>\$ None</u>	<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 PUBLIC HEALTH
FY 2012 TITLE V MATERNAL AND CHILD HEALTH BLACK GRANT
 January 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 6,500	\$ 3,424	\$ (3,076)
EXPENDITURES (By contract line item)			
Salaries	\$ 3,525	2,388	(1,137)
Fringe benefits	1,127	504	(623)
Travel	350	199	(151)
Consumable supplies	1,000		(1,000)
Indirect	498	333	(165)
Total expenditures	<u>\$ 6,500</u>	<u>3,424</u>	<u>(3,076)</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
 STATE - DEPARTMENT OF EDUCATION
 CHILD DEVELOPMENT 2012
 January 31, 2013

OELWEIN	Budget	Actual	Over (Under) Budget
REVENUES			
State	\$ 46,600	\$ 46,600	\$ None
EXPENDITURES			
Salaries	\$ 26,500	26,327	(173)
Employee benefits	10,944	10,800	(144)
Administration costs	4,156	3,973	(183)
Other costs	5,000	5,500	500
Total expenditures	\$ 46,600	46,600	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 2012
January 31, 2013

DECORAH #NE-12-3489-088	Budget	Actual	Over (Under) Budget
REVENUES			
State	\$ 57,205	\$ 57,205	\$ None
EXPENDITURES			
Salaries	\$ 33,492	33,957	465
Employee benefits	14,401	14,380	(21)
Other costs	4,187	3,696	(491)
Indirect	5,125	5,172	47
Total expenditures	\$ 57,205	57,205	None
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
FUND BALANCE, end of contract		\$ None	
OELWEIN #NE-12-0496-087			
REVENUES			
State	\$ 59,284	\$ 59,284	\$ None
EXPENDITURES			
Salaries	\$ 32,572	32,489	(83)
Employee benefits	15,561	15,791	230
Other costs	6,000	5,838	(162)
Indirect	5,151	5,166	15
Total expenditures	\$ 59,284	59,284	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 2012
January 31, 2013

POSTVILLE #NE-12-3490-089	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
State	\$ 60,469	\$ 60,469	\$ None
EXPENDITURES			
Salaries	\$ 34,269	34,413	144
Employee benefits	14,393	14,691	298
Other costs	6,600	6,111	(489)
Indirect	5,207	5,254	47
Total expenditures	<u>\$ 60,469</u>	<u>60,469</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 HOME INVESTMENT PARTNERSHIP (HOME)
 PROGRAM (NO. 10-HM-206-731)
 January 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
State	\$ 200,000	\$ 200,000	\$ None
EXPENDITURES			
Construction	\$ 180,000	180,000	None
Indirect	20,000	20,000	None
Total expenditures	<u>\$ 200,000</u>	<u>200,000</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
 FEDERAL - STATE DEPARTMENT OF HUMAN SERVICES
 FY 2012 COMMUNITY ADOLESCENT PREGNANCY PREVENTION
 January 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
State	\$ 103,886	\$ 103,886	\$ None
Local	18,833	18,333	(500)
Total revenues	<u>\$ 122,719</u>	<u>122,219</u>	<u>(500)</u>
EXPENDITURES (By cost category)			
Employee salaries	\$ 33,630	33,630	None
Employee fringe benefits	12,322	12,293	(29)
Contractual	35,117	35,117	None
Supplies	12,289	12,437	148
Space costs	1,511	1,511	None
Travel	4,100	3,995	(105)
Indirect	23,750	23,236	(514)
Total expenditures	<u>\$ 122,719</u>	<u>122,219</u>	<u>(500)</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 2012 TRANSIT PROGRAM
 January 31, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 1,037,311	\$ 574,485	\$ (462,826)
State	345,007	355,134	10,127
Local	2,399,610	1,505,121	(894,489)
	<u>3,781,928</u>	<u>2,434,740</u>	<u>(1,347,188)</u>
Total revenues	\$ 3,781,928	2,434,740	(1,347,188)
EXPENDITURES			
Direct			
Employee salaries	\$ 1,092,240	1,070,250	(21,990)
Employee fringe benefits	368,769	311,979	(56,790)
Contractual	53,000	36,447	(16,553)
Travel	42,280	14,522	(27,758)
Space costs and rentals	29,325	24,523	(4,802)
Consumable supplies	49,850	29,247	(20,603)
Equipment	1,222,697	209,491	(1,013,206)
Other charges	751,698	589,802	(161,896)
	<u>3,609,859</u>	<u>2,286,261</u>	<u>(1,323,598)</u>
Total direct	3,609,859	2,286,261	(1,323,598)
Indirect	<u>172,069</u>	<u>161,721</u>	<u>(10,348)</u>
Total expenditures	\$ 3,781,928	2,447,982	(1,333,946)
Excess revenues over (under) expenditures		(13,242)	<u>\$ (13,242)</u>
FUND BALANCE, beginning of contract		696,667	
TRANSFER from contributions		213	
REPROGRAMMED FUNDS		<u>(683,638)</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 2012 WEATHERIZATION ASSISTANCE PROGRAM
 UTILITY CONTRACT
 January 31, 2013

	Budget	Actual	Over (Under) Budget
CONTRACT #MEC-12-09I			
REVENUES			
Local	\$ 18,689	\$ 18,689	\$ None
EXPENDITURES			
Administration-indirect	\$ 934	934	None
Support	1,869	1,635	(234)
Labor	7,943	8,113	170
Material	7,943	8,007	64
Total expenditures	\$ 18,689	18,689	None
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
FUND BALANCE, end of contract		\$ None	
CONTRACT #IPL-12-09I			
REVENUES			
Local	\$ 122,457	\$ 81,225	\$ (41,232)
EXPENDITURES			
Administration-indirect	\$ 6,123	4,061	(2,062)
Support	12,246	6,981	(5,265)
Labor	52,044	26,830	(25,214)
Material	52,044	43,353	(8,691)
Total expenditures	\$ 122,457	81,225	(41,232)
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
FY 2012 WEATHERIZATION ASSISTANCE PROGRAM
UTILITY CONTRACT
January 31, 2013

	Budget	Actual	Over (Under) Budget
CONTRACT #BHE-12-09I			
REVENUES			
Local	\$ 76,986	\$ 76,986	\$ None
EXPENDITURES			
Administration-indirect	\$ 3,849	3,849	None
Support	7,699	6,074	(1,625)
Labor	32,719	31,257	(1,462)
Material	32,719	35,806	3,087
Total expenditures	\$ 76,986	76,986	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, 2013**Part I: Summary of the Independent Auditor's Results:**

- (a) Unmodified 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 unmodified 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 93.600 Head Start
 - CFDA Number 81.042 Weatherization Assistance for Low Income Persons
 - CFDA Number 81.042 ARRA - Weatherization Assistance for Low Income Persons
 - CFDA Number 93.569 Community Services Block Grant
 - CFDA Number 14.239 Home Investment Partnerships (HOME)
 - CFDA Number 10.558 Child and Adult Care Food Program
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (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 17, 2013

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, 2013

Grantor/Program	CFDA Number	Grant Number	Period of Grant	Program Expenditures
U.S. Department of Health and Human Services				
Direct				
Head Start	93.600	07CH6090/46	02/01/12-01/31/13	\$ 1,789,785
Head Start Discretionary		07CH6090/46	02/01/12-01/31/13	746,641
Passed through Iowa Department of Human Rights				
Wrap-Around Child Care	93.600	N/A	09/01/11-08/31/12	363,511
			09/01/12-08/31/13	<u>128,407</u>
				<u>3,028,344</u>
Passed through Iowa Department of Human Rights				
Low Income Home Energy Assistance	93.568	LIHEAP 12-09	10/01/11-09/30/12	1,461,867
		LIHEAP 13-09	10/01/12-09/30/13	1,270,829
		HEAP 12-09	01/01/12-12/31/12	494,498
		HEAP 13-09	01/01/13-12/31/13	<u>104,564</u>
				<u>3,331,758</u>
Subtotal U.S. Department of Health and Human Services				<u>6,360,102</u>
Other Federal Awards				
U.S. Department of Health and Human Services				
Passed through Iowa Department of Human Rights				
Community Services Block Grant	93.569	CSBG-12-09	10/01/11-12/31/12	198,711
		CSBG-13-09	10/01/12-12/31/13	<u>84,702</u>
				<u>283,413</u>
Community Services Block Grant Discretionary Awards				
	93.570	FaDSS 12-09	07/01/11-06/30/12	67,594
		FaDSS 13-09	07/01/12-06/30/13	<u>73,997</u>
				<u>141,591</u>
Passed through Iowa Department of Public Health				
Family Planning Services	93.217	5882MH20	10/01/11-09/30/12	280,716
		5883MH20	10/01/12-09/30/13	<u>95,591</u>
				<u>376,307</u>
Passed through Allen Memorial Hospital Corporation				
Title V Maternal and Child Health Block Grant	93.994	N/A	10/01/11-09/30/12	2,786
		N/A	10/01/12-09/30/13	<u>870</u>
				<u>3,656</u>
Subtotal U.S. Department of Health and Human Services				<u>804,967</u>
U.S. Department of Transportation				
Passed through Iowa Department of Transportation				
Federal Transit Administration				
Formula Grants for Other Than Urbanized Areas	20.509	Section 5311	07/01/11-06/30/12	150
			07/01/12-06/30/13	<u>402,651</u>
				<u>402,801</u>
Federal Transit - Capital Investment Grants				
	20.500	IA-04-0113	05/01/09-09/30/11	8,460
		IA-04-0117	10/20/11-3/31/14	<u>165,057</u>
				<u>173,517</u>
Public Transportation Research				
	20.514	IA-26-002	01/01/12-07/01/12	<u>35,979</u>
Subtotal U.S. Department of Transportation				<u>612,297</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, 2013

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 11-09	07/01/11-03/31/12	\$ 18,051
		DOE 12-09	04/01/12-03/31/13	279,175
ARRA - Weatherization Assistance for Low Income Persons		DOE ARRA-09-09I	03/05/10-04/30/12	<u>129,974</u>
Subtotal U.S. Department of Energy				<u>427,200</u>
U.S. Department of Agriculture				
Passed through Iowa Department of Education				
Child and Adult Care Food Program	10.558	96-8010	10/01/11-09/30/12	129,978
			10/01/12-09/30/13	87,991
		96-8013	10/01/11-09/30/12	398,235
			10/01/12-09/30/13	<u>153,384</u>
Subtotal U.S. Department of Agriculture				<u>769,588</u>
U.S. Department of Justice				
U.S. Department of Housing and Urban Development				
Passed through Iowa Finance Authority				
Home Investment Partnerships (HOME)	14.239	12-HM-329	10/25/12-10/31/14	180,325
Community Housing Development Organization Operating Expense Grant		12-HM-01CO	11/09/12-10/31/14	<u>50,000</u>
Subtotal U.S. Department of Housing and Urban Development				<u>230,325</u>
Subtotal Other Federal Awards				<u>2,844,377</u>
Total Federal Awards				<u>\$ 9,204,479</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, 2013

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, 2013. 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.

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

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

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

We have audited, 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, the financial statements of Northeast Iowa Community Action Corporation (a nonprofit corporation), which comprise the statement of financial position as of January 31, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 17, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Northeast Iowa Community Action Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Northeast Iowa Community Action Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Hacker, Nelson & Co., P.C.

Decorah, Iowa
May 17, 2013

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

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, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Northeast Iowa Community Action Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Northeast Iowa Community Action Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, Northeast Iowa Community Action Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended January 31, 2013.

Report on Internal Control over Compliance

Management of Northeast Iowa Community Action Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Northeast Iowa Community Action Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of Northeast Iowa Community Action Corporation as of and for the year ended January 31, 2013, and have issued our report thereon dated May 17, 2013, which contained an unmodified 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 purposes of additional analysis as required by OMB Circular A-133 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.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Hacker, Nelson & Co., P.C.

Decorah, Iowa
May 17, 2013

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, 2013, 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 17, 2013 contains our report on the Corporation's internal control. This letter does not affect our report dated May 17, 2013 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 17, 2013