

**NORTHEAST IOWA COMMUNITY
ACTION CORPORATION**

FINANCIAL REPORT

JANUARY 31, 2014

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NORTHEAST IOWA COMMUNITY ACTION CORPORATION

BOARD OF DIRECTORS

Executive Board of Directors

Les Askelson	Chairman
Julie Wurtzel	Vice Chairman
Ronald McCartney	Secretary/Treasurer

Board Members

County	Representing		
	Government	Low-Income	Private
Allamakee	Sherri Strub	Mary Klauke Abbas	Ann Gearhart
Bremer	Tim Neil	Barbara Zemke	
Chickasaw	Richard Holthaus	Virgil Pickar Jr.	Patricia Ipsen
Clayton	Ronald McCartney	Wendy Shea	Jenni Francis
Fayette	Vicki Rowland	Ron Garceau	Linda Voshell
Howard	Mark Kubik	Janel Langreck	Malissa Kappes
Winneshiek	Dean Thompson	Julie Wurtzel	Les Askelson
Policy County Liason – Head Start		Darcy Troester	

Agency Officials

Mary Ann Humpal	Executive Director
William Iverson	Deputy Director
Patty Marlow	Comptroller

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, 2014, 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, 2014, 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 16, 2014, 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.

Hacker, Nelson & Co., P.C.

Decorah, Iowa
May 16, 2014

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
STATEMENT OF FINANCIAL POSITION
January 31, 2014

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 3,305,233
Receivables	
Funding source	824,284
Other	272,025
Inventory	<u>1,017,846</u>

Total current assets	<u>5,419,388</u>
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PROPERTY AND EQUIPMENT, net

	<u>1,164,452</u>
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OTHER ASSETS

Investment in affiliates	388,397
Due from affiliate	<u>150,398</u>

Total other assets	<u>538,795</u>
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Total assets	<u><u>\$ 7,122,635</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	
General	\$ 946,232
Compensated absences	165,737
Current portion of long-term debt	22,656
Deferred revenue	<u>460,138</u>

Total current liabilities	<u>1,594,763</u>
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LONG-TERM DEBT

Notes payable, less current portion	<u>761,725</u>
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NET ASSETS

Unrestricted	<u>4,766,147</u>
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Total liabilities and net assets	<u><u>\$ 7,122,635</u></u>
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See Notes to Financial Statements.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
STATEMENT OF ACTIVITIES
Year Ended January 31, 2014

	Unrestricted
REVENUES AND OTHER SUPPORT	
Federal and state grants	\$ 8,667,888
Local	2,713,244
Interest	15,535
Contributions	68,287
Total revenues and other support	11,464,954
EXPENSES	
Program services	10,612,200
Supporting services	
Management and general	714,422
Fundraising	78,172
Total expenses	11,404,794
Change in net assets from operations	60,160
OTHER CHANGES IN NET ASSETS	
Equity in limited partnerships loss	(7)
Change in net assets	60,153
NET ASSETS, beginning of year	4,705,994
NET ASSETS, end of year	\$ 4,766,147

See Notes to Financial Statements.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 STATEMENT OF FUNCTIONAL EXPENSES
 Year Ended January 31, 2014

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Employee salaries	\$ 3,955,744	\$ 367,970	\$ 55,001	\$ 4,378,715
Employee fringe benefits	1,365,207	112,649	11,480	1,489,336
Contractual	144,918	104,141	5,207	254,266
Travel	75,033	37,295	1,865	114,193
Space costs	113,873	17,392	870	132,135
Consumable supplies	197,288	26,017	1,301	224,606
Equipment	152,532			152,532
Direct assistance	1,913,473			1,913,473
Depreciation	66,756			66,756
Food	618,893			618,893
Vehicle costs	299,365			299,365
Augmentation	240,188			240,188
Materials	531,596			531,596
Other	891,606	48,958	2,448	943,012
Contributed materials, facilities and services	68,287			68,287
Use of equipment and contributed materials and services	(22,559)			(22,559)
Total expenses	\$ 10,612,200	\$ 714,422	\$ 78,172	\$ 11,404,794

See Notes to Financial Statements.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
STATEMENT OF CASH FLOWS
Year Ended January 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 60,153
Adjustments to reconcile change in net assets to net cash used in operating activities	
Depreciation	66,756
Loss from limited partnerships	7
(Increase) decrease in:	
Receivables	
Funding source	(240,139)
Other	227,483
Inventory	(295,488)
Increase (decrease) in:	
Payables	
General	(3,759)
Compensated absences	43,074
Deferred revenue	(76,123)
	<u>(218,036)</u>
Net cash used in operating activities	<u>(218,036)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of equipment	(7,428)
Proceeds from sale of equipment	60,000
	<u>52,572</u>
Net cash provided by investing activities	<u>52,572</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on debt	(189,545)
Proceeds from loans borrowed	157,571
	<u>(31,974)</u>
Net cash used in financing activities	<u>(31,974)</u>
Net decrease in cash	(197,438)
CASH AND CASH EQUIVALENTS	
Beginning of year	<u>3,502,671</u>
End of year	<u>\$ 3,305,233</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash payments for interest	<u>\$ 17,330</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 nonprofit 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-two member Board of Directors, including 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 accordance 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 Corporation, 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, 2014, is invested in the Corporation'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 \$808,661 at January 31, 2014.

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, 2013 and received unmodified opinions dated February 27, 2014 and February 22, 2014, 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, 2014, 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 a home and duplex built for the City of Oelwein. Inventory also includes homes built in Tripoli, Fayette, Waukon and Fredericksburg which was built with loan proceeds from Iowa Finance Authority.

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 \$2,753,679 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 \$66,756 for the year ended January 31, 2014. Accumulated depreciation totaled \$1,169,209 as of January 31, 2014. 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 2014. Management of the Corporation believes it has no material uncertain tax positions and, accordingly it will not recognize any liability for unrecognized tax benefits. The Corporation's federal exempt organization returns are subjected to examination by the Internal Revenue Service generally for three years after they are filed. With few exceptions, the Corporation is no longer subjected to such examinations for tax years before 2011.

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 an 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 \$3,305,233 and the bank balances totaled \$4,073,781. Of the bank balances, \$291,021 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, 2014 is \$68,287.

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 66% 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 2014, 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, 2014. The Corporation's approved provisional rate for the year ended January 31, 2014 was 11.9%, the actual rate will be finalized at a later date by the Corporation's cognizant agency. For FY13, the indirect cost plan and rate was determined based on salary and benefits, which the actual rate was 11.9%.

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, 2013 follows:

	NEICAC Senior Housing	Decorah Woolen Mill	
Assets	\$ 902,935	\$ 1,447,973	
Less liabilities	711,584	504,294	
Net assets	\$ 191,351	\$ 943,679	
Operating revenues	\$ 60,823	\$ 57,750	
Net loss	\$ (19,918)	\$ (41,687)	
Corporation's interest			
Share of net loss	\$ (2)	\$ (5)	
Equity in net assets	\$ 18	\$ 388,379	

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			\$ 145,886	\$ 145,886
Waukon USDA		\$ 455,194		455,194
Head Start Local		43,828		43,828
Transit			475,675	475,675
Ridgewood Duplex		131,024		131,024
Calmar Apartments				
Phase I	\$ 9,975	477,567	54,892	542,434
Phase II	9,975	512,292	17,353	539,620
	19,950	1,619,905	693,806	2,333,661
Less accumulated depreciation	None	605,906	563,303	1,169,209
	\$ 19,950	\$ 1,013,999	\$ 130,503	\$ 1,164,452

The components of Northeast Iowa Community Action Corporation's accumulated depreciation at January 31, 2014 are as follows:

	Buildings	Vehicles	Equipment	Total
Balance, beginning of year	\$ 565,333	\$ 268,659	\$ 301,608	\$ 1,135,600
Current year depreciation	40,573	21,239	4,944	66,756
Current year disposals		(33,147)		(33,147)
Balance, end of year	\$ 605,906	\$ 256,751	\$ 306,552	\$ 1,169,209

NOTES TO FINANCIAL STATEMENTS

9. Long-term Debt

Details of long-term debt as of January 31, 2014 are as follows:

	Balance Due	
	Total	Current
Calmar Apartments		
<i>Decorah Bank & Trust, Decorah</i>		
3.65% interest bearing note payable, due \$1,203 per month including interest through December 2023, with a balloon payment then due, collateralized by real estate.	\$ 156,847	\$ 8,863
 The real estate has a carrying value of \$628,496.		
 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 \$305,359.	280,488	6,169
 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.	60,000	
 0.0% interest bearing note payable, forgivable in 2041.		
 This note is transferred with the related real estate as the homes are sold.	210,000	
 Ridgewood Duplex Building		
<i>Winneshiek County 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.	65,130	3,652
 0.0% interest bearing note payable, with 10% forgiven each year through November 2016.	11,916	3,972
	\$ 784,381	\$ 22,656

NOTES TO FINANCIAL STATEMENTS

9. **Long-term Debt (Continued)**

Maturities of long-term debt during the years following January 31, 2014 are as follows:

Long-term debt maturities	
2015	\$ 22,656
2016	23,285
2017	23,940
2018	20,651
2019	21,362
2020-2024	170,462
2025-2029	132,866
2030-2034	64,378
2035-2039	94,781
2040-2041	210,000
	\$ 784,381
	\$ 784,381

Interest expense totaled \$17,330 for the year ending January 31, 2014. No interest cost was capitalized for the year ended January 31, 2014.

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 5.78% from February 1, 2013 through June 30, 2013 and 5.95% from July 1, 2013 through January 31, 2014, of their annual covered salary and the Corporation is required to contribute 8.67% from February 1, 2013 through June 30, 2013 and 8.93% from July 1, 2013 through January 31, 2014, of annual covered payroll. Contribution requirements are established by state statute. The Corporation's contribution to IPERS for the years ended January 31, 2014, 2013, and 2012 were \$380,163, \$379,459 and \$351,442 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, 2014:

U.S. Department of Health and Human Services	
Wrap-Around Child Care	\$ 65,629
State Department of Human Rights	
Low Income Home Energy Assistance	215,193
Community Services Block Grant	11,564
FaDSS	27,770
	254,527
U.S. Department of Agriculture	
FDC	13,904
Other Sources	
Child Developments	39,034
Oelwein Child Developments	4,426
Community Adolescent Pregnancy Prevention	284
	43,744
Local Sources	
Contributions	81,398
Transit	936
	82,334
	\$ 460,138

12. Leases

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

- Winneshiek County for \$5,672 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, 2014.
- 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.
- William DePuew for \$500 per month for Outreach on a month to month basis.
- A B Hanson Company for \$54 per month for a storage unit. The lease expires on September 30, 2014.

The Transit Program leases garage, office, and vehicle parking space and wash bay located in West Union from Gloria Sue Schatz for \$900 per month through July 1, 2013 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, 2013 to July 31, 2014	\$ 750
Postville CD	July 1, 2013 to June 30, 2014	550
Postville HS	July 1, 2013 to June 30, 2014	650
Postville HS	August 1, 2013 to July 31, 2014	725
Monona HS	March 1, 2013 to February 28, 2014	880

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

Center	Period of Lease	Monthly Utility Payment
First United Church CD	July 1, 2013 to June 30, 2014	\$ 400
Guttenberg HS	July 1, 2013 to June 30, 2014	300
Decorah CSD	June 1, 2013 to May 31, 2014	400
Oelwein CSD	August 1, 2013 to July 31, 2014	500
North Fayette	August 1, 2013 to July 31, 2014	400

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

2015	\$ 30,880
2016	15,000
2017	13,600
2018	5,250
	\$ 64,730

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, 2014 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 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 Finance Authority of \$270,000. The completed homes are reported as inventory 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, 2014, the balance of the loan from the Corporation to the project for its development fee was \$69,398. The Corporation is in negotiations to buy out the limited partner.

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, 2014.

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, 2014, both homes and duplex are completed and one home 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 98 participants in the plan for the plan year ended January 31, 2014.

16. Subsequent Events

Subsequent events were evaluated through May 16, 2014, which is the date the financial statements were available to be issued.

The Corporation has entered into agreements to construct homes for the Lease to Own program in Sumner, Fayette and Calmar in the amount of \$438,041.

INDEPENDENT AUDITOR'S REPORT
ON THE SUPPLEMENTARY 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, 2014, and have issued our report thereon dated May 16, 2014, 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 supplemental information as of and for the year ended January 31, 2014 shown on Schedules 1 through 23 is presented for 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 23 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 23 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, 2013, 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 unmodified opinion on those financial statements. We expressed a modified opinion on the supplementary information for the year ended January 31, 2013 because the information was presented under the guidelines described in the preceding paragraph. In our opinion, except for the effects of preparing this information using guidelines as explained above, the supplementary information presented on Schedules 12 through 25 which relates to the year ended January 31, 2013, is fairly stated, in all material respects, in relation to the financial statements from which it has been derived.

Hacker, Nelson & Co., P.C.

Decorah, Iowa
May 16, 2014

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NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF FINANCIAL POSITION
 BY FUNDING SOURCE
 January 31, 2014

	U.S. Department of Health and Human Services	State Department of Human Rights	State Department of Public Health	U.S. Department of Agriculture
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 80,470	\$ 41,279	\$ 100	\$ 8,058
Receivables				
Funding source	66,846	415,959		60,184
Other			21,217	
Due from other funds	359	144,058	25,656	
	<u>147,675</u>	<u>601,296</u>	<u>46,973</u>	<u>68,242</u>
Total assets	<u><u>\$ 147,675</u></u>	<u><u>\$ 601,296</u></u>	<u><u>\$ 46,973</u></u>	<u><u>\$ 68,242</u></u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable				
General	\$ 38,578	\$ 66,108	\$ 3,606	\$ 50,407
Due to other funds	43,468	280,661	43,367	3,931
Deferred revenue	65,629	254,527		13,904
	<u>147,675</u>	<u>601,296</u>	<u>46,973</u>	<u>68,242</u>
NET ASSETS				
Unrestricted				
Total liabilities and net assets	<u><u>\$ 147,675</u></u>	<u><u>\$ 601,296</u></u>	<u><u>\$ 46,973</u></u>	<u><u>\$ 68,242</u></u>

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 1

<u>Other Sources</u>	<u>Total</u>
\$ 181,587	\$ 311,494
25,838	568,827
	21,217
<u>8,423</u>	<u>178,496</u>
<u>215,848</u>	<u>1,080,034</u>
<u>\$ 215,848</u>	<u>\$ 1,080,034</u>

\$ 4,302	\$ 163,001
23,974	395,401
<u>43,744</u>	<u>377,804</u>
<u>72,020</u>	<u>936,206</u>
<u>143,828</u>	<u>143,828</u>
<u>\$ 215,848</u>	<u>\$ 1,080,034</u>

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NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF FINANCIAL POSITION
 LOCAL FUNDS
 January 31, 2014

	Transit 2014	Local Weatherization 2014	Head Start Local	Calmar Apartments	Weatherization Utilities
ASSETS					
CURRENT ASSETS					
Cash	\$ 630,201	\$ 33,893	\$ 239,405	\$ 38,607	
Receivables					
Funding source	221,826				\$ 23,674
Other	235,043		3,010	505	
Due from other funds	21,616				
Inventory					
	<u>1,108,686</u>	<u>33,893</u>	<u>242,415</u>	<u>39,112</u>	<u>23,674</u>
PROPERTY AND EQUIPMENT, NET	<u>88,488</u>	<u>None</u>	<u>33,903</u>	<u>628,496</u>	<u>None</u>
OTHER ASSETS					
Due from affiliate					
Investment in affiliates					
	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>
Total assets	<u>\$ 1,197,174</u>	<u>\$ 33,893</u>	<u>\$ 276,318</u>	<u>\$ 667,608</u>	<u>\$ 23,674</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable					
General	\$ 76,463		\$ 741	\$ 30,359	
Due to other funds	209,935	\$ 184	299	6,144	\$ 23,674
Compensated absences				8,863	
Current portion of long-term debt					
Deferred revenue	936				
Total current liabilities	<u>287,334</u>	<u>184</u>	<u>1,040</u>	<u>45,366</u>	<u>23,674</u>
LONG-TERM DEBT					
Notes payable, less current portion	<u>None</u>	<u>None</u>	<u>None</u>	<u>147,984</u>	<u>None</u>
NET ASSETS					
Unrestricted					
Designated for fixed assets	88,488		33,903	474,258	
Undesignated	821,352	33,709	241,375		
Total net assets	<u>909,840</u>	<u>33,709</u>	<u>275,278</u>	<u>474,258</u>	<u>None</u>
Total liabilities and net assets	<u>\$ 1,197,174</u>	<u>\$ 33,893</u>	<u>\$ 276,318</u>	<u>\$ 667,608</u>	<u>\$ 23,674</u>

See Independent Auditor's Report on the Supplementary Information.

<u>Contributions</u>	<u>Winneshiek General Relief</u>	<u>Community Housing Development Organization</u>	<u>Rent to Own</u>	<u>Ridgewood Duplex</u>	<u>Waukon USDA</u>	<u>Fayette General Relief</u>
\$ 1,600,524		\$ 886	\$ 18,011	\$ 3,668	\$ 27,427	
2,648	\$ 1,441					\$ 470
633,349			577,983			
<u>2,236,521</u>	<u>1,441</u>	<u>886</u>	<u>595,994</u>	<u>3,668</u>	<u>27,427</u>	<u>470</u>
1,750	None	None	None	106,456	305,359	None
150,398						
<u>150,398</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>
<u>\$ 2,388,669</u>	<u>\$ 1,441</u>	<u>\$ 886</u>	<u>\$ 595,994</u>	<u>\$ 110,124</u>	<u>\$ 332,786</u>	<u>\$ 470</u>
\$ 216,731	\$ 75		\$ 2,208	\$ 1,509		\$ 200
130,856	1,366	\$ 886	169,964			270
165,737				7,624	\$ 6,169	
81,398						
<u>594,722</u>	<u>1,441</u>	<u>886</u>	<u>172,172</u>	<u>9,133</u>	<u>6,169</u>	<u>470</u>
None	None	None	270,000	69,422	274,319	None
1,750			153,822	31,569	24,871	
1,792,197					27,427	
<u>1,793,947</u>	<u>None</u>	<u>None</u>	<u>153,822</u>	<u>31,569</u>	<u>52,298</u>	<u>None</u>
<u>\$ 2,388,669</u>	<u>\$ 1,441</u>	<u>\$ 886</u>	<u>\$ 595,994</u>	<u>\$ 110,124</u>	<u>\$ 332,786</u>	<u>\$ 470</u>

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF FINANCIAL POSITION
 LOCAL FUNDS
 January 31, 2014

	Health Planning	Long-term Recovery	Housing Local	Crisis
ASSETS				
CURRENT ASSETS				
Cash	\$ 10,226	\$ 6,212	\$ 209,293	\$ 156,715
Receivables			5,000	
Funding source				
Other	90			
Due from other funds			129,781	
Inventory			439,863	
	<u>10,316</u>	<u>6,212</u>	<u>783,937</u>	<u>156,715</u>
PROPERTY AND EQUIPMENT, NET	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>
OTHER ASSETS				
Due from affiliate				
Investment in affiliates			388,397	
	<u>None</u>	<u>None</u>	<u>388,397</u>	<u>None</u>
Total assets	<u>\$ 10,316</u>	<u>\$ 6,212</u>	<u>\$ 1,172,334</u>	<u>\$ 156,715</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable				
General			\$ 440,982	\$ 6,329
Due to other funds			63	605
Compensated absences				
Current portion of long-term debt				
Deferred revenue				
Total current liabilities	<u>\$ None</u>	<u>\$ None</u>	<u>441,045</u>	<u>6,934</u>
LONG-TERM DEBT				
Notes payable, less current portion	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>
NET ASSETS				
Unrestricted				
Designated for fixed assets				
Undesignated	10,316	6,212	731,289	149,781
Total net assets	<u>10,316</u>	<u>6,212</u>	<u>731,289</u>	<u>149,781</u>
Total liabilities and net assets	<u>\$ 10,316</u>	<u>\$ 6,212</u>	<u>\$ 1,172,334</u>	<u>\$ 156,715</u>

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 2
(Continued)

Wheels to Work	Howard General Relief	Total
\$ 18,671		\$ 2,993,739
9,512	\$ 3,046	255,457
		250,808
		784,746
		1,017,846
<u>28,183</u>	<u>3,046</u>	<u>5,302,596</u>
<u>None</u>	<u>None</u>	<u>1,164,452</u>
		150,398
		388,397
<u>None</u>	<u>None</u>	<u>538,795</u>
<u>\$ 28,183</u>	<u>\$ 3,046</u>	<u>\$ 7,005,843</u>
\$ 6,734	\$ 900	\$ 783,231
21,449	2,146	567,841
		165,737
		22,656
		82,334
<u>28,183</u>	<u>3,046</u>	<u>1,621,799</u>
<u>None</u>	<u>None</u>	<u>761,725</u>
		808,661
		3,813,658
<u>None</u>	<u>None</u>	<u>4,622,319</u>
<u>\$ 28,183</u>	<u>\$ 3,046</u>	<u>\$ 7,005,843</u>

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NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BY FUNDING SOURCE
 Year Ended January 31, 2014

	U.S. Department of Health and Human Services	State Department of Human Rights	State Department of Public Health	U.S. Department of Agriculture
REVENUES				
Federal grants	\$ 2,812,054	\$ 3,092,985	\$ 222,401	\$ 694,480
State grants		131,095		
Local			119,261	
Inkind	604,523		349	
Total revenues	3,416,577	3,224,080	342,011	694,480
EXPENDITURES				
Direct				
Employee salaries	1,592,484	690,243	203,492	63,623
Employee fringe benefits	554,085	246,675	61,210	18,723
Contractual		56,392	2,419	3,329
Travel	10,860	26,468	7,355	3,965
Space costs	7,736	14,211	14,938	3,136
Consumable supplies	78,790	18,902	65,122	1,461
Direct assistance		1,859,870		
Augmentation		(123,448)		
Food	41,414			577,479
Other	271,687	297,275	51,007	12,917
Inkind	604,523		349	
Total direct	3,161,579	3,086,588	405,892	684,633
Indirect	254,998	136,946	30,313	9,686
Total expenditures	3,416,577	3,223,534	436,205	694,319
Excess revenues over (under) expenditures	None	546	(94,194)	161
FUND BALANCE, beginning of year	None	35,029	None	None
Less: funds returned or to be returned to funding source	None	(16,027)	None	None
TRANSFERS, NET	None	(19,548)	94,194	(161)
FUND BALANCE, end of year	\$ None	\$ None	\$ None	\$ None

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 3

<u>Other Sources</u>	<u>Total</u>
	\$ 6,821,920
\$ 562,283	693,378
190,318	309,579
8,994	613,866
<u>761,595</u>	<u>8,438,743</u>
217,997	2,767,839
79,230	959,923
31,971	94,111
6,154	54,802
1,439	41,460
3,727	168,002
53,603	1,913,473
193,021	69,573
	618,893
	632,886
<u>8,994</u>	<u>613,866</u>
596,136	7,934,828
<u>35,342</u>	<u>467,285</u>
<u>631,478</u>	<u>8,402,113</u>
130,117	36,630
13,522	48,551
None	(16,027)
<u>189</u>	<u>74,674</u>
<u>\$ 143,828</u>	<u>\$ 143,828</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, 2014

	Transit		Local Weatherization		Head Start
	2013	2014	2013	2014	Local
REVENUES					
Federal grants	\$ 124,837	\$ 481,915			
State grants	139,822	231,559			
Local revenue	660,556	904,944			\$ 36,852
Equity in limited partnerships earnings					
Interest	782	883	\$ 35	\$ 54	70
Total revenues	925,997	1,619,301	35	54	36,922
EXPENDITURES					
Direct					
Employee salaries	458,961	679,988			12,877
Employee fringe benefits	136,971	195,848			5,317
Contractual	15,580	20,504			
Travel	9,233	6,979			
Space costs	11,289	15,976			
Consumable supplies	11,589	18,842			
Equipment	150,408	24			
Depreciation	12,360	8,951			2,922
Augmentation					
Other	291,844	353,700	445	292	6,908
Total direct	1,098,235	1,300,812	445	292	28,024
Indirect	70,915	104,225	322	997	2,165
Total expenditures	1,169,150	1,405,037	767	1,289	30,189
Excess revenues over (under) expenditures	(243,153)	214,264	(732)	(1,235)	6,733
FUND BALANCE, beginning of year	939,447	None	25,676	None	268,545
TRANSFERS, NET	None	(718)	None	10,000	None
REPROGRAMMED FUNDS	(696,294)	696,294	(24,944)	24,944	None
FUND BALANCE, end of year	<u>\$ None</u>	<u>\$ 909,840</u>	<u>\$ None</u>	<u>\$ 33,709</u>	<u>\$ 275,278</u>

See Independent Auditor's Report on the Supplementary Information.

Calmar Apartments		Weatherization Utilities		Contributions	General Relief	
2013	2014	2013	2014		2013	2014
\$ 43,523	\$ 24,080	\$ 161,168	\$ 18,702	\$ 806,335	\$ 5,036	\$ 5,193
48	26			12,773		
43,571	24,106	161,168	18,702	819,108	5,036	5,193
5,904	2,960			395,518	1,620	2,500
2,617	1,211			167,622	699	1,095
960	1,090			104,141		
20,848	12,834			37,295	3	
				18,079	693	971
	2,100			26,017		
14,954	10,681			2,232		
6,068	1,964	152,410	18,205	92,973	1,750	202
51,351	32,840	152,410	18,205	843,877	4,765	4,768
997	493	8,758	497	4,014	271	425
52,348	33,333	161,168	18,702	847,891	5,036	5,193
(8,777)	(9,227)	None	None	(28,783)	None	None
492,262	None	None	None	1,883,441	None	None
None	None	None	None	(60,711)	None	None
(483,485)	483,485	None	None	None	None	None
\$ None	\$ 474,258	\$ None	\$ None	\$ 1,793,947	\$ None	\$ None

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 LOCAL FUNDS
 Year Ended January 31, 2014

	Community Housing Development Organization	Rent to Own	
		2013	2014
REVENUES			
Federal grants	\$ 50,000	\$ 29,675	
State grants		73,785	
Local revenue		56,975	\$ 108,244
Equity in limited partnerships earnings			
Interest		2	16
Total revenues	50,000	160,437	108,260
EXPENDITURES			
Direct			
Employee salaries	33,828	805	5,073
Employee fringe benefits	10,857	303	2,090
Contractual			
Travel			
Space costs			
Consumable supplies			
Equipment			
Depreciation			
Augmentation			
Other		116	36,728
Total direct	44,685	1,224	43,891
Indirect	5,315	129	843
Total expenditures	50,000	1,353	44,734
Excess revenues over (under) expenditures	None	159,084	63,526
FUND BALANCE, beginning of year	None	(8,788)	None
TRANSFERS, NET	None	None	(60,000)
REPROGRAMMED FUNDS	None	(150,296)	150,296
FUND BALANCE, end of year	\$ None	\$ None	\$ 153,822

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 4
(Continued)

Ridgewood Duplex		Waukon USDA	Fayette General Relief		Health Planning	
2013	2014		2013	2014	2013	2014
\$ 11,868	\$ 4,559	\$ 19,380	\$ 6,379	\$ 11,681	\$ 1,165	\$ 415
7	6	83				
11,875	4,565	19,463	6,379	11,681	1,165	415
			346	1,016		
			93	225		
3,235	4,752			6	(88)	582
					1,923	
1,638	1,638	11,380			150	
		13,474	5,889	10,288	445	
4,873	6,390	24,854	6,328	11,535	2,430	582
			51	146		
4,873	6,390	24,854	6,379	11,681	2,430	582
7,002	(1,825)	(5,391)	None	None	(1,265)	(167)
26,392	None	57,689	None	None	35,711	None
None	None	None	None	None	(23,963)	None
(33,394)	33,394	None	None	None	(10,483)	10,483
\$ None	\$ 31,569	\$ 52,298	\$ None	\$ None	\$ None	\$ 10,316

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 LOCAL FUNDS
 Year Ended January 31, 2014

	Long-term Recovery		Housing	Crisis
	2013	2014	Local	
REVENUES				
Federal grants			\$ 5,000	
State grants			1,125	
Local revenue			15,428	\$ 152,590
Equity in limited partnerships earnings			(7)	
Interest			750	
Total revenues	\$ None	\$ None	22,296	152,590
EXPENDITURES				
Direct				
Employee salaries			7,925	
Employee fringe benefits			3,876	
Contractual			17,880	
Travel			5,244	
Space costs				
Consumable supplies				
Equipment				
Depreciation				
Augmentation				
Other			145,969	143,293
Total direct	None	None	180,894	143,293
Indirect			1,404	1,685
Total expenditures	None	None	182,298	144,978
Excess revenues over (under) expenditures	None	None	(160,002)	7,612
FUND BALANCE, beginning of year	6,212	None	831,291	142,169
TRANSFERS, NET	None	None	60,000	None
REPROGRAMMED FUNDS	(6,212)	6,212	None	None
FUND BALANCE, end of year	\$ None	\$ 6,212	\$ 731,289	\$ 149,781

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 4
(Continued)

Wheels to Work	Howard General Relief	Total
\$ 14,872		\$ 706,299
		446,291
4,221	\$ 11,541	3,070,835
		(7)
		15,535
<u>19,093</u>	<u>11,541</u>	<u>4,238,953</u>
	1,555	1,610,876
	589	529,413
		160,155
3	140	59,391
75		90,675
		56,604
		152,532
		66,756
		170,615
<u>19,733</u>	<u>9,006</u>	<u>1,141,087</u>
19,811	11,290	4,038,104
	251	203,903
<u>19,811</u>	<u>11,541</u>	<u>4,242,007</u>
(718)	None	(3,054)
None	None	4,700,047
718	None	(74,674)
<u>None</u>	<u>None</u>	<u>None</u>
<u>\$ None</u>	<u>\$ None</u>	<u>\$ 4,622,319</u>

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NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
 Year Ended January 31, 2014

	Head Start #07CH6090/47		Combined Wrap-Around	
	Direct	T & TA	2013	2014
REVENUES				
Federal grants	\$ 1,670,199	\$ 26,670	\$ 257,093	\$ 136,871
Inkind	424,217			
Total revenues	2,094,416	26,670	257,093	136,871
EXPENDITURES				
Direct				
Employee salaries	904,749	3,354	165,283	98,360
Employee fringe benefits	332,779	1,174	56,052	23,956
Travel	460	5,352		
Space costs			7,736	
Consumable supplies	57,776		2,126	
Food	29,762			
Other	197,407	16,251		
Inkind	424,217			
Total direct	1,947,150	26,131	231,197	122,316
Indirect	147,266	539	25,896	14,555
Total expenditures	2,094,416	26,670	257,093	136,871
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 #07CH6090/47		
Direct	T & TA	Total
\$ 702,366	\$ 18,855	\$ 2,812,054
180,306		604,523
882,672	18,855	3,416,577
415,090	5,648	1,592,484
138,441	1,683	554,085
	5,048	10,860
		7,736
18,888		78,790
11,652		41,414
52,425	5,604	271,687
180,306		604,523
816,802	17,983	3,161,579
65,870	872	254,998
882,672	18,855	3,416,577
None	None	None
None	None	None
None	None	None
<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, 2014

	Weatherization Assistance for Low Income Persons		Low Income Home Energy Assistance	
	DOE 12-09	DOE 13-09	LIHEAP-13-09	LIHEAP-14-09
REVENUES				
Federal grants	\$ 43,563	\$ 136,538	\$ 843,649	\$ 1,225,786
State grants				
Total revenues	43,563	136,538	843,649	1,225,786
EXPENDITURES				
Direct				
Employee salaries			58,040	71,308
Employee fringe benefits			18,203	24,410
Contractual				
Travel			1,708	647
Space costs			2,144	1,072
Consumable supplies			2,872	2,170
Direct assistance			747,958	1,111,912
Augmentation	43,506	128,420		
Other			4,072	2,877
Total direct	43,506	128,420	834,997	1,214,396
Indirect	57	8,118	8,652	11,390
Total expenditures	43,563	136,538	843,649	1,225,786
Excess revenues over (under) expenditures	None	None	None	None
FUND BALANCE, beginning of year	None	None	None	None
Less: funds returned or to be returned to funding source	None	None	None	None
TRANSFERS, NET	None	None	None	None
FUND BALANCE, end of year	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 6

HEAP Weatherization Assistance for Low Income Persons		Community Services Block Grant	
HEAP 13-09	HEAP 14-09	CSBG-13-09	CSBG-14-09
\$ 340,633	\$ 124,880	\$ 168,447	\$ 61,659
<u>340,633</u>	<u>124,880</u>	<u>168,447</u>	<u>61,659</u>
		96,315	35,518
		31,190	9,141
		2,259	964
		5,535	1,395
		3,648	3,501
303,113	124,880		
	(10,000)	14,582	5,826
<u>303,113</u>	<u>114,880</u>	<u>153,529</u>	<u>56,345</u>
21,493	None	15,616	5,314
<u>324,606</u>	<u>114,880</u>	<u>169,145</u>	<u>61,659</u>
16,027	10,000	(698)	None
None	None	None	None
(16,027)	None	None	None
None	(10,000)	698	None
<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
STATE DEPARTMENT OF HUMAN RIGHTS
Year Ended January 31, 2014

	FaDSS		WAP Main		Total
	FaDSS-13-09	FaDSS-14-09	2013	2014	
REVENUES					
Federal grants	\$ 63,658	\$ 84,172			\$ 3,092,985
State grants	56,452	74,643			131,095
Total revenues	120,110	158,815	\$ None	\$ None	3,224,080
EXPENDITURES					
Direct					
Employee salaries	64,898	95,273	16,903	251,988	690,243
Employee fringe benefits	21,858	30,309	6,180	105,384	246,675
Contractual	76		4,150	52,166	56,392
Travel	7,193	11,347		2,350	26,468
Space costs	1,380	1,932	429	324	14,211
Consumable supplies	547	1,000	1,462	3,702	18,902
Direct assistance					1,859,870
Augmentation			(20,988)	(702,379)	(123,448)
Other	3,762	4,010	16,991	255,155	297,275
Total direct	99,714	143,871	25,127	(31,310)	3,086,588
Indirect	10,150	14,944	7,124	34,088	136,946
Total expenditures	109,864	158,815	32,251	2,778	3,223,534
Excess revenues over (under) expenditures	10,246	None	(32,251)	(2,778)	546
FUND BALANCE, beginning of year	None	None	35,029	None	35,029
Less: funds returned or to be returned to funding source	None	None	(2,778)	2,778	(16,027)
TRANSFERS, NET	(10,246)	None	None	None	(19,548)
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 PUBLIC HEALTH
 Year Ended January 31, 2014

	Family Planning Project		Maternal and Child Health		Total
	#5883MH20	#5884MH20	2013	2014	
REVENUES					
Federal grants	\$ 147,389	\$ 71,737	\$ 2,628	\$ 647	\$ 222,401
Local	70,690	48,571			119,261
Inkind	349				349
Total revenues	218,428	120,308	2,628	647	342,011
EXPENDITURES					
Direct					
Employee salaries	137,295	63,836	1,886	475	203,492
Employee fringe benefits	42,242	18,437	427	104	61,210
Contractual		2,419			2,419
Travel	5,932	1,351	72		7,355
Space costs	10,153	4,785			14,938
Consumable supplies	45,848	19,274			65,122
Other	24,935	26,072			51,007
Inkind	349				349
Total direct	266,754	136,174	2,385	579	405,892
Indirect	20,212	9,790	243	68	30,313
Total expenditures	286,966	145,964	2,628	647	436,205
Excess revenues over (under) expenditures	(68,538)	(25,656)	None	None	(94,194)
FUND BALANCE, beginning of year	None	None	None	None	None
REPROGRAMMED FUNDS	None	None	None	None	None
TRANSFERS, NET	68,538	25,656	None	None	94,194
FUND BALANCE, end of year	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 U.S. DEPARTMENT OF AGRICULTURE
 Year Ended January 31, 2014

	USDA		Family Day Care		Total
	#96-8010	#96-8010	#96-8013	#96-8013	
REVENUES					
Federal grants	\$ 110,034	\$ 81,310	\$ 359,468	\$ 143,668	\$ 694,480
EXPENDITURES					
Direct					
Employee salaries	9,437	8,227	33,404	12,555	63,623
Employee fringe benefits	3,012	2,309	9,814	3,588	18,723
Contractual			2,365	964	3,329
Travel			3,010	955	3,965
Space costs			2,091	1,045	3,136
Consumable supplies			1,160	301	1,461
Food	88,793	65,713	292,615	130,358	577,479
Other	7,335	3,810	1,466	306	12,917
Total direct	108,577	80,059	345,925	150,072	684,633
Indirect	1,457	1,251	5,057	1,921	9,686
Total expenditures	110,034	81,310	350,982	151,993	694,319
Excess revenues over (under) expenditures	None	None	8,486	(8,325)	161
FUND BALANCE, beginning of year	None	None	(8,325)	8,325	None
TRANSFERS, net	None	None	(161)	None	(161)
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, 2014

	Child Development				ICAA
	Combined		Oelwein		Tenant Based Rental Assistance
	2013	2014	2013	2014	2014
REVENUES					
State grants	\$ 101,912	\$ 121,504	\$ 24,898	\$ 33,074	\$ 2,370
Local revenue					
Inkind					
Total revenues	101,912	121,504	24,898	33,074	2,370
EXPENDITURES					
Direct					
Employee salaries	61,894	75,027	14,314	18,387	753
Employee fringe benefits	24,207	24,485	6,580	8,042	169
Contractual					256
Travel					
Space costs					1,079
Consumable supplies					
Direct assistance					
Other	5,738	10,150	1,559	3,500	3
Inkind					
Total direct	91,839	109,662	22,453	29,929	2,260
Indirect	10,073	11,842	2,445	3,145	110
Total expenditures	101,912	121,504	24,898	33,074	2,370
Excess of revenues over (under) expenditures	None	None	None	None	None
FUND BALANCE, beginning of year	None	None	None	None	None
REPROGRAMMED FUNDS	None	None	None	None	None
TRANSFERS, NET	None	None	None	None	None
FUND BALANCE, end of year	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>

See Independent Auditor's Report on the Supplementary Information.

Utilities		Community Adolescent Pregnancy Prevention		ICAA Disaster	ICAA Affordable Care Act	Total
2013	2014	2013	2014	2014	2014	
\$ 43,873	\$ 140,036	\$ 47,810	\$ 50,902	\$ 179,813	\$ 1,409	\$ 562,283
		8,894	5,000			190,318
			100			8,994
43,873	140,036	56,704	56,002	179,813	1,409	761,595
		17,880	23,122	6,082	538	217,997
		6,346	7,736	1,545	120	79,230
		13,906	17,809			31,971
		3,470	2,618		66	6,154
			360			1,439
		3,328	399			3,727
50,337	3,266		186	171,278	607	53,603
		8,894	100			193,021
						8,994
50,337	3,266	53,824	52,330	178,905	1,331	596,136
		3,069	3,672	908	78	35,342
50,337	3,266	56,893	56,002	179,813	1,409	631,478
(6,464)	136,770	(189)	None	None	None	130,117
13,522	None	None	None	None	None	13,522
(7,058)	7,058	None	None	None	None	None
None	None	189	None	None	None	189
<u>\$ None</u>	<u>\$ 143,828</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ 143,828</u>

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 #07CH6090/47
January 31, 2014

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 1,696,869	\$ 1,696,869	\$ None
Local	424,217	424,217	None
Total revenues	<u>\$ 2,121,086</u>	<u>2,121,086</u>	<u>None</u>
EXPENDITURES			
Personnel	\$ 940,734	908,103	(32,631)
Fringe benefits	347,603	333,953	(13,650)
Travel	6,081	5,812	(269)
Supplies	31,000	57,776	26,776
Contractual	10,000	5,608	(4,392)
Other costs	210,716	237,812	27,096
Total direct	1,546,134	1,549,064	2,930
Indirect	150,735	147,805	(2,930)
Total federal cost	<u>1,696,869</u>	<u>1,696,869</u>	<u>None</u>
GRANTEE CONTRIBUTION	424,217	424,217	None
Total expenditures	<u>\$ 2,121,086</u>	<u>2,121,086</u>	<u>None</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
 EARLY CHILDHOOD PROGRAM
 GRANT #07CH6090/47
 January 31, 2014

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 733,340	\$ 721,221	\$ (12,119)
Inkind	183,335	180,306	(3,029)
Total revenues	<u>\$ 916,675</u>	<u>901,527</u>	<u>(15,148)</u>
EXPENDITURES			
Personnel	\$ 428,708	420,738	(7,970)
Fringe benefits	147,201	140,124	(7,077)
Travel	6,748	5,048	(1,700)
Supplies	8,480	18,888	10,408
Contractual	160		(160)
Other costs	73,516	69,681	(3,835)
Total direct	664,813	654,479	(10,334)
Indirect	68,527	66,742	(1,785)
Total federal cost	<u>733,340</u>	<u>721,221</u>	<u>(12,119)</u>
GRANTEE CONTRIBUTION	<u>183,335</u>	<u>180,306</u>	<u>(3,029)</u>
Total expenditures	<u>\$ 916,675</u>	<u>901,527</u>	<u>(15,148)</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 2013 WRAP AROUND
 January 31, 2014

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 385,500	\$ 385,500	\$ None
EXPENDITURES			
Personnel costs	\$ 263,846	257,429	(6,417)
Fringe	76,368	78,863	2,495
Rent	2,481	7,736	5,255
Consumable	3,000	2,126	(874)
Indirect	39,805	39,346	(459)
Total expenditures	\$ 385,500	385,500	None
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
REPROGRAMMED FUNDS		None	
FUND BALANCE, end of contract		\$ None	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS
 FEDERAL - STATE DEPARTMENT OF HUMAN RIGHTS
 FY 2013 WEATHERIZATION ASSISTANCE
 PROGRAM (NO. HEAP 13-09)
 January 31, 2014

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 642,391	\$ 445,197	\$ (197,194)
EXPENDITURES			
Administration	\$ 33,471	21,493	(11,978)
Health and safety	116,399	97,413	(18,986)
Support	150,674	129,565	(21,109)
Labor	156,655	92,664	(63,991)
Materials	156,655	73,617	(83,038)
Liability insurance	7,590	7,590	None
Other	20,947	6,828	(14,119)
Total expenditures	\$ 642,391	429,170	(213,221)
Excess revenues over (under) expenditures		16,027	16,027
Less: funds returned or to be returned to funding source		(16,027)	(16,027)
FUND BALANCE, beginning of contract		None	None
FUND BALANCE, end of contract		\$ None	\$ 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 COMMUNITY SERVICES BLOCK GRANT
 PROGRAM (NO. CSBG-13-09)
 January 31, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 253,149	\$ 253,149	\$ None
EXPENDITURES (By contract line item)			
Salaries	\$ 145,835	146,613	778
Fringe benefits	46,666	45,890	(776)
Space costs	8,576	7,900	(676)
Travel	4,000	3,534	(466)
Other costs	25,550	26,689	1,139
Indirect	22,522	23,221	699
Total expenditures	<u>\$ 253,149</u>	<u>253,847</u>	<u>698</u>
Excess revenues over (under) expenditures		(698)	<u>\$ (698)</u>
FUND BALANCE, beginning of contract		None	
NET TRANSFERS		<u>698</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-13-09
 January 31, 2014

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 137,655	\$ 137,655	\$ None
State	122,072	122,072	None
Local	17,291	7,045	(10,246)
Total revenues	\$ 277,018	266,772	(10,246)
EXPENDITURES			
Personnel	\$ 209,908	207,855	(2,053)
Travel	26,848	20,369	(6,479)
Space/utilities	9,552	3,312	(6,240)
Other costs	8,150	10,841	2,691
Third-party payments	100	76	(24)
Indirect	22,460	24,319	1,859
Total expenditures	\$ 277,018	266,772	(10,246)
Excess revenues over (under) expenditures		None	<u>\$ (10,246)</u>
FUND BALANCE, beginning of contract		None	
TRANSFERS OUT		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
2013 LOW INCOME HOME ENERGY ASSISTANCE
PROGRAM (NO. LIHEAP-13-09)
January 31, 2014

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 2,521,234	\$ 2,114,478	\$ (406,756)
Local	None	None	None
Total revenues	<u>\$ 2,521,234</u>	<u>2,114,478</u>	<u>(406,756)</u>
EXPENDITURES			
Section I			
A. Regular assistance	\$ 1,766,799	1,360,043	(406,756)
B. Emergency delivery	104,357	104,357	None
C. Client services	29,123	29,123	None
D. Data expansion	4,520	4,520	None
E. Summer deliverable fuel	422,282	422,282	None
Section II			
Administration	194,153	194,153	None
Total expenditures	<u>\$ 2,521,234</u>	<u>2,114,478</u>	<u>(406,756)</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		None	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS
 FEDERAL - STATE DEPARTMENT OF HUMAN RIGHTS
 FY 2013 WEATHERIZATION ASSISTANCE
 PROGRAM (NO. DOE 12-09)
 January 31, 2014

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 322,738	\$ 322,738	\$ None
EXPENDITURES (By contract line item)			
Administration	\$ 15,559	15,559	None
Health and safety	59,125	60,132	1,007
Support	74,684	95,792	21,108
Labor	80,908	73,890	(7,018)
Materials	80,908	65,811	(15,097)
Liability insurance	11,554	11,554	None
Total expenditures	\$ 322,738	322,738	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 2013 FAMILY PLANNING PROGRAM (NO. 5883MH20)
 January 31, 2014

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 242,980	\$ 242,980	\$ None
Local	174,554	94,777	(79,777)
Total revenues	417,534	337,757	(79,777)
EXPENDITURES (By cost category)			
Employee salaries	256,744	220,053	(36,691)
Employee fringe benefits	81,986	67,678	(14,308)
Supplies	123,794	111,216	(12,578)
Space costs	24,683	15,279	(9,404)
Travel	11,700	8,035	(3,665)
Indirect	36,540	33,220	(3,320)
Total expenditures	535,447	455,481	(79,966)
Excess revenues over (under) expenditures	(117,913)	(117,724)	189
FUND BALANCE, beginning of contract	None	None	None
NET TRANSFERS	117,913	117,724	(189)
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 2013 TITLE V MATERNAL AND CHILD HEALTH BLOCK GRANT
 January 31, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 6,500	\$ 3,498	\$ (3,002)
EXPENDITURES (By contract line item)			
Salaries	\$ 3,846	2,541	(1,305)
Fringe benefits	1,346	551	(795)
Travel	400	72	(328)
Consumable supplies	300		(300)
Indirect	608	334	(274)
Total expenditures	<u>\$ 6,500</u>	<u>3,498</u>	<u>(3,002)</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 2013
 January 31, 2014

OELWEIN	Budget	Actual	Over (Under) Budget
REVENUES			
State	\$ 50,000	\$ 50,000	\$ None
EXPENDITURES			
Salaries	\$ 29,499	28,823	(676)
Employee benefits	11,151	11,459	308
Administration costs	4,350	4,713	363
Other costs	5,000	5,005	5
Total expenditures	\$ 50,000	50,000	None
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
FUND BALANCE, end of contract		\$ None	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS
STATE - DEPARTMENT OF EDUCATION
CHILD DEVELOPMENT 2013
January 31, 2014

DECORAH #NE-13-3489-088	Budget	Actual	Over (Under) Budget
REVENUES			
State	\$ 58,693	\$ 58,693	\$ None
EXPENDITURES			
Salaries	\$ 35,111	33,551	(1,560)
Employee benefits	14,115	14,877	762
Other costs	4,200	4,599	399
Indirect	5,267	5,666	399
Total expenditures	\$ 58,693	58,693	None
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
FUND BALANCE, end of contract		\$ None	
OELWEIN #NE-13-0496-087			
REVENUES			
State	\$ 60,772	\$ 60,772	\$ None
EXPENDITURES			
Salaries	\$ 35,310	36,549	1,239
Employee benefits	14,168	13,147	(1,021)
Other costs	6,000	5,262	(738)
Indirect	5,294	5,814	520
Total expenditures	\$ 60,772	60,772	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 2013
January 31, 2014

POSTVILLE #NE-13-3490-089	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
State	\$ 61,956	\$ 61,956	\$ None
EXPENDITURES			
Salaries	\$ 35,693	36,388	695
Employee benefits	14,313	13,683	(630)
Other costs	6,600	6,027	(573)
Indirect	5,350	5,858	508
Total expenditures	<u>\$ 61,956</u>	<u>61,956</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 2013 COMMUNITY ADOLESCENT PREGNANCY PREVENTION
 January 31, 2014

	Budget	Actual	Over (Under) Budget
REVENUES			
State	\$ 99,776	\$ 99,776	\$ None
Local	32,592	12,353	(20,239)
Total revenues	\$ 132,368	112,129	(20,239)
EXPENDITURES (By cost category)			
Employee salaries	\$ 38,387	38,387	None
Employee fringe benefits	13,647	13,647	None
Contractual	32,592	32,592	None
Supplies	3,824	3,824	None
Travel	5,190	5,190	None
Indirect	38,728	18,678	(20,050)
Total expenditures	\$ 132,368	112,318	(20,050)
Excess revenues over (under) expenditures		(189)	\$ (189)
FUND BALANCE, beginning of contract		None	
NET TRANSFERS		189	
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
OTHER SOURCES - VARIOUS (INCLUDING FEDERAL HIGHWAY
ADMINISTRATION AND IOWA DEPARTMENT OF TRANSPORTATION)
FY 2013 TRANSIT PROGRAM
January 31, 2014

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 842,013	\$ 692,545	\$ (149,468)
State	304,024	340,835	36,811
Local	2,468,603	1,594,937	(873,666)
	<u>\$ 3,614,640</u>	<u>2,628,317</u>	<u>(986,323)</u>
EXPENDITURES			
Direct			
Employee salaries	\$ 1,144,018	1,117,292	(26,726)
Employee fringe benefits	382,618	325,730	(56,888)
Contractual	51,000	36,682	(14,318)
Travel	38,238	16,941	(21,297)
Space costs and rentals	29,292	26,682	(2,610)
Consumable supplies	29,975	22,207	(7,768)
Equipment	1,124,530	352,325	(772,205)
Other charges	631,974	636,265	4,291
	<u>3,431,645</u>	<u>2,534,124</u>	<u>(897,521)</u>
Indirect	<u>182,995</u>	<u>170,025</u>	<u>(12,970)</u>
	<u>\$ 3,614,640</u>	<u>2,704,149</u>	<u>(910,491)</u>
Excess revenues over (under) expenditures		(75,832)	<u>\$ (75,832)</u>
FUND BALANCE, beginning of contract		772,126	
REPROGRAMMED FUNDS		<u>(696,294)</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 2013 WEATHERIZATION ASSISTANCE PROGRAM
 UTILITY CONTRACT
 January 31, 2014

	Budget	Actual	Over (Under) Budget
CONTRACT #MEC-13-09I			
REVENUES			
Local	\$ 14,694	\$ 14,264	\$ (430)
EXPENDITURES			
Administration-indirect	\$ 735	679	(56)
Support	1,469	1,235	(234)
Labor	6,245	5,266	(979)
Material	6,245	7,084	839
Total expenditures	\$ 14,694	14,264	(430)
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
FUND BALANCE, end of contract		\$ None	
CONTRACT #IPL-13-09I			
REVENUES			
Local	\$ 107,457	\$ 107,164	\$ (293)
EXPENDITURES			
Administration-indirect	\$ 5,373	5,103	(270)
Support	10,746	9,166	(1,580)
Labor	45,669	38,966	(6,703)
Material	45,669	53,929	8,260
Total expenditures	\$ 107,457	107,164	(293)
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 2013 WEATHERIZATION ASSISTANCE PROGRAM
 UTILITY CONTRACT
 January 31, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
CONTRACT #BHE-13-09I			
REVENUES			
Local	\$ 78,911	\$ 62,500	\$ (16,411)
EXPENDITURES			
Administration-indirect	\$ 3,946	2,976	(970)
Support	7,891	5,421	(2,470)
Labor	33,537	23,081	(10,456)
Material	33,537	31,022	(2,515)
Total expenditures	<u>\$ 78,911</u>	<u>62,500</u>	<u>(16,411)</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended January 31, 2014

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 93.568 Low Income Home Energy Assistance
 - CFDA Number 93.217 Family Planning Services
 - CFDA Number 20.509 Formula Grants for Other than Urbanized Areas
 - CFDA Number 20.500 Federal Transit-Capital Investment Grants
- (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 16, 2014

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, 2014

Grantor/Program	CFDA Number	Grant Number	Period of Grant	Program Expenditures
U.S. Department of Health and Human Services				
Direct				
Head Start	93.600	07CH6090/47	02/01/13-01/31/14	\$ 1,696,869
Head Start Discretionary		07CH6090/47	02/01/13-01/31/14	721,221
Passed through Iowa Department of Human Rights				
Wrap-Around Child Care	93.600	N/A	09/01/12-08/31/13	257,093
			09/01/13-08/31/14	136,871
				<u>2,812,054</u>
Other Federal Awards				
U.S. Department of Health and Human Services				
Passed through Iowa Department of Human Rights				
Low Income Home Energy Assistance	93.568	LIHEAP 13-09	10/01/12-09/30/13	843,649
		LIHEAP 14-09	10/01/13-09/30/14	1,225,786
		HEAP 13-09	01/01/13-12/31/13	340,633
		HEAP 14-09	01/01/14-12/31/14	124,880
				<u>2,534,948</u>
Passed through Iowa Department of Human Rights				
Community Services Block Grant	93.569	CSBG-13-09	10/01/12-12/31/13	168,447
		CSBG-14-09	10/01/13-12/31/14	61,659
				<u>230,106</u>
Community Services Block Grant Discretionary Awards				
	93.570	FaDSS 13-09	07/01/12-06/30/13	63,658
		FaDSS 14-09	07/01/13-06/30/14	84,172
				<u>147,830</u>
Passed through Iowa Department of Public Health				
Family Planning Services	93.217	5883MH20	10/01/12-09/30/13	147,389
		5884MH20	10/01/13-09/30/14	71,737
				<u>219,126</u>
Passed through Allen Memorial Hospital Corporation				
Title V Maternal and Child Health Block Grant	93.994	N/A	10/01/12-09/30/13	2,628
		N/A	10/01/13-09/30/14	647
				<u>3,275</u>
Subtotal U.S. Department of Health and Human Services				<u>3,135,285</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	07/01/13-06/30/14	481,915
Federal Transit - Capital Investment Grants				
	20.500	IA-04-0117	10/20/11-3/31/14	124,837
Federal Transit - Job Access and Reverse Commute Program				
	20.516	IA-37-X023	10/01/12-09/30/14	14,872
Subtotal U.S. Department of Transportation				<u>621,624</u>
U.S. Department of Energy				
Passed through Iowa Department of Human Rights				
Weatherization Assistance for Low Income Persons	81.042	DOE 12-09	04/01/12-03/31/13	43,563
		DOE 13-09	08/01/13-03/31/14	136,538
Subtotal U.S. Department of Energy				<u>180,101</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, 2014

Grantor/Program	CFDA Number	Grant Number	Period of Grant	Program Expenditures
Other Federal Awards (Continued)				
U.S. Department of Agriculture				
Passed through Iowa Department of Education				
Child and Adult Care Food Program				
	10.558	96-8010	10/01/12-09/30/13	\$ 110,034
			10/01/13-09/30/14	81,310
		96-8013	10/01/12-09/30/13	359,468
			10/01/13-09/30/14	<u>143,668</u>
				<u>694,480</u>
Passed through Housing Assistance Council				
Rural Community Development Initiative				
	10.446		11/01/11-10/30/14	<u>5,000</u>
Subtotal U.S. Department of Agriculture				
				<u>699,480</u>
U.S. Department of Housing and Urban Development				
Passed through Iowa Finance Authority				
Home Investment Partnerships (HOME)				
	14.239	12-HM-329	10/25/12-10/31/13	29,675
Community Housing Development Organization Operating				
		13-HM-01CO	05/31/13-01/31/14	<u>50,000</u>
Expense Grant				
Subtotal U.S. Department of Housing and Urban Development				
				<u>79,675</u>
Subtotal Other Federal Awards				
				<u>4,716,165</u>
Total Federal Awards				
				<u>\$ 7,528,219</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, 2014

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, 2014. 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 the 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, 2014, 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 16, 2014.

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 Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hacker, Nelson & Co., P.C.

Decorah, Iowa
May 16, 2014

**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, 2014. 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, 2014.

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, 2014, and have issued our report thereon dated May 16, 2014, 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 16, 2014

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, 2014, we considered the Corporation's internal control to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

As part of our audit, we are required to comment on the Corporation's compliance with certain aspects of state laws and rulings as specified by the Iowa Auditor of State. The following summarizes our comments and suggestions regarding that matter. A separate report dated May 16, 2014 contains our report on the Corporation's internal control. This letter does not affect our report dated May 16, 2014 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 Corporation's investment policy.

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

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

Hacker, Nelson & Co., P.C.

Decorah, Iowa
May 16, 2014