

**NORTHEAST IOWA COMMUNITY
ACTION CORPORATION
AND SUBSIDIARY**

FINANCIAL REPORT

JANUARY 31, 2015

TABLE OF CONTENTS

		<u>Page</u>
BOARD OF DIRECTORS		1
INDEPENDENT AUDITOR’S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS		2-3
CONSOLIDATED FINANCIAL STATEMENTS	<u>Exhibit</u>	
Consolidated Statement of Financial Position	A	4
Consolidated Statement of Activities	B	5
Consolidated Statement of Functional Expenses	C	6
Consolidated Statement of Cash Flows	D	7
Notes to Consolidated Financial Statements		8-19
INDEPENDENT AUDITOR’S REPORT ON THE SUPPLEMENTARY INFORMATION		20
SUPPLEMENTARY INFORMATION	<u>Schedule</u>	
Consolidating Statement of Financial Position		
By Funding Source	1	21
Local Funds	2	22-23
Consolidating Statement of Revenues, Expenditures, and Changes in Fund Balances		
By Funding Source	3	24
Local Funds	4	25-27
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances		
U.S. Department of Health and Human Services	5	28
State Department of Human Rights	6	29-30
State Department of Public Health	7	31
U.S. Department of Agriculture	8	32
Other Sources	9	33
Schedule of Cumulative Revenues, Expenditures, and Changes in Fund Balance on Completed Contracts		
Federal		
U.S. Department of Health and Human Services	10-12	34-36
State Department of Human Rights	13-17	37-41
State Department of Public Health	18-19	42-43
State - Department of Education	20	44-46
State - Department of Human Services	21	47
Other Sources - Transit Program	22	48
Weatherization Assistance Program	23	49-50
Schedule of Findings and Questioned Costs	24	51
Schedule of Expenditures of Federal Awards	25	52-53
Notes to the Schedule of Expenditures of Federal Awards		54
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>		55-56
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133		57-58
MANAGEMENT LETTER		59

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
Representing

County	Government	Low-Income	Private
Allamakee	Dan Byrnes	Ann Gearhart	Shannon Michael
Bremer	Tim Neil	Barbara Zemke	Virgil Pickar Jr.
Chickasaw	Richard Holthaus	Patricia Ipsen	Wendy Shea
Clayton	Ronald McCartney	Linda Voshell	Ron Garceau
Fayette	Vicki Rowland	Malissa Kappes	Janel Langreck
Howard	Mark Kubik	Les Askelson	Julie Wurtzel
Winneshiek	John Beard	Darcy Troester	
Policy County Liason – Head Start			

Agency Officials

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

INDEPENDENT AUDITOR'S REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Northeast Iowa Community Action Corporation (a nonprofit corporation), and Subsidiary which comprise the consolidated statement of financial position as of January 31, 2015, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Northeast Iowa Community Action Corporation and Subsidiary as of January 31, 2015, 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 15, 2015, 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 15, 2015

NORTHEAST IOWA COMMUNITY ACTION CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

January 31, 2015

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 3,213,737
Receivables	
Funding source	910,510
Other	369,499
Inventory	<u>1,031,680</u>

Total current assets	<u>5,525,426</u>
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PROPERTY AND EQUIPMENT, net

1,759,916

OTHER ASSETS

Investment in affiliates	388,374
Due from affiliate	<u>150,398</u>

Total other assets	<u>538,772</u>
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Total assets	<u><u>\$ 7,824,114</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	
General	\$ 1,152,856
Compensated absences	171,202
Current portion of long-term debt	23,285
Advances from grantors	<u>487,484</u>

Total current liabilities	<u>1,834,827</u>
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LONG-TERM DEBT

Notes payable, less current portion	<u>1,301,327</u>
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NET ASSETS

Unrestricted	<u>4,687,960</u>
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Total liabilities and net assets	<u><u>\$ 7,824,114</u></u>
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See Notes to Consolidated Financial Statements.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended January 31, 2015

	Unrestricted
REVENUES AND OTHER SUPPORT	
Federal and state grants	\$ 9,056,733
Local	2,828,164
Interest	15,587
Contributions	97,577
Total revenues and other support	11,998,061
EXPENSES	
Program services	11,261,787
Supporting services	
Management and general	736,627
Fundraising	78,737
Total expenses	12,077,151
Change in net assets from operations	(79,090)
OTHER CHANGES IN NET ASSETS	
Equity in limited partnerships' loss	(5)
Gain on sale of fixed assets	908
Change in net assets	(78,187)
NET ASSETS, beginning of year	4,766,147
NET ASSETS, end of year	\$ 4,687,960

See Notes to Consolidated Financial Statements.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended January 31, 2015

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Employee salaries	\$ 4,118,073	\$ 371,724	\$ 54,681	\$ 4,544,478
Employee fringe benefits	1,358,259	112,791	11,450	1,482,500
Contractual	211,924	117,141	5,857	334,922
Travel	79,654	50,137	2,507	132,298
Space costs	124,649	18,891	945	144,485
Consumable supplies	191,487	21,938	1,097	214,522
Equipment	336,204			336,204
Direct assistance	2,003,617			2,003,617
Depreciation	76,073			76,073
Food	652,724			652,724
Vehicle costs	613,448			613,448
Augmentation	48,968			48,968
Materials	621,631			621,631
Other	922,681	44,005	2,200	968,886
Contributed materials, facilities and services	97,577			97,577
Use of equipment and contributed materials and services	(195,182)			(195,182)
Total expenses	\$ 11,261,787	\$ 736,627	\$ 78,737	\$ 12,077,151

See Notes to Consolidated Financial Statements.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

NOTES TO CONSOLIDATED 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, including seniors.

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 consolidated 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 consolidated financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accompanying consolidated 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, 2015, 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 \$694,981 at January 31, 2015.

Federal and state grants are recorded as revenue when earned. The consolidated 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 consolidated 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, 2014 and received unmodified opinions dated February 25, 2015 and February 19, 2015, 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. As of January 1, 2015, the Corporation owns 100% interest of NEICAC Senior Housing Limited Partnership.

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, 2015, balances of interfund amounts receivable or payable have been recorded. For external reporting, interfund receivables and payables have been eliminated in the consolidated statement of financial position.

g. Inventory

Inventory is valued at cost. Inventory consists of a duplex built for the City of Oelwein, Iowa. Inventory also includes homes built in Calmar, Fayette, and Sumner, which were 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 \$2,927,294 are not included in the consolidated 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 \$76,073 for the year ended January 31, 2015. Accumulated depreciation totaled \$1,239,312 as of January 31, 2015. 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 consolidated 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 2015. 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 2012. The final partnership return was filed for the Subsidiary for the 2014 tax period.

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 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 consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

o. Principles of Consolidation

The consolidated financial statements include the accounts of the Corporation and its wholly owned subsidiary, NEICAC Senior Housing, L.P. All material intra-entity transactions have been eliminated.

2. Deposits

At year-end, the carrying amount of the Corporation's deposits was \$3,213,588 and the bank balances totaled \$3,901,413. Of the bank balances, \$568,413 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 consolidated statement of activities. The Corporation did not 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 consolidated 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 consolidated financial statements. The amount of contributed facilities for the year ended January 31, 2015 is \$97,577.

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 68% 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 2015, 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, 2015. The Corporation's approved rate for the year ended January 31, 2015 was 13.0%. For FY14, the indirect cost plan and rate was determined based on salary and benefits, which the actual rate was 13.0%.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7. Equity in Affiliates

The Corporation has minority interest (.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, 2014 follows:

	NEICAC Senior Housing	Decorah Woolen Mill	
Assets	\$ 842,354	\$ 1,408,032	
Less liabilities	710,997	511,553	
Net assets	\$ 131,357	\$ 896,479	
Operating revenues	\$ 58,980	\$ 59,165	
Net loss	\$ (9,994)	\$ (47,200)	
Corporation's interest			
Share of net loss	\$ (1)	\$ (5)	
Equity in net assets	\$ 17	\$ 388,374	

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			\$ 174,318	\$ 174,318
Waukon USDA		\$ 455,194		455,194
Head Start Local		43,828		43,828
Transit			511,821	511,821
Ridgewood Duplex		131,024		131,024
Washington Court		600,989		600,989
Calmar Apartments				
Phase I	\$ 9,975	477,567	54,892	542,434
Phase II	9,975	512,292	17,353	539,620
	19,950	2,220,894	758,384	2,999,228
Less accumulated depreciation	None	649,639	589,673	1,239,312
	\$ 19,950	\$ 1,571,255	\$ 168,711	\$ 1,759,916

The components of Northeast Iowa Community Action Corporation's accumulated depreciation at January 31, 2015 are as follows:

	Buildings	Vehicles	Equipment	Total
Balance, beginning of year	\$ 605,458	\$ 256,788	\$ 306,552	\$ 1,168,798
Current year depreciation	44,181	23,473	8,419	76,073
Current year disposals		(5,559)		(5,559)
Balance, end of year	\$ 649,639	\$ 274,702	\$ 314,971	\$ 1,239,312

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9. **Long-term Debt**

Details of long-term debt as of January 31, 2015 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.	\$ 148,109	\$ 9,192
The real estate has a carrying value of \$600,724.		
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 a carrying value of \$293,979.	274,295	6,469
Washington Court		
HOME Investment Partnerships Program		
<i>Iowa Department of Economic Development</i>		
1.0% interest bearing note payable, which is accrued annually, varying interest payments are due annually March 31, 2015 through 2018 with a balloon payment including interest, due March 31, 2019 collateralized by real estate.		
The real estate has a carrying value of \$600,989.	383,779	
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 2044.		
This note is transferred with the related real estate as the homes are sold.	390,000	
Ridgewood Duplex Building		
<i>Winneshek 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 \$106,457.	61,478	3,652
0.0% interest bearing note payable, with 10% forgiven each year through November 2016.	6,951	3,972
	\$ 1,324,612	\$ 23,285

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

Maturities of long-term debt during the years following January 31, 2015 are as follows:

Long-term debt maturities	
2016	\$ 23,285
2017	23,940
2018	20,651
2019	21,362
2020	405,885
2021-2025	161,918
2026-2030	134,447
2031-2035	49,234
2036-2040	93,890
2041-2045	<u>390,000</u>
	<u>\$ 1,324,612</u>

Interest expense totaled \$19,228 for the year ending January 31, 2015. No interest cost was capitalized for the year ended January 31, 2015.

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 5.95% from February 1, 2014 through January 31, 2015, of their annual covered salary and the Corporation is required to contribute 8.93% from February 1, 2014 through January 31, 2015, of annual covered payroll. Contribution requirements are established by state statute. The Corporation's contribution to IPERS for the years ended January 31, 2015, 2014, and 2013 were \$390,133, \$380,163, and \$379,459 respectively, equal to the required contributions for each year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

11. Advances from Grantors

Advances from grantors consists of the following as of January 31, 2015:

U.S. Department of Health and Human Services	
Wrap-Around Child Care	\$ 68,674
State Department of Human Rights	
Low-income Home Energy Assistance	215,949
Community Services Block Grant	9,518
FaDSS	23,869
	249,336
U.S. Department of Agriculture	
USDA	2,979
FDC	9,973
	12,952
Other Sources	
Child Developments	64,317
Oelwein Child Developments	3,975
	68,292
Local Sources	
Contributions	81,398
Transit	6,832
	88,230
	\$ 487,484

12. Leases

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

- Winneshiek County for \$6,381 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, 2016.
- 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 \$200 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 on a month-to-month basis.

The Transit Program leases garage, office, and vehicle parking space and wash bay located in West Union, Iowa from Gloria Sue Schatz for \$900 per month July 1, 2014 through June 30, 2017.

NOTES TO CONSOLIDATED 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, 2014 to July 31, 2015	\$ 750
Postville CD	July 1, 2014 to June 30, 2015	550
Postville HS	July 1, 2014 to June 30, 2015	650
Postville HS	August 1, 2014 to July 31, 2015	725
Monona HS	March 1, 2014 to February 28, 2016	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, 2014 to June 30, 2015	\$ 400
Guttenberg HS	July 1, 2014 to June 30, 2015	300
Decorah CSD	June 1, 2014 to May 31, 2015	425
Oelwein CSD	August 1, 2014 to July 31, 2015	500
North Fayette CSD	August 1, 2014 to July 31, 2015	400

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

2016	\$ 69,325
2017	15,530
2018	7,025
2019	2,400
2020	1,000
	\$ 95,280

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, 2015, 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 Calmar, Fayette, and Sumner, Iowa areas for low-income families to eventually own. Some of the funds were provided by a loan from the Iowa Finance Authority of \$390,000. The completed homes are reported as inventory on the Corporation's consolidated 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 consolidated financial statements until an eligible family purchases the home.

13. Contingent Liabilities (Continued)

The Corporation 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. In addition, 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, 2015, the balance of the loan from the Corporation to the project for its development fee was \$69,398. The Corporation bought out the limited partner in December 2014.

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. In addition, 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 agreement 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 agreement during the year ended January 31, 2015.

The Corporation has entered into an agreement to build two homes and a duplex in Oelwein, Iowa 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 a 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, 2015, both homes and duplex are completed and both homes are 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 94 participants in the plan for the plan year ended January 31, 2015.

16. Subsequent Events

Subsequent events were evaluated through May 15, 2015, which is the date the consolidated financial statements were available to be issued.

The Corporation has entered into agreements to construct homes for the Lease to Own program in Elkader, Guttenberg, Fredericksburg, and Postville, Iowa for \$756,491.

17. Acquisition of NEICAC Senior Housing, L.P.

On December 31, 2014, the Corporation acquired 99.99% interest of NEICAC Senior Housing, a limited partnership, formed to construct and operate a housing facility in Decorah, Iowa. The Corporation paid \$50,000 for the interest in NEICAC Senior Housing. The following table summarizes amounts of the assets and liabilities assumed recognized at the acquisition date.

Recognized amounts of identifiable assets acquired and liabilities assumed

Financial assets	\$	241,365
Property and equipment		600,989
Financial liabilities		(711,015)
		131,339
	\$	131,339

The financial liabilities of \$711,015 includes the recognition of the current liabilities of NEICAC Senior Housing with total of \$1,892. The rest of financial liabilities includes renter deposits of \$4,568, accrued interest of \$47,553, tax escrow of \$203,861, deferred developer fee of \$69,362 and notes payable of \$383,779. The notes payable and accrued interest will become due March 31, 2019. See Note 9 for more detail. The renter deposits, tax escrow and deferred developer fee have no known due date however the financial assets includes funds in total of \$210,174 set aside to help cover the liabilities.

INDEPENDENT AUDITOR'S REPORT
ON THE SUPPLEMENTARY INFORMATION

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

We have audited the consolidated financial statements of Northeast Iowa Community Action Corporation and Subsidiary as of and for the year ended January 31, 2015, and have issued our report thereon dated May 15, 2015, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information as of and for the year ended January 31, 2015 shown on Schedules 1 through 23 is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated 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 consolidated 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, 2014, 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, 2014 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 23, which relates to the year ended January 31, 2014, 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 15, 2015

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NORTHEAST IOWA COMMUNITY ACTION CORPORATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
BY FUNDING SOURCE
January 31, 2015

	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	\$ 74,017	\$ 136,772	\$ 100	\$ 5,684
Receivables				
Funding source	77,488	476,310		59,145
Other			23,573	
Due from other funds	7,701	296,645	31,486	
Total assets	\$ 159,206	\$ 909,727	\$ 55,159	\$ 64,829
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable				
General	\$ 15,479	\$ 107,920	\$ 4,540	\$ 50,566
Due to other funds	75,053	552,471	50,619	1,311
Deferred revenue	68,674	249,336		12,952
	159,206	909,727	55,159	64,829
NET ASSETS				
Unrestricted				
Total liabilities and net assets	\$ 159,206	\$ 909,727	\$ 55,159	\$ 64,829

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 1

<u>Other Sources</u>	<u>Total</u>
\$ 54,783	\$ 271,356
26,118	639,061
35,281	23,573
<u>35,281</u>	<u>371,113</u>
<u>\$ 116,182</u>	<u>\$ 1,305,103</u>

\$ 2,152	\$ 180,657
31,397	710,851
<u>68,292</u>	<u>399,254</u>
<u>101,841</u>	<u>1,290,762</u>

<u>14,341</u>	<u>14,341</u>
<u>\$ 116,182</u>	<u>\$ 1,305,103</u>

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NORTHEAST IOWA COMMUNITY ACTION CORPORATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
LOCAL FUNDS
January 31, 2015

	Transit 2015	Local Weatherization 2015	Head Start Local	Calmar Apartments	Weatherization Utilities
ASSETS					
CURRENT ASSETS					
Cash	\$ 550,605	\$ 21,281	\$ 302,884	\$ 31,240	
Receivables					
Funding source	221,826				
Other	320,715		4,715	1,043	\$ 35,321
Due from other funds	250				
Inventory					
	<u>1,093,396</u>	<u>21,281</u>	<u>307,599</u>	<u>32,283</u>	<u>35,321</u>
PROPERTY AND EQUIPMENT, NET	<u>105,553</u>	<u>None</u>	<u>30,981</u>	<u>600,723</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>\$ 1,198,949</u>	<u>\$ 21,281</u>	<u>\$ 338,580</u>	<u>\$ 633,006</u>	<u>\$ 35,321</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable					
General	\$ 45,080		\$ 3,197	\$ 30,908	
Due to other funds	239,819	\$ 1,067	537	6,162	\$ 35,321
Compensated absences				9,192	
Current portion of long-term debt					
Deferred revenue	6,832				
Total current liabilities	<u>291,731</u>	<u>1,067</u>	<u>3,734</u>	<u>46,262</u>	<u>35,321</u>
LONG-TERM DEBT					
Notes payable, less current portion	<u>None</u>	<u>None</u>	<u>None</u>	<u>138,917</u>	<u>None</u>
NET ASSETS					
Unrestricted					
Designated for fixed assets	105,553		30,981	447,827	
Undesignated	801,665	20,214	303,865		
Total net assets	<u>907,218</u>	<u>20,214</u>	<u>334,846</u>	<u>447,827</u>	<u>None</u>
Total liabilities and net assets	<u>\$ 1,198,949</u>	<u>\$ 21,281</u>	<u>\$ 338,580</u>	<u>\$ 633,006</u>	<u>\$ 35,321</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>Homebuyer Assistance Program</u>	<u>Ridgewood Duplex</u>	<u>Waukon USDA</u>
\$ 1,285,072			\$ 21,048		\$ 2,500	\$ 27,510
545	\$ 788		24	\$ 12,094		
960,013	86		733,784			
2,245,630	874	\$ None	754,856	12,094	2,500	27,510
24,510	None	None	None	None	103,180	293,980
150,398						
150,398	None	None	None	None	None	None
<u>\$ 2,420,538</u>	<u>\$ 874</u>	<u>\$ None</u>	<u>\$ 754,856</u>	<u>\$ 12,094</u>	<u>\$ 105,680</u>	<u>\$ 321,490</u>
\$ 246,036			\$ 2,265	\$ 12,094	\$ 1,178	
156,634	\$ 874		275,161			
171,202					7,624	\$ 6,469
81,398						
655,270	874	\$ None	277,426	12,094	8,802	6,469
None	None	None	450,000	None	60,805	267,826
24,510			27,430		36,073	19,685
1,740,758						27,510
1,765,268	None	None	27,430	None	36,073	47,195
<u>\$ 2,420,538</u>	<u>\$ 874</u>	<u>\$ None</u>	<u>\$ 754,856</u>	<u>\$ 12,094</u>	<u>\$ 105,680</u>	<u>\$ 321,490</u>

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
LOCAL FUNDS
January 31, 2015

	Fayette General Relief	Health Planning	Long-term Recovery
ASSETS			
CURRENT ASSETS			
Cash		\$ 9,391	\$ 6,212
Receivables			
Funding source	\$ 403		
Other		120	
Due from other funds	10		
Inventory			
	413	9,511	6,212
PROPERTY AND EQUIPMENT, NET	None	None	None
OTHER ASSETS			
Due from affiliate			
Investment in affiliates			
	None	None	None
Total assets	\$ 413	\$ 9,511	\$ 6,212
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable			
General	\$ 200		
Due to other funds	213		
Compensated absences			
Current portion of long-term debt			
Deferred revenue			
Total current liabilities	413	\$ None	\$ None
LONG-TERM DEBT			
Notes payable, less current portion	None	None	None
NET ASSETS			
Unrestricted			
Designated for fixed assets			
Undesignated		9,511	6,212
Total net assets	None	9,511	6,212
Total liabilities and net assets	\$ 413	\$ 9,511	\$ 6,212

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 2
(Continued)

<u>Housing Local</u>	<u>Crisis</u>	<u>Wheels to Work</u>	<u>Howard General Relief</u>	<u>Washington Court</u>	<u>Total</u>
\$ 268,385	\$ 144,966	\$ 30,767		\$ 240,520	\$ 2,942,381
		18,788	\$ 863	130	271,449
96,840			48		345,926
297,896					1,057,247
					1,031,680
<u>663,121</u>	<u>144,966</u>	<u>49,555</u>	<u>911</u>	<u>240,650</u>	<u>5,648,683</u>
<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>600,989</u>	<u>1,759,916</u>
					150,398
<u>388,374</u>					<u>388,374</u>
<u>388,374</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>538,772</u>
<u>\$ 1,051,495</u>	<u>\$ 144,966</u>	<u>\$ 49,555</u>	<u>\$ 911</u>	<u>\$ 841,639</u>	<u>\$ 7,947,371</u>
\$ 299,368	\$ 5,127		\$ 300	\$ 326,446	\$ 972,199
367	448		611	295	717,509
					171,202
					23,285
					88,230
<u>299,735</u>	<u>5,575</u>	<u>\$ None</u>	<u>911</u>	<u>326,741</u>	<u>1,972,425</u>
<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>383,779</u>	<u>1,301,327</u>
					692,059
<u>751,760</u>	<u>139,391</u>	<u>49,555</u>		<u>131,119</u>	<u>3,981,560</u>
<u>751,760</u>	<u>139,391</u>	<u>49,555</u>	<u>None</u>	<u>131,119</u>	<u>4,673,619</u>
<u>\$ 1,051,495</u>	<u>\$ 144,966</u>	<u>\$ 49,555</u>	<u>\$ 911</u>	<u>\$ 841,639</u>	<u>\$ 7,947,371</u>

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NORTHEAST IOWA COMMUNITY ACTION CORPORATION
CONSOLIDATING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BY FUNDING SOURCE
Year Ended January 31, 2015

	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	\$ 3,051,002	\$ 3,223,854	\$ 188,272	\$ 721,927
State grants		128,124		
Local		7,825	86,479	200
In-kind	633,483			
Total revenues	3,684,485	3,359,803	274,751	722,127
EXPENDITURES				
Direct				
Employee salaries	1,725,508	711,618	172,861	59,775
Employee fringe benefits	589,662	250,762	53,066	17,747
Contractual	6,158	110,601	17,531	3,513
Travel	10,365	35,216	3,200	3,393
Space costs	10,444	15,054	12,548	3,365
Consumable supplies	55,085	37,945	63,487	1,725
Equipment	40,882			
Direct assistance		1,793,500		
Augmentation		(227,492)		
Food	52,310			600,414
Other	259,615	433,107	34,018	13,089
In-kind	633,483			
Total direct	3,383,512	3,160,311	356,711	703,021
Indirect	300,973	144,348	29,373	10,081
Total expenditures	3,684,485	3,304,659	386,084	713,102
Excess revenues over (under) expenditures	None	55,144	(111,333)	9,025
FUND BALANCE, beginning of year	None	None	None	None
Less: funds returned or to be returned to funding source	None	(65,144)	None	(9,025)
TRANSFERS, NET	None	10,000	111,333	None
FUND BALANCE, end of year	\$ None	\$ None	\$ None	\$ None

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 3

Other Sources	Total
	\$ 7,185,055
\$ 396,130	524,254
21,710	116,214
8,933	642,416
426,773	8,467,939
197,952	2,867,714
64,025	975,262
21,101	158,904
7,046	59,220
2,805	44,216
8,674	166,916
	40,882
187,099	1,980,599
25,900	(201,592)
	652,724
	739,829
8,933	642,416
523,535	8,127,090
32,725	517,500
556,260	8,644,590
(129,487)	(176,651)
143,828	143,828
None	(74,169)
None	121,333
\$ 14,341	\$ 14,341

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NORTHEAST IOWA COMMUNITY ACTION CORPORATION
CONSOLIDATING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
LOCAL FUNDS
Year Ended January 31, 2015

	Transit		Local Weatherization		Head Start
	2014	2015	2014	2015	Local
REVENUES					
Federal grants	\$ 117,342	\$ 723,993			
State grants	138,274	259,618			
Local revenue	726,725	976,624		\$ 571	\$ 116,263
Equity in limited partnerships' earnings					
Interest	781	939	\$ 36	44	68
Total revenues	983,122	1,961,174	36	615	116,331
EXPENDITURES					
Direct					
Employee salaries	479,377	724,377			13,904
Employee fringe benefits	142,772	208,777			5,775
Contractual	15,280	21,194			
Travel	7,733	6,336			
Space costs	12,137	16,779			
Consumable supplies	8,870	13,837			
Equipment		295,322			
Direct assistance					
Depreciation	14,291	10,349			2,922
Augmentation					
Other	339,647	423,267	50	20	28,682
Total direct	1,020,107	1,720,238	50	20	51,283
Indirect	80,879	121,310	1,176	2,900	2,558
Total expenditures	1,100,986	1,841,548	1,226	2,920	53,841
Excess revenues over (under) expenditures	(117,864)	119,626	(1,190)	(2,305)	62,490
FUND BALANCE, beginning of year	905,456	None	33,709	None	272,356
TRANSFERS, NET	None	None	(10,000)	None	None
REPROGRAMMED FUNDS	(787,592)	787,592	(22,519)	22,519	None
FUND BALANCE, end of year	<u>\$ None</u>	<u>\$ 907,218</u>	<u>\$ None</u>	<u>\$ 20,214</u>	<u>\$ 334,846</u>

See Independent Auditor's Report on the Supplementary Information.

Calmar Apartments		Weatherization Utilities		Contributions	General Relief	
2014	2015	2014	2015		2014	2015
\$ 32,462	\$ 38,866	\$ 230,478	\$ 32,299	\$ 884,873	\$ 3,178	\$ 6,827
39	22			12,738		
32,501	38,888	230,478	32,299	897,611	3,178	6,827
3,991	3,127			393,847	1,592	1,900
1,675	1,227			125,937	712	807
1,160	795			117,141		
				50,696		
33,262	9,456			20,508	693	1,092
				21,938		
16,182	11,558			6,115		
1,206	2,298	219,573	30,987	97,362		2,676
57,476	28,461	219,573	30,987	833,544	2,997	6,475
740	566	10,905	1,312	4,173	181	352
58,216	29,027	230,478	32,299	837,717	3,178	6,827
(25,715)	9,861	None	None	59,894	None	None
463,681	None	None	None	1,816,707	None	None
None	None	None	None	(111,333)	None	None
(437,966)	437,966	None	None	None	None	None
\$ None	\$ 447,827	\$ None	\$ None	\$ 1,765,268	\$ None	\$ None

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
CONSOLIDATING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
LOCAL FUNDS
Year Ended January 31, 2015

	Community Housing Development Organization	Rent to Own		Homebuyer Assistance Program
		2014	2015	
REVENUES				
Federal grants	\$ 50,000			\$ 23,018
State grants		\$ 20,000		
Local revenue		11,749	\$ 18,463	
Equity in limited partnerships' earnings				
Interest		3	19	
Total revenues	50,000	31,752	18,482	23,018
EXPENDITURES				
Direct				
Employee salaries	32,997	856	5,351	
Employee fringe benefits	11,251	389	2,143	
Contractual				
Travel				
Space costs				
Consumable supplies				
Equipment				
Direct assistance				23,018
Depreciation				
Augmentation				
Other		2,104	303,940	
Total direct	44,248	3,349	311,434	23,018
Indirect	5,752	157	974	
Total expenditures	50,000	3,506	312,408	23,018
Excess revenues over (under) expenditures	None	28,246	(293,926)	None
FUND BALANCE, beginning of year	None	397,040	None	None
TRANSFERS, NET	None	None	(103,930)	None
REPROGRAMMED FUNDS	None	(425,286)	425,286	None
FUND BALANCE, end of year	\$ None	\$ None	\$ 27,430	\$ None

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 4
(Continued)

Ridgewood Duplex		Waukon USDA	Fayette General Relief		Health Planning	
2014	2015		2014	2015	2014	2015
\$ 12,798	\$ 4,594	\$ 19,380	\$ 8,262	\$ 10,276	\$ 5,759	\$ 602
4	2	83				
12,802	4,596	19,463	8,262	10,276	5,759	602
			295	545		
			71	127		
4,375	1,967				2,988	
				2	244	
1,638	1,638	11,380				
		13,186	7,863	9,515	2,041	1,893
6,013	3,605	24,566	8,229	10,189	5,273	1,893
			33	87		
6,013	3,605	24,566	8,262	10,276	5,273	1,893
6,789	991	(5,103)	None	None	486	(1,291)
28,293	None	52,298	None	None	10,316	None
None	None	None	None	None	None	None
(35,082)	35,082	None	None	None	(10,802)	10,802
\$ None	\$ 36,073	\$ 47,195	\$ None	\$ None	\$ None	\$ 9,511

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
CONSOLIDATING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
LOCAL FUNDS
Year Ended January 31, 2015

	Long-term Recovery		Housing	Crisis
	2014	2015	Local	
REVENUES				
Federal grants				
State grants				
Local revenue			\$ 11,642	\$ 160,799
Equity in limited partnerships' earnings			(5)	
Interest			750	
Total revenues	\$ None	\$ None	12,387	160,799
EXPENDITURES				
Direct				
Employee salaries			10,417	
Employee fringe benefits			3,911	
Contractual			20,448	
Travel			5,043	
Space costs				
Consumable supplies				
Equipment				
Direct assistance				
Depreciation				
Augmentation				
Other			54,146	168,848
Total direct	None	None	93,965	168,848
Indirect				
Total expenditures	None	None	1,863	2,341
Total expenditures	None	None	95,828	171,189
Excess revenues over (under) expenditures	None	None	(83,441)	(10,390)
FUND BALANCE, beginning of year	6,212	None	731,289	149,781
TRANSFERS, NET	None	None	103,912	None
REPROGRAMMED FUNDS	(6,212)	6,212	None	None
FUND BALANCE, end of year	\$ None	\$ 6,212	\$ 751,760	\$ 139,391

See Independent Auditor's Report on the Supplementary Information.

SCHEDULE 4
(Continued)

Wheels to Work		Howard General Relief		Washington Court	Total
2014	2015	2014	2015		
\$ 12,436	\$ 2,743				\$ 929,532
5,464	1,152	\$ 6,319	\$ 9,673	\$ 4,960	417,892
				59	3,341,058
					(5)
					15,587
<u>17,900</u>	<u>3,895</u>	<u>6,319</u>	<u>9,673</u>	<u>5,019</u>	<u>4,704,064</u>
		891	1,638	1,659	1,676,764
		382	676	606	507,238
					176,018
254		28			73,078
			18	2,697	100,269
					47,606
					295,322
					23,018
					76,073
					250,560
(6,574)	9	4,917	7,040		1,464,136
(6,320)	9	6,218	9,372	4,962	4,690,082
		101	301	295	238,956
(6,320)	9	6,319	9,673	5,257	4,929,038
24,220	3,886	None	None	(238)	(224,974)
21,449	None	None	None	131,339	5,019,926
None	None	None	None	18	(121,333)
(45,669)	45,669	None	None	None	None
<u>\$ None</u>	<u>\$ 49,555</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ 131,119</u>	<u>\$ 4,673,619</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, 2015

	Head Start #07CH6090/48		Combined Wrap-Around	
	Direct	T & TA	2014	2015
REVENUES				
Federal grants	\$ 1,791,485	\$ 26,669	\$ 301,129	\$ 148,826
In-kind	453,177			
Total revenues	2,244,662	26,669	301,129	148,826
EXPENDITURES				
Direct				
Employee salaries	965,602	12,391	199,939	106,039
Employee fringe benefits	358,522	4,839	56,481	25,665
Contractual	6,158			
Travel	2,999	3,747		
Space costs			10,444	
Consumable supplies	48,900		930	
Equipment				
Food	40,773			
Other	196,395	3,452		
In-kind	453,177			
Total direct	2,072,526	24,429	267,794	131,704
Indirect	172,136	2,240	33,335	17,122
Total expenditures	2,244,662	26,669	301,129	148,826
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 #07CH6090/48		
Direct	T & TA	Total
\$ 764,037	\$ 18,856	\$ 3,051,002
180,306		633,483
944,343	18,856	3,684,485
433,294	8,243	1,725,508
141,009	3,146	589,662
		6,158
46	3,573	10,365
		10,444
5,255		55,085
40,882		40,882
11,537		52,310
57,355	2,413	259,615
180,306		633,483
869,684	17,375	3,383,512
74,659	1,481	300,973
944,343	18,856	3,684,485
None	None	None
None	None	None
None	None	None
\$ None	\$ None	\$ None

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NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 STATE DEPARTMENT OF HUMAN RIGHTS
 Year Ended January 31, 2015

	Low-income Home Energy Assistance		
	DOE 14-09	LIHEAP-14-09	LIHEAP-15-09
REVENUES			
Federal grants	\$ 125,348	\$ 900,822	\$ 1,115,444
State grants			
Local revenue			
Total revenues	<u>125,348</u>	<u>900,822</u>	<u>1,115,444</u>
EXPENDITURES			
Direct			
Employee salaries		65,283	78,956
Employee fringe benefits		22,796	25,640
Contractual			
Travel		905	591
Space costs		2,245	1,206
Consumable supplies		1,163	2,244
Direct assistance		793,701	989,774
Augmentation	118,235		
Other		4,570	3,566
Total direct	<u>118,235</u>	<u>890,663</u>	<u>1,101,977</u>
Indirect	<u>7,113</u>	<u>10,159</u>	<u>13,467</u>
Total expenditures	<u>125,348</u>	<u>900,822</u>	<u>1,115,444</u>
Excess revenues over (under) expenditures	None	None	None
FUND BALANCE, beginning of year	None	None	None
Less: funds returned or to be returned to funding source	None	None	None
TRANSFERS, NET	<u>None</u>	<u>None</u>	<u>None</u>
FUND BALANCE, end of year	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
STATE DEPARTMENT OF HUMAN RIGHTS
Year Ended January 31, 2015

	WAP Main		Total
	2014	2015	
REVENUES			
Federal grants			\$ 3,223,854
State grants			128,124
Local revenue			7,825
Total revenues	\$ None	\$ None	3,359,803
EXPENDITURES			
Direct			
Employee salaries	36,570	234,273	711,618
Employee fringe benefits	16,780	95,577	250,762
Contractual	10,755	99,846	110,601
Travel	370	2,376	35,216
Space costs	430	2,335	15,054
Consumable supplies	560	5,113	37,945
Direct assistance			1,793,500
Augmentation	(129,514)	(809,566)	(227,492)
Other	53,721	343,063	433,107
Total direct	(10,328)	(26,983)	3,160,311
Indirect	10,328	26,983	144,348
Total expenditures	None	None	3,304,659
Excess revenues over (under) expenditures	None	None	55,144
FUND BALANCE, beginning of year	None	None	None
Less: funds returned or to be returned to funding source	None	None	(65,144)
TRANSFERS, NET	None	None	10,000
FUND BALANCE, end of year	\$ None	\$ None	\$ None

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 STATE DEPARTMENT OF PUBLIC HEALTH
 Year Ended January 31, 2015

	Family Planning Project		Maternal and Child Health	Total
	#5884MH20	#5885MH20	2014	
REVENUES				
Federal grants	\$ 135,823	\$ 50,670	\$ 1,779	\$ 188,272
Local	40,522	45,957		86,479
Total revenues	176,345	96,627	1,779	274,751
EXPENDITURES				
Direct				
Employee salaries	115,014	57,585	262	172,861
Employee fringe benefits	35,302	17,714	50	53,066
Contractual	13,050	4,481		17,531
Travel	2,038	1,162		3,200
Space costs	7,422	5,126		12,548
Consumable supplies	42,887	19,175	1,425	63,487
Other	20,937	13,081		34,018
Total direct	236,650	118,324	1,737	356,711
Indirect	19,542	9,789	42	29,373
Total expenditures	256,192	128,113	1,779	386,084
Excess revenues (under) over expenditures	(79,847)	(31,486)	None	(111,333)
FUND BALANCE, beginning of year	None	None	None	None
REPROGRAMMED FUNDS	None	None	None	None
TRANSFERS, NET	79,847	31,486	None	111,333
FUND BALANCE, end of year	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 U.S. DEPARTMENT OF AGRICULTURE
 Year Ended January 31, 2015

	USDA		Family Day Care		Total
	#96-8010	#96-8010	#96-8013	#96-8013	
REVENUES					
Federal grants	\$ 125,723	\$ 83,952	\$ 364,430	\$ 147,822	\$ 721,927
State			200		200
Total revenues	125,723	83,952	364,630	147,822	722,127
EXPENDITURES					
Direct					
Employee salaries	12,960	6,649	26,773	13,393	59,775
Employee fringe benefits	3,574	1,803	8,304	4,066	17,747
Contractual			2,424	1,089	3,513
Travel			2,657	736	3,393
Space costs			2,189	1,176	3,365
Consumable supplies			1,399	326	1,725
Food	100,972	70,316	297,441	131,685	600,414
Other	6,065	4,085	1,762	1,177	13,089
Total direct	123,571	82,853	342,949	153,648	703,021
Indirect	2,152	1,099	4,560	2,270	10,081
Total expenditures	125,723	83,952	347,509	155,918	713,102
Excess revenues over (under) expenditures	None	None	17,121	(8,096)	9,025
FUND BALANCE, beginning of year	None	None	None	None	None
REPROGRAMMED FUNDS	None	None	(17,121)	17,121	None
Less: funds returned or to be returned to funding source	None	None	None	(9,025)	(9,025)
FUND BALANCE, end of year	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>

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NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 OTHER SOURCES
 Year Ended January 31, 2015

	Child Development				ICAA Tenant Based Rental Assistance	
	Combined		Oelwein		2014	2015
	2014	2015	2014	2015		
REVENUES						
State grants	\$ 92,547	\$ 96,221	\$ 16,926	\$ 38,025	\$ 50,973	\$ 3,797
Local revenue						
In-kind						
Total revenues	<u>92,547</u>	<u>96,221</u>	<u>16,926</u>	<u>38,025</u>	<u>50,973</u>	<u>3,797</u>
EXPENDITURES						
Direct						
Employee salaries	57,736	60,844	10,600	21,517	1,841	1,146
Employee fringe benefits	19,103	16,852	3,026	9,479	196	299
Contractual					833	203
Travel						1,934
Space costs						
Consumable supplies						
Direct assistance					47,762	
Other	6,564	8,424	1,679	3,000	96	27
In-kind						
Total direct	<u>83,403</u>	<u>86,120</u>	<u>15,305</u>	<u>33,996</u>	<u>50,728</u>	<u>3,609</u>
Indirect	<u>9,144</u>	<u>10,101</u>	<u>1,621</u>	<u>4,029</u>	<u>245</u>	<u>188</u>
Total expenditures	<u>92,547</u>	<u>96,221</u>	<u>16,926</u>	<u>38,025</u>	<u>50,973</u>	<u>3,797</u>
Excess of revenues over (under) expenditures	None	None	None	None	None	None
FUND BALANCE, beginning of year	None	None	None	None	None	None
REPROGRAMMED FUNDS	None	None	None	None	None	None
TRANSFERS, NET	None	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>	<u>\$ None</u>

See Independent Auditor's Report on the Supplementary Information.

Utilities		Community Adolescent Pregnancy Prevention		ICAA Disaster	ICAA Affordable Care Act	Total
2014	2015	2014	2015	2015	2014	
\$ 10,913	\$ 5,758	\$ 44,766	\$ 47,425	\$ 5,450	\$ 5,039	\$ 396,130
		8,729	204			21,710
10,913	5,758	53,495	47,629	5,450	5,039	426,773
4,470		15,161	22,751	332	1,554	197,952
1,626		5,340	7,687	70	347	64,025
		10,421	9,644			21,101
		2,621	2,233		258	7,046
		581	681		1,543	2,805
		8,202	472			8,674
126,011	13,326					187,099
				5,000	1,110	25,900
		8,729	204			8,933
132,107	13,326	51,055	43,672	5,402	4,812	523,535
725		2,440	3,957	48	227	32,725
132,832	13,326	53,495	47,629	5,450	5,039	556,260
(121,919)	(7,568)	None	None	None	None	(129,487)
143,828	None	None	None	None	None	143,828
(21,909)	21,909	None	None	None	None	None
None	None	None	None	None	None	None
<u>\$ None</u>	<u>\$ 14,341</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ 14,341</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 #07CH6090/48
January 31, 2015

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 1,818,154	\$ 1,818,154	\$ None
Local	453,177	453,177	None
Total revenues	<u>\$ 2,271,331</u>	<u>2,271,331</u>	<u>None</u>
EXPENDITURES			
Personnel	\$ 981,834	977,993	(3,841)
Fringe benefits	386,049	363,361	(22,688)
Travel	7,500	6,746	(754)
Supplies	39,205	48,900	9,695
Contractual	10,000	6,158	(3,842)
Other costs	230,790	240,620	9,830
Total direct	1,655,378	1,643,778	(11,600)
Indirect	162,776	174,376	11,600
Total federal cost	<u>1,818,154</u>	<u>1,818,154</u>	<u>None</u>
GRANTEE CONTRIBUTION	453,177	453,177	None
Total expenditures	<u>\$ 2,271,331</u>	<u>2,271,331</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 #07CH6090/48
January 31, 2015

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 782,893	\$ 782,893	\$ None
In-kind	195,723	180,306	(15,417)
Total revenues	<u>\$ 978,616</u>	<u>963,199</u>	<u>(15,417)</u>
EXPENDITURES			
Personnel	\$ 429,009	441,537	12,528
Fringe benefits	145,833	144,155	(1,678)
Travel	6,887	3,619	(3,268)
Supplies	5,661	5,255	(406)
Contractual	160		(160)
Other costs	119,645	112,187	(7,458)
Total direct	707,195	706,753	(442)
Indirect	75,698	76,140	442
Total federal cost	<u>782,893</u>	<u>782,893</u>	<u>None</u>
GRANTEE CONTRIBUTION	<u>195,723</u>	<u>180,306</u>	<u>(15,417)</u>
Total expenditures	<u>\$ 978,616</u>	<u>963,199</u>	<u>(15,417)</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 2014 WRAP AROUND
 January 31, 2015

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 507,000	\$ 438,000	\$ (69,000)
EXPENDITURES			
Personnel costs	\$ 323,472	298,299	(25,173)
Fringe benefits	116,456	80,437	(36,019)
Rent	12,000	10,444	(1,556)
Consumable	8,000	930	(7,070)
Indirect	47,072	47,890	818
Total expenditures	\$ 507,000	438,000	(69,000)
Excess revenues over (under) expenditures		None	\$ <u>None</u>
FUND BALANCE, beginning of contract		None	
REPROGRAMMED FUNDS		None	
FUND BALANCE, end of contract		\$ <u>None</u>	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS
FEDERAL - STATE DEPARTMENT OF HUMAN RIGHTS
FY 2014 WEATHERIZATION ASSISTANCE
PROGRAM (NO. HEAP 14-09)
January 31, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 562,822	\$ 562,822	\$ None
EXPENDITURES			
Administration	\$ 26,847	24,397	(2,450)
Health and safety	99,455	114,217	14,762
Support	128,745	169,605	40,860
Labor	133,658	86,884	(46,774)
Materials	133,658	96,247	(37,411)
Liability insurance	11,339	11,339	None
Other	29,120	(5,011)	(34,131)
Total expenditures	<u>\$ 562,822</u>	<u>497,678</u>	<u>(65,144)</u>
Excess revenues over (under) expenditures		65,144	65,144
Less: funds returned or to be returned to funding source		(65,144)	(65,144)
FUND BALANCE, beginning of contract		<u>None</u>	<u>None</u>
FUND BALANCE, end of contract		<u>\$ None</u>	<u>\$ None</u>

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS
 FEDERAL - STATE DEPARTMENT OF HUMAN RIGHTS
 FY 2014 COMMUNITY SERVICES BLOCK GRANT
 PROGRAM (NO. CSBG-14-09)
 January 31, 2015

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 259,779	\$ 259,779	\$ None
EXPENDITURES (By contract line item)			
Salaries	\$ 138,130	138,906	776
Fringe benefits	39,607	39,067	(540)
Space costs	6,882	6,463	(419)
Travel	6,000	5,047	(953)
Other costs	46,054	47,651	1,597
Indirect	23,106	22,645	(461)
Total expenditures	\$ 259,779	259,779	None
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
NET TRANSFERS		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
 FaDSS-14-09
 January 31, 2015

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 153,068	\$ 153,068	\$ None
State	135,740	135,740	None
Total revenues	<u>\$ 288,808</u>	<u>288,808</u>	<u>None</u>
EXPENDITURES			
Personnel	\$ 215,235	220,446	5,211
Travel	29,145	25,235	(3,910)
Space/utilities	9,712	8,181	(1,531)
Other costs	9,533	8,713	(820)
Indirect	25,183	26,233	1,050
Total expenditures	<u>\$ 288,808</u>	<u>288,808</u>	<u>None</u>
Excess revenues over (under) expenditures		None	<u>\$ None</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
 2014 LOW-INCOME HOME ENERGY ASSISTANCE
 PROGRAM (NO. LIHEAP-14-09)

January 31, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 2,493,318	\$ 2,126,608	\$ (366,710)
Local	None	None	None
Total revenues	<u>\$ 2,493,318</u>	<u>2,126,608</u>	<u>(366,710)</u>
EXPENDITURES			
Section I			
A. Regular assistance	\$ 1,710,271	1,351,500	(358,771)
B. Emergency delivery	155,340	147,401	(7,939)
C. Client services	26,386	26,386	None
D. Data expansion	2,713	2,713	None
E. Summer deliverable fuel	406,712	406,712	None
Section II			
Administration	191,896	191,896	None
Total expenditures	<u>\$ 2,493,318</u>	<u>2,126,608</u>	<u>(366,710)</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 2014 WEATHERIZATION ASSISTANCE
 PROGRAM (NO. DOE 13-09)
 January 31, 2015

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 136,538	\$ 136,538	\$ None
EXPENDITURES (By contract line item)			
Administration	\$ 14,859	14,859	None
Health and safety	24,336	34,015	9,679
Support	31,515	45,881	14,366
Labor	32,914	22,339	(10,575)
Materials	32,914	19,444	(13,470)
Total expenditures	\$ 136,538	136,538	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 2014 FAMILY PLANNING PROGRAM (NO. 5884MH20)

January 31, 2015

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 285,581	\$ 207,560	\$ (78,021)
Local	96,231	194,596	98,365
Total revenues	381,812	402,156	20,344
EXPENDITURES (By cost category)			
Employee salaries	173,901	178,850	4,949
Employee fringe benefits	64,093	53,739	(10,354)
Contractual	10,000	15,469	5,469
Supplies	85,004	109,170	24,166
Space costs	13,925	12,207	(1,718)
Travel	5,850	3,389	(2,461)
Indirect	29,039	29,332	293
Total expenditures	381,812	402,156	20,344
Excess revenues over (under) expenditures	None	None	None
FUND BALANCE, beginning of contract	None	None	None
NET TRANSFERS	None	None	None
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 2014 TITLE V MATERNAL AND CHILD HEALTH BLOCK GRANT
 January 31, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 6,500	\$ 2,426	\$ (4,074)
EXPENDITURES (By contract line item)			
Salaries	\$ 775	737	(38)
Fringe benefits	248	154	(94)
Travel	700		(700)
Consumable supplies	4,290	1,425	(2,865)
Indirect	487	110	(377)
Total expenditures	<u>\$ 6,500</u>	<u>2,426</u>	<u>(4,074)</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 2014
 January 31, 2015

OELWEIN	Budget	Actual	Over (Under) Budget
REVENUES			
State	\$ 50,000	\$ 50,000	\$ None
EXPENDITURES			
Salaries	\$ 29,000	28,987	(13)
Employee benefits	10,839	11,068	229
Administration costs	4,661	4,766	105
Other costs	5,500	5,179	(321)
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 2014
January 31, 2015

DECORAH #NE-14-3489-088	Budget	Actual	Over (Under) Budget
REVENUES			
State	\$ 69,249	\$ 69,249	\$ None
EXPENDITURES			
Salaries	\$ 43,005	42,953	(52)
Employee benefits	15,052	15,047	(5)
Other costs	4,400	4,347	(53)
Indirect	6,792	6,902	110
Total expenditures	\$ 69,249	69,249	None
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
FUND BALANCE, end of contract		\$ None	
OELWEIN #NE-14-0496-087			
REVENUES			
State	\$ 71,702	\$ 71,702	\$ None
EXPENDITURES			
Salaries	\$ 43,570	45,372	1,802
Employee benefits	15,250	13,603	(1,647)
Other costs	6,000	5,709	(291)
Indirect	6,882	7,018	136
Total expenditures	\$ 71,702	71,702	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 2014
January 31, 2015

POSTVILLE #NE-14-3490-089	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
State	\$ 73,100	\$ 73,100	\$ None
EXPENDITURES			
Salaries	\$ 44,100	44,438	338
Employee benefits	15,434	14,938	(496)
Other costs	6,600	6,658	58
Indirect	6,966	7,066	100
Total expenditures	<u>\$ 73,100</u>	<u>73,100</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 2014 COMMUNITY ADOLESCENT PREGNANCY PREVENTION
 January 31, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
State	\$ 100,482	\$ 100,482	\$ None
Local	12,213	9,015	(3,198)
Total revenues	<u>\$ 112,695</u>	<u>109,497</u>	<u>(3,198)</u>
EXPENDITURES (By cost category)			
Employee salaries	\$ 37,332	38,283	951
Employee fringe benefits	12,984	13,076	92
Contractual	28,298	28,230	(68)
Supplies	8,779	8,601	(178)
Space costs	941	941	None
Travel	5,239	5,239	None
Indirect	19,122	15,127	(3,995)
Total expenditures	<u>\$ 112,695</u>	<u>109,497</u>	<u>(3,198)</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		None	
NET TRANSFERS		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS
 OTHER SOURCES - VARIOUS (INCLUDING FEDERAL HIGHWAY
 ADMINISTRATION AND IOWA DEPARTMENT OF TRANSPORTATION)
 FY 2014 TRANSIT PROGRAM
 January 31, 2015

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 682,953	\$ 599,257	\$ (83,696)
State	337,926	369,833	31,907
Local	2,657,447	1,633,333	(1,024,114)
Total revenues	<u>\$ 3,678,326</u>	<u>2,602,423</u>	<u>(1,075,903)</u>
EXPENDITURES			
Direct			
Employee salaries	\$ 1,212,928	1,159,365	(53,563)
Employee fringe benefits	400,587	338,620	(61,967)
Contractual	39,000	35,784	(3,216)
Travel	41,739	14,712	(27,027)
Space costs and rentals	29,094	28,113	(981)
Consumable supplies	31,314	27,712	(3,602)
Equipment	1,007,060	24	(1,007,036)
Other charges	721,011	716,589	(4,422)
Total direct	3,482,733	2,320,919	(1,161,814)
Indirect	195,593	185,104	(10,489)
Total expenditures	<u>\$ 3,678,326</u>	<u>2,506,023</u>	<u>(1,172,303)</u>
Excess revenues over (under) expenditures		96,400	<u>\$ 96,400</u>
FUND BALANCE, beginning of contract		691,192	
REPROGRAMMED FUNDS		(787,592)	
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 2014 WEATHERIZATION ASSISTANCE PROGRAM
 UTILITY CONTRACT
 January 31, 2015

	Budget	Actual	Over (Under) Budget
CONTRACT #MEC-14-09I			
REVENUES			
Local	\$ 20,097	\$ 20,097	\$ None
EXPENDITURES			
Administration-indirect	\$ 1,005	1,005	None
Support	2,010	1,730	(280)
Labor	8,541	5,909	(2,632)
Material	8,541	11,453	2,912
Total expenditures	\$ 20,097	20,097	None
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
FUND BALANCE, end of contract		\$ None	
CONTRACT #IPL-14-09I			
REVENUES			
Local	\$ 170,807	\$ 145,527	\$ (25,280)
EXPENDITURES			
Administration-indirect	\$ 8,540	6,219	(2,321)
Support	17,081	12,763	(4,318)
Labor	72,593	50,904	(21,689)
Material	72,593	75,641	3,048
Total expenditures	\$ 170,807	145,527	(25,280)
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 2014 WEATHERIZATION ASSISTANCE PROGRAM
UTILITY CONTRACT
January 31, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
CONTRACT #BHE-14-09I			
REVENUES			
Local	\$ 83,556	\$ 83,556	\$ None
EXPENDITURES			
Administration-indirect	\$ 4,178	4,178	None
Support	8,356	7,171	(1,185)
Labor	35,511	27,498	(8,013)
Material	35,511	44,709	9,198
Total expenditures	<u>\$ 83,556</u>	<u>83,556</u>	<u>None</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended January 31, 2015

Part I: Summary of the Independent Auditor's Results

- (a) Unmodified opinions were issued on the financial statements.
- (b) No significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) No significant deficiencies in internal control over the major programs were disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no audit findings which are required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
 - CFDA Number 93.600 Head Start
 - CFDA Number 93.569 Community Services Block Grant
 - CFDA Number 93.570 Community Services Block Grant-Discretionary Awards
 - CFDA Number 10.558 Child and Adult Care Food Program
 - CFDA Number 14.239 Home Investment Partnerships Program (HOME)
- (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 15, 2015

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

N/A

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended January 31, 2015

Grantor/Program	CFDA Number	Grant Number	Period of Grant	Program Expenditures
U.S. Department of Health and Human Services				
Direct				
Head Start	93.600	07CH6090/48	02/01/14-01/31/15	\$ 1,818,154
Head Start Discretionary		07CH6090/48	02/01/14-01/31/15	782,893
Passed through Iowa Department of Human Rights				
Head Start	93.600	N/A	09/01/13-08/31/14	301,129
			09/01/14-08/31/15	148,826
				<u>3,051,002</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 14-09	10/01/13-09/30/14	900,822
		LIHEAP 15-09	10/01/14-09/30/15	1,115,444
		HEAP 14-09	01/01/14-12/31/14	437,942
		HEAP 15-09	01/01/15-12/31/15	247,651
				<u>2,701,859</u>
Passed through Iowa Department of Human Rights				
Community Services Block Grant	93.569	CSBG-14-09	10/01/13-12/31/14	198,120
		CSBG-15-09	10/01/14-12/31/15	54,046
				<u>252,166</u>
Community Services Block Grant Discretionary Awards				
	93.570	FaDSS 14-09	07/01/13-06/30/14	68,896
		FaDSS 15-09	07/01/14-06/30/15	75,585
				<u>144,481</u>
Passed through Iowa Department of Public Health				
Family Planning Services	93.217	5884MH20	10/01/13-09/30/14	135,823
		5885MH20	10/01/14-09/30/15	50,670
				<u>186,493</u>
Passed through Allen Memorial Hospital Corporation				
Title V Maternal and Child Health Block Grant	93.994	N/A	10/01/13-09/30/14	1,779
Subtotal U.S. Department of Health and Human Services				<u>3,286,778</u>
U.S. Department of Transportation				
Passed through Iowa Department of Transportation				
Federal Transit Administration				
Formula Grants for Rural Areas	20.509	Section 5311	07/01/14-06/30/15	685,087
		IA-85-0034	03/12/13-03/31/15	63,985
				<u>749,072</u>
Federal Transit - Capital Investment Grants	20.500	IA-04-0117	04/01/13-05/31/15	66,392
Federal Transit - Job Access and Reverse Commute Program	20.516	IA-37-X023	10/01/12-09/30/15	15,179
			10/01/13-12/31/15	25,871
				<u>41,050</u>
Subtotal U.S. Department of Transportation				<u>856,514</u>
U.S. Department of Energy				
Passed through Iowa Department of Human Rights				
Weatherization Assistance for Low-income Persons	81.042	DOE 14-09	04/01/13-03/31/14	125,348

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, 2015

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	10/01/13-09/30/14	\$ 125,723
			10/01/14-09/30/15	83,952
		96-8013	10/01/13-09/30/14	364,430
			10/01/14-09/30/15	<u>147,822</u>
Subtotal U.S. Department of Agriculture				<u>721,927</u>
U.S. Department of Housing and Urban Development				
Passed through Iowa Finance Authority				
Home Investment Partnerships Program (HOME)	14.239			
First Time Homebuyer Assistance Program		13-HM-113	01/01/14-01/31/16	23,018
Community Housing Development Organization Operating Expense Grant		14-HM-01CO	05/31/14-01/31/15	<u>50,000</u>
Subtotal U.S. Department of Housing and Urban Development				<u>73,018</u>
Subtotal Other Federal Awards				<u>5,063,585</u>
Total Federal Awards				<u>\$ 8,114,587</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, 2015

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, 2015. 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.

Note 3. Loan Outstanding

Northeast Iowa Community Action Corporation had the following loan balance outstanding at January 31, 2015. This loan balance outstanding is not included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA #	Amount Outstanding
Home Investment Partnerships (HOME)	14.239	\$ 383,779
		390,000
		\$ 773,779

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 CONSOLIDATED 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 consolidated financial statements of Northeast Iowa Community Action Corporation (a nonprofit corporation), which comprise the consolidated statement of financial position as of January 31, 2015, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 15, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated 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 consolidated 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 Northeast Iowa Community Action 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 consolidated 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 consolidated 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 15, 2015

**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, 2015. 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, 2015.

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, 2015, and have issued our report thereon dated May 15, 2015, 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 15, 2015

MANAGEMENT LETTER

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

In planning and performing our audit of the consolidated financial statements of Northeast Iowa Community Action Corporation and Subsidiary for the year ended January 31, 2015, we considered the Corporation's internal control to determine our auditing procedures for the purpose of expressing an opinion on the consolidated 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 15, 2015 contains our report on the Corporation's internal control. This letter does not affect our report dated May 15, 2015 on the consolidated 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 15, 2015