

**NORTHEAST IOWA COMMUNITY  
ACTION CORPORATION**

**FINANCIAL REPORT**

**JANUARY 31, 2016**

# TABLE OF CONTENTS

		<u>Page</u>
BOARD OF DIRECTORS		1
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS		2-3
FINANCIAL STATEMENTS	<u>Exhibit</u>	
Statement of Financial Position	A	4
Statement of Activities	B	5
Statement of Functional Expenses	C	6
Statement of Cash Flows	D	7
Notes to Financial Statements		8-18
INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION		19
SUPPLEMENTARY INFORMATION	<u>Schedule</u>	
Combining Statement of Financial Position		
By Funding Source	1	20
Local Funds	2	21-23
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances		
By Funding Source	3	24
Local Funds	4	25-28
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances		
U.S. Department of Health and Human Services	5	29
State Department of Human Rights	6	30-31
State Department of Public Health	7	32
U.S. Department of Agriculture	8	33
Other Sources	9	34-35
Schedule of Cumulative Revenues, Expenditures, and Changes in Fund Balance on Completed Contracts		
Federal		
U.S. Department of Health and Human Services	10-12	36-38
State Department of Human Rights	13-17	39-43
State Department of Public Health	18	44
State - Department of Education	19	45-47
State - Department of Human Services	20	48
Other Sources - Transit Program	21	49
Weatherization Assistance Program	22	50-51
Schedule of Findings and Questioned Costs	23	52
Schedule of Expenditures of Federal Awards	24	53-54
Notes to the Schedule of Expenditures of Federal Awards		55
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>		56-57
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE		58-59
MANAGEMENT LETTER		60

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	
Bremer	Tim Neil	Barbara Zemke	Shannon Michael
Chickasaw	Richard Holthaus	Patricia Ipsen	Virgil Pickar Jr.
Clayton	Ronald McCartney		Wendy Shea
Fayette	Vicki Rowland	Linda Voshell	Ron Garceau
Howard	Mark Kubik	Malissa Kappes	Janel Langreck
Winneshiek	John Beard	Les Askelson	Julie Wurtzel
Policy County Liason – Head Start		Crystal Huffman	

Agency Officials

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

INDEPENDENT AUDITOR'S REPORT  
ON THE FINANCIAL STATEMENTS

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

Report on the Financial Statements

We have audited the accompanying financial statements of Northeast Iowa Community Action Corporation (a nonprofit corporation), which comprise the statement of financial position as of January 31, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northeast Iowa Community Action Corporation as of January 31, 2016, 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 13, 2016, 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 13, 2016

NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
STATEMENT OF FINANCIAL POSITION  
January 31, 2016

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 3,168,986
Receivables	
Funding source	1,355,121
Other	284,748
Notes receivable	16,580
Inventory	<u>1,396,129</u>

Total current assets	<u>6,221,564</u>
----------------------	------------------

PROPERTY AND EQUIPMENT, net	<u>2,320,854</u>
-----------------------------	------------------

OTHER ASSETS

Investment in affiliate	388,371
Due from affiliate	150,398
Notes receivable	<u>16,248</u>

Total other assets	<u>555,017</u>
--------------------	----------------

Total assets	<u><u>\$ 9,097,435</u></u>
--------------	----------------------------

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	
General	\$ 1,130,340
Compensated absences	144,363
Current portion of long-term debt	25,170
Advances from grantors	<u>556,865</u>

Total current liabilities	<u>1,856,738</u>
---------------------------	------------------

LONG-TERM DEBT

Notes payable, less current portion	<u>2,125,967</u>
-------------------------------------	------------------

NET ASSETS

Unrestricted	<u>5,114,730</u>
--------------	------------------

Total liabilities and net assets	<u><u>\$ 9,097,435</u></u>
----------------------------------	----------------------------

See Notes to Financial Statements.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
STATEMENT OF ACTIVITIES  
Year Ended January 31, 2016

	Unrestricted
REVENUES AND OTHER SUPPORT	
Federal and state grants	\$ 9,118,328
Local	3,075,183
Interest	12,778
Contributions	95,427
	<hr/>
Total revenues and other support	12,301,716
	<hr/>
EXPENSES	
Program services	11,045,776
Supporting services	
Management and general	751,512
Fundraising	80,306
	<hr/>
Total expenses	11,877,594
	<hr/>
Change in net assets from operations	424,122
OTHER CHANGES IN NET ASSETS	
Equity in limited partnership loss	(3)
Gain on sale of fixed assets	2,651
	<hr/>
Change in net assets	426,770
NET ASSETS, beginning of year	4,687,960
	<hr/>
NET ASSETS, end of year	\$ 5,114,730
	<hr/> <hr/>

See Notes to Financial Statements.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended January 31, 2016

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Employee salaries	\$ 4,213,255	\$ 380,762	\$ 55,775	\$ 4,649,792
Employee fringe benefits	1,419,671	115,311	11,759	1,546,741
Contractual	225,350	117,949	5,897	349,196
Travel	85,734	43,900	2,195	131,829
Space costs	136,455	21,720	1,086	159,261
Consumable supplies	198,121	20,654	1,033	219,808
Equipment	240,189			240,189
Direct assistance	1,947,706			1,947,706
Depreciation	114,118			114,118
Food	626,795			626,795
Vehicle costs	508,799			508,799
Materials	375,548			375,548
Other	879,036	51,216	2,561	932,813
Contributed materials, facilities and services	95,427			95,427
Use of equipment and contributed materials and services	(20,428)			(20,428)
Total expenses	<u>\$ 11,045,776</u>	<u>\$ 751,512</u>	<u>\$ 80,306</u>	<u>\$ 11,877,594</u>

See Notes to Financial Statements.



NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
STATEMENT OF CASH FLOWS  
Year Ended January 31, 2016

## CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 426,770
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	114,118
Loss from limited partnership	3
Gain on sale of assets	(2,651)
Noncash contribution	(7,624)
(Increase) decrease in:	
Receivables	
Funding source	(444,611)
Other	65,963
Inventory	(364,449)
Increase (decrease) in:	
Payables	
General	(22,516)
Compensated absences	(26,839)
Deferred revenue	69,381
Net cash used in operating activities	<u>(192,455)</u>

## CASH FLOWS FROM INVESTING ACTIVITIES

Payments received on notes receivables	12,584
Advances on notes receivable	(26,624)
Purchase of equipment	(680,663)
Proceeds from sale of equipment	<u>8,258</u>
Net cash used in investing activities	<u>(686,445)</u>

## CASH FLOWS FROM FINANCING ACTIVITIES

Principal payments on debt	(205,851)
Proceeds from loans borrowed	<u>1,040,000</u>
Net cash provided by financing activities	<u>834,149</u>
Net decrease in cash	(44,751)

## CASH AND CASH EQUIVALENTS

Beginning of year	<u>3,213,737</u>
End of year	<u><u>\$ 3,168,986</u></u>

## SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash payments for interest	<u><u>\$ 18,623</u></u>
Noncash financing transaction:	
Donation	\$ 7,624
Noncash reduction of debt	<u>(7,624)</u>
	<u><u>\$ None</u></u>
Disposal of property and equipment:	
Property sold	
Cost	\$ 9,812
Less accumulated depreciation	<u>4,205</u>
Book value	<u><u>\$ 5,607</u></u>

See Notes to Financial Statements.

# NORTHEAST IOWA COMMUNITY ACTION CORPORATION

## NOTES TO FINANCIAL STATEMENTS

---

### 1. Summary of Significant Accounting Policies

#### a. Background and Nature of Activities

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

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

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

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

#### *Outreach Program*

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

#### *Educational Related Programs*

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

#### *Energy Related Programs*

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

#### *Weatherization Programs*

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

#### *Regional Transit System Program*

Provides public transportation services in five northeast Iowa counties.

#### *Family Planning Program*

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

#### *Housing Programs*

Provides affordable housing to low-income people, 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 financial statements are prepared in accordance with U.S. generally accepted accounting principles as prescribed by the Financial Accounting Standards Board for nonprofit corporations.

1. Summary of Significant Accounting Policies (Continued)

b. Basis of Accounting

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

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

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

c. Financial Statement Presentation

The accounts of Northeast Iowa Community Action Corporation are organized on the basis of grants received and are maintained in separate funds. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, net assets, revenues and expenses.

The Corporation reports information regarding its financial position and activities according to three classes of net assets: permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. As required by this statement, the Corporation has prepared its external financial statements to present the three classes of net assets required. The Corporation has no temporarily or permanently restricted net assets.

- Permanently restricted net assets are those that may never be spent by the Corporation, including gifts of endowment, as well as the earnings on those assets when permanently restricted by the donor.
- Temporarily restricted net assets carry restrictions that expire upon the passage of a prescribed period or upon the occurrence of a stated event as specified by the donor. Included in this category are gifts held by the Corporation pending their use in accordance with donor stipulations.
- Unrestricted net assets are composed of all resources not included in the above categories. Included are expendable resources used to support the Corporation's core activities. Donor-restricted resources intended for capital projects are released and reclassified as unrestricted support when spent. All expenses are recorded as a reduction to unrestricted net assets.

However, in reality a substantial portion of these assets are not available for general organization purposes. Included in unrestricted net assets are significant resources subject to contractual agreements with external parties. In addition, a significant portion of these net assets as of January 31, 2016, 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 \$1,041,294 at January 31, 2016.

Federal and state grants are recorded as revenue when earned. The financial statements present any funds received and not expended as advances from grantors. 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 Affiliate

The financial statements include the investment of NEICAC in its affiliate, Decorah Woolen Mill Limited Partnership (the partnership) under the equity method. The Corporation is the general partner in the partnership, owns a .01% interest, and the Corporation's Board of Directors serve as directors of the partnership. The partnership was formed to finance the construction and operation of a housing complex in Decorah utilizing low-income housing credits. The partnership has a fiscal year end of December 31. Decorah Woolen Mill Limited Partnership was audited separately as of December 31, 2015 and received an unmodified opinion dated February 12, 2016. Management has determined that the limited partners of 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 partnership to be with the Corporation.

e. Pooled Cash and Cash Equivalents

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

f. Interfund Receivables/Payables

During the course of its operations, the Corporation has numerous transactions between funds. To the extent that certain transactions between funds had not been paid or received as of January 31, 2016, balances of interfund amounts receivable or payable have been recorded. For external reporting, interfund receivables and payables have been eliminated in the statement of financial position.

g. Inventory

Inventory is valued at cost. Inventory consists of a duplex built for the City of Oelwein, Iowa. Inventory also includes homes built in Fayette, Sumner, Elkader, Fredericksburg, Guttenberg and Postville areas, which were built with loan proceeds from the 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 \$2,938,982 are not included in the statement of financial position since title remains with the funding sources. The grantor agencies reserve the right to have the assets be returned or sold if the Corporation discontinues their use. Equipment purchased with local funds is stated at cost. Depreciation is computed using the straight-line method over the estimated lives of the related assets, which range from 3-40 years. Depreciation expense totaled \$114,118 for the year ended January 31, 2016. Accumulated depreciation totaled \$1,349,225 as of January 31, 2016. 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 client.

j. Income Taxes

Northeast Iowa Community Action Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, the Corporation has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for fiscal 2016.

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.

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.

1. Summary of Significant Accounting Policies (Continued)

n. Management Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Deposits

At year-end, the carrying amount of the Corporation's deposits was \$3,168,842 and the bank balances totaled \$3,362,160. Of the bank balances, \$559,448 was covered by federal depository insurance. The balance was covered by a multiple financial institution collateral pool in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against members of the pool to insure there will be no loss of public funds.

3. Contributed Services

Contributed services, which require special skills that would be purchased, if not donated, or create or enhance a nonfinancial asset are recognized in the statement of activities. The Corporation 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 financial statements.

4. Contributed Facilities

The Corporation occupies without charge certain premises located in government owned buildings. The estimated fair rental value of the premises is reported as contributions and contributed facilities in the accompanying financial statements. The amount of contributed facilities for the year ended January 31, 2016 is \$95,427.

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 65% 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 2016, 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, 2016. The Corporation's approved rate for the year ended January 31, 2016 was 13.3%. For FY15, the indirect cost plan and rate was determined based on salary and benefits, which the actual rate was 13.3%.

NOTES TO FINANCIAL STATEMENTS

7. Equity in Affiliate

The Corporation has minority interest (.01 percent) in Decorah Woolen Mill, a limited partnership, formed to construct and operate a housing facility in Decorah, Iowa. The partnership is accounted for under the equity method of accounting. The Corporation's equity in Decorah Woolen Mill includes rehabilitation credits, therefore their equity is greater than .01%, but they receive only .01% of the net loss. Summary information on the partnership as of December 31, 2015 follows:

Assets	\$ 1,371,685
Less liabilities	<u>515,837</u>
Net assets	<u>\$ 855,848</u>
Operating revenues	<u>\$ 58,508</u>
Net loss	<u>\$ (40,631)</u>
Corporation's interest Share of net loss	<u>\$ (3)</u>
Equity in net assets	<u><u>\$ 388,371</u></u>

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		\$ 110,447	\$ 174,318	\$ 284,765
Waukon USDA		455,194		455,194
Head Start Local		65,419		65,419
Transit			540,634	540,634
Ridgewood Duplex		131,024		131,024
Washington Court		600,989		600,989
Single Family Rental		510,000		510,000
Calmar Apartments				
Phase I	\$ 9,975	477,567	54,892	542,434
Phase II	9,975	512,292	17,353	539,620
	19,950	2,862,932	787,197	3,670,079
Less accumulated depreciation	None	725,031	624,194	1,349,225
	<u>\$ 19,950</u>	<u>\$ 2,137,901</u>	<u>\$ 163,003</u>	<u>\$ 2,320,854</u>

The components of Northeast Iowa Community Action Corporation's accumulated depreciation at January 31, 2016 are as follows:

	Buildings	Vehicles	Equipment	Total
Balance, beginning of year	\$ 649,639	\$ 274,702	\$ 314,971	\$ 1,239,312
Current year depreciation	75,392	27,509	11,217	114,118
Current year disposals		(4,205)		(4,205)
Balance, end of year	<u>\$ 725,031</u>	<u>\$ 298,006</u>	<u>\$ 326,188</u>	<u>\$ 1,349,225</u>

NOTES TO FINANCIAL STATEMENTS

9. Long-term Debt

Details of long-term debt as of January 31, 2016 are as follows:

	Balance Due	
	Total	Current
<b>Calmar Apartments</b>		
<i>Decorah Bank &amp; Trust Company, 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 with a carrying value of \$572,941.	\$ 138,751	\$ 9,533
<b>Waukon Head Start Building</b>		
<i>U.S. 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 \$282,600.	267,802	6,783
<b>Washington Court</b>		
<b>HOME Investment Partnerships Program</b>		
<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, 2016 through 2018 with a balloon payment including interest, due March 31, 2019 collateralized by real estate with a carrying value of \$579,135.	383,779	
<b>Rent to Own</b>		
<i>Iowa Finance Authority</i>		
0.0% interest bearing note payable, forgivable in 2044. This note is transferred with the related real estate as the homes are sold.	260,000	
0.0% interest bearing note payable, due \$1,230 annually through July 1, 2016 through 2045 with a balloon payment due July 1, 2045 collateralized by real estate. This note is transferred with the related real estate as the homes are sold.	530,000	1,230
<b>Single Family Rental</b>		
0.0% interest bearing note payable, forgivable in 2031. The real estate has a carrying value of \$504,288.	510,000	
<b>Ridgewood Duplex Building</b>		
<i>Winneshie 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 \$99,906.	57,826	4,645
0.0% interest bearing note payable, with 10% forgiven each year through November 2016.	2,979	2,979
	<u>\$ 2,151,137</u>	<u>\$ 25,170</u>



NOTES TO FINANCIAL STATEMENTS

9. Long-term Debt (Continued)

Maturities of long-term debt during the years following January 31, 2016 are as follows:

Long-term debt maturities	
2017	\$ 25,170
2018	21,881
2019	22,592
2020	407,115
2021	24,109
2022-2026	159,233
2027-2031	593,325
2032-2036	52,504
2037-2041	87,453
2042-2046	757,755
	<u>\$ 2,151,137</u>

Interest expense totaled \$18,623 for the year ending January 31, 2016. No interest cost was capitalized for the year ended January 31, 2016.

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, 2015 through January 31, 2016, of their annual covered salary and the Corporation is required to contribute 8.93% from February 1, 2015 through January 31, 2016, of annual covered payroll. Contribution requirements are established by state statute. The Corporation's contribution to IPERS for the years ended January 31, 2016, 2015, and 2014 were \$395,447, \$390,133, and \$380,163 respectively, equal to the required contributions for each year.

11. Advances from Grantors

Advances from grantors consists of the following as of January 31, 2016:

U.S. Department of Health and Human Services	
Wrap-Around Child Care	<u>\$ 94,385</u>
State Department of Human Rights	
Low-income Home Energy Assistance	269,708
Community Services Block Grant	27,409
FaDSS	<u>43,081</u>
	<u>340,198</u>
U.S. Department of Agriculture	
USDA	6,561
Family Day Care	<u>9,231</u>
	<u>15,792</u>
State Department of Education	
Child Developments	<u>25,092</u>
Local Sources	
Contributions	<u>81,398</u>
	<u>\$ 556,865</u>

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, 2019.
- William DePue for \$500 per month for Outreach 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, 2015 through June 30, 2017.

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

Center	Monthly Period of Lease	Rent
Monona HS	August 1, 2015 to July 31, 2016	\$ 750
Postville CD	July 1, 2014 to June 30, 2015	550
Postville CD	July 1, 2015 to June 30, 2016	600
Postville HS	July 1, 2014 to June 30, 2015	650
Postville HS	July 1, 2015 to June 30, 2016	700
Postville HS	August 1, 2014 to July 31, 2015	725
Postville HS	August 1, 2015 to July 31, 2016	800
Monona HS	March 1, 2015 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
First United Church CD	July 1, 2015 to June 30, 2016	500
Guttenberg HS	July 1, 2015 to June 30, 2016	300
Decorah CSD	June 1, 2015 to May 31, 2016	425
Oelwein CSD	August 1, 2015 to July 31, 2016	500
North Fayette CSD	August 1, 2015 to July 31, 2016	400

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

2017	\$ 58,985
2018	7,025
2019	2,400
2020	1,000
	<u>\$ 69,410</u>

13. Contingent Liabilities

The Corporation participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants were subjected to local audit but still remain open to audit by the appropriate grantor government. If expenditures are disallowed by the grantor government due to noncompliance with grant program regulations, the Corporation may be required to reimburse the grantor government. As of January 31, 2016, 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 Elkader, Fredericksburg, Guttenberg and Postville, Iowa areas for low-income families to eventually own. Some of the funds were provided by a loan from the Iowa Finance Authority of \$530,000. The completed homes are reported as inventory on the Corporation's financial statements until the homes are sold. Once the home is purchased by the family, the loan is forgiven over the next fifteen years. If the family sells the home, then the family is responsible for repaying the outstanding loan. The loans are reported as liabilities on the Corporation's financial statements until an eligible family purchases the home.

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.

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, 2016.

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, 2016, the duplex is completed and not 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 108 participants in the plan for the plan year ended January 31, 2016.

16. Subsequent Events

Subsequent events were evaluated through May 13, 2016, which is the date the financial statements were available to be issued.

The Corporation has entered into an agreement to purchase the West Union transit shop for \$120,000 with a loan with a 5% interest rate.

INDEPENDENT AUDITOR'S REPORT  
ON THE SUPPLEMENTARY INFORMATION

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

We have audited the financial statements of Northeast Iowa Community Action Corporation as of and for the year ended January 31, 2016, and have issued our report thereon dated May 13, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information as of and for the year ended January 31, 2016 shown on Schedules 1 through 22 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, except for the effects on Schedules 3 through 22 of preparing this information under guidelines used to report to regulatory and funding agencies, as explained below, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The information in Schedules 3 through 22 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, 2015, 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, 2015 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 22, which relates to the year ended January 31, 2015, 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 13, 2016

NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
COMBINING STATEMENT OF FINANCIAL POSITION  
BY FUNDING SOURCE  
January 31, 2016

	U.S. Department of Health and Human Services	State Department of Human Rights	State Department of Public Health	U.S. Department of Agriculture	Other Sources	Total
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 99,196	\$ 83,562	\$ 100	\$ 7,746	\$ 67,468	\$ 258,072
Receivables:						
Funding source	63,478	770,653	17,195	64,208	84,136	999,670
Due from other funds	3,202	317,118	59,530		119	379,969
Total assets	<u>\$ 165,876</u>	<u>\$ 1,171,333</u>	<u>\$ 76,825</u>	<u>\$ 71,954</u>	<u>\$ 151,723</u>	<u>\$ 1,637,711</u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable:						
General	\$ 30,788	\$ 159,572	\$ 2,780	\$ 54,993	\$ 4,024	\$ 252,157
Due to other funds	40,703	671,563	74,045	1,169	82,640	870,120
Advances from grantors	94,385	340,198		15,792	25,092	475,467
	<u>165,876</u>	<u>1,171,333</u>	<u>76,825</u>	<u>71,954</u>	<u>111,756</u>	<u>1,597,744</u>
<b>NET ASSETS</b>						
Unrestricted					39,967	39,967
Total liabilities and net assets	<u>\$ 165,876</u>	<u>\$ 1,171,333</u>	<u>\$ 76,825</u>	<u>\$ 71,954</u>	<u>\$ 151,723</u>	<u>\$ 1,637,711</u>

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
COMBINING STATEMENT OF FINANCIAL POSITION  
LOCAL FUNDS  
January 31, 2016

	Transit	Local Weatherization	Head Start Local	Calmar Apartments	Weatherization Utilities	Contributions
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash	\$ 691,994	\$ 16,676	\$ 186,848	\$ 33,039		\$ 1,327,083
Receivables:						
Funding source	335,094				\$ 16,891	
Other	253,520		30,253			10
Notes receivable						
Due from other funds	403		500			847,590
Inventory						
	<u>1,281,011</u>	<u>16,676</u>	<u>217,601</u>	<u>33,039</u>	<u>16,891</u>	<u>2,174,683</u>
<b>PROPERTY AND EQUIPMENT, NET</b>	<u>112,186</u>	<u>None</u>	<u>48,108</u>	<u>572,983</u>	<u>None</u>	<u>121,650</u>
<b>OTHER ASSETS</b>						
Due from affiliate						150,398
Investment in affiliate						
Notes receivable						
	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>150,398</u>
<b>Total assets</b>	<u><u>\$ 1,393,197</u></u>	<u><u>\$ 16,676</u></u>	<u><u>\$ 265,709</u></u>	<u><u>\$ 606,022</u></u>	<u><u>\$ 16,891</u></u>	<u><u>\$ 2,446,731</u></u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable:						
General	\$ 49,771		\$ 1,877	\$ 31,698		\$ 228,687
Due to other funds	231,945		3,480	6,156	\$ 16,891	94,756
Compensated absences				9,533		144,363
Current portion of long-term debt						81,398
Advances from grantors						
Total current liabilities	<u>281,716</u>	<u>\$ None</u>	<u>5,357</u>	<u>47,387</u>	<u>16,891</u>	<u>549,204</u>
<b>LONG-TERM DEBT</b>						
Notes payable, less current portion	<u>None</u>	<u>None</u>	<u>None</u>	<u>129,218</u>	<u>None</u>	<u>None</u>
<b>NET ASSETS</b>						
Unrestricted:						
Designated for fixed assets	112,186		48,108	429,417		121,650
Undesignated (deficit)	999,295	16,676	212,244			1,775,877
Total net assets	<u>1,111,481</u>	<u>16,676</u>	<u>260,352</u>	<u>429,417</u>	<u>None</u>	<u>1,897,527</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 1,393,197</u></u>	<u><u>\$ 16,676</u></u>	<u><u>\$ 265,709</u></u>	<u><u>\$ 606,022</u></u>	<u><u>\$ 16,891</u></u>	<u><u>\$ 2,446,731</u></u>

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
COMBINING STATEMENT OF FINANCIAL POSITION  
LOCAL FUNDS  
January 31, 2016

	General Relief	Single Family	Rent to Own	Ridgewood Duplex	Waukon USDA	General Relief
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash		\$ 4,077	\$ 20,626	\$ 2,301	\$ 27,592	
Receivables:						
Funding source	\$ 2,383					\$ 473
Other			450			
Notes receivable				101		
Due from other funds			1,098,233			
Inventory	2,383	4,077	1,119,309	2,402	27,592	473
<b>PROPERTY AND EQUIPMENT, NET</b>	None	504,288	None	99,904	282,600	None
<b>OTHER ASSETS</b>						
Due from affiliate						
Investment in affiliate						
Notes receivable	None	None	None	None	None	None
<b>Total assets</b>	<u>\$ 2,383</u>	<u>\$ 508,365</u>	<u>\$ 1,119,309</u>	<u>\$ 102,306</u>	<u>\$ 310,192</u>	<u>\$ 473</u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable:						
General		\$ 1,065	\$ 2,728	\$ 3,078		
Due to other funds	\$ 2,383		163,836			\$ 473
Compensated absences						
Current portion of long-term debt			1,230	7,624	\$ 6,783	
Advances from grantors						
Total current liabilities	2,383	1,065	167,794	10,702	6,783	473
<b>LONG-TERM DEBT</b>						
Notes payable, less current portion	None	510,000	788,770	53,181	261,019	None
<b>NET ASSETS</b>						
Unrestricted:						
Designated for fixed assets			162,745	38,423	14,798	
Undesignated (deficit)		(2,700)			27,592	
Total net assets	None	(2,700)	162,745	38,423	42,390	None
<b>Total liabilities and net assets</b>	<u>\$ 2,383</u>	<u>\$ 508,365</u>	<u>\$ 1,119,309</u>	<u>\$ 102,306</u>	<u>\$ 310,192</u>	<u>\$ 473</u>

See Independent Auditor's Report on the Supplementary Information.



NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
COMBINING STATEMENT OF FINANCIAL POSITION  
LOCAL FUNDS  
January 31, 2016

	Health Planning	Housing Local	Crisis	Wheels to Work	General Relief	Washington Court	Total
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash	\$ 3,242	\$ 162,448	\$ 163,234	\$ 26,143		\$ 245,611	\$ 2,910,914
Receivables:							
Funding source					\$ 610		355,451
Other	60			292		163	284,748
Notes receivable				16,580			16,580
Due from other funds		233,026					1,081,620
Inventory		297,896					1,396,129
	<u>3,302</u>	<u>693,370</u>	<u>163,234</u>	<u>43,015</u>	<u>610</u>	<u>245,774</u>	<u>6,045,442</u>
<b>PROPERTY AND EQUIPMENT, NET</b>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>579,135</u>	<u>2,320,854</u>
<b>OTHER ASSETS</b>							
Due from affiliate							150,398
Investment in affiliate		388,371					388,371
Notes receivable				16,248			16,248
	<u>None</u>	<u>388,371</u>	<u>None</u>	<u>16,248</u>	<u>None</u>	<u>None</u>	<u>555,017</u>
<b>Total assets</b>	<u>\$ 3,302</u>	<u>\$ 1,081,741</u>	<u>\$ 163,234</u>	<u>\$ 59,263</u>	<u>\$ 610</u>	<u>\$ 824,909</u>	<u>\$ 8,921,313</u>
<b>LIABILITIES AND NET ASSETS</b>							
<b>CURRENT LIABILITIES</b>							
Accounts payable:							
General	\$ 34	\$ 299,127	\$ 2,310	\$ 28	\$ 359	\$ 257,421	\$ 878,183
Due to other funds		1,020	394	142	251	69,742	591,469
Compensated absences							144,363
Current portion of long-term debt							25,170
Advances from grantors							81,398
Total current liabilities	<u>34</u>	<u>300,147</u>	<u>2,704</u>	<u>170</u>	<u>610</u>	<u>327,163</u>	<u>1,720,583</u>
<b>LONG-TERM DEBT</b>							
Notes payable, less current portion	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>383,779</u>	<u>2,125,967</u>
<b>NET ASSETS</b>							
Unrestricted:							
Designated for fixed assets						113,967	1,041,294
Undesignated (deficit)	3,268	781,594	160,530	59,093			4,033,469
Total net assets	<u>3,268</u>	<u>781,594</u>	<u>160,530</u>	<u>59,093</u>	<u>None</u>	<u>113,967</u>	<u>5,074,763</u>
<b>Total liabilities and net assets</b>	<u>\$ 3,302</u>	<u>\$ 1,081,741</u>	<u>\$ 163,234</u>	<u>\$ 59,263</u>	<u>\$ 610</u>	<u>\$ 824,909</u>	<u>\$ 8,921,313</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  
 BY FUNDING SOURCE  
 Year Ended January 31, 2016

	U.S. Department of Health and Human Services	State Department of Human Rights	State Department of Public Health	U.S. Department of Agriculture	Other Sources	Total
REVENUES						
Federal grants	\$ 3,002,084	\$ 3,194,644	\$ 172,328	\$ 701,389		\$ 7,070,445
State grants		133,044			\$ 498,531	631,575
Local			20,833		105,246	126,079
In-kind	648,199				9,995	658,194
Total revenues	3,650,283	3,327,688	193,161	701,389	613,772	8,486,293
EXPENDITURES						
Direct:						
Employee salaries	1,697,907	751,741	161,324	60,405	173,324	2,844,701
Employee fringe benefits	586,544	269,787	50,314	18,440	61,307	986,392
Contractual	5,779	125,322	10,060	3,408	25,305	169,874
Travel	10,153	33,366	4,795	5,757	4,181	58,252
Space costs	12,329	16,969	14,665	3,528	994	48,485
Consumable supplies	77,372	23,233	54,089	4,611	8,511	167,816
Direct assistance		1,702,317			245,389	1,947,706
Augmentation		(258,021)				(258,021)
Food	44,109			582,686		626,795
Other	264,783	442,162	27,993	12,068	18,040	765,046
In-kind	648,199				9,995	658,194
Total direct	3,347,175	3,106,876	323,240	690,903	547,046	8,015,240
Indirect	303,108	140,335	28,148	10,486	41,100	523,177
Total expenditures	3,650,283	3,247,211	351,388	701,389	588,146	8,538,417
Excess revenues over (under) expenditures	None	80,477	(158,227)	None	25,626	(52,124)
FUND BALANCE, beginning of year	None	None	None	None	14,341	14,341
Less: funds returned or to be returned to funding source	None	(90,482)	None	None	None	(90,482)
TRANSFERS, NET	None	10,005	158,227	None	None	168,232
FUND BALANCE, end of year	\$ None	\$ None	\$ None	\$ None	\$ 39,967	\$ 39,967

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 LOCAL FUNDS  
 Year Ended January 31, 2016

	Transit		Local Weatherization		Head Start	Calmar Apartments	
	2015	2016	2015	2016	Local	2015	2016
REVENUES							
Federal grants	\$ 265,373	\$ 606,340					
State grants	162,608	278,760					
Local revenue	694,436	1,070,948			\$ 54,789	\$ 32,499	\$ 23,626
Equity in limited partnership earnings							
Interest	637	925	\$ 28	\$ 34		52	36
Total revenues	1,123,054	1,956,973	28	34	54,789	32,551	23,662
EXPENDITURES							
Direct:							
Employee salaries	512,581	755,881			30,396	3,901	3,344
Employee fringe benefits	155,224	227,634			11,072	1,642	1,251
Contractual	14,482	18,926				995	740
Travel	6,318	16,145					
Space costs	11,576	16,208				19,736	8,691
Consumable supplies	9,150	22,151					
Equipment	230,886	5,017					
Depreciation	15,303	11,082			4,464	16,182	11,558
Augmentation							
Other	267,354	368,858	51		72,813	3,103	2,147
Total direct	1,222,874	1,441,902	51	None	118,745	45,559	27,731
Indirect	86,814	130,807	2,931	618	5,515	721	611
Total expenditures	1,309,688	1,572,709	2,982	618	124,260	46,280	28,342
Excess revenues (under) over expenditures	(186,634)	384,264	(2,954)	(584)	(69,471)	(13,729)	(4,680)
FUND BALANCE, beginning of year	913,851	None	20,214	None	351,973	447,826	None
TRANSFERS, NET	None	None	None	None	(22,150)	None	None
REPROGRAMMED FUNDS	(727,217)	727,217	(17,260)	17,260	None	(434,097)	434,097
FUND BALANCE (deficit), end of year	\$ None	\$ 1,111,481	\$ None	\$ 16,676	\$ 260,352	\$ None	\$ 429,417

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
LOCAL FUNDS  
Year Ended January 31, 2016

	Weatherization Utilities		Contributions	Winneshiek General Relief		Single Family	Rent to Own	
	2015	2016		2015	2016		2015	2016
REVENUES								
Federal grants								
State grants							\$ 90,000	
Local revenue	\$ 237,735	\$ 7,316	\$ 1,073,631	\$ 4,502	\$ 7,949	\$ 4,651	108,458	\$ 51,522
Equity in limited partnership earnings								
Interest			10,200			4	4	20
Total revenues	237,735	7,316	1,083,831	4,502	7,949	4,655	198,462	51,542
EXPENDITURES								
Direct:								
Employee salaries			424,751	1,450	2,064		787	4,622
Employee fringe benefits			136,582	670	899		332	1,821
Contractual			117,949					
Travel			44,762					
Space costs			21,720	780	1,092	2,264		
Consumable supplies			20,654					
Equipment								
Depreciation			13,307			5,712		
Augmentation	226,017	6,783						
Other			123,424	1,326	3,500	1,429	8,681	3,374
Total direct	226,017	6,783	903,149	4,226	7,555	9,405	9,800	9,817
Indirect	11,718	533	7,813	276	394		146	857
Total expenditures	237,735	7,316	910,962	4,502	7,949	9,405	9,946	10,674
Excess revenues (under) over expenditures	None	None	172,869	None	None	(4,750)	188,516	40,868
FUND BALANCE, beginning of year	None	None	1,862,408	None	None	None	27,430	None
TRANSFERS, NET	None	None	(137,750)	None	None	2,050	(39,041)	(55,028)
REPROGRAMMED FUNDS	None	None	None	None	None	None	(176,905)	176,905
FUND BALANCE (deficit), end of year	\$ None	\$ None	\$ 1,897,527	\$ None	\$ None	\$ (2,700)	\$ None	\$ 162,745

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
LOCAL FUNDS  
Year Ended January 31, 2016

	Ridgewood Duplex		Waukon	Fayette General Relief		Health Planning		Long-term
	2015	2016	USDA	2015	2016	2015	2016	Recovery
								2015
REVENUES								
Federal grants								
State grants								
Local revenue	\$ 11,805	\$ 4,666	\$ 19,380	\$ 3,865	\$ 9,124	\$ 1,418	\$ 439	
Equity in limited partnership earnings								
Interest	3	3	82					
Total revenues	11,808	4,669	19,462	3,865	9,124	1,418	439	\$ None
EXPENDITURES								
Direct:								
Employee salaries				169	258			
Employee fringe benefits				61	71			
Contractual								
Travel						29		
Space costs	3,414	4,161						
Consumable supplies				2	3		16	
Equipment								
Depreciation	1,638	1,638	11,380					
Augmentation								
Other			12,887	3,603	8,749	3,021	34	
Total direct	5,052	5,799	24,267	3,835	9,081	3,050	50	None
Indirect				30	43			
Total expenditures	5,052	5,799	24,267	3,865	9,124	3,050	50	None
Excess revenues (under) over expenditures	6,756	(1,130)	(4,805)	None	None	(1,632)	389	None
FUND BALANCE, beginning of year	32,797	None	47,195	None	None	9,511	None	6,212
TRANSFERS, NET	None	None	None	None	None	(5,000)	None	(6,212)
REPROGRAMMED FUNDS	(39,553)	39,553	None	None	None	(2,879)	2,879	None
FUND BALANCE (deficit), end of year	\$ None	\$ 38,423	\$ 42,390	\$ None	\$ None	\$ None	\$ 3,268	\$ 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  
LOCAL FUNDS  
Year Ended January 31, 2016

	Housing Local	Crisis	Wheels to Work		Howard General Relief		Washington Court		Total
			2015	2016	2015	2016	2015	2016	
REVENUES									
Federal grants			\$ 13,227						\$ 884,940
State grants									531,368
Local revenue	\$ 78,337	\$ 150,705	4,413	\$ 2,287	\$ 6,534	\$ 5,070	\$ 55,170	\$ 4,724	3,729,999
Equity in limited partnership earnings	(3)								(3)
Interest	750								12,778
Total revenues	79,084	150,705	17,640	2,287	6,534	5,070	55,170	4,724	5,159,082
EXPENDITURES									
Direct:									
Employee salaries	46,034		190	977	1,385	1,575	13,202	1,524	1,805,091
Employee fringe benefits	15,466		40	470	592	634	5,314	574	560,349
Contractual	26,224		6						179,322
Travel	5,921		345	57					73,577
Space costs							18,844	2,290	110,776
Consumable supplies				5	5	6			51,992
Equipment				4,286					240,189
Depreciation							20,033	1,821	114,118
Augmentation									232,800
Other	39,445	132,446	3,790		4,295	2,561	10,444		1,077,335
Total direct	133,090	132,446	4,371	5,795	6,277	4,776	67,837	6,209	4,445,549
Indirect	8,179		31	192	257	294	2,462	279	261,521
Total expenditures	141,269	132,446	4,402	5,987	6,534	5,070	70,299	6,488	4,707,070
Excess revenues (under) over expenditures	(62,185)	18,259	13,238	(3,700)	None	None	(15,129)	(1,764)	452,012
FUND BALANCE, beginning of year	751,760	139,391	49,555	None	None	None	130,860	None	4,790,983
TRANSFERS, NET	92,019	2,880	None	None	None	None	None	None	(168,232)
REPROGRAMMED FUNDS	None	None	(62,793)	62,793	None	None	(115,731)	115,731	None
FUND BALANCE (deficit), end of year	\$ 781,594	\$ 160,530	\$ None	\$ 59,093	\$ None	\$ None	\$ None	\$ 113,967	\$ 5,074,763

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 HEALTH AND HUMAN SERVICES  
 Year Ended January 31, 2016

	Head Start #07CH6091/01		Combined Wrap-Around		Early Childhood #07CH6091/01		Total
	Direct	T & TA	2015	2016	Direct	T & TA	
REVENUES							
Federal grants	\$ 1,786,037	\$ 26,669	\$ 286,174	\$ 123,115	\$ 761,233	\$ 18,856	\$ 3,002,084
In-kind	453,177				195,022		648,199
Total revenues	2,239,214	26,669	286,174	123,115	956,255	18,856	3,650,283
EXPENDITURES							
Direct:							
Employee salaries	971,973	7,004	181,805	86,620	444,681	5,824	1,697,907
Employee fringe benefits	350,731	2,004	59,407	22,043	150,352	2,007	586,544
Contractual	5,779						5,779
Travel	812	7,589				1,752	10,153
Space costs			12,329				12,329
Consumable supplies	52,374		1,276		23,722		77,372
Food	35,075				9,034		44,109
Other	193,373	8,874			54,305	8,231	264,783
In-kind	453,177				195,022		648,199
Total direct	2,063,294	25,471	254,817	108,663	877,116	17,814	3,347,175
Indirect	175,920	1,198	31,357	14,452	79,139	1,042	303,108
Total expenditures	2,239,214	26,669	286,174	123,115	956,255	18,856	3,650,283
Excess revenues over (under) expenditures	None	None	None	None	None	None	None
FUND BALANCE, beginning of year	None	None	None	None	None	None	None
TRANSFERS, NET	None	None	None	None	None	None	None
FUND BALANCE, end of year	\$ None	\$ None	\$ None	\$ None	\$ None	\$ None	\$ None

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 STATE DEPARTMENT OF HUMAN RIGHTS  
 Year Ended January 31, 2016

	Weatherization Assistance for Low-income Persons DOE 15-09	Low-income Home Energy Assistance LIHEAP-15-09    LIHEAP-16-09		HEAP Weatherization Assistance for Low-income Persons HEAP 15-09    HEAP 16-09	
REVENUES					
Federal grants	\$ 144,094	\$ 889,795	\$ 1,038,595	\$ 441,579	\$ 230,400
State grants					
Total revenues	144,094	889,795	1,038,595	441,579	230,400
EXPENDITURES					
Direct:					
Employee salaries		62,437	81,012		
Employee fringe benefits		18,389	27,526		
Contractual					
Travel		1,608	1,057		
Space costs		2,412	1,206		
Consumable supplies		1,301	1,959		
Direct assistance		790,469	911,747		
Augmentation	128,919			325,349	230,400
Other		3,800	(347)		
Total direct	128,919	880,416	1,024,160	325,349	230,400
Indirect	15,175	9,379	14,435	25,748	
Total expenditures	144,094	889,795	1,038,595	351,097	230,400
Excess revenues over (under) expenditures	None	None	None	90,482	None
FUND BALANCE, beginning of year	None	None	None	None	None
Less: funds returned or to be returned to funding source	None	None	None	(90,482)	None
TRANSFERS, NET	None	None	None	None	None
FUND BALANCE, end of year	\$ None	\$ None	\$ None	\$ None	\$ None

See Independent Auditor's Report on the Supplementary Information.



NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
STATE DEPARTMENT OF HUMAN RIGHTS  
Year Ended January 31, 2016

	Community Services Block Grant		FaDSS		WAP Main		Total
	CSBG-15-09	CSBG-16-09	FaDSS-15-09	FaDSS-16-09	2015	2016	
REVENUES							
Federal grants	\$ 201,656	\$ 98,499	\$ 80,405	\$ 69,621			\$ 3,194,644
State grants			71,304	61,740			133,044
Total revenues	201,656	98,499	151,709	131,361	\$ None	\$ None	3,327,688
EXPENDITURES							
Direct:							
Employee salaries	113,106	53,130	84,005	89,295	41,066	227,690	751,741
Employee fringe benefits	39,348	16,562	29,051	27,232	17,655	94,024	269,787
Contractual					17,305	108,017	125,322
Travel	4,413	1,117	12,698	9,961	388	2,124	33,366
Space costs	3,860	2,962	1,440	2,191	483	2,415	16,969
Consumable supplies	6,806	5,772	721	1,216	314	5,144	23,233
Direct assistance			75	26			1,702,317
Augmentation					(182,127)	(760,562)	(258,021)
Other	14,304	9,687	2,418	2,551	97,282	312,467	442,162
Total direct	181,837	89,230	130,408	132,472	(7,634)	(8,681)	3,106,876
Indirect	19,819	9,269	14,697	15,498	7,634	8,681	140,335
Total expenditures	201,656	98,499	145,105	147,970	None	None	3,247,211
Excess revenues over (under) expenditures	None	None	6,604	(16,609)	None	None	80,477
FUND BALANCE, beginning of year	None	None	None	None	None	None	None
Less: funds returned or to be returned to funding source	None	None	None	None	None	None	(90,482)
TRANSFERS, NET	None	None	(6,604)	16,609	None	None	10,005
FUND BALANCE, end of year	\$ None	\$ None	\$ None	\$ None	\$ None	\$ None	\$ None

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 STATE DEPARTMENT OF PUBLIC HEALTH  
 Year Ended January 31, 2016

	Family Planning Project		
	#5885MH20	#5886MH20	Total
REVENUES			
Federal grants	\$ 128,316	\$ 44,012	\$ 172,328
Local	8,940	11,893	20,833
Total revenues	137,256	55,905	193,161
EXPENDITURES			
Direct:			
Employee salaries	106,670	54,654	161,324
Employee fringe benefits	32,759	17,555	50,314
Contractual	6,722	3,338	10,060
Travel	3,436	1,359	4,795
Space costs	9,769	4,896	14,665
Consumable supplies	37,391	16,698	54,089
Other	20,662	7,331	27,993
Total direct	217,409	105,831	323,240
Indirect	18,544	9,604	28,148
Total expenditures	235,953	115,435	351,388
Excess revenues (under) expenditures	(98,697)	(59,530)	(158,227)
FUND BALANCE, beginning of year	None	None	None
REPROGRAMMED FUNDS	None	None	None
TRANSFERS, NET	98,697	59,530	158,227
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  
 U.S. DEPARTMENT OF AGRICULTURE  
 Year Ended January 31, 2016

	USDA		Family Day Care		Total
	#96-8010	#96-8010	#96-8013	#96-8013	
REVENUES					
Federal grants	\$ 122,562	\$ 86,796	\$ 343,637	\$ 148,394	\$ 701,389
EXPENDITURES					
Direct:					
Employee salaries	14,197	7,560	26,656	11,992	60,405
Employee fringe benefits	3,917	2,063	8,629	3,831	18,440
Contractual			2,446	962	3,408
Travel			4,840	917	5,757
Space costs			2,352	1,176	3,528
Consumable supplies			4,225	386	4,611
Food	96,467	72,154	282,380	131,685	582,686
Other	5,572	3,739	1,912	845	12,068
Total direct	120,153	85,516	333,440	151,794	690,903
Indirect	2,409	1,280	4,693	2,104	10,486
Total expenditures	122,562	86,796	338,133	153,898	701,389
Excess revenues over (under) expenditures	None	None	5,504	(5,504)	None
FUND BALANCE, beginning of year	None	None	None	None	None
REPROGRAMMED FUNDS	None	None	(5,504)	5,504	None
Less: funds returned or to be returned to funding source	None	None	None	None	None
FUND BALANCE, end of year	\$ None	\$ None	\$ None	\$ None	\$ None

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 OTHER SOURCES  
 Year Ended January 31, 2016

	Child Development			ICAA			Utilities	
	Combined		Oelwein	Tenant Based Rental Assistance				
	2015	2016	2015	I	II	III	2015	2016
REVENUES								
State grants	\$ 117,830	\$ 83,509	\$ 17,975	\$ 16,588	\$ 67,802	\$ 9,350		
Local revenue							\$ 80,348	\$ 9,384
In-kind								
Total revenues	117,830	83,509	17,975	16,588	67,802	9,350	80,348	9,384
EXPENDITURES								
Direct:								
Employee salaries	72,156	48,381	10,214	1,005	1,243	725	207	94
Employee fringe benefits	24,101	18,514	4,729	325	414	272	161	22
Contractual								
Travel					488	110		
Space costs								
Consumable supplies					352	6		
Direct assistance				15,055	65,081	8,105	63,299	11,261
Other	9,060	7,717	1,089					
In-kind								
Total direct	105,317	74,612	16,032	16,385	67,578	9,218	63,667	11,377
Indirect	12,513	8,897	1,943	203	224	132	49	15
Total expenditures	117,830	83,509	17,975	16,588	67,802	9,350	63,716	11,392
Excess revenues over (under) expenditures	None	None	None	None	None	None	16,632	(2,008)
FUND BALANCE, beginning of year	None	None	None	None	None	None	14,341	None
REPROGRAMMED FUNDS	None	None	None	None	None	None	(30,973)	30,973
TRANSFERS, NET	None	None	None	None	None	None	None	None
FUND BALANCE, end of year	\$ None	\$ None	\$ None	\$ None	\$ None	\$ None	\$ None	\$ 28,965

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
OTHER SOURCES  
Year Ended January 31, 2016

	Community Adolescent Pregnancy Prevention		ICAA Alliance Home Energy Savers		Total
	2015	2016	2015	2016	
REVENUES					
State grants	\$ 48,360	\$ 47,895	\$ 33,665	\$ 55,557	\$ 498,531
Local revenue		751	14,223	540	105,246
In-kind	9,658	337			9,995
Total revenues	58,018	48,983	47,888	56,097	613,772
EXPENDITURES					
Direct:					
Employee salaries	16,280	23,019			173,324
Employee fringe benefits	5,291	7,478			61,307
Contractual	13,948	11,357			25,305
Travel	2,213	1,370			4,181
Space costs	427	567			994
Consumable supplies	7,528	625			8,511
Direct assistance			31,209	51,379	245,389
Other		174			18,040
In-kind	9,658	337			9,995
Total direct	55,345	44,927	31,209	51,379	547,046
Indirect	2,673	4,056	3,926	6,469	41,100
Total expenditures	58,018	48,983	35,135	57,848	588,146
Excess revenues over (under) expenditures	None	None	12,753	(1,751)	25,626
FUND BALANCE, beginning of year	None	None	None	None	14,341
REPROGRAMMED FUNDS	None	None	(12,753)	12,753	None
TRANSFERS, NET	None	None	None	None	None
FUND BALANCE, end of year	\$ None	\$ None	\$ None	\$ 11,002	\$ 39,967

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
FEDERAL - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
HEAD START PROGRAM  
GRANT #07CH6091/01  
January 31, 2016

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 1,812,706	\$ 1,812,706	\$ None
Local	453,177	453,177	None
Total revenues	<u>\$ 2,265,883</u>	<u>2,265,883</u>	<u>None</u>
EXPENDITURES			
Personnel	\$ 963,224	978,977	15,753
Fringe benefits	372,948	352,735	(20,213)
Travel	5,243	8,401	3,158
Supplies	46,960	52,374	5,414
Contractual	10,000	5,779	(4,221)
Other costs	240,629	237,322	(3,307)
Total direct	1,639,004	1,635,588	(3,416)
Indirect	173,702	177,118	3,416
Total federal cost	<u>1,812,706</u>	<u>1,812,706</u>	<u>None</u>
GRANTEE CONTRIBUTION	<u>453,177</u>	<u>453,177</u>	<u>None</u>
Total expenditures	<u>\$ 2,265,883</u>	<u>2,265,883</u>	<u>None</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		None	
Transfer in		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
FEDERAL - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
EARLY CHILDHOOD PROGRAM  
GRANT #07CH6091/01  
January 31, 2016

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 782,893	\$ 780,089	\$ (2,804)
In-kind	195,723	195,022	(701)
Total revenues	<u>\$ 978,616</u>	<u>975,111</u>	<u>(3,505)</u>
EXPENDITURES			
Personnel	\$ 460,710	450,505	(10,205)
Fringe benefits	152,276	152,359	83
Travel	6,838	1,752	(5,086)
Supplies	6,500	23,722	17,222
Contractual	160		(160)
Other costs	76,721	71,570	(5,151)
Total direct	703,205	699,908	(3,297)
Indirect	79,688	80,181	493
Total federal cost	<u>782,893</u>	<u>780,089</u>	<u>(2,804)</u>
GRANTEE CONTRIBUTION	<u>195,723</u>	<u>195,022</u>	<u>(701)</u>
Total expenditures	<u>\$ 978,616</u>	<u>975,111</u>	<u>(3,505)</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		None	
Transfer in		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
FEDERAL - U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
FY 2015 WRAP AROUND  
January 31, 2016

---

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 435,000	\$ 435,000	\$ None
EXPENDITURES			
Personnel costs	\$ 288,990	287,844	(1,146)
Fringe benefits	80,922	85,072	4,150
Rent	12,000	12,329	329
Consumable	5,000	1,276	(3,724)
Indirect	48,088	48,479	391
Total expenditures	\$ 435,000	435,000	None
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
REPROGRAMMED FUNDS		None	
FUND BALANCE, end of contract		\$ None	

See Independent Auditor's Report on the Supplementary Information.



NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
 SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 FEDERAL - STATE DEPARTMENT OF HUMAN RIGHTS  
 FY 2015 WEATHERIZATION ASSISTANCE  
 PROGRAM (NO. HEAP 15-09)  
 January 31, 2016

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 771,057	\$ 689,230	\$ (81,827)
EXPENDITURES			
Administration	\$ 37,178	28,447	(8,731)
Health and safety	149,355	106,820	(42,535)
Support	200,291	184,379	(15,912)
Labor	165,814	87,294	(78,520)
Materials	165,814	142,794	(23,020)
Liability insurance	8,912	7,937	(975)
Other	43,693	41,077	(2,616)
Total expenditures	\$ 771,057	598,748	(172,309)
Excess revenues over (under) expenditures		90,482	90,482
Less: funds returned or to be returned to funding source		(90,482)	(90,482)
FUND BALANCE, beginning of contract		None	None
FUND BALANCE, end of contract		\$ None	\$ None

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
 SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 FEDERAL - STATE DEPARTMENT OF HUMAN RIGHTS  
 FY 2015 COMMUNITY SERVICES BLOCK GRANT  
 PROGRAM (NO. CSBG-15-09)  
 January 31, 2016

---

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 255,702	\$ 255,702	\$ None
EXPENDITURES (By contract line item)			
Salaries	\$ 144,993	145,005	12
Fringe benefits	46,398	48,989	2,591
Space costs	5,664	4,234	(1,430)
Travel	5,000	5,183	183
Other costs	28,767	27,072	(1,695)
Indirect	24,880	25,219	339
Total expenditures	<u>\$ 255,702</u>	<u>255,702</u>	<u>None</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  
FEDERAL - STATE DEPARTMENT OF HUMAN RIGHTS

FaDSS-15-09  
January 31, 2016

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 155,990	\$ 155,990	\$ None
State	138,331	138,331	None
Local		1,221	1,221
	<u>          </u>	<u>          </u>	<u>          </u>
Total revenues	<u>\$ 294,321</u>	<u>295,542</u>	<u>1,221</u>
EXPENDITURES			
Personnel	\$ 231,021	229,842	(1,179)
Travel	26,738	24,931	(1,807)
Space/utilities	7,057	7,496	439
Other costs	2,275	3,294	1,019
Third-party payments		100	100
Indirect	27,230	29,879	2,649
	<u>          </u>	<u>          </u>	<u>          </u>
Total expenditures	<u>\$ 294,321</u>	<u>295,542</u>	<u>1,221</u>
Excess revenues over (under) expenditures		None	<u>\$ None</u>
FUND BALANCE, beginning of contract		None	
TRANSFERS OUT		<u>None</u>	
FUND BALANCE, end of contract		<u>\$ None</u>	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
FEDERAL - STATE DEPARTMENT OF HUMAN RIGHTS  
2015 LOW-INCOME HOME ENERGY ASSISTANCE  
PROGRAM (NO. LIHEAP-15-09)  
January 31, 2016

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 2,277,398	\$ 2,005,239	\$ (272,159)
EXPENDITURES			
Section I			
A. Regular assistance	\$ 1,552,602	1,280,443	(272,159)
B. Emergency delivery	103,507	103,507	None
C. Client services	25,876	25,876	None
D. Data expansion	10,925	10,925	None
E. Summer deliverable fuel	396,293	396,293	None
Section II			
Administration	188,195	188,195	None
Total expenditures	\$ 2,277,398	2,005,239	(272,159)
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
FUND BALANCE, end of contract		\$ None	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
 SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
 FEDERAL - STATE DEPARTMENT OF HUMAN RIGHTS  
 FY 2015 WEATHERIZATION ASSISTANCE  
 PROGRAM (NO. DOE 14-09)  
 January 31, 2016

---

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 125,348	\$ 125,348	\$ None
EXPENDITURES (By contract line item)			
Administration	\$ 14,435	14,435	None
Health and safety	22,698	27,195	4,497
Support	28,749	37,438	8,689
Labor	29,733	20,431	(9,302)
Materials	29,733	25,849	(3,884)
Total expenditures	\$ 125,348	125,348	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 2015 FAMILY PLANNING PROGRAM (NO. 5885MH20)

January 31, 2016

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 167,364	\$ 178,986	\$ 11,622
Local	193,924	185,080	(8,844)
Total revenues	361,288	364,066	2,778
EXPENDITURES (By cost category)			
Employee salaries	162,684	164,255	1,571
Employee fringe benefits	49,934	50,473	539
Contractual	10,000	11,203	1,203
Supplies	90,293	90,309	16
Space costs	16,000	14,895	(1,105)
Travel	4,737	4,598	(139)
Indirect	27,640	28,333	693
Total expenditures	361,288	364,066	2,778
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	\$ None	\$ None	\$ None

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS  
STATE - DEPARTMENT OF EDUCATION  
CHILD DEVELOPMENT 2015  
January 31, 2016

---

	OELWEIN	Budget	Actual	Over (Under) Budget
REVENUES				
State		\$ 56,000	\$ 56,000	\$ None
EXPENDITURES				
Salaries		\$ 31,480	31,731	251
Employee benefits		13,476	14,208	732
Administration costs		5,844	5,972	128
Other costs		5,200	4,089	(1,111)
Total expenditures		\$ 56,000	56,000	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 2015  
January 31, 2016

	Budget	Actual	Over (Under) Budget
DECORAH #NE-15-3489-088			
REVENUES			
State	\$ 69,249	\$ 69,249	\$ None
EXPENDITURES			
Salaries	\$ 43,005	43,800	795
Employee benefits	15,052	13,488	(1,564)
Other costs	4,400	4,514	114
Indirect	6,792	7,447	655
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-15-0496-087			
REVENUES			
State	\$ 71,702	\$ 71,702	\$ None
EXPENDITURES			
Salaries	\$ 43,570	41,200	(2,370)
Employee benefits	15,250	16,761	1,511
Other costs	6,000	6,206	206
Indirect	6,882	7,535	653
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 2015  
January 31, 2016

POSTVILLE #NE-15-3490-089	Budget	Actual	Over (Under) Budget
REVENUES			
State	\$ 73,100	\$ 73,100	\$ None
EXPENDITURES			
Salaries	\$ 44,100	48,000	3,900
Employee benefits	15,434	10,704	(4,730)
Other costs	6,600	6,764	164
Indirect	6,966	7,632	666
Total expenditures	\$ 73,100	73,100	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 HUMAN SERVICES  
FY 2015 COMMUNITY ADOLESCENT PREGNANCY PREVENTION  
January 31, 2016

	Budget	Actual	Over (Under) Budget
REVENUES			
State	\$ 95,785	\$ 95,785	\$ None
Local	9,578	9,862	284
Total revenues	<u>\$ 105,363</u>	<u>105,647</u>	<u>284</u>
EXPENDITURES (By cost category)			
Employee salaries	\$ 39,031	39,031	None
Employee fringe benefits	12,978	12,978	None
Contractual	23,592	23,592	None
Supplies	8,000	8,000	None
Space costs	1,108	1,108	None
Travel	4,446	4,446	None
Indirect	16,208	16,492	284
Total expenditures	<u>\$ 105,363</u>	<u>105,647</u>	<u>284</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 2015 TRANSIT PROGRAM  
January 31, 2016

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 1,214,506	\$ 989,366	\$ (225,140)
State	417,725	422,226	4,501
Local	2,179,828	1,672,636	(507,192)
Total revenues	<u>\$ 3,812,059</u>	<u>3,084,228</u>	<u>(727,831)</u>
EXPENDITURES			
Direct:			
Employee salaries	\$ 1,255,221	1,236,958	(18,263)
Employee fringe benefits	394,202	364,001	(30,201)
Contractual	40,000	35,676	(4,324)
Travel	24,268	12,654	(11,614)
Space costs and rentals	29,494	28,355	(1,139)
Consumable supplies	26,533	22,987	(3,546)
Equipment	1,088,704	526,208	(562,496)
Other charges	758,580	716,273	(42,307)
Total direct	3,617,002	2,943,112	(673,890)
Indirect	195,057	208,124	13,067
Total expenditures	<u>\$ 3,812,059</u>	<u>3,151,236</u>	<u>(660,823)</u>
Excess revenues (under) over expenditures		(67,008)	<u>\$ (67,008)</u>
FUND BALANCE, beginning of contract		794,225	
REPROGRAMMED FUNDS		(727,217)	
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 2015 WEATHERIZATION ASSISTANCE PROGRAM  
UTILITY CONTRACT  
January 31, 2016

	Budget	Actual	Over (Under) Budget
<b>CONTRACT #MEC-15-09I</b>			
REVENUES			
Local	\$ 15,854	\$ 15,854	\$ None
EXPENDITURES			
Administration-indirect	\$ 793	793	None
Support	1,585	1,409	(176)
Labor	6,738	6,479	(259)
Material	6,738	7,173	435
Total expenditures	\$ 15,854	15,854	None
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
FUND BALANCE, end of contract		\$ None	
<b>CONTRACT #IPL-15-09I</b>			
REVENUES			
Local	\$ 169,417	\$ 162,416	\$ (7,001)
EXPENDITURES			
Administration-indirect	\$ 8,471	7,649	(822)
Support	16,942	14,085	(2,857)
Labor	72,002	63,061	(8,941)
Material	72,002	77,621	5,619
Total expenditures	\$ 169,417	162,416	(7,001)
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 2015 WEATHERIZATION ASSISTANCE PROGRAM  
UTILITY CONTRACT  
January 31, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>CONTRACT #BHE-15-09I</b>			
<b>REVENUES</b>			
Local	\$ 91,764	\$ 91,764	\$ None
<b>EXPENDITURES</b>			
Administration-indirect	\$ 4,588	4,588	None
Support	9,176	7,906	(1,270)
Labor	39,000	27,349	(11,651)
Material	39,000	51,921	12,921
Total expenditures	\$ 91,764	91,764	None
Excess revenues over (under) expenditures		None	\$ None
<b>FUND BALANCE, beginning of contract</b>		None	
<b>FUND BALANCE, end of contract</b>		\$ None	

See Independent Auditor's Report on the Supplementary Information.

## NORTHEAST IOWA COMMUNITY ACTION CORPORATION

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended January 31, 2016

**Part I: Summary of the Independent Auditor's Results**

- (a) An unmodified opinion was 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 2 CFR 200.516(a).
- (g) Major programs were as follows:
  - CFDA Number 93.568 Low-income Home Energy Assistance
  - CFDA Number 20.509 Formula Grants for Rural Areas
  - CFDA Number 20.526 Bus and Bus Facilities Formula Program
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
- (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 13, 2016

**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, 2016

Grantor/Program	CFDA Number	Grant Number	Period of Grant	Program Expenditures
U.S. Department of Health and Human Services				
Direct				
Head Start	93.600	07CH6091/01	02/01/15-01/31/16	\$ 1,812,706
Head Start Discretionary		07CH6091/01	02/01/15-01/31/16	780,089
Passed through Iowa Department of Human Rights				
Head Start	93.600	N/A	09/01/14-08/31/15	286,174
			09/01/15-08/31/16	123,115
				<u>3,002,084</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 15-09	10/01/14-09/30/15	889,795
		LIHEAP 16-09	10/01/15-09/30/16	1,038,595
		HEAP 15-09	01/01/15-12/31/15	441,579
		HEAP 16-09	01/01/16-12/31/16	230,400
				<u>2,600,369</u>
Passed through Iowa Department of Human Rights				
Community Services Block Grant	93.569	CSBG-15-09	10/01/14-12/31/15	201,656
		CSBG-16-09	10/01/15-12/31/16	98,499
				<u>300,155</u>
Community Services Block Grant Discretionary Awards	93.570	FaDSS 15-09	07/01/14-06/30/15	80,405
		FaDSS 16-09	07/01/15-06/30/16	69,621
				<u>150,026</u>
Passed through Iowa Department of Public Health				
Family Planning Services	93.217	5885MH20	10/01/14-09/30/15	128,316
		5886MH20	10/01/15-09/30/16	44,012
				<u>172,328</u>
Subtotal U.S. Department of Health and Human Services				<u>3,222,878</u>
U.S. Department of Transportation				
Passed through Iowa Department of Transportation				
Federal Transit Administration				
Formula Grants for Rural Areas	20.509	Section 5311	07/01/15-06/30/16	648,189
Bus and Bus Facilities Formula Program	20.526	IA-34-0003	10/01/12-06/30/15	129,976
			10/01/13-06/30/15	64,987
				<u>194,963</u>
Federal Transit - Job Access and Reverse Commute Program	20.516	IA-37-X023	10/01/12-09/30/16	29,368
			10/01/14-12/31/16	28,561
				<u>57,929</u>
Subtotal U.S. Department of Transportation				<u>901,081</u>
U.S. Department of Energy				
Passed through Iowa Department of Human Rights				
Weatherization Assistance for Low-income Persons	81.042	DOE 15-09	04/01/15-03/31/16	144,094

See Independent Auditor's Report on the Schedule of Expenditures of Federal Awards on page 59.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended January 31, 2016

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	10/01/14-09/30/15	\$ 122,562
			10/01/15-09/30/16	86,796
		96-8013	10/01/14-09/30/15	343,637
			10/01/15-09/30/16	148,394
Subtotal U.S. Department of Agriculture				<u>701,389</u>
U.S. Department of Housing and Urban Development				
Passed through Iowa Finance Authority				
Home Investment Partnerships Program (HOME)	14.239	95-HM-205-731	07/01/97-03/01/19	383,779
		13-HM-376	01/01/15-01/01/44	390,000
		14-HM-362	01/01/15-07/01/45	530,000
		14JUL-HM-924	01/01/15-12/01/31	510,000
				<u>1,813,779</u>
Subtotal Other Federal Awards				<u>6,783,221</u>
Total Federal Awards				<u>\$ 9,785,305</u>

See Independent Auditor's Report on the Schedule of Expenditures of Federal Awards on page 59.



NORTHEAST IOWA COMMUNITY ACTION CORPORATION

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended January 31, 2016

---

**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Northeast Iowa Community Action Corporation under programs of the federal government for the year ended January 31, 2016. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 as applicable, either the cost principles in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.
- (3) Northeast Iowa Community Action Corporation has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note 3. Loan Outstanding**

Northeast Iowa Community Action Corporation had the following loan balance outstanding at January 31, 2016.

Program Title	Federal CFDA #	Amount Outstanding
Home Investment Partnerships Program (HOME)	14.239	\$ 383,779 260,000 530,000 510,000
		<u>\$ 1,683,779</u>

See Independent Auditor's Report on the Schedule of Expenditures of Federal Awards on page 59.

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

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

We have audited, in accordance with the U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Northeast Iowa Community Action Corporation (a nonprofit corporation), which comprise the statement of financial position as of January 31, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 13, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Northeast Iowa Community Action Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Northeast Iowa Community Action Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

**Purpose of this Report**

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

*Hacker, Nelson & Co., P.C.*

Decorah, Iowa  
May 13, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

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 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, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2016.

### 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 the Uniform Guidance, 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 the Uniform Guidance

We have audited the financial statements of Northeast Iowa Community Action Corporation as of and for the year ended January 31, 2016, and have issued our report thereon dated May 13, 2016, 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 the Uniform Guidance 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Hacker, Nelson & Co., P.C.*

Decorah, Iowa  
May 13, 2016

## MANAGEMENT LETTER

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

In planning and performing our audit of the financial statements of Northeast Iowa Community Action Corporation for the year ended January 31, 2016, we considered the Corporation's internal control to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

As part of our audit, we are required to comment on the Corporation's compliance with certain aspects of state laws and rulings as specified by the Iowa Auditor of State. The following summarizes our comments and suggestions regarding that matter. A separate report dated May 13, 2016 contains our report on the Corporation's internal control. This letter does not affect our report dated May 13, 2016 on the financial statements of Northeast Iowa Community Action Corporation.

1. Questionable Disbursements

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

2. Deposit and Investments

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

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

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

*Hacker, Nelson & Co., P.C.*

Decorah, Iowa  
May 13, 2016