

**NORTHEAST IOWA COMMUNITY
ACTION CORPORATION**

FINANCIAL REPORT

JANUARY 31, 2018

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NORTHEAST IOWA COMMUNITY ACTION CORPORATION

BOARD OF DIRECTORS

Executive Board of Directors

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

Board Members
Representing

County	Government	Low-Income	Private
Allamakee	Dan Byrnes	Jessica McNamara	Marcia Hesse
Bremer	Tim Neil	Barbara Zemke	Shannon Michael
Chickasaw	David Tilkes	Richard Holthaus	Nick Winter
Clayton	Ronald McCartney	Kari Harbaugh	Wendy Shea
Fayette	Janell Bradley	Linda Voshell	Ron Garceau
Howard	Pat Murray	Malissa Kappes	Janel Langreck
Winnebago	John Beard	Les Askelson	Julie Wurtzel
Policy County Liason – Head Start		Shelly Werger	

Agency Officials

Mary Ann Humpal	Executive Director*
Trisha Wilkins	Executive Director**
William Iverson	Deputy Director
Patty Marlow	Comptroller

*Retired December 21, 2017

**Beginning December 4, 2017

**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, 2018, 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, 2018, 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 21, 2018, 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 solely 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 the effectiveness of Northeast Iowa Community Action Corporation's 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 21, 2018

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
STATEMENT OF FINANCIAL POSITION
January 31, 2018

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 2,675,633
Receivables:	
Funding source	1,009,008
Other	283,709
Notes receivable	22,143
Inventory	<u>1,714,644</u>

Total current assets	<u>5,705,137</u>
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PROPERTY AND EQUIPMENT, net	<u>3,962,145</u>
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OTHER ASSETS

Notes receivable	<u>29,643</u>
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Total assets	<u><u>\$ 9,696,925</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable:	
General	\$ 512,216
Compensated absences	138,628
Current portion of long-term debt	29,821
Advances from grantors	<u>505,353</u>

Total current liabilities	<u>1,186,018</u>
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LONG-TERM DEBT

Notes payable, less current portion	<u>2,670,679</u>
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NET ASSETS

Unrestricted	<u>5,840,228</u>
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Total liabilities and net assets	<u><u>\$ 9,696,925</u></u>
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See Notes to Financial Statements.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
STATEMENT OF ACTIVITIES
Year Ended January 31, 2018

	Unrestricted
REVENUES AND OTHER SUPPORT	
Federal and state grants	\$ 9,530,402
Local	3,141,174
Interest	19,737
Contributions	93,977
	<hr/>
Total revenues and other support	12,785,290
	<hr/>
EXPENSES	
Program services	11,551,318
Supporting services:	
Management and general	798,509
Fundraising	84,840
	<hr/>
Total expenses	12,434,667
	<hr/>
Change in net assets from operations	350,623
	<hr/>
NET ASSETS, beginning of year	5,489,605
	<hr/>
NET ASSETS, end of year	\$ 5,840,228
	<hr/> <hr/>

See Notes to Financial Statements.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended January 31, 2018

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Employee salaries	\$ 4,387,960	\$ 411,806	\$ 58,529	\$ 4,858,295
Employee fringe benefits	1,587,586	121,881	13,070	1,722,537
Contractual	190,675	121,319	6,066	318,060
Travel	89,129	37,680	1,884	128,693
Space costs	122,126	20,358	1,018	143,502
Consumable supplies	197,122	23,066	1,153	221,341
Equipment	858,099			858,099
Direct assistance	2,252,664			2,252,664
Depreciation	164,743			164,743
Food	570,143			570,143
Vehicle costs	219,769			219,769
Materials	284,474			284,474
Other	983,125	62,399	3,120	1,048,644
Contributed facilities	93,977			93,977
Use of equipment and contributed materials and services	(450,274)			(450,274)
Total expenses	<u>\$ 11,551,318</u>	<u>\$ 798,509</u>	<u>\$ 84,840</u>	<u>\$ 12,434,667</u>

See Notes to Financial Statements.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
STATEMENT OF CASH FLOWS
Year Ended January 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 350,623
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	164,743
Acquiring interest of Decorah Woolen Mill, L.P.	(297,262)
Noncash contribution	(8,060)
(Increase) decrease in:	
Receivables:	
Funding source	42,258
Other	185,087
Inventory	(397,541)
Increase (decrease) in:	
Payables	149
Compensated absences	7,835
Advances from grantors	(1,553)
Net cash provided by operating activities	<u>46,279</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Payments received on notes receivables	20,619
Advances on notes receivable	(36,972)
Purchase of equipment	(192,390)
Net cash used in investing activities	<u>(208,743)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Principal payments on debt	(142,215)
Proceeds from loans borrowed	185,923
Net cash provided by financing activities	<u>43,708</u>

Net decrease in cash (118,756)

CASH AND CASH EQUIVALENTS

Beginning of year	<u>2,794,389</u>
End of year	<u><u>\$ 2,675,633</u></u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Noncash from investing and financing activities:	
Cash payments for interest	<u><u>\$ 16,761</u></u>

Noncash financing transaction:

Donation	\$ 8,060
Noncash reduction of debt	(8,060)

Noncash investing and financing transaction:

Donation	\$ 297,262
Assets received through Partnership acquisition	(634,653)
Liabilities assumed through Partnership acquisition	7,391
Debt assumed through Partnership acquisition	330,000
	<u><u>\$ None</u></u>

Disposal of property and equipment:

Property sold:	
Cost	\$ 118,864
Less accumulated depreciation	118,864
Book value	<u><u>\$ None</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. This program ended June 30, 2017.

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, 2018, 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 totaled \$2,552,718 at January 31, 2018.

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, 2017, and received an unmodified opinion dated January 25, 2018. 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 consolidated with the Corporation. As of January 1, 2018, the Corporation owns 100% interest of Decorah Woolen Mill Limited Partnership.

e. Pooled Cash and Cash Equivalents

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

f. Interfund Receivables/Payables

During the course of its operations, the Corporation has numerous transactions between funds. To the extent that certain transactions between funds had not been paid or received as of January 31, 2018, 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 includes homes built in Fayette, Sumner, Elkader, Fredericksburg, Guttenberg, Postville, Tripoli and Garnavillo 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 \$3,058,205 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 \$164,743 for the year ended January 31, 2018 and accumulated depreciation totaled \$1,507,287.

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 2018.

k. Annual/Vacation Leave

The Corporation's employees accumulate sick leave and annual leave for subsequent use. The accumulation of annual/vacation 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.

1. Summary of Significant Accounting Policies (Continued)

m. Concentrations of Credit Risk

Financial instruments that potentially subject the Corporation to significant concentrations of credit risk consist principally of accounts receivables and cash. Receivables are primarily from the U.S. government, the State of Iowa and local governments in Iowa. These receivables are uncollateralized.

The Corporation's cash balances at two financial institutions fluctuate during the year and at various times exceed the Federal Deposit Insurance Corporation insurance limit. The Corporation's funds are considered public funds under state law and are thus secured by pledged investments of a multiple financial institution collateral pool.

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.

o. Recent Accounting Pronouncement

In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which affects all nonprofit organizations. The ASU significantly amends the standards for the presentation and accompanying disclosures of the financial statements of nonprofit organizations. The new standard is effective for the Corporation's year ending January 31, 2019. The Corporation is currently evaluating the effect that implementation of the new standard will have on the presentation of its financial statements and accompanying disclosures.

2. Deposits

At year-end, the carrying amount of the Corporation's deposits was \$2,675,592 and the bank balances totaled \$2,996,252. Of the bank balances, \$500,000 was covered by federal depository insurance. The balance was covered by a multiple financial institution collateral pool in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against members of the pool to ensure 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, 2018 is \$93,977.

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 61% 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.

NOTES TO FINANCIAL STATEMENTS

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 2018, 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, 2018. The indirect cost plan and rate was determined based on salary and benefits. The Corporation's approved rate for the year ended January 31, 2018 was 13.39%. For fiscal year 2017, the indirect cost plan and actual rate was 13.30%.

7. 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	\$ None	\$ 110,444	\$ 174,318	\$ 284,762
Waukon USDA	None	455,194	None	455,194
Head Start Local	None	65,419	None	65,419
Transit	28,000	255,091	608,489	891,580
Single Family Rental	None	524,840	None	524,840
Housing Properties:				
Ridgewood Duplex	None	131,024	11,890	142,914
Washington Court	None	600,989	21,348	622,337
Oelwein Duplex Rental	None	297,896	None	297,896
Calmar Apartments:				
Phase I	9,975	483,847	54,892	548,714
Phase II	9,975	512,292	17,353	539,620
Decorah Woolen Mill	None	1,096,156	None	1,096,156
	47,950	4,533,192	888,290	5,469,432
Less accumulated depreciation	None	932,025	575,262	1,507,287
	\$ 47,950	\$ 3,601,167	\$ 313,028	\$ 3,962,145

The components of the Corporation's accumulated depreciation at January 31, 2018 are as follows:

	Buildings	Vehicles	Equipment	Total
Balance, beginning of year	\$ 824,309	\$ 297,597	\$ 339,361	\$ 1,461,267
Current year depreciation	107,716	43,738	13,289	164,743
Current year disposals	None	(114,505)	(4,218)	(118,723)
Balance, end of year	\$ 932,025	\$ 226,830	\$ 348,432	\$ 1,507,287

NOTES TO FINANCIAL STATEMENTS

8. Long-term Debt

Details of long-term debt as of January 31, 2018 are as follows:

	Balance Due	
	Total	Current
Calmar Apartments:		
Decorah Bank & Trust Company, Decorah		
4.05% interest bearing note payable, due \$1,836 per month including interest through November 2027, collateralized by real estate with a carrying value of \$517,349.	\$ 177,304	\$ 15,104
Waukon USDA		
U.S. Department of Agriculture		
4.75% interest bearing note payable, due \$1,615 monthly including interest through November 2042, collateralized by real estate with a carrying value of \$259,840.	253,855	7,457
HOME Investment Partnerships Program:		
Iowa Department of Economic Development		
1.0% interest bearing note payable, which is accrued annually, varying interest payments are due annually March 31, 2017 through 2018 with a balloon payment including interest, due March 31, 2019 collateralized by real estate with a carrying value of \$552,200.	383,779	
1.0% note payable, due in annual interest payments through August 31, 2023, with principal due August 31, 2023, collateralized by real estate with a carrying value of \$1,092,834.	330,000	
Rent to Own:		
Iowa Finance Authority		
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.	527,540	1,230
0.0% interest bearing note payable, with a balloon payment due July 1, 2037 collateralized by real estate. This note is transferred with the related real estate as the homes are sold.	185,923	
Single Family Rental:		
0.0% interest bearing note payable, forgivable in 2031. The real estate has a carrying value of \$481,403.	524,840	
Ridgewood Duplex Building:		
Winneshiek County Habitat for Humanity		
0.0% interest bearing note payable, due \$304 monthly through September 2032, collateralized by real estate with a carrying value of \$93,355.	50,521	3,652
0.0% interest bearing note payable, with 10% forgiven each year through November 2020.	6,738	2,378
	<u>\$ 2,700,500</u>	<u>\$ 29,821</u>

NOTES TO FINANCIAL STATEMENTS

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

Maturities of long-term debt during the years following January 31, 2018 are as follows:

Long-term debt maturities:	
2019	\$ 29,821
2020	414,086
2021	31,439
2022	30,530
2023	31,652
2024-2028	501,779
2029-2033	608,645
2034-2038	275,406
2039-2043	20,367
2044-2048	756,775
	<u>\$ 2,700,500</u>

Interest expense totaled \$16,761 for the year ending January 31, 2018. No interest cost was capitalized for the year ended January 31, 2018.

9. **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, 2017 through January 31, 2018, of their annual covered salary and the Corporation is required to contribute 8.93% from February 1, 2017 through January 31, 2018, of annual covered payroll. Contribution requirements are established by state statute. The Corporation's contribution to IPERS for the years ended January 31, 2018, 2017, and 2016 were \$415,909, \$416,290, and \$395,447 respectively, equal to the required contributions for each year.

10. **Advances from Grantors**

Advances from grantors consist of the following as of January 31, 2018:

U.S. Department of Health and Human Services:	
Wrap-Around Child Care	\$ 117,680
State Department of Human Rights:	
Low-income Home Energy Assistance	339,746
FaDSS	29,095
	<u>368,841</u>
U.S. Department of Agriculture:	
USDA	3,071
Family Day Care	2,218
	<u>5,289</u>
State Department of Education:	
Community Adolescent Pregnancy Prevention	<u>6,657</u>
Local Sources:	
Mobility Manager	<u>6,886</u>
	<u>\$ 505,353</u>

NOTES TO FINANCIAL STATEMENTS

11. 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, 2018.
- Central Community School District for \$200 per month. The lease expires on June 30, 2021.
- Cresco Fitness Center for \$300 annually. The lease expires June 30, 2022.
- Postville Community School District for \$200 per month. The lease expires June 30, 2019.
- Office space for \$500 per month for Outreach on a month-to-month basis.
- Upper Explorerland Regional Planning Commission for \$350 per month. The lease expires on September 30, 2018.

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

Center	Period of Lease	Monthly Rent
Postville CD	July 1, 2017 to June 30, 2018	\$ 600
Postville HS	July 1, 2017 to June 30, 2018	700
Postville HS	August 1, 2016 to July 31, 2017	800
Monona HS	March 1, 2016 to February 28, 2018	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, 2017 to June 30, 2018	\$ 500
Guttenberg HS	July 1, 2017 to June 30, 2018	300
Decorah CSD	July 1, 2017 to June 30, 2018	425
Oelwein CSD	August 21, 2017 to August 21, 2018	1,500
North Fayette CSD	August 1, 2017 to July 31, 2018	400
Monona HS	August 1, 2017 to July 31, 2018	750

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

Year ending January 31,	
2019	\$ 46,705
2020	5,100
2021	3,700
2022	1,300
2023	125
	<hr/>
	\$ 56,930

12. 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, 2018, 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 8.

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 family purchases the home, 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 purchased Decorah Woolen Mill Limited Partnership (the partnership) in 2018. The partnership constructed a 15 unit-housing complex in Decorah, Iowa at a total cost of \$1,740,245 and put into service October 1, 2001. 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.

13. 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.

14. 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 114 participants in the plan for the plan year ended January 31, 2018.

15. Fund Balance Deficit

As of January 31, 2018, the single family fund has a deficit fund balance. The deficit in the single family fund is due to depreciation expense.

16. Subsequent Events

Subsequent events were evaluated through May 21, 2018, which is the date the financial statements were available to be issued.

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, 2018, and have issued our report thereon dated May 21, 2018, 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, 2018 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, 2017, 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, 2017 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 10 through 22, which relates to the year ended January 31, 2017, 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 21, 2018

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF FINANCIAL POSITION
 BY FUNDING SOURCE
 January 31, 2018

	U.S. Department of Health and Human Services	State Department of Human Rights	U.S. Department of Agriculture	Other Sources	Total
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 82,920	\$ 163,890	\$ 436	\$ 47,809	\$ 295,055
Receivables:					
Funding source	134,175	433,691	57,362	38,759	663,987
Due from other funds	40,480	280,616		2,488	323,584
	<u>257,575</u>	<u>878,197</u>	<u>57,798</u>	<u>89,056</u>	<u>1,282,626</u>
Total assets	\$ 257,575	\$ 878,197	\$ 57,798	\$ 89,056	\$ 1,282,626
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable:					
General	\$ 38,733	\$ 35,175	\$ 48,977	\$ 817	\$ 123,702
Due to other funds	101,162	474,181	3,532	23,587	602,462
Advances from grantors	117,680	368,841	5,289	6,657	498,467
	<u>257,575</u>	<u>878,197</u>	<u>57,798</u>	<u>31,061</u>	<u>1,224,631</u>
NET ASSETS					
Unrestricted				57,995	57,995
	<u>257,575</u>	<u>878,197</u>	<u>57,798</u>	<u>89,056</u>	<u>1,282,626</u>
Total liabilities and net assets	\$ 257,575	\$ 878,197	\$ 57,798	\$ 89,056	\$ 1,282,626

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF FINANCIAL POSITION
 LOCAL FUNDS
 January 31, 2018

	Transit	Local Weatherization	Head Start Local	Housing Properties	Weatherization Utilities	Contributions
ASSETS						
CURRENT ASSETS						
Cash	\$ 535,250	\$ 9,826	\$ 113,340	\$ 126,382		\$ 1,111,603
Receivables:						
Funding source	277,624				\$ 40,318	
Other	272,675		9,917			871
Notes receivable						
Due from other funds	50		538			1,035,280
Inventory						
	<u>1,085,599</u>	<u>9,826</u>	<u>123,795</u>	<u>126,382</u>	<u>40,318</u>	<u>2,147,754</u>
PROPERTY AND EQUIPMENT, NET	<u>534,269</u>	<u>None</u>	<u>36,096</u>	<u>2,554,368</u>	<u>None</u>	<u>96,169</u>
Notes receivable	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>
Total assets	<u>\$ 1,619,868</u>	<u>\$ 9,826</u>	<u>\$ 159,891</u>	<u>\$ 2,680,750</u>	<u>\$ 40,318</u>	<u>\$ 2,243,923</u>
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts payable:						
General	\$ 45,307		\$ 1,514	\$ 88,870		\$ 243,144
Due to other funds	255,158	\$ 3,380	1,187	75,595	\$ 40,318	137,621
Compensated absences						138,628
Current portion of long-term debt				21,134		
Advances from grantors						
Total current liabilities	<u>300,465</u>	<u>3,380</u>	<u>2,701</u>	<u>185,599</u>	<u>40,318</u>	<u>519,393</u>
LONG-TERM DEBT						
Notes payable, less current portion	<u>None</u>	<u>None</u>	<u>None</u>	<u>927,208</u>	<u>None</u>	<u>None</u>
NET ASSETS						
Unrestricted:						
Designated for fixed assets	534,269		36,096	1,567,943		96,169
Undesignated	785,134	6,446	121,094			1,628,361
Total net assets (deficit)	<u>1,319,403</u>	<u>6,446</u>	<u>157,190</u>	<u>1,567,943</u>	<u>None</u>	<u>1,724,530</u>
Total liabilities and net assets (deficit)	<u>\$ 1,619,868</u>	<u>\$ 9,826</u>	<u>\$ 159,891</u>	<u>\$ 2,680,750</u>	<u>\$ 40,318</u>	<u>\$ 2,243,923</u>

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
COMBINING STATEMENT OF FINANCIAL POSITION
LOCAL FUNDS
January 31, 2018

	Winneshiek General Relief	Single Family	Rent to Own	Waukon USDA	Fayette General Relief	Housing Local	Crisis
ASSETS							
CURRENT ASSETS							
Cash		\$ 3,655	\$ 13,178	\$ 27,878		\$ 155,275	\$ 236,161
Receivables:							
Funding source	\$ 2,628				\$ 454		
Other						58	188
Notes receivable							
Due from other funds						215,012	
Inventory			1,714,644				
	<u>2,628</u>	<u>3,655</u>	<u>1,727,822</u>	<u>27,878</u>	<u>454</u>	<u>370,345</u>	<u>236,349</u>
PROPERTY AND EQUIPMENT, NET	<u>None</u>	<u>481,403</u>	<u>None</u>	<u>259,840</u>	<u>None</u>	<u>None</u>	<u>None</u>
Notes receivable	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>
Total assets	<u>\$ 2,628</u>	<u>\$ 485,058</u>	<u>\$ 1,727,822</u>	<u>\$ 287,718</u>	<u>\$ 454</u>	<u>\$ 370,345</u>	<u>\$ 236,349</u>
LIABILITIES AND NET ASSETS							
CURRENT LIABILITIES							
Accounts payable:							
General		\$ 1,439	\$ 4,460			\$ 990	\$ 1,982
Due to other funds	\$ 2,628	44	437,643		\$ 454	1,522	
Compensated absences							
Current portion of long-term debt			1,230	\$ 7,457			
Advances from grantors							
Total current liabilities	<u>2,628</u>	<u>1,483</u>	<u>443,333</u>	<u>7,457</u>	<u>454</u>	<u>2,512</u>	<u>1,982</u>
LONG-TERM DEBT							
Notes payable, less current portion	<u>None</u>	<u>524,840</u>	<u>972,233</u>	<u>246,398</u>	<u>None</u>	<u>None</u>	<u>None</u>
NET ASSETS							
Unrestricted:							
Designated for fixed assets			312,256	5,985			
Undesignated		(41,265)		27,878		367,833	234,367
Total net assets (deficit)	<u>None</u>	<u>(41,265)</u>	<u>312,256</u>	<u>33,863</u>	<u>None</u>	<u>367,833</u>	<u>234,367</u>
Total liabilities and net assets (deficit)	<u>\$ 2,628</u>	<u>\$ 485,058</u>	<u>\$ 1,727,822</u>	<u>\$ 287,718</u>	<u>\$ 454</u>	<u>\$ 370,345</u>	<u>\$ 236,349</u>

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
COMBINING STATEMENT OF FINANCIAL POSITION
LOCAL FUNDS
January 31, 2018

	Wheels to Work	Howard General Relief	Chickasaw General Relief	Mobility Manager	Total
ASSETS					
CURRENT ASSETS					
Cash	\$ 48,030				\$ 2,380,578
Receivables:					
Funding source		\$ 946	\$ 1,816	\$ 21,235	345,021
Other					283,709
Notes receivable	22,143				22,143
Due from other funds					1,250,880
Inventory					1,714,644
	<u>70,173</u>	<u>946</u>	<u>1,816</u>	<u>21,235</u>	<u>5,996,975</u>
PROPERTY AND EQUIPMENT, NET	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>3,962,145</u>
Notes receivable	<u>29,643</u>				<u>29,643</u>
	<u>29,643</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>29,643</u>
Total assets	<u>\$ 99,816</u>	<u>\$ 946</u>	<u>\$ 1,816</u>	<u>\$ 21,235</u>	<u>\$ 9,988,763</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable:					
General	\$ 95		\$ 200	\$ 513	\$ 388,514
Due to other funds	54	\$ 946	1,616	13,836	972,002
Compensated absences					138,628
Current portion of long-term debt					29,821
Advances from grantors				6,886	6,886
Total current liabilities	<u>149</u>	<u>946</u>	<u>1,816</u>	<u>21,235</u>	<u>1,535,851</u>
LONG-TERM DEBT					
Notes payable, less current portion	<u>None</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>2,670,679</u>
NET ASSETS					
Unrestricted:					
Designated for fixed assets					2,552,718
Undesignated	99,667				3,229,515
Total net assets (deficit)	<u>99,667</u>	<u>None</u>	<u>None</u>	<u>None</u>	<u>5,782,233</u>
Total liabilities and net assets (deficit)	<u>\$ 99,816</u>	<u>\$ 946</u>	<u>\$ 1,816</u>	<u>\$ 21,235</u>	<u>\$ 9,988,763</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, 2018

	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	\$ 3,181,264	\$ 3,008,783	\$ 53,557	\$ 644,764	\$ 41,855	\$ 6,930,223
State grants		151,728			587,132	738,860
Local			13,383		114,623	128,006
In-kind	701,523				9,198	710,721
Total revenues	<u>3,882,787</u>	<u>3,160,511</u>	<u>66,940</u>	<u>644,764</u>	<u>752,808</u>	<u>8,507,810</u>
EXPENDITURES						
Direct:						
Employee salaries	1,783,626	679,646	74,514	61,884	162,289	2,761,959
Employee fringe benefits	658,693	260,191	24,985	19,329	52,979	1,016,177
Contractual	3,818	118,597	5,718	3,801	19,901	151,835
Travel	8,596	28,918	624	4,897	6,397	49,432
Space costs	8,134	19,948	6,120	3,528	405	38,135
Consumable supplies	79,411	24,947	19,893	4,514	4,939	133,704
Direct assistance		1,835,354			417,310	2,252,664
Augmentation		(307,448)				(307,448)
Food	47,309			522,834		570,143
Other	264,869	330,415	7,323	13,155	19,511	635,273
In-kind	701,523				9,198	710,721
Total direct	<u>3,555,979</u>	<u>2,990,568</u>	<u>139,177</u>	<u>633,942</u>	<u>692,929</u>	<u>8,012,595</u>
Indirect	<u>326,808</u>	<u>170,933</u>	<u>13,233</u>	<u>10,822</u>	<u>40,031</u>	<u>561,827</u>
Total expenditures	<u>3,882,787</u>	<u>3,161,501</u>	<u>152,410</u>	<u>644,764</u>	<u>732,960</u>	<u>8,574,422</u>
Excess revenues over (under) expenditures	None	(990)	(85,470)	None	19,848	(66,612)
FUND BALANCE, beginning of year	None	None	None	None	38,147	38,147
Less: funds returned or to be returned to funding source	None	(208)	None	None	None	(208)
TRANSFERS, NET	<u>None</u>	<u>1,198</u>	<u>85,470</u>	<u>None</u>	<u>None</u>	<u>86,668</u>
FUND BALANCE, end of year	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>	<u>\$ 57,995</u>	<u>\$ 57,995</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
 LOCAL FUNDS
 Year Ended January 31, 2018

	Transit		Local Weatherization		Head Start	Housing Properties	Calmar Apartments
	2017	2018	2017	2018	Local	2018	2017
REVENUES							
Federal grants	\$ 116,889	\$ 1,179,662					
State grants	181,618	280,920					
Local	863,566	1,066,727			\$ 56,048	\$ 101,770	\$ 33,228
Interest	1,548	1,692	\$ 30	\$ 48		75	60
Total revenues	1,163,621	2,529,001	30	48	56,048	101,845	33,288
EXPENDITURES							
Direct:							
Employee salaries	549,849	811,362			30,063	16,020	3,193
Employee fringe benefits	183,906	267,872			10,697	8,795	1,275
Contractual	12,920	18,110					1,254
Travel	17,574	9,653					
Space costs	4,690	13,105					21,502
Consumable supplies	16,295	46,058					
Equipment	30,588	827,346					
Depreciation	28,918	20,940			6,006	25,015	16,164
Augmentation							
Other	242,159	330,787	4,175	248	2,303	51,108	51,476
Total direct	1,086,899	2,345,233	4,175	248	49,069	100,938	94,864
Indirect	97,705	144,510		3,380	5,904	3,322	594
Total expenditures	1,184,604	2,489,743	4,175	3,628	54,973	104,260	95,458
Excess revenues (under) over expenditures	(20,983)	39,258	(4,145)	(3,580)	1,075	(2,415)	(62,170)
FUND BALANCE, beginning of year	1,335,742	None	14,171	None	156,115	297,262	414,286
TRANSFERS, NET	(34,614)	None	None	None	None	1,273,096	(352,116)
REPROGRAMMED FUNDS	(1,280,145)	1,280,145	(10,026)	10,026	None	None	None
FUND BALANCE (deficit), end of year	\$ None	\$ 1,319,403	\$ None	\$ 6,446	\$ 157,190	\$ 1,567,943	\$ 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, 2018

	Weatherization Utilities		Contributions	Winneshtiek General Relief		Single Family		Rent to Own	
	2017	2018		2017	2018	2017	2018	2017	2018
REVENUES									
Federal grants									
State grants									
Local	\$ 164,700	\$ 25,261	\$ 1,157,952	\$ 11,059	\$ 6,743	\$ 4,856	\$ 10,842	\$ 50,000	
Interest			14,698			8	32	23,571	\$ 36,203
								9	67
Total revenues	164,700	25,261	1,172,650	11,059	6,743	4,864	10,874	73,580	36,270
EXPENDITURES									
Direct:									
Employee salaries			555,259	1,452	2,863	1,684	1,179	26,544	6,712
Employee fringe benefits			183,740	687	1,177	663	482	8,302	3,083
Contractual			121,319						
Travel			38,351						
Space costs			20,358	780	972	1,875	12,727		
Consumable supplies			23,066						
Equipment									
Depreciation			10,334			6,564	14,106		
Augmentation	156,856	24,057							
Other			131,987	7,855	1,192		29	5,488	34,564
Total direct	156,856	24,057	1,084,414	10,774	6,204	10,786	28,523	40,334	44,359
Indirect	7,844	1,204	26,442	285	539	312	222	4,665	1,302
Total expenditures	164,700	25,261	1,110,856	11,059	6,743	11,098	28,745	44,999	45,661
Excess revenues (under) over expenditures	None	None	61,794	None	None	(6,234)	(17,871)	28,581	(9,391)
FUND BALANCE, beginning of year	None	None	1,752,284	None	None	271,536	None	303,121	None
TRANSFERS, NET	None	None	(89,548)	None	None	(288,696)	None	(10,055)	None
REPROGRAMMED FUNDS	None	None	None	None	None	23,394	(23,394)	(321,647)	321,647
FUND BALANCE (deficit), end of year	\$ None	\$ None	\$ 1,724,530	\$ None	\$ None	\$ None	\$ (41,265)	\$ None	\$ 312,256

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, 2018

	Ridgewood Duplex 2017	Waukon USDA	Fayette General Relief		Health Planning 2017	Housing Local	Crisis
			2017	2018			
REVENUES							
Federal grants							
State grants							
Local	\$ 5,400	\$ 19,380	\$ 2,334	\$ 7,488	\$ 1,178	\$ 1,005	\$ 162,510
Interest	2	175				1,261	
Total revenues	5,402	19,555	2,334	7,488	1,178	2,266	162,510
EXPENDITURES							
Direct:							
Employee salaries			123	418		26,358	12,717
Employee fringe benefits			50	180		9,560	5,676
Contractual						12,622	
Travel						5,401	382
Space costs	2,899				2,448		
Consumable supplies				1			
Equipment							
Depreciation	2,487	11,380					
Augmentation							
Other		12,241	2,138	6,809	1,511	19,123	109,129
Total direct	5,386	23,621	2,311	7,408	3,959	73,064	127,904
Indirect			23	80		4,809	2,446
Total expenditures	5,386	23,621	2,334	7,488	3,959	77,873	130,350
Excess revenues (under) over expenditures	16	(4,066)	None	None	(2,781)	(75,607)	32,160
FUND BALANCE, beginning of year	46,127	37,929	None	None	2,781	821,751	199,327
TRANSFERS, NET	(46,143)	None	None	None	None	(378,311)	2,880
REPROGRAMMED FUNDS	None	None	None	None	None	None	None
FUND BALANCE (deficit), end of year	\$ None	\$ 33,863	\$ None	\$ None	\$ None	\$ 367,833	\$ 234,367

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, 2018

	Wheels to Work		Howard General Relief		Washington Court	Chickasaw General Relief	Mobility Manager		Total
	2017	2018	2017	2018	2017		2017	2018	
REVENUES									
Federal grants							\$ 52,230		\$ 1,348,781
State grants									512,538
Local	\$ 567	\$ 1,590	\$ 2,107	\$ 2,752	\$ 55,819	\$ 4,845			3,829,501
Interest					32				19,737
Total revenues	567	1,590	2,107	2,752	55,851	4,845	52,230	\$ None	5,710,557
EXPENDITURES									
Direct:									
Employee salaries	1,260	1,313	347	843	10,322	553	32,652	3,250	2,096,336
Employee fringe benefits	635	533	144	344	4,059	192	12,980	1,328	706,360
Contractual									166,225
Travel	75	72					7,321	432	79,261
Space costs					22,406		1,497	108	105,367
Consumable supplies	55	59	3	9		1	2,056	34	87,637
Equipment	85	80							858,099
Depreciation					22,829				164,743
Augmentation									180,913
Other	136		1,549	1,398	4,167	4,000	13,087	5,490	1,044,149
Total direct	2,246	2,057	2,043	2,594	63,783	4,746	69,593	10,642	5,489,090
Indirect	209	246	64	158	1,925	99	5,996	613	314,898
Total expenditures	2,455	2,303	2,107	2,752	65,708	4,845	75,589	11,255	5,803,988
Excess revenues (under) over expenditures	(1,888)	(713)	None	None	(9,857)	None	(23,359)	(11,255)	(93,431)
FUND BALANCE, beginning of year	102,268	None	None	None	207,632	None	None	None	5,962,332
TRANSFERS, NET	None	None	None	None	(197,775)	None	34,614	None	(86,668)
REPROGRAMMED FUNDS	(100,380)	100,380	None	None	None	None	(11,255)	11,255	None
FUND BALANCE (deficit), end of year	\$ None	\$ 99,667	\$ None	\$ None	\$ None	\$ None	\$ None	\$ None	\$ 5,782,233

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, 2018

	Head Start #07CH7091-03-02		Combined Wrap-Around		Early Childhood #07CH7091-03-02		Total
	Direct	T & TA	2017	2018	Direct	T & TA	
REVENUES							
Federal grants	\$ 1,974,993	\$ 26,670	\$ 275,357	\$ 99,820	\$ 785,568	\$ 18,856	\$ 3,181,264
In-kind	500,170				201,353		701,523
Total revenues	2,475,163	26,670	275,357	99,820	986,921	18,856	3,882,787
EXPENDITURES							
Direct:							
Employee salaries	1,064,257	12,012	170,973	71,264	459,119	6,001	1,783,626
Employee fringe benefits	409,905	2,982	63,232	16,768	163,457	2,349	658,693
Contractual	3,818						3,818
Travel	42	4,209			12	4,333	8,596
Space costs			8,134				8,134
Consumable supplies	56,343		1,869		21,199		79,411
Food	38,303				9,006		47,309
Other	204,935	5,459			49,412	5,063	264,869
In-kind	500,170				201,353		701,523
Total direct	2,277,773	24,662	244,208	88,032	903,558	17,746	3,555,979
Indirect	197,390	2,008	31,149	11,788	83,363	1,110	326,808
Total expenditures	2,475,163	26,670	275,357	99,820	986,921	18,856	3,882,787
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, 2018

	Weatherization Assistance for Low-income Persons DOE 17-09	Low-income Home Energy Assistance LIHEAP-17-09 LIHEAP-18-09		HEAP Weatherization Assistance for Low-income Persons HEAP 17-09 HEAP 18-09	
REVENUES					
Federal grants	\$ 159,700	\$ 1,082,672	\$ 939,691	\$ 178,503	\$ 197,905
State grants					
Total revenues	159,700	1,082,672	939,691	178,503	197,905
EXPENDITURES					
Direct:					
Employee salaries		61,327	51,741		
Employee fringe benefits		18,805	19,180		
Contractual					
Travel		2,074	738		
Space costs		1,962	906		
Consumable supplies		3,616	1,691		
Direct assistance		981,656	853,656		
Augmentation	141,581			160,766	196,907
Other		3,184	2,506		
Total direct	141,581	1,072,624	930,418	160,766	196,907
Indirect	18,119	10,048	9,273	17,529	998
Total expenditures	159,700	1,082,672	939,691	178,295	197,905
Excess revenues over (under) expenditures	None	None	None	208	None
FUND BALANCE, beginning of year	None	None	None	None	None
Less: funds returned or to be returned to funding source	None	None	None	(208)	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, 2018

	Community Services Block Grant		FaDSS		WAP Main		Total
	CSBG-17-09	CSBG-18-09	FaDSS-17-09	FaDSS-18-09	2017	2018	
REVENUES							
Federal grants	\$ 164,155	\$ 115,058	\$ 75,715	\$ 95,384			\$ 3,008,783
State grants			67,143	84,585			151,728
Total revenues	164,155	115,058	142,858	179,969	\$ None	\$ None	3,160,511
EXPENDITURES							
Direct:							
Employee salaries	89,293	62,289	82,748	111,853	28,522	191,873	679,646
Employee fringe benefits	32,964	23,033	29,078	32,880	14,640	89,611	260,191
Contractual					22,155	96,442	118,597
Travel	3,383	754	11,484	10,120	360	5	28,918
Space costs	6,017	3,600	1,624	2,191	483	3,165	19,948
Consumable supplies	5,643	4,522	2,051	1,483	1,560	4,381	24,947
Direct assistance			24	18			1,835,354
Augmentation					(142,548)	(664,154)	(307,448)
Other	10,595	9,435	2,174	2,044	67,366	233,111	330,415
Total direct	147,895	103,633	129,183	160,589	(7,462)	(45,566)	2,990,568
Indirect	16,260	11,425	14,873	19,380	7,462	45,566	170,933
Total expenditures	164,155	115,058	144,056	179,969	None	None	3,161,501
Excess revenues over (under) expenditures	None	None	(1,198)	None	None	None	(990)
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	(208)
TRANSFERS, NET	None	None	1,198	None	None	None	1,198
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, 2018

	Family Planning Project #5887MH20
REVENUES	
Federal grants	\$ 53,557
Local	13,383
Total revenues	66,940
EXPENDITURES	
Direct:	
Employee salaries	74,514
Employee fringe benefits	24,985
Contractual	5,718
Travel	624
Space costs	6,120
Consumable supplies	19,893
Other	7,323
Total direct	139,177
Indirect	13,233
Total expenditures	152,410
Excess revenues (under) expenditures	(85,470)
FUND BALANCE, beginning of year	None
REPROGRAMMED FUNDS	None
TRANSFERS, NET	85,470
FUND BALANCE, end of year	\$ None

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 U.S. DEPARTMENT OF AGRICULTURE
 Year Ended January 31, 2018

	USDA		Family Day Care		Total
	#96-8010	#96-8010	#96-8013	#96-8013	
REVENUES					
Federal grants	\$ 121,154	\$ 80,574	\$ 310,715	\$ 132,321	\$ 644,764
EXPENDITURES					
Direct:					
Employee salaries	14,464	7,937	26,478	13,005	61,884
Employee fringe benefits	4,192	2,146	8,941	4,050	19,329
Contractual			2,141	1,660	3,801
Travel			4,135	762	4,897
Space costs			2,352	1,176	3,528
Consumable supplies			4,322	192	4,514
Food	94,434	64,511	253,281	110,608	522,834
Other	5,583	4,632	2,082	858	13,155
Total direct	118,673	79,226	303,732	132,311	633,942
Indirect	2,481	1,348	4,710	2,283	10,822
Total expenditures	121,154	80,574	308,442	134,594	644,764
Excess revenues over (under) expenditures	None	None	2,273	(2,273)	None
FUND BALANCE, beginning of year	None	None	None	None	None
REPROGRAMMED FUNDS	None	None	(2,273)	2,273	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, 2018

	Child Development Combined		ICAA Tenant Based Rental Assistance		Utilities	
	2017	2018	IV	III	2017	2018
REVENUES						
Federal grants			\$ 6,626	\$ 35,229		
State grants	\$ 50,816	\$ 97,811				
Local revenue					\$ 84,047	\$ 6,387
In-kind						
Total revenues	50,816	97,811	6,626	35,229	84,047	6,387
EXPENDITURES						
Direct:						
Employee salaries	29,240	57,687	385	1,443	2,909	756
Employee fringe benefits	6,923	21,783	122	565	1,153	307
Contractual			57			
Travel				284		
Space costs						
Consumable supplies			33	71		
Direct assistance			5,961	32,597	61,629	19,051
Other	10,298	7,700				
In-kind						
Total direct	46,461	87,170	6,558	34,960	65,691	20,114
Indirect	4,355	10,641	68	269	544	142
Total expenditures	50,816	97,811	6,626	35,229	66,235	20,256
Excess revenues over (under) expenditures	None	None	None	None	17,812	(13,869)
FUND BALANCE, beginning of year	None	None	None	None	37,204	None
REPROGRAMMED FUNDS	None	None	None	None	(55,016)	55,016
TRANSFERS, NET	None	None	None	None	None	None
FUND BALANCE, end of year	\$ None	\$ None	\$ None	\$ None	\$ None	\$ 41,147

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, 2018

	Community Adolescent Pregnancy Prevention		ICAA Alliance Home Energy Savers	ICAA Disaster		Total
	2017	2018	2017	2017	2018	
REVENUES						
Federal grants						\$ 41,855
State grants	\$ 44,253	\$ 35,516	\$ 105,999	\$ 33,028	\$ 219,709	587,132
Local revenue	296	14,748	9,145			114,623
In-kind	9,198					9,198
Total revenues	53,747	50,264	115,144	33,028	219,709	752,808
EXPENDITURES						
Direct:						
Employee salaries	15,287	28,152		7,329	19,101	162,289
Employee fringe benefits	5,650	8,797		1,698	5,981	52,979
Contractual	15,297	4,547				19,901
Travel	943	2,337		2,532	301	6,397
Space costs	405					405
Consumable supplies	4,037	24		42	732	4,939
Direct assistance			102,807	21,877	173,388	417,310
Other	145	1,368				19,511
In-kind	9,198					9,198
Total direct	50,962	45,225	102,807	33,478	199,503	692,929
Indirect	2,785	5,039	12,337	493	3,358	40,031
Total expenditures	53,747	50,264	115,144	33,971	202,861	732,960
Excess revenues over (under) expenditures	None	None	None	(943)	16,848	19,848
FUND BALANCE, beginning of year	None	None	None	943	None	38,147
REPROGRAMMED FUNDS	None	None	None	None	None	None
TRANSFERS, NET	None	None	None	None	None	None
FUND BALANCE, end of year	\$ None	\$ None	\$ None	\$ None	\$ 16,848	\$ 57,995

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 #07CH7091-03-02
January 31, 2018

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 2,001,663	\$ 2,001,663	\$ None
Local	500,416	500,170	(246)
Total revenues	<u>\$ 2,502,079</u>	<u>2,501,833</u>	<u>(246)</u>
EXPENDITURES			
Personnel	\$ 1,085,187	1,076,269	(8,918)
Fringe benefits	420,500	412,887	(7,613)
Travel	5,520	4,251	(1,269)
Supplies	43,280	56,343	13,063
Contractual	10,000	3,818	(6,182)
Other costs	238,289	248,697	10,408
Total direct	1,802,776	1,802,265	(511)
Indirect	198,887	199,398	511
Total federal cost	<u>2,001,663</u>	<u>2,001,663</u>	<u>None</u>
GRANTEE CONTRIBUTION	<u>500,416</u>	<u>500,170</u>	<u>(246)</u>
Total expenditures	<u>\$ 2,502,079</u>	<u>2,501,833</u>	<u>(246)</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 #07CH7091-03-02
January 31, 2018

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 804,424	\$ 804,424	\$ None
In-kind	201,107	201,353	246
Total revenues	<u>\$ 1,005,531</u>	<u>1,005,777</u>	<u>246</u>
EXPENDITURES			
Personnel	\$ 477,229	465,120	(12,109)
Fringe benefits	156,084	165,806	9,722
Travel	5,896	4,345	(1,551)
Supplies	8,700	21,199	12,499
Contractual	160	None	(160)
Other costs	72,750	63,481	(9,269)
Total direct	720,819	719,951	(868)
Indirect	83,605	84,473	868
Total federal cost	<u>804,424</u>	<u>804,424</u>	<u>None</u>
GRANTEE CONTRIBUTION	<u>201,107</u>	<u>201,353</u>	<u>246</u>
Total expenditures	<u>\$ 1,005,531</u>	<u>1,005,777</u>	<u>246</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 2018 WRAP AROUND
January 31, 2018

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 435,000	\$ 435,000	\$ None
EXPENDITURES			
Personnel costs	\$ 288,000	282,670	(5,330)
Fringe benefits	85,252	92,438	7,186
Rent	12,000	8,134	(3,866)
Consumable	1,226	1,869	643
Indirect	48,522	49,889	1,367
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 2017 WEATHERIZATION ASSISTANCE
PROGRAM (NO. HEAP 17-09)
January 31, 2018

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 436,049	\$ 430,316	\$ (5,733)
EXPENDITURES			
Administration	\$ 21,543	21,335	(208)
Health and safety	96,268	117,415	21,147
Support	134,775	130,774	(4,001)
Labor	77,014	65,954	(11,060)
Materials	77,014	67,213	(9,801)
Liability insurance	2,435	2,435	None
Other	27,000	24,982	(2,018)
Total expenditures	\$ 436,049	430,108	(5,941)
Excess revenues over (under) expenditures		208	208
Less: funds returned or to be returned to funding source		(208)	(208)
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 2018 COMMUNITY SERVICES BLOCK GRANT
 PROGRAM (NO. CSBG-17-09)
 January 31, 2018

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 268,925	\$ 268,925	\$ None
EXPENDITURES (By contract line item)			
Salaries	\$ 147,037	147,037	None
Fringe benefits	54,010	53,834	(176)
Space costs	9,011	9,011	None
Travel	4,398	4,398	None
Other costs	27,730	27,929	199
Indirect	26,739	26,716	(23)
Total expenditures	\$ 268,925	268,925	None
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
NET TRANSFERS		None	
FUND BALANCE, end of contract		\$ None	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS
FEDERAL - STATE DEPARTMENT OF HUMAN RIGHTS

FaDSS-17-09

January 31, 2018

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 165,458	\$ 152,112	\$ (13,346)
State	146,727	134,892	(11,835)
Total revenues	<u>\$ 312,185</u>	<u>287,004</u>	<u>(25,181)</u>
EXPENDITURES			
Personnel	\$ 243,220	227,067	(16,153)
Travel	24,190	20,991	(3,199)
Space/utilities	6,396	3,051	(3,345)
Other costs	6,031	6,869	838
Third-party payments		24	24
Indirect	32,348	30,200	(2,148)
Total expenditures	<u>\$ 312,185</u>	<u>288,202</u>	<u>(23,983)</u>
Excess revenues (under) over expenditures		(1,198)	<u>\$ (1,198)</u>
FUND BALANCE, beginning of contract		None	
TRANSFERS IN		<u>1,198</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
2017 LOW-INCOME HOME ENERGY ASSISTANCE
PROGRAM (NO. LIHEAP-17-09)
January 31, 2018

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 2,396,469	\$ 2,087,327	\$ (309,142)
EXPENDITURES			
Section I:			
A. Regular assistance	\$ 1,575,071	1,291,604	(283,467)
B. Emergency delivery	171,661	158,040	(13,621)
C. Client services	20,545	20,545	None
D. Data expansion	6,444	6,444	None
E. Summer deliverable fuel	431,514	419,460	(12,054)
Section II:			
Administration	191,234	191,234	None
Total expenditures	\$ 2,396,469	2,087,327	(309,142)
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 2017 WEATHERIZATION ASSISTANCE
PROGRAM (NO. DOE 16-09)
January 31, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 150,671	\$ 150,671	\$ None
EXPENDITURES (By contract line item)			
Administration	\$ 17,085	17,085	None
Health and safety	26,640	31,447	4,807
Support	34,632	59,884	25,252
Labor	36,157	16,796	(19,361)
Materials	36,157	25,459	(10,698)
Total expenditures	\$ 150,671	150,671	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 2017 FAMILY PLANNING PROGRAM (NO. 5887MH20)
January 31, 2018

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 224,960	\$ 122,370	\$ (102,590)
Local	144,591	43,357	(101,234)
Total revenues	369,551	165,727	(203,824)
EXPENDITURES (By cost category)			
Employee salaries	182,070	178,938	(3,132)
Employee fringe benefits	62,978	57,869	(5,109)
Contractual	9,600	11,606	2,006
Supplies	63,150	64,004	854
Space costs	14,700	14,688	(12)
Travel	4,463	2,367	(2,096)
Indirect	32,590	31,495	(1,095)
Total expenditures	369,551	360,967	(8,584)
Excess revenues over (under) expenditures	None	(195,240)	(195,240)
FUND BALANCE, beginning of contract	None	None	None
NET TRANSFERS	None	195,240	195,240
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 2017
January 31, 2018

OELWEIN #NE-17-0496-087	Budget	Actual	Over (Under) Budget
REVENUES			
State	\$ 71,164	\$ 71,164	\$ None
EXPENDITURES			
Salaries	\$ 41,554	42,386	832
Employee benefits	13,601	13,672	71
Other costs	8,839	7,936	(903)
Indirect	7,170	7,170	None
Total expenditures	\$ 71,164	71,164	None
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
FUND BALANCE, end of contract		\$ None	
POSTVILLE #NE-17-3490-089			
REVENUES			
State	\$ 72,552	\$ 72,552	\$ None
EXPENDITURES			
Salaries	\$ 42,000	41,999	(1)
Employee benefits	14,230	14,230	None
Other costs	9,012	9,013	1
Indirect	7,310	7,310	None
Total expenditures	\$ 72,552	72,552	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 2017 COMMUNITY ADOLESCENT PREGNANCY PREVENTION
January 31, 2018

	Budget	Actual	Over (Under) Budget
REVENUES			
State	\$ 92,614	\$ 87,423	\$ (5,191)
Local	18,523	11,208	(7,315)
Total revenues	<u>\$ 111,137</u>	<u>98,631</u>	<u>(12,506)</u>
EXPENDITURES (By cost category)			
Employee salaries	\$ 33,950	35,357	1,407
Employee fringe benefits	13,460	12,053	(1,407)
Contractual	24,914	23,818	(1,096)
Supplies	4,385	4,942	557
Space costs	1,000	972	(28)
Travel	6,500	3,975	(2,525)
Indirect	8,405	6,306	(2,099)
Total federal costs	<u>92,614</u>	<u>87,423</u>	<u>(5,191)</u>
GRANTEE CONTRIBUTION	<u>18,523</u>	<u>11,208</u>	<u>(7,315)</u>
Total expenditures	<u>\$ 111,137</u>	<u>98,631</u>	<u>(12,506)</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 2018 TRANSIT PROGRAM
January 31, 2018

	Budget	Actual	Over (Under) Budget
REVENUES			
Federal	\$ 831,596	\$ 713,805	\$ (117,791)
State	464,736	451,822	(12,914)
Local	2,314,399	2,002,782	(311,617)
Total revenues	<u>\$ 3,610,731</u>	<u>3,168,409</u>	<u>(442,322)</u>
EXPENDITURES			
Direct:			
Employee salaries	\$ 1,364,180	1,327,403	(36,777)
Employee fringe benefits	413,499	436,226	22,727
Contractual	38,000	30,521	(7,479)
Travel	23,300	30,257	6,957
Space costs and rentals	27,005	20,167	(6,838)
Consumable supplies	33,655	34,511	856
Equipment	701,789	180,689	(521,100)
Other charges	772,871	605,353	(167,518)
Total direct	3,374,299	2,665,127	(709,172)
Indirect	236,432	234,563	(1,869)
Total expenditures	<u>\$ 3,610,731</u>	<u>2,899,690</u>	<u>(711,041)</u>
Excess revenues over (under) expenditures		268,719	<u>\$ 268,719</u>
FUND BALANCE, beginning of contract		615,031	
TRANSFER to Mobility Manager		(34,614)	
REPROGRAMMED FUNDS		(849,136)	
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 2017 WEATHERIZATION ASSISTANCE PROGRAM
UTILITY CONTRACT
January 31, 2018

	Budget	Actual	Over (Under) Budget
CONTRACT #MEC-17-09I			
REVENUES			
Local	\$ 19,450	\$ 19,272	\$ (178)
EXPENDITURES			
Administration-indirect	\$ 973	918	(55)
Support	1,945	1,205	(740)
Labor	8,266	8,209	(57)
Material	8,266	8,940	674
Total expenditures	\$ 19,450	19,272	(178)
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
FUND BALANCE, end of contract		\$ None	
CONTRACT #IPL-17-09I			
REVENUES			
Local	\$ 168,770	\$ 103,549	\$ (65,221)
EXPENDITURES			
Administration-indirect	\$ 8,438	4,931	(3,507)
Support	16,878	8,679	(8,199)
Labor	71,727	39,256	(32,471)
Material	71,727	50,683	(21,044)
Total expenditures	\$ 168,770	103,549	(65,221)
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 2017 WEATHERIZATION ASSISTANCE PROGRAM
UTILITY CONTRACT
January 31, 2018

	Budget	Actual	Over (Under) Budget
CONTRACT #BHE-17-09I			
REVENUES			
Local	\$ 97,290	\$ 97,290	\$ None
EXPENDITURES			
Administration-indirect	\$ 4,865	4,633	(232)
Support	9,729	8,257	(1,472)
Labor	41,348	37,917	(3,431)
Material	41,348	46,483	5,135
Total expenditures	\$ 97,290	97,290	None
Excess revenues over (under) expenditures		None	\$ None
FUND BALANCE, beginning of contract		None	
FUND BALANCE, end of contract		\$ None	

See Independent Auditor's Report on the Supplementary Information.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended January 31, 2018

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. No material weaknesses noted.
- (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. No material weaknesses noted.
- (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 Section 200.516(a).
- (g) Major programs were as follows:
 - CFDA Number 93.568 Low-income Home Energy Assistance
 - CFDA Number 14.239 Home Investment Partnerships Program (HOME)
 - Cluster Program:
 - 477 Cluster:
 - CFDA Number 93.569 Community Services Block Grant
 - CFDA Number 93.570 Community Services Block Grant Discretionary Awards
- (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 21, 2018

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, 2018

Grantor/Program	CFDA Number	Grant Number	Period of Grant	Program Expenditures
U.S. Department of Health and Human Services:				
Direct:				
Head Start	93.600	07CH7091-03-02	02/01/17-01/31/18	\$ 2,001,663
Head Start Discretionary		07CH7091-03-02	02/01/17-01/31/18	804,424
Passed through Iowa Department of Human Rights:				
Head Start	93.600	N/A	09/01/16-08/31/17	275,357
			09/01/17-08/31/18	99,820
				<u>3,181,264</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-17-09	10/01/16-09/30/17	1,082,672
		LIHEAP-18-09	10/01/17-09/30/18	939,691
		HEAP 17-09	01/01/17-12/31/17	178,503
		HEAP 18-09	01/01/18-12/31/18	197,905
				<u>2,398,771</u>
Passed through Iowa Department of Human Rights:				
477 Cluster:				
Community Services Block Grant	93.569	CSBG-17-09	10/01/16-12/31/17	164,155
		CSBG-18-09	10/01/17-12/31/18	115,058
				<u>279,213</u>
Community Services Block Grant Discretionary Awards	93.570	FaDSS-17-09	07/01/16-06/30/17	75,715
		FaDSS-18-09	07/01/17-06/30/18	95,384
				<u>171,099</u>
				<u>450,312</u>
Passed through Iowa Department of Public Health:				
Family Planning Services	93.217	5887MH20	10/01/16-09/30/17	53,557
Subtotal U.S. Department of Health and Human Services				<u>2,902,640</u>
U.S. Department of Transportation:				
Passed through Iowa Department of Transportation:				
Federal Transit Administration:				
Formula Grants for Rural Areas	20.509	Section 5311	07/01/16-06/30/17	116,889
			07/01/17-06/30/18	609,519
				<u>726,408</u>
Bus and Bus Facilities Formula Program	20.500	IA-85-0034	09/19/17-09/18/19	570,143
Job Access and Reverse Commute Program	20.516	IA-37-X023	01/01/17-12/31/18	52,230
Subtotal U.S. Department of Transportation				<u>1,348,781</u>
U.S. Department of Energy:				
Passed through Iowa Department of Human Rights:				
Weatherization Assistance for Low-income Persons	81.042	DOE 17-09	04/01/17-03/31/18	159,700

See Independent Auditor's Report on the Schedule of Expenditures of Federal Awards on page 56.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended January 31, 2018

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	10/01/16-09/30/17	\$ 121,154
			10/01/17-09/30/18	80,574
		96-8013	10/01/16-09/30/17	310,715
			10/01/17-09/30/18	132,321
Subtotal U.S. Department of Agriculture				<u>644,764</u>
U.S. Department of Housing and Urban Development:				
Passed through Iowa Finance Authority:				
Home Investment Partnerships Program (HOME)	14.239	97-HM-204-731	07/01/97-03/01/19	383,779
		01-HM-219-21	08/10/01-08/10/23	330,000
		13-HM-376	01/01/15-01/01/44	260,000
		14-HM-362	01/01/15-07/01/45	528,770
		14JUL-HM-924	01/01/15-12/01/31	524,840
		16-HM-1122	01/01/15-12/01/31	185,923
				<u>2,213,312</u>
Passed through Iowa Community Action Association (ICAA):				
Home Investment Partnerships Program (HOME)	14.239	17SEPT-HM-554	11/03/17-06/30/19	6,626
		15-HM-591	06/20/15-11/30/17	35,229
				<u>41,855</u>
Subtotal U.S. Department of Housing and Urban Development				<u>2,255,167</u>
Total Federal Awards				<u>\$ 10,492,316</u>

See Independent Auditor's Report on the Schedule of Expenditures of Federal Awards on page 56.

NORTHEAST IOWA COMMUNITY ACTION CORPORATION

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended January 31, 2018

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, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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. Subrecipients

There were no awards passed through to subrecipients.

Note 4. Loan Outstanding

Northeast Iowa Community Action Corporation had the following loan balance outstanding at January 31, 2018:

Program Title	Federal CFDA #	Amount Outstanding
Home Investment Partnerships Program (HOME)	14.239	\$ 383,779 330,000 185,923 260,000 527,540 <u>524,840</u>
		<u>\$ 2,212,082</u>

See Independent Auditor's Report on the Schedule of Expenditures of Federal Awards on page 56.

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, 2018, 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 21, 2018.

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 21, 2018

**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, 2018. 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* (CFR) 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, 2018.

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 a 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, 2018, and have issued our report thereon dated May 21, 2018, 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 21, 2018

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, 2018, 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 21, 2018, contains our report on the Corporation's internal control. This letter does not affect our report dated May 21, 2018, 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 audit.

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 21, 2018