

Northeast Iowa Community Action Corporation

Financial Statements and
Supplementary Information

Year Ended January 31, 2026



Northeast Iowa Community Action Corporation

Year Ended January 31, 2026

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Independent Auditor's Report

Board of Directors
Northeast Iowa Community Action Corporation
Decorah, Iowa

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Northeast Iowa Community Action Corporation, a nonprofit organization, which comprise the statement of financial position as of January 31, 2026, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Northeast Iowa Community Action Corporation as of January 31, 2026, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Northeast Iowa Community Action Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Northeast Iowa Community Action Corporation's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Northeast Iowa Community Action Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Northeast Iowa Community Action Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 19 to 29 which includes the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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 auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all materiality respects in relation to the financial statements as a whole.

"Wipfli" is the brand name under which Wipfli LLP and Wipfli Advisory LLC and its respective subsidiary entities provide professional services. Wipfli LLP and Wipfli Advisory LLC (and its respective subsidiary entities) practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. Wipfli LLP is a licensed independent CPA firm that provides attest services to its clients, and Wipfli Advisory LLC provides tax and business consulting services to its clients. Wipfli Advisory LLC and its subsidiary entities are not licensed CPA firms.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, the statement of financial position of Northeast Iowa Community Action Corporation as of January 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended (not presented herein), and we expressed an unmodified opinion on those financial statements. That audit was conducted for purposes of forming an opinion on the financial statements as a whole. The supplementary schedule on page 29 is presented for purposes of additional analysis. 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 January 31, 2025 financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 auditing standards generally accepted in the United States. In our opinion, the prior year expenses included on the supplementary schedule on page 29 is fairly presented, in all material respects, in relation to the financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2026, 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.

Wipfli LLP

Wipfli LLP

Madison, Wisconsin

May 14, 2026

Northeast Iowa Community Action Corporation

Statement of Financial Position

January 31, 2026

Assets	
Current assets:	
Cash	\$ 6,722,033
Grants receivable	790,197
Accounts receivable	192,480
Notes receivable - current portion	65,568
Prepaid expenses and other assets	55,554
Lease receivable - current portion Waukon CSD	8,450
Housing inventory	234,671
Total current assets	8,068,953
Long-term assets:	
Right-of-use asset, operating leases	92,969
Lease receivable - Waukon CSD	142,558
Notes receivable	598,941
Total long-term assets	834,468
Property and equipment, net	3,682,922
TOTAL ASSETS	\$ 12,586,343
Liabilities and Net Assets	
Current liabilities:	
Long-term debt - current portion	\$ 34,387
Operating lease liability - current portion	37,094
Accounts payable	465,645
Accrued payroll	227,792
Compensated absences	152,287
Refundable advances	259,633
Total current liabilities	1,176,838
Long-term liabilities:	
Long-term debt	1,255,132
Operating lease liability	55,875
Total long-term liabilities	1,311,007
Total liabilities	2,487,845
Net assets: Without donor restrictions	9,654,369
Net assets: With donor restrictions	444,129
Total net assets	10,098,498
TOTAL LIABILITIES AND NET ASSETS	\$ 12,586,343

See accompanying notes to financial statements.

Northeast Iowa Community Action Corporation

Statement of Activities

Year Ended January 31, 2026

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Grants	\$ 10,182,669	\$ 3,805	\$ 10,186,474
Program income	1,490,806	134,787	1,625,593
Rental income	454,181	0	454,181
Interest	136,131	0	136,131
Contributions	80,088	97,467	177,555
Other income	35,395	0	35,395
Net assets released from restrictions	251,148	(251,148)	0
Total revenue and support	12,630,418	(15,089)	12,615,329
Expenses:			
Program activities:			
Food and nutrition	576,850	0	576,850
Children and families	3,700,267	0	3,700,267
Energy and crisis assistance	4,846,198	0	4,846,198
Transportation	2,397,879	0	2,397,879
Housing	730,034	0	730,034
Total program activities	12,251,228	0	12,251,228
Management and general	955,832	0	955,832
Fund-raising expenses	1,052	0	1,052
Total expenses	13,208,112	0	13,208,112
Change in net assets	(577,694)	(15,089)	(592,783)
Net assets - Beginning of year	10,232,063	459,218	10,691,281
Net assets - End of year	\$ 9,654,369	\$ 444,129	\$ 10,098,498

See accompanying notes to financial statements.

Northeast Iowa Community Action Corporation

Statement of Functional Expenses

Year Ended January 31, 2026

	Food and Nutrition	Children and Families	Energy and Crisis Assistance	Transportation	Housing	Total Program	Management & General	Fund-raising	Total
Salaries and wages	\$ 62,417	\$ 2,361,742	\$ 796,317	\$ 1,149,057	\$ 52,081	\$ 4,421,614	\$ 497,031	\$ 211	\$ 4,918,856
Fringe benefits	12,077	698,726	254,968	337,475	18,191	1,321,437	126,924	46	1,448,407
Occupancy	0	64,487	8,466	5,400	1	78,354	0	0	78,354
Contracted services	5,553	132,465	517,796	125,538	79,708	861,060	217,289	0	1,078,349
Client assistance	162,159	41,627	2,794,140	0	112,126	3,110,052	0	0	3,110,052
Day care provider payments	312,731	0	0	0	0	312,731	0	0	312,731
Insurance	303	47,717	28,087	112,454	58,420	246,981	33,821	0	280,802
Vehicle costs	0	18,740	15,611	296,057	0	330,408	0	0	330,408
Telecommunications	347	40,745	21,085	19,029	1,736	82,942	5,375	0	88,317
Utilities	576	54,426	22,086	15,868	38,399	131,355	15,504	0	146,859
Other	20,598	206,116	334,538	45,195	121,611	728,058	53,119	795	781,972
Depreciation	89	33,476	53,104	291,806	247,761	626,236	6,769	0	633,005
Total expenses	\$ 576,850	\$ 3,700,267	\$ 4,846,198	\$ 2,397,879	\$ 730,034	\$ 12,251,228	\$ 955,832	\$ 1,052	\$ 13,208,112

See accompanying notes to financial statements.

Northeast Iowa Community Action Corporation

Statement of Cash Flows

Year Ended January 31, 2026

Increase (decrease) in cash and cash equivalents:	
Cash flows from operating activities:	
Change in net assets	(\$ 592,783)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	633,005
Gain on disposal of property and equipment	(10,169)
Forgiveness of notes receivable	112,125
Noncash lease expense	34,570
Effects of changes in operating assets and liabilities:	
Grants receivable	451,043
Accounts receivable	30,538
Prepaid expenses and other assets	1,869
Accounts payable	7,403
Accrued payroll	(35,834)
Compensated absences	(26,413)
Refundable advances	67,266
Lease liability	(34,570)
Net cash from operating activities	638,050
Cash flows from investing activities:	
Principal payments received on finance lease	8,638
Proceeds from sale of property and equipment	10,169
Net cash from investing activities	18,807
Cash flows from financing activities:	
Principal payments on notes payable	(34,856)
Net cash from financing activities	(34,856)
Changes in cash and cash equivalents	622,001
Cash and cash equivalents - Beginning of year	6,100,031
Cash and cash equivalents - End of year	\$ 6,722,032

Supplemental Schedule of Other Cash Activity:

Interest paid and expensed	\$ 10,982
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Supplemental Disclosure of Noncash Operating and Investing activities:

Right-of-use assets obtained in exchange for lease liabilities	\$ 27,033
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See accompanying notes to financial statements.

Northeast Iowa Community Action Corporation

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Activities

Northeast Iowa Community Action Corporation (NEICAC) is a nonprofit corporation organized under the laws of the State of Iowa. NEICAC was created under the Economic Opportunity Act of 1964. The Corporation operates programs in seven northeast Iowa counties and is governed by a Board of Directors. Through dynamic partnerships, quality family services, advocacy and education, NEICAC advances community development and improves social and economic conditions for individuals and families with limited resources.

The basic programs operated during the year by NEICAC include:

Food and Nutrition:

Includes the Child & Adult Care Food Program, which promotes nutrition and positive eating habits for children in regulated childcare facilities.

Children and Families:

Includes Early Childhood and Family Development & Self-Sufficiency Programs, which promote school readiness of children birth to age five and provides a volunteer, strength-based home visiting program for families with limited resources.

Energy and Crisis Assistance:

Includes the Low Income Home Energy Assistance, Weatherization, and Crisis Programs, which provide financial assistance for home heating costs, emergency crises, food, and the means to remain in their homes safely, comfortably, and affordably for individuals and families with limited resources.

Transportation:

Promotes community development with safe and affordable transportation to the public.

Housing:

Provides safe and affordable housing to seniors, individuals with disabilities, and individuals and families with limited resources.

Basis of Accounting

The financial statements of NEICAC are prepared on the accrual basis of accounting in accordance with accounting standards contained in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The ASC is the single source of authoritative accounting principles generally accepted in the United States (GAAP) to be applied to nongovernmental entities in the preparation of financial statements in accordance with GAAP.

Northeast Iowa Community Action Corporation

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in accordance with GAAP, 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 revenue, support, and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Contributions

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identification of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Grants

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

Grant Awards That Are Contributions - Grants awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as refundable advances.

Northeast Iowa Community Action Corporation

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Grant Awards That Are Exchange Transactions - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

Program Income

A portion of program income represents contribution revenue from program beneficiaries. The contributions are to help defray the cost of the specific program in which the beneficiary received assistance.

Rental Income

NEICAC rents apartments and homes under leases which are typically for 12 months or less, do not include extension options and are classified as operating leases. Rental income is recognized over the term of the lease. Advance receipts, if any, are deferred and classified as liabilities until earned.

Contracted Services

NEICAC operates the EARL Transit Program (EARL) which provides door-to-door service in the Northeast corner counties of Allamakee, Clayton, Fayette, Howard and Winneshiek. All rides are open to the general public, including persons with disabilities.

EARL is operated using grants provided by the Iowa Department of Transportation and fare box revenue. Fare box revenue is reported at the point in time the ride is provided to the customer, at an amount that reflects the consideration to which NEICAC believes is entitled in exchange for providing the transportation service. Customers pay per ride upon entering the bus through cash or check deposits on the buses, or by adding funds to their account through bus drivers or the Transportation office. NEICAC also provides transportation services where consideration for the service provided is expected to be paid for by third-party payors. Generally, third party payors are billed in the month the service is provided. NEICAC determines the transaction price based on the contractual agreement with the third-party payor or established fare rates. The amount recorded for transportation services provided at the point in time the service is performed was \$1,252,713 for the year ended of January 31, 2026 and is included in program income in the statement of activities.

Accounts receivable for EARL were \$211,672 on February 1, 2025 and \$185,946 as of January 31, 2026. There were no contract assets or liabilities as of February 1, 2025 or January 31, 2026.

Northeast Iowa Community Action Corporation

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Notes Receivable

NEICAC operates a lease to purchase home ownership program funded by the Iowa Finance Authority (IFA). The program obtains loan funds from IFA for the purchase of land and construction of homes. See Note 6 for the corresponding long-term debt from IFA. The homes are then either sold to eligible individuals or leased to eligible individuals until they are able to purchase the home. The homes are sold at below market prices and the difference between the purchase price and NEICAC's cost are captured in the form of a no-interest forgivable note payable to NEICAC. The note receivable is forgiven over time so long as the individual remains in the home.

Notes receivable are not evaluated for collectability as they are considered conditional contributions to the homebuyers.

Housing Inventory

Housing inventory represents homes that are in-progress or completed homes which are leased to prospective home buyers. Costs are capitalized as incurred and are recorded at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Rented homes are on short-term leases and do not include any type of purchase agreements or commitments from the lessor.

Property, Equipment and Depreciation

Property and equipment are capitalized at cost or, if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset. NEICAC capitalizes property and equipment with a cost greater than or equal to \$5,000 and a useful life of greater than one year. Effective February 25, 2025, NEICAC increased the capitalization threshold to \$10,000.

Long-lived assets, such as property 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. NEICAC has not encountered any events in which impairment of fixed assets has occurred.

Property and equipment purchased with grant funds are owned by NEICAC while used in the program for which it was purchased or in other future authorized programs. However, the various funding sources have a reversionary interest in the property and equipment purchased with grant funds. Its disposition, as well as the ownership of any proceeds there from, is subject to funding source regulations. The property and equipment purchased with grant funds are normally restricted for use in specific programs operated by NEICAC. The net book value of grant-funded property and equipment included on the statement of financial position is \$696,774 as of January 31, 2026.

Northeast Iowa Community Action Corporation

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Lease Accounting

NEICAC is a lessee in multiple noncancelable operating leases. If the contract provides NEICAC the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

NEICAC has elected to use a risk-free rate for a term similar to the underlying lease as the discount rate if the implicit rate in the lease contract is not readily determinable.

The ROU asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. For operating leases with lease payments that fluctuate over the lease term, the total lease costs are recognized on a straight-line basis over the lease term.

For all underlying classes of assets, NEICAC has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that NEICAC is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. NEICAC recognizes short-term lease cost on a straight-line basis over the lease term.

NEICAC made an accounting policy election for all leased assets to not separate the lease components of a contract and its associated non-lease components for maintenance and other services.

Northeast Iowa Community Action Corporation

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Net Assets

Net assets, revenue, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions: Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restriction expires within the same reporting period in which the contribution is received. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

In-Kind Contributions

NEICAC records in-kind contributions in accordance with GAAP which requires only contributions of services received that create or enhance a nonfinancial asset or require specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. The requirements of GAAP are different than the in-kind requirements of NEICAC's grant awards. NEICAC received contributions of \$907,447, primarily for its Head Start program which are not recorded in the statement of activities.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been reported on a functional basis in the statement of activities. The statement of functional expenses present the natural classification details of expenses by function. Expenses which directly benefit the program, management and general, or fundraising are charged to the respective functional area based on direct assignment. Expenses not charged based on direct assignment are allocated on estimates. Occupancy and related expenses are allocated based on square footage while salaries, benefits and other remaining costs are allocated based on time and effort.

Income Tax Status

NEICAC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law, though it is subject to tax on income unrelated to its exempt purpose. Accordingly, no provision or liability for income taxes has been included in the financial statements. Management does not believe there are any uncertain tax positions as of January 31, 2026.

Northeast Iowa Community Action Corporation

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Subsequent Events

NEICAC has evaluated events and transactions for potential recognition or disclosure in the financial statements through May 14, 2026, which is the date the financial statements were available to be issued.

Note 2: Concentration of Credit Risk

NEICAC maintains cash balances in financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times during the year, balances in these accounts may exceed the insurance limit. Management believes the institutions have strong credit ratings and credit risks related to these deposits is minimal.

Note 3: Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash	\$ 6,722,033
Grants and accounts receivable	982,677
Subtotal Financial Assets	7,704,710
Less: Accounts payable designated for grant expenditure	(465,645)
Less: Accrued payroll designated for grant expenditure	(227,792)
Less: Refundable advances	(259,633)
Less: Net assets with donor restrictions	(444,129)
Total available financial assets	\$ 6,307,511

NEICAC does not have a formal liquidity policy but maintains financial assets in liquid form to meet ongoing liquidity needs. Most of NEICAC's grant awards reimburse expenditures as they are incurred.

Note 4: Grants Receivable

Grants receivable represents the following amounts due from the various funding sources as of January 31, 2026:

State of Iowa	\$ 777,009
Other sources	13,188
Total	\$ 790,197

Northeast Iowa Community Action Corporation

Notes to Financial Statements

Note 5: Property and Equipment

Land	\$ 376,355
Buildings and improvements	6,177,064
Vehicles	4,066,793
Equipment	505,322
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Total	11,125,534
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Less accumulated depreciation	7,442,612
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Net property and equipment	\$ 3,682,922

Note 6: Long-Term Debt

Long-term debt consisted of the following at January 31, 2026:

Decorah Bank & Trust Company: 4.05% interest bearing note payable, due \$1,836 per month including interest through November 2027, collateralized by real estate.	\$ 38,873
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.	182,746
Single Family Rental: Iowa Finance Authority: 0.0% interest bearing note payable, forgivable in 2031. Collateralized by real estate.	517,191
Postville Four Plex: Iowa Finance Authority: 0.0% interest bearing note payable with a balloon payment due February 1, 2039 collateralized by real estate.	529,100
Ridgewood Duplex Building: Winneshiek County Habitat for Humanity: 0.0% interest bearing note payable, due \$304 monthly through September 2032, collateralized by real estate.	21,609
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Total long-term debt	1,289,519
Less current portion	(34,387)
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Long-term portion	\$ 1,255,132

Northeast Iowa Community Action Corporation

Notes to Financial Statements

Note 6: Long-Term Debt (Continued)

Approximate future annual minimum principal payments beyond January 31, 2026 are as follows:

2027	\$	34,387
2028		32,067
2029		14,555
2030		15,071
2031		15,625
Thereafter		1,177,814
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Total	\$	1,289,519
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Note 7: Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes:

Children and family	\$	351
Energy and crisis		436,366
Transportation		7,412
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Total net assets with donor restrictions	\$	444,129
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NEICAC releases net assets from donor restrictions as expenditures satisfying donor restrictions occur. Net assets released from donor restrictions totaled \$251,148 for the year ended January 31, 2026.

Note 8: Pension and Retirement Benefits

Plan's legal name:	Iowa Public Employees' Retirement System
Employer identification number:	42-6150870

NEICAC is one of over 1,900 public employers participating in the plan, which has a plan net position exceeding \$46 billion as of June 30, 2025. As with any multi-employer plan, the plan's financial results may be affected by other employers entering or withdrawing from the plan, actions by the plan's board of trustees, and other events beyond NEICAC's control. IPERS' funded status was 92.17%, leaving an unfunded actuarial liability of approximately \$3.8 billion as of June 30, 2025, as reported in IPERS' comprehensive annual financial report. For additional IPERS plan information, see www.ipers.org.

Participating employees are required to contribute 6.29% of their annual covered salary and NEICAC is required to contribute 9.44% of annual covered payroll. Contribution requirements to IPERS are established by state statute. NEICAC's contribution to IPERS for the year ended January 31, 2026 was \$453,868.

Northeast Iowa Community Action Corporation

Notes to Financial Statements

Note 9: Leases

NEICAC leases land, facilities and copiers for program operations. The leases are reported as operating or short-term leases

Operating Lease Assets and Liabilities

Leases for land and facilities are ongoing and only end if terminated with 30 - 90 days notice by the lessor or lessee. Accordingly management has made estimates of reasonably certain lease terms varying from two to ten-years to calculate the ROU asset and lease liability. Copier leases continue as month to month leases after the stated expiration date requiring management to make estimates on the holding period to calculate the ROU asset and lease liability.

NEICAC's lease agreements do not contain any residual value guarantees or material restrictive covenants. Payments due under the lease contracts include fixed payments. Lease expense was \$34,886 for the year ended January 31, 2026.

The weighted-average remaining lease term for operating leases was 3.81 years at January 31, 2026. The weighted-average discount rate was 2.24% at January 31, 2026.

Maturities of lease liabilities are as follows as of January 31, 2026:

2027	\$	38,350
2028		31,030
2029		6,970
2030		6,970
2031		5,704
Thereafter		9,599
<hr/>		
Total lease payments		98,623
Less imputed interest		(5,654)
<hr/>		
Total	\$	92,969

Short-term leases

Short-term leases include leases that at the commencement date have a lease term of 12 months or less and cancelable leases with annual options to extend (year-to-year leases). Rental expense under short-term leases were \$91,325 for the year ended January 31, 2026.

Northeast Iowa Community Action Corporation

Notes to Financial Statements

Note 10: Lessor Activity

NEICAC owns apartments and homes that are a mix of low- to moderate-income housing facilities. Leases are all for one year or less. Rental income on the housing projects for the year ended January 31, 2026, was \$454,181. A summary of the acquisition costs and accumulated depreciation on leased properties is as follows:

Land	\$	173,355
Buildings		5,043,610
Equipment		121,742
<hr/>		
Total		5,338,707
<hr/>		
Less accumulated depreciation		3,425,242
<hr/>		
Net property and equipment	\$	1,913,465

In addition, housing inventory consisting of two homes with a cost of \$234,671 are leased under short-term agreements.

NEICAC leases a facility under a financing lease. The lease requires monthly payments of \$1,004 and ends September 2040 in which the ownership of the building will transfer to the lessee. Future cash flows beyond January 31, 2026 are as follows:

2027	\$	12,048
2028		12,048
2029		12,048
2030		12,048
2031		12,048
Thereafter		116,455
<hr/>		
Total lease payments		176,695
Amount representing interest		(25,687)
<hr/>		
Total	\$	151,008

Note 11: Contingencies

NEICAC 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, NEICAC may be required to reimburse the grantor government. As of January 31, 2026, significant amounts of grant expenditures have not been audited by granting authorities, but NEICAC believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of NEICAC.

At January 31, 2026, NEICAC had commitments under various grants of approximately \$4,000,000. These commitments are not recognized in the accompanying financial statements as they are conditional awards.

Supplementary Information

Northeast Iowa Community Action Corporation

Schedule of Program Activity
Year Ended January 31, 2026

	FEDERAL PROGRAMS					
	Department of Agriculture					
	10.558					
	TOTAL	Child and Adult Care Food Program Centers 2025 (1)	Child and Adult Care Food Program Centers 2026 (2)	Child and Adult Care Food Program Homes 2025 (3)	Child and Adult Care Food Program Homes 2026 (4)	10.558 Subtotal
REVENUE						
Grants	\$ 10,186,474	\$ 124,227	\$ 78,963	\$ 264,473	\$ 113,030	\$ 580,693
Program income	1,625,593	0	0	0	0	0
Rental income	454,181	0	0	0	0	0
Interest	136,131	0	0	0	0	0
Contributions	177,555	0	0	0	0	0
Other income	35,395	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Total Revenue	12,615,329	124,227	78,963	264,473	113,030	580,693
EXPENSES						
Salaries and wages	4,918,856	16,332	8,887	24,655	12,116	61,990
Fringe benefits	1,448,407	3,095	1,369	5,125	2,338	11,927
Occupancy	78,354	0	0	0	0	0
Contracted services	1,078,349	1,377	989	1,884	1,132	5,382
Client assistance	3,110,052	96,059	66,100	0	0	162,159
Day care provider payments	312,731	0	0	219,646	93,085	312,731
Insurance	280,802	0	0	303	0	303
Vehicle costs	330,408	0	0	0	0	0
Telecommunications	88,317	26	26	201	90	343
Utilities	146,859	0	0	323	219	542
Other	781,972	4,715	207	8,316	2,010	15,248
Equipment	0	0	0	0	0	0
Depreciation	633,005	0	0	0	89	89
In-kind expenses	0	0	0	0	0	0
Indirect	0	2,623	1,385	4,020	1,951	9,979
Total Expenses	13,208,112	124,227	78,963	264,473	113,030	580,693
Change in net assets	(592,783)	0	0	0	0	0
Net assets - Beginning of year	10,691,281	0	0	0	0	0
NET ASSETS - END OF YEAR	\$ 10,098,498	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Northeast Iowa Community Action Corporation

Schedule of Program Activity

Year Ended January 31, 2026

	FEDERAL PROGRAMS						
	Department of Agriculture			Department of Transportation			
	10.579			20.509			
Healthy Kids Iowa Cresco (5)	Healthy Kids Iowa Waverly (6)	10.579 Subtotal	FTA 2025 Formula Grants for Rural Areas (7)	FTA 2026 Formula Grants for Rural Areas (8)	FTA Fellowship Grants for Rural Areas (9)	20.509 Subtotal	
REVENUE							
Grants	\$ 90	\$ 3,300	\$ 3,390	\$ 76,676	\$ 446,083	\$ 4,969	\$ 527,728
Program income	0	0	0	0	0	0	0
Rental income	0	0	0	0	0	0	0
Interest	0	0	0	0	0	0	0
Contributions	0	0	0	0	0	0	0
Other income	0	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Total Revenue	90	3,300	3,390	76,676	446,083	4,969	527,728
EXPENSES							
Salaries and wages	0	0	0	54,045	314,421	0	368,466
Fringe benefits	0	0	0	13,511	78,604	0	92,115
Occupancy	0	0	0	0	0	0	0
Contracted services	0	0	0	0	0	0	0
Client assistance	0	0	0	0	0	0	0
Day care provider payments	0	0	0	0	0	0	0
Insurance	0	0	0	0	0	0	0
Vehicle costs	0	0	0	0	0	0	0
Telecommunications	0	0	0	0	0	0	0
Utilities	0	0	0	0	0	0	0
Other	90	3,300	3,390	0	0	4,969	4,969
Equipment	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0
In-kind expenses	0	0	0	0	0	0	0
Indirect	0	0	0	9,120	53,058	0	62,178
Total Expenses	90	3,300	3,390	76,676	446,083	4,969	527,728
Change in net assets	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0
NET ASSETS - END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Northeast Iowa Community Action Corporation

Schedule of Program Activity

Year Ended January 31, 2026

	FEDERAL PROGRAMS							
	Department of Energy				Department of Health and Human Services			
	81.042				93.558			
	DOE Weatherization 24-09 (10)	DOE Weatherization 25-09 (11)	DOE Weatherization BIL22-09 (12)	81.042 Subtotal	FADSS FWBP-EIS-25-067 (13)	FADSS FWBPEFD26006 (14)	THRIVE FWBPECA26002 (15)	93.558 Subtotal
REVENUE								
Grants	\$ 172,308	\$ 172,019	\$ 563,572	\$ 907,899	\$ 48,064	\$ 51,207	\$ 2,235	\$ 101,506
Program income	0	0	0	0	0	0	0	0
Rental income	0	0	0	0	0	0	0	0
Interest	0	0	0	0	0	0	0	0
Contributions	0	0	0	0	0	0	0	0
Other income	0	0	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
Total Revenue	172,308	172,019	563,572	907,899	48,064	51,207	2,235	101,506
EXPENSES								
Salaries and wages	0	0	0	0	27,662	31,516	880	60,058
Fringe benefits	0	0	0	0	8,886	9,296	181	18,363
Occupancy	0	0	0	0	715	600	300	1,615
Contracted services	0	0	0	0	711	1,026	560	2,297
Client assistance	0	0	0	0	0	0	0	0
Day care provider payments	0	0	0	0	0	0	0	0
Insurance	0	0	0	0	47	0	0	47
Vehicle costs	0	0	0	0	0	0	0	0
Telecommunications	0	0	0	0	468	266	0	734
Utilities	0	0	0	0	9	0	0	9
Other	172,308	172,019	563,572	907,899	4,632	2,993	171	7,796
Equipment	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0
In-kind expenses	0	0	0	0	0	0	0	0
Indirect	0	0	0	0	4,934	5,510	143	10,587
Total Expenses	172,308	172,019	563,572	907,899	48,064	51,207	2,235	101,506
Change in net assets	0	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0	0
NET ASSETS - END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Northeast Iowa Community Action Corporation

Schedule of Program Activity

Year Ended January 31, 2026

FEDERAL PROGRAMS									
Department of Health and Human Services									
93.568					93.569				
	LIHEAP 25-09	LIHEAP 26-09	HEAP 24-09	HEAP 3E-09	93.568 Subtotal	Community Services Block Grant 24-09	Community Services Block Grant 25-09	Community Services Block Grant 26-09	Subtotal 93.569
	(16)	(17)	(18)	(19)		(20)	(21)	(22)	
REVENUE									
Grants	\$ 1,600,997	\$ 1,191,291	\$ 46,571	\$ 77,692	\$ 2,916,551	\$ 11,065	\$ 242,151	\$ 319	\$ 253,535
Program income	0	0	0	0	0	0	0	0	0
Rental income	0	0	0	0	0	0	0	0	0
Interest	0	0	0	0	0	0	0	0	0
Contributions	0	0	0	0	0	0	0	0	0
Other income	0	0	0	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
Total Revenue	1,600,997	1,191,291	46,571	77,692	2,916,551	11,065	242,151	319	253,535
EXPENSES									
Salaries and wages	125,236	67,341	0	0	192,577	0	107,562	0	107,562
Fringe benefits	37,266	20,994	0	0	58,260	0	26,816	0	26,816
Occupancy	3,095	144	0	0	3,239	493	4,734	0	5,227
Contracted services	6,855	3,542	0	0	10,397	9,862	47,890	319	58,071
Client assistance	1,390,529	1,080,033	0	0	2,470,562	0	0	0	0
Day care provider payments	0	0	0	0	0	0	0	0	0
Insurance	407	0	8,151	0	8,558	0	2,177	0	2,177
Vehicle costs	0	0	0	0	0	0	0	0	0
Telecommunications	4,773	1,317	0	0	6,090	416	7,714	0	8,130
Utilities	1,258	544	0	0	1,802	23	1,956	0	1,979
Other	9,381	5,365	38,420	77,692	130,858	271	25,161	0	25,432
Equipment	0	0	0	0	0	0	0	0	0
Depreciation	259	86	0	0	345	0	0	0	0
In-kind expenses	0	0	0	0	0	0	0	0	0
Indirect	21,938	11,925	0	0	33,863	0	18,141	0	18,141
Total Expenses	1,600,997	1,191,291	46,571	77,692	2,916,551	11,065	242,151	319	253,535
Change in net assets	0	0	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0	0	0
NET ASSETS - END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Northeast Iowa Community Action Corporation

Schedule of Program Activity

Year Ended January 31, 2026

	FEDERAL PROGRAMS			STATE AND LOCAL PROGRAMS				
	Department of Health and Human Services							
	93.575	93.600						
	Child Care Block Grant Wrap Around 2025 (23)	Head Start Early Head Start 07CH011393 (24)	Total Federal Programs	Transit Operating (25)	FADSS FWBP-EIS-25-067 (26)	FADSS FWBPEFD26006 (27)	CSBG CSBG 25-09 (28)	Shared Visions 2025 (29)
REVENUE								
Grants	\$ 220,398	\$ 3,629,782	\$ 9,141,482	\$ 533,855	\$ 72,097	\$ 76,811	\$ 1,680	\$ 34,132
Program income	0	0	0	1,252,713	0	0	0	0
Rental income	0	0	0	0	0	0	0	0
Interest	0	0	0	0	0	0	0	0
Contributions	0	0	0	8,540	0	0	0	0
Other income	0	0	0	11,648	0	0	0	0
In-kind contributions	0	907,447	907,447	0	0	0	0	0
Transfers	0	0	0	(48,274)	0	0	0	0
Total Revenue	220,398	4,537,229	10,048,929	1,758,482	72,097	76,811	1,680	34,132
EXPENSES								
Salaries and wages	148,564	1,987,609	2,926,826	788,559	41,495	47,275	1,222	19,443
Fringe benefits	33,535	592,421	833,437	245,360	13,329	13,945	232	7,137
Occupancy	4,800	49,548	64,429	5,400	1,073	900	0	2,251
Contracted services	0	127,319	203,466	125,538	1,066	1,538	0	0
Client assistance	0	40,876	2,673,597	0	0	0	0	28
Day care provider payments	0	0	312,731	0	0	0	0	0
Insurance	0	47,726	58,811	112,454	71	0	0	0
Vehicle costs	0	18,740	18,740	296,057	0	0	0	0
Telecommunications	2,133	36,216	53,646	19,029	703	399	30	0
Utilities	6,783	41,120	52,235	15,868	14	0	0	2,500
Other	0	177,217	1,272,809	40,226	6,947	4,490	0	0
Equipment	0	154,290	154,290	0	0	0	0	0
Depreciation	0	8,396	8,830	1,842	0	0	0	0
In-kind expenses	0	907,447	907,447	0	0	0	0	0
Indirect	24,583	348,304	507,635	139,579	7,401	8,264	196	2,773
Total Expenses	220,398	4,537,229	10,048,929	1,789,912	72,099	76,811	1,680	34,132
Change in net assets	0	0	0	(31,430)	(2)	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0	0
NET ASSETS - END OF YEAR	\$ 0	\$ 0	\$ 0	(\$ 31,430)	(\$ 2)	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Northeast Iowa Community Action Corporation

Schedule of Program Activity

Year Ended January 31, 2026

STATE AND LOCAL PROGRAMS

	Shared Visions 2026 (30)	Disaster (31)	County General Relief (32)	Weatherization Utilities (33)	Weatherization Clearing (34)	Energy Assistance Utilities (35)	Waukon USDA (36)	Early Childhood Grants (37)
REVENUE								
Grants	\$ 74,606	\$ 7,578	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 35,620
Program income	0	0	39,498	219,072	0	108,773	0	0
Rental income	0	0	0	0	0	0	12,047	0
Interest	0	0	0	0	0	0	470	0
Contributions	0	0	0	0	0	0	0	0
Other income	0	0	0	0	400	0	0	0
In-kind contributions	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
Total Revenue	74,606	7,578	39,498	219,072	400	108,773	12,517	35,620
EXPENSES								
Salaries and wages	45,212	1,899	7,097	0	334,959	0	0	25,760
Fringe benefits	13,425	511	1,743	0	129,974	0	0	5,579
Occupancy	4,000	0	0	0	0	0	0	0
Contracted services	0	0	200	0	427,047	0	0	0
Client assistance	0	4,830	27,820	0	(3,200)	135,532	0	50
Day care provider payments	0	0	0	0	0	0	0	0
Insurance	0	0	288	0	10,783	0	0	0
Vehicle costs	0	0	0	0	15,611	0	0	0
Telecommunications	0	0	4	0	4,063	0	0	0
Utilities	4,000	0	707	0	5,126	0	0	0
Other	53	13	124	219,072	(1,092,615)	0	8,949	0
Equipment	0	0	0	0	0	0	0	0
Depreciation	0	0	319	0	315	0	(7,333)	0
In-kind expenses	0	0	0	0	0	0	0	0
Indirect	7,916	325	1,196	0	63,178	0	0	4,231
Total Expenses	74,606	7,578	39,498	219,072	(104,759)	135,532	1,616	35,620
Change in net assets	0	0	0	0	105,159	(26,759)	10,901	0
Net assets - Beginning of year	0	0	0	0	0	0	0	0
NET ASSETS - END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0	\$ 105,159	(\$ 26,759)	\$ 10,901	\$ 0

See Independent Auditor's Report.

Northeast Iowa Community Action Corporation

Schedule of Program Activity

Year Ended January 31, 2026

	STATE AND LOCAL PROGRAMS				DISCRETIONARY ACTIVITIES			
	Lease Purchase Maintenance (38)	Housing Properties (39)	County Crisis (40)	Total State and Local Programs	Indirect (41)	GAAP Adjustments (42)	Corporate (43)	Total Discretionary Activity
REVENUE								
Grants	\$ 0	\$ 0	\$ 331,824	\$ 1,168,203	\$ 0	(\$ 154,290)	\$ 31,079	(\$ 123,211)
Program income	0	0	0	1,620,056	0	0	5,537	5,537
Rental income	18,400	392,562	0	423,009	0	0	31,172	31,172
Interest	476	3,743	0	4,689	0	0	131,442	131,442
Contributions	0	0	97,467	106,007	0	0	71,548	71,548
Other income	140	7,283	0	19,471	0	0	15,924	15,924
In-kind contributions	0	0	0	0	0	(907,447)	0	(907,447)
Transfers	0	0	(14,686)	(62,960)	0	0	62,960	62,960
Total Revenue	19,016	403,588	414,605	3,278,475	0	(1,061,737)	349,662	(712,075)
EXPENSES								
Salaries and wages	1,755	48,829	142,629	1,506,134	497,031	0	(11,135)	485,896
Fringe benefits	616	17,103	38,955	487,909	126,924	0	137	127,061
Occupancy	0	1	0	13,625	0	0	300	300
Contracted services	922	78,786	20,275	655,372	217,289	0	2,222	219,511
Client assistance	0	0	157,569	322,629	0	0	113,826	113,826
Day care provider payments	0	0	0	0	0	0	0	0
Insurance	5,667	52,753	144	182,160	33,821	0	6,010	39,831
Vehicle costs	0	0	0	311,668	0	0	0	0
Telecommunications	27	1,709	2,638	28,602	5,375	0	694	6,069
Utilities	30	38,369	1,457	68,071	15,504	0	11,049	26,553
Other	1,651	119,847	12,316	(678,927)	53,119	0	134,971	188,090
Equipment	0	0	0	0	0	(156,118)	1,828	(154,290)
Depreciation	10	244	536	(4,067)	6,769	633,005	(11,532)	628,242
In-kind expenses	0	0	0	0	0	(907,447)	0	(907,447)
Indirect	320	8,901	24,515	268,795	(778,593)	0	2,163	(776,430)
Total Expenses	10,998	366,542	401,034	3,161,971	177,239	(430,560)	250,533	(2,788)
Change in net assets	8,018	37,046	13,571	116,504	(177,239)	(631,177)	99,129	(709,287)
Net assets - Beginning of year	0	0	0	0	0	0	0	0
NET ASSETS - END OF YEAR	\$ 8,018	\$ 37,046	\$ 13,571	\$ 116,504	(\$ 177,239)	(\$ 631,177)	\$ 99,129	(\$ 709,287)

See Independent Auditor's Report.

Northeast Iowa Community Action Corporation

Schedule of Expenditures of Federal Awards

Year Ended January 31, 2026

Federal Grantor/Pass-Through Entity/ Program or Cluster Title	Assistance Listing Number	Federal Grantor or Pass-Through Agency	Program Period	Award Number	Federal Expenditures
DEPARTMENT OF AGRICULTURE					
(1) Child and Adult Care Food Program - Centers #968010	10.558	Iowa Department of Education	10/01/24 - 09/30/25	968010	124,227
(2) Child and Adult Care Food Program - Centers #968010	10.558	Iowa Department of Education	10/01/25 - 09/30/26	968010	78,963
(3) Child and Adult Care Food Program - Home Providers #968013	10.558	Iowa Department of Education	10/01/24 - 09/30/25	968013	264,473
(4) Child and Adult Care Food Program - Home Providers #968013	10.558	Iowa Department of Education	10/01/25 - 09/30/26	968013	113,030
Total Federal Expenditures #10.558					580,693
DEPARTMENT OF AGRICULTURE					
(5) Food Box Demo	10.579	Northeast Iowa Food Bank	06/02/25 - 12/31/25	Cresco	90
(6) Food Box Demo	10.579	Northeast Iowa Food Bank	06/02/25 - 12/31/25	Waverly	3,300
Total Federal Expenditures #10.579					3,390
DEPARTMENT OF AGRICULTURE					
Community Facilities Loans and Grants	10.766	US Department of Agriculture	N/A	N/A	193,177
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Home Investment Partnership Program	14.239	Iowa Finance Authority	01/01/15 - 12/01/31	14JUL-HM-924	517,962
Home Investment Partnership Program	14.239	Iowa Finance Authority	02/01/20 - 02/01/39	18MAY-HM-326	529,100
Total Federal Expenditures #14.239					1,047,062
DEPARTMENT OF TRANSPORTATION					
(7) Formula Grants for Rural Areas	20.509	Iowa Department of Transportation	07/01/24 - 06/30/25	8553	76,676
(8) Formula Grants for Rural Areas	20.509	Iowa Department of Transportation	07/01/25 - 06/30/26	8942	446,083
(9) Formula Grants for Rural Areas	20.509	Iowa Department of Transportation	02/01/25 - 01/31/26	Fellowship	4,969
Total Federal Expenditures #20.509					527,728
DEPARTMENT OF ENERGY					
(10) Weatherization	81.042	Iowa Department of Health and Human Services	04/01/24 - 03/31/25	DOE-24-09	172,308
(11) Weatherization	81.042	Iowa Department of Health and Human Services	04/01/25 - 06/30/26	DOE-25-09	172,019
(12) Weatherization	81.042	Iowa Department of Health and Human Services	07/01/22 - 06/30/26	DOE-BIL22-09	563,572
Total Federal Expenditures #81.042					907,899
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
(13) Temporary Assistance for Needy Families	93.558	Iowa Department of Health and Human Services	07/01/24 - 07/31/25	FWBP-EIS-25-067	48,064
(14) Temporary Assistance for Needy Families	93.558	Iowa Department of Health and Human Services	07/01/26 - 06/30/26	FWBPEFD26006	51,207
(15) Temporary Assistance for Needy Families	93.558	Iowa Department of Health and Human Services	01/01/26 - 06/30/26	FWBPECA26002	2,235
Total Federal Expenditures #93.558					101,506

See Independent Auditor's Report.

See accompanying notes to the schedule of expenditures of federal awards.

Northeast Iowa Community Action Corporation

Schedule of Expenditures of Federal Awards

Year Ended January 31, 2026

Federal Grantor/Pass-Through Number/Program Title	Assistance Listing Number	Federal Grantor or Pass-Through Agency	Program Period	Award Number	Federal Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)					
(16) Low-Income Home Energy Assistance Program	93.568	Iowa Department of Health and Human Services	10/01/24-12/31/25	LIHEAP-25-09	1,600,997
(17) Low-Income Home Energy Assistance Program	93.568	Iowa Department of Health and Human Services	10/01/25-12/31/26	LIHEAP-26-09	1,191,291
(18) Low-Income Home Energy Assistance Program	93.568	Iowa Department of Health and Human Services	01/01/24 - 06/30/26	HEAP-24-09	46,571
(19) Low-Income Home Energy Assistance Program	93.568	Iowa Department of Health and Human Services	06/01/23 - 09/30/25	HEAP-3E-09	77,692
Total Federal Expenditures #93.568					<u>2,916,551</u>
(20) Community Services Block Grant	93.569	Iowa Department of Health and Human Services	10/01/23 - 03/31/25	CSBG-24-09	11,065
(21) Community Services Block Grant	93.569	Iowa Department of Health and Human Services	10/01/24 - 03/31/26	CSBG-25-09	242,151
(22) Community Services Block Grant	93.569	Iowa Department of Health and Human Services	10/01/25 - 12/31/26	CSBG-26-09	319
Total Federal Expenditures #93.569					<u>253,535</u>
CCDF Cluster					
(23) Child Care Block Grant Wrap Around	93.575	Iowa Department of Health and Human Services	07/01/24 - 06/30/25	ACFS 21_014	220,398
Total Federal Expenditures #93.575					<u>220,398</u>
Head Start Cluster					
(24) Head Start	93.600	US Department of Health and Human Services	02/01/25 - 01/31/26	07CH013028-01	3,629,782
Total Federal Expenditures #93.600					<u>3,629,782</u>
TOTAL FEDERAL EXPENDITURES					<u>\$ 10,381,721</u>

See Independent Auditor's Report.

See accompanying notes to the schedule of expenditures of federal awards.

Northeast Iowa Community Action Corporation

Notes to Schedule of Expenditures of Federal Awards

Year Ended January 31, 2026

Note 1: General

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Northeast Iowa Community Action Corporation under programs of the federal government for the year ended January 31, 2026. The information in this schedule is presented in accordance with requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the schedule presents only a selected portion of the operations of Northeast Iowa Community Action Corporation, it is not intended to and does not present the financial position, changes in net assets or cash flows of Northeast Iowa Community Action Corporation.

Note 2: Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3: Indirect Cost Rate

NEICAC has elected not to use the de minimis indirect cost rate of up to 15-percent allowed under the Uniform Guidance.

Note 4: Sub-Recipients

NEICAC does not have any sub-recipients of federal awards.

Note 5: Balance of Outstanding Loans

Loans outstanding at the beginning of the year, and loans made during the year, are included in the federal expenditures presented in the Schedule. The balance of the loans outstanding at January 31, 2026 was \$1,046,291 for the Home Investment Partnership Program AL #14.239 and \$182,746 for Community Facilities Loans and Grants AL #10.766.

Northeast Iowa Community Action Corporation

Schedule of Revenue and Expenses Compared with Budget FY 2026 Transit Operating

Contract Period: 07/01/2024 - 06/30/2025

	Budget	Total	Actual 07/01/24 - 01/31/25	Actual 02/01/25 - 06/30/25
REVENUE				
Federal Grants	\$ 646,956	\$ 628,336	\$ 548,539	\$ 79,797
State Grants	500,346	498,570	303,342	195,228
Local	1,231,559	1,249,516	713,477	536,039
Total Revenue	2,378,861	2,376,422	1,565,358	811,064
EXPENSES				
Salaries and wages	1,389,000	1,283,228	798,408	484,820
Fringe benefits	429,881	386,268	239,342	146,926
Occupancy	24,500	8,539	6,289	2,250
Contracted Services	112,150	117,828	84,661	33,167
Insurance	101,000	128,307	11,246	117,061
Vehicle Costs	271,050	265,195	157,630	107,565
Telecommunications	41,300	28,590	20,853	7,737
Utilities	13,500	15,359	8,842	6,517
Other	92,250	61,730	43,095	18,635
Indirect	243,730	225,382	140,096	85,286
Total Expenses	\$ 2,718,361	\$ 2,520,427	\$ 1,510,463	\$ 1,009,964

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*

Board of Directors
Northeast Iowa Community Action Corporation
Decorah, Iowa

We have audited, in accordance with auditing standards generally accepted in the United States 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, which comprise the statement of financial position as of January 31, 2026, 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 14, 2026.

Report on 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) as a basis for designing 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 reasonable possibility that a material misstatement of Northeast Iowa Community Action Corporation's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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 Northeast Iowa Community Action 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 Northeast Iowa Community Action Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Wipfli LLP

Madison, Wisconsin

May 14, 2026

Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Directors
Northeast Iowa Community Action Corporation
Decorah, Iowa

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Northeast Iowa Community Action Corporation's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended January 31, 2026. Northeast Iowa Community Action Corporation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 its major federal program for the year ended January 31, 2026.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Northeast Iowa Community Action Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of Northeast Iowa Community Action Corporation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Northeast Iowa Community Action Corporation's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Northeast Iowa Community Action Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Northeast Iowa Community Action Corporation's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Northeast Iowa Community Action Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Northeast Iowa Community Action Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Northeast Iowa Community Action Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over-compliance. Accordingly, no such opinion is expressed.

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.

Wipfli LLP

Wipfli LLP

Madison, Wisconsin

May 14, 2026

Northeast Iowa Community Action Corporation

Schedule of Findings and Questioned Costs

Year Ended January 31, 2026

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

 Material weakness(es) identified? Yes No

 Significant deficiency(ies) identified? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major program:

 Material weakness(es) identified? Yes No

 Significant deficiency(ies) identified? Yes None Reported

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)]? Yes No

Identification of major federal program:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
93.568	Low-Income Home Energy Assistance

Dollar threshold used to distinguish between Type A and Type B programs \$ 1,000,000

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Summary of Prior Year Audit Findings

None