

Northeast Iowa Community Action Corporation

Financial Statements and
Supplementary Information

Year Ended January 31, 2023



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Northeast Iowa Community Action Corporation

Year Ended January 31, 2023

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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, 2023, 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, 2023, 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 ("GAAS") 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 GAAS 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 GAAS 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 21 to 42 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. The January 31, 2022 revenues and expenses included in the schedules on pages 33 to 35 and 37 to 42 were subjected to auditing procedures applied in the January 31, 2022 audit of the basic financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the January 31, 2022 financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2023 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
June 20, 2023

Northeast Iowa Community Action Corporation

Statement of Financial Position

January 31, 2023

Assets	
Current assets:	
Cash	\$ 5,964,843
Grants receivable	1,166,493
Accounts receivable	172,256
Notes receivable - current portion	67,162
Prepaid expenses and other assets	56,734
Lease receivable - current portion	8,268
Housing inventory	462,669
Total current assets	7,898,425
Long-term assets:	
Right-of-use asset, operating leases	887,507
Lease receivable	168,096
Notes receivable	586,662
Total long-term assets	1,642,265
Property and equipment, net	3,589,469
TOTAL ASSETS	\$ 13,130,159
Liabilities and Net Assets	
Current liabilities:	
Long-term debt - current portion	\$ 30,666
Operating lease liability - current portion	111,287
Accounts payable	353,789
Accrued payroll	183,247
Compensated absences	189,561
Refundable advances	149,234
Total current liabilities	1,017,784
Long-term liabilities:	
Long-term debt	2,112,931
Operating lease liability	777,220
Total long-term liabilities	2,890,151
Total liabilities	3,907,935
Net assets: Without donor restrictions	8,704,426
Net assets: With donor restrictions	517,798
Total Net Assets	9,222,224
TOTAL LIABILITIES AND NET ASSETS	\$ 13,130,159

See accompanying notes to financial statements.

Northeast Iowa Community Action Corporation

Statement of Activities

Year Ended January 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Grants	\$ 14,321,327	\$ 64,939	\$ 14,386,266
Program income	1,286,393	190,183	1,476,576
Rental income	321,158	0	321,158
Interest	52,782	268	53,050
Contributions	232,063	88,302	320,365
Other income	82,076	0	82,076
Net assets released from restrictions	463,744	(463,744)	0
Total revenue and support	16,759,543	(120,052)	16,639,491
Expenses:			
Program activities:			
Food and nutrition	729,540	0	729,540
Children and family	4,027,232	0	4,027,232
Energy & crisis assistance	7,458,073	0	7,458,073
Transportation	2,684,671	0	2,684,671
Housing	1,219,546	0	1,219,546
Total program activities	16,119,062	0	16,119,062
Management and general	911,708	0	911,708
Fund-raising expenses	2,542	0	2,542
Total expenses	17,033,312	0	17,033,312
Change in net assets	(273,769)	(120,052)	(393,821)
Net assets - Beginning of year, as previously stated	9,616,045	0	9,616,045
Prior period adjustment	(637,850)	637,850	0
Net assets - Beginning of year, as restated	8,978,195	637,850	9,616,045
Net assets - End of year	\$ 8,704,426	\$ 517,798	\$ 9,222,224

See accompanying notes to financial statements.

Northeast Iowa Community Action Corporation

Statement of Functional Expenses

Year Ended January 31, 2023

	Food and Nutrition	Children and Family	Energy and Crisis Assistance	Transportation	Housing	Total Program	Management & General	Fund-raising	Total
Salaries and wages	\$ 67,106	\$ 2,495,438	\$ 808,095	\$ 1,201,976	\$ 49,275	\$ 4,621,890	\$ 479,657	\$ 1,041	\$ 5,102,588
Fringe benefits	21,343	793,510	271,885	376,729	18,280	1,481,747	119,514	306	1,601,567
Occupancy	3,626	45,085	21,652	23,560	2,852	96,775	26,103	0	122,878
Contracted services	10,815	120,925	679,145	111,314	35,088	957,287	191,208	0	1,148,495
Client assistance	175,982	87,541	5,304,461	0	589,138	6,157,122	1,195	0	6,158,317
Day care provider payments	439,128	0	0	0	0	439,128	0	0	439,128
Insurance	141	33,059	22,062	86,952	39,241	181,455	23,661	0	205,116
Vehicle costs	0	17,748	27,080	308,474	380	353,682	0	0	353,682
Telecommunications	395	36,707	27,824	43,365	1,893	110,184	10,877	0	121,061
Utilities	0	67,866	12,059	12,733	33,932	126,590	0	0	126,590
Other	11,004	312,138	264,316	110,568	128,065	826,091	59,493	1,195	886,779
Depreciation	0	17,215	19,494	409,000	321,402	767,111	0	0	767,111
Total expenses	<u>\$ 729,540</u>	<u>\$ 4,027,232</u>	<u>\$ 7,458,073</u>	<u>\$ 2,684,671</u>	<u>\$ 1,219,546</u>	<u>\$ 16,119,062</u>	<u>\$ 911,708</u>	<u>\$ 2,542</u>	<u>\$ 17,033,312</u>

See accompanying notes to financial statements.

Northeast Iowa Community Action Corporation

Statement of Cash Flows

Years Ended January 31, 2023

Increase (decrease) in cash:	
Cash flows from operating activities:	
Change in net assets	(\$ 393,821)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	767,111
Gain on disposal of property and equipment	(19,724)
Loss on derecognition of finance lease asset	29,531
Noncash lease expense	1,000
Forgiveness of long-term debt	(3,652)
Effects of changes in operating assets and liabilities:	
Grants receivable	831,697
Accounts receivable	(121,312)
Prepaid expenses and other assets	(406)
Housing inventory	595,294
Accounts payable	(61,148)
Accrued payroll	41,345
Compensated absences	50,900
Refundable advances	(1,164,571)
Net cash from operating activities	552,244
Cash flows from investing activities:	
Payments received on notes receivable	1,970
Principal payments received on finance lease	8,425
Proceeds from sale of property and equipment	25,000
Purchase of property and equipment	(99,109)
Net cash from investing activities	(63,714)
Cash flows from financing activities:	
Principal payments on notes payable	(85,644)
Proceeds from notes payable	29,272
Net cash from financing activities	(56,372)
Changes in cash	432,158
Cash - Beginning of year	5,532,685
Cash - End of year	\$ 5,964,843

Supplemental Schedule of Other Cash Activity:

Interest paid and expensed	\$ 14,686
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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. The purpose of NEICAC 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 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 identifying 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

Program income represents amounts contributed by program beneficiaries. The contributions are to help defray the cost of the specific program in which the beneficiary received assistance. The revenue is recognized when 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 \$1,246,331 for the year ended of January 31, 2023 and is included in program income in the statement of activities.

Accounts receivable for EARL were \$198,367 on February 1, 2022 and \$156,587 as of January 31, 2023. There were no contract assets or liabilities as of February 1, 2022 or January 31, 2023.

Northeast Iowa Community Action Corporation

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Housing Inventory and 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. The remaining balance is repaid to NEICAC who must then return the proceeds to IFA if the home is sold prior to the end of the forgiveness period.

Notes receivable are not evaluated for collectability as they are expected to be forgiven. NEICAC would expect any bad debts to result in the corresponding long-term debt to be forgiven by IFA.

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.

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. 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 \$818,840 as of January 31, 2023.

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 \$563,963, 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 of time and effort. Occupancy and related expenses are allocated based on square footage, 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, 2023.

Northeast Iowa Community Action Corporation

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Change in Accounting Policy

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842). ASU 2016-02 is intended to improve financial reporting of leasing transactions by requiring organizations that lease assets to recognize assets and liabilities for the rights and obligations created by leases on the statement of financial position. This accounting update also requires additional disclosures surrounding the amount, timing, and uncertainty of cash flows arising from leases. NEICAC adopted this guidance for the year ended January 31, 2023 with modified retrospective application to February 1, 2022 through a cumulative-effect adjustment. NEICAC has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, NEICAC accounted for its existing operating leases as operating leases and capital leases as finance leases under the new guidance, without reassessing (a) whether the contracts contain a lease under ASC Topic 842, (b) whether the classification of the leases would be different in accordance with ASC Topic 842, or (c) whether any unamortized initial direct costs before transition adjustments (as of January 31, 2023) would have met the definition of initial direct costs in ASC Topic 842 at lease commencement. Similarly, NEICAC did not reassess service contracts evaluated for lease treatment under ASC 840 for embedded leases under ASC 842.

As a result of the adoption of the new lease accounting guidance, NEICAC recognized the following ROU assets and lease liabilities as of February 1, 2022:

ROU assets - Operating leases	\$	996,535
Lease obligation - Operating leases	\$	996,535

NEICAC is the lessor in a financing lease. Previously the underlying asset in the financing lease was capitalized and depreciated over its estimated useful life. Under ASC 842, the asset and accumulated depreciation is derecognized and replaced with a lease receivable. At February 1, 2022 the carrying value of the asset was \$214,320 while the lease receivable was \$184,789 resulting in a loss of \$29,531.

This standard did not have a material impact on NEICAC's net assets or cash flows from operations and had an immaterial impact on NEICAC's operating results. The most significant impact was the recognition of the ROU assets and lease obligations for operating leases.

ASC 842 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.

Northeast Iowa Community Action Corporation

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

ASC 842 Lease Accounting (Continued)

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 copiers to not separate the lease components of a contract and its associated non-lease components such as maintenance. NEICAC's other leases do not contain any non-lease components.

Subsequent Events

NEICAC has evaluated events and transactions for potential recognition or disclosure in the financial statements through June 20, 2023, which is the date the financial statements were available to be issued.

Note 2: 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	\$ 5,964,843
Grants and accounts receivable	1,338,749
Subtotal Financial Assets	7,303,592
Less: Accounts payable designated for grant expenditure	(353,789)
Less: Accrued payroll designated for grant expenditure	(183,247)
Less: Refundable advances	(149,234)
Less: Net assets with donor restrictions	(517,798)
Total available financial assets	\$ 6,099,524

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.

Northeast Iowa Community Action Corporation

Notes to Financial Statements

Note 3: 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 4: Grants Receivable

The grants receivable represents the following amounts due from the various funding sources as of January 31:

Direct federal grants	\$ 97,726
State of Iowa	1,035,116
Other state and local sources	33,651
<hr/>	
Total	\$ 1,166,493
<hr/>	

Note 5: Property and Equipment

Land	\$ 201,355
Buildings	5,515,864
Vehicles	3,672,193
Equipment	589,670
<hr/>	
Total	9,979,082
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Less accumulated depreciation	6,389,613
<hr/>	
Net property and equipment	\$ 3,589,469
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Northeast Iowa Community Action Corporation

Notes to Financial Statements

Note 6: Long-Term Debt

Long-term debt consisted of the following at January 31, 2023:

Decorah Bank & Trust Company: 4.05% interest bearing note payable, due \$1,836 per month including interest through November 2027, collateralized by real estate.	\$ 96,452
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.	212,613
HOME Investment Partnerships Program: Rent to Own: Iowa Finance Authority: 0.0% interest bearing note payable, due \$1,230 annually through July 1, 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.	273,235
0.0% interest bearing note payable, with a balloon payment due February 1, 2038 collateralized by real estate. This note is transferred with the related real estate as the homes are sold.	306,883
0.0% interest bearing note payable, with a balloon payment due February 1, 2040 collateralized by real estate. This note is transferred with the related real estate as the homes are sold.	172,912
Single Family Rental: 0.0% interest bearing note payable, forgivable in 2031. Collateralized by real estate.	519,837
Postville Four Plex: 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.	32,565
Total long-term debt	2,143,597
Less current portion	(30,666)
Long-term portion	\$ 2,112,931

Northeast Iowa Community Action Corporation

Notes to Financial Statements

Note 6: Long-Term Debt (Continued)

Approximate future annual minimum principal payments beyond January 31, 2023 are as follows:

2024	\$	30,666
2025		31,839
2026		33,091
2027		34,387
2028		32,067
Thereafter		1,981,547
<hr/>		
Total	\$	2,143,597

Note 7: Net Assets with Donor Restrictions

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

Children and family	\$	61,233
Energy and crisis		456,565
<hr/>		
Total net assets with donor restrictions	\$	517,798

NEICAC releases net assets from donor restrictions as expenditures satisfying donor restrictions occur. Net assets released from donor restrictions totaled \$463,744 for the year ended January 31, 2023.

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 \$40 billion as of June 30, 2022. 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's funded status was 89.50%, leaving an unfunded actuarial liability of approximately \$4.6 billion as of June 30, 2022, 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, 2023 was \$445,286.

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 \$109,028 for the year ended January 31, 2023.

The weighted-average remaining lease term for operating leases was 9 years at January 31, 2023. The weighted-average discount rate was 1.77% at January 31, 2023.

Maturities of lease liabilities are as follows as of January 31, 2023:

2024	\$	125,951
2025		125,951
2026		101,687
2027		101,687
2028		101,687
Thereafter		404,637
<hr/>		
Total lease payments		961,600
Less imputed interest		(73,093)
<hr/>		
Total	\$	888,507

Short-term leases

Short-term leases include leases that at the commencement date have a lease term of 12 months or less and cancellable leases with annual options to extend (year-to-year leases).

Rental expense under short-term leases were \$48,900 for the year ended January 31, 2023.

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, 2023, was \$321,158. 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		2,864,267
<hr/>		
Net property and equipment	\$	2,474,440

In addition, housing inventory consisting of three homes with a cost of \$462,669 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, 2023 are as follows:

2024	\$	12,048
2025		12,048
2026		12,048
2027		12,048
2028		12,048
Thereafter		152,599
<hr/>		
Total lease payments		212,839
Amount representing interest		(36,475)
<hr/>		
Total	\$	176,364

Note 11: Prior Period Adjustment

In previous years, NEICAC was not reporting net assets with donor restrictions in its financial statements. Management performed an analysis of net assets and determined that net assets as of January 31, 2022 should be restated to reflect an increase in net assets with donor restrictions and a decrease of net assets without donor restrictions of \$637,850.

Northeast Iowa Community Action Corporation

Notes to Financial Statements

Note 12: 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, 2023, 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.

NEICAC built a duplex for handicapped individuals 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. NEICAC must own the building for 20 years. See Note 6.

At January 31, 2023, NEICAC had commitments under various grants of approximately \$4,200,000. 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, 2023

	FEDERAL PROGRAMS							
	Department of Agriculture					HUD		
	10.558					14.169	14.228	
	TOTAL	Child and Adult Care Food Program Centers 2022	Child and Adult Care Food Program Centers 2023	Child and Adult Care Food Program Homes 2022	Child and Adult Care Food Program Homes 2023	10.558 Subtotal	Housing Counseling Assistance Program	UIB Community Development Block Grant
	(1)	(2)	(3)	(4)		(5)	(6)	
REVENUE								
Grants	\$ 14,386,266	\$ 132,113	\$ 85,760	\$ 357,134	\$ 165,520	\$ 740,527	\$ 2,112	\$ 50,200
Program income	1,476,576	0	0	0	0	0	0	0
Rental income	321,158	0	0	0	0	0	0	0
Interest	53,050	0	0	0	0	0	0	0
Contributions	320,365	0	0	0	0	0	0	0
Other income	82,076	0	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0	0	0
Transfers	0	0	0	167	0	167	0	0
Total Revenue	16,639,491	132,113	85,760	357,301	165,520	740,694	2,112	50,200
EXPENSES								
Salaries and wages	5,102,588	10,901	9,500	31,740	14,622	66,763	1,559	0
Fringe benefits	1,601,567	2,590	2,039	11,839	4,777	21,245	570	0
Occupancy	122,878	0	0	2,417	1,209	3,626	0	0
Contracted services	1,148,495	4,070	2,829	2,697	1,219	10,815	0	0
Client assistance	6,158,317	107,100	68,882	0	0	175,982	0	0
Day care provider payments	439,128	0	0	299,251	139,877	439,128	0	0
Insurance	205,116	0	0	141	0	141	0	0
Vehicle costs	353,682	0	0	0	0	0	0	50,200
Telecommunications	121,061	0	0	266	129	395	0	0
Utilities	126,590	0	0	0	0	0	0	0
Other	886,779	5,658	964	3,154	1,087	10,863	(300)	0
Equipment	0	0	0	0	0	0	0	0
Depreciation	767,111	0	0	0	0	0	0	0
In-kind expenses	0	0	0	0	0	0	0	0
Indirect	0	1,794	1,546	5,796	2,600	11,736	283	0
Total Expenses	17,033,312	132,113	85,760	357,301	165,520	740,694	2,112	50,200
Change in net assets	(393,821)	0	0	0	0	0	0	0
Net assets - Beginning of year	9,616,045	0	0	0	0	0	0	0
NET ASSETS - END OF YEAR	\$ 9,222,224	\$ 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, 2023

	FEDERAL PROGRAMS							
	Department of Housing and Urban Development			Department of Transportation				
	14.239			20.509				
Home Investment Partnership CHDO (7)	Tenant Based Rental Assistance (8)	14.239 Subtotal	FTA Formula Grants for Rural Areas (9)	FTA Fellowship Grants for Rural Areas (10)	ARPA Formula Grants for Rural Areas (11)	CRRSAA Formula Grants for Rural Areas (12)	20.509 Subtotal	
REVENUE								
Grants	\$ 50,000	\$ 5,469	\$ 55,469	\$ 507,869	\$ 23,011	\$ 302,856	\$ 782,825	\$ 1,616,561
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	1,135	1,135	0	0	0	0	0
Total Revenue	50,000	6,604	56,604	507,869	23,011	302,856	782,825	1,616,561
EXPENSES								
Salaries and wages	9,947	86	10,033	339,286	0	202,325	522,972	1,064,583
Fringe benefits	3,874	36	3,910	108,570	0	64,744	167,350	340,664
Occupancy	1,081	0	1,081	0	0	0	0	0
Contracted services	0	0	0	0	0	0	0	0
Client assistance	0	6,460	6,460	0	0	0	0	0
Day care provider payments	0	0	0	0	0	0	0	0
Insurance	5,578	0	5,578	0	0	0	0	0
Vehicle costs	0	0	0	0	0	0	0	0
Telecommunications	6,228	0	6,228	0	0	0	0	0
Utilities	8,315	0	8,315	0	0	0	0	0
Other	13,139	6	13,145	0	23,011	0	0	23,011
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	1,838	16	1,854	60,013	0	35,787	92,503	188,303
Total Expenses	50,000	6,604	56,604	507,869	23,011	302,856	782,825	1,616,561
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, 2023

	FEDERAL PROGRAMS							
	Treasury	Dept. of Energy	Department of Health and Human Services					
	21.023	81.042	93.217	93.499		93.558		
	Emergency Rental Assistance Program	DOE Weatherization 23-09	CAPP Allen Family Planning Services	LIHWAP 21CAA-09	LIHWAP 21ARPA-09	93.499 Subtotal	FADSS PEAFF	FADSS 22-09
	(13)	(14)	(15)	(16)	(17)		(18)	(19)
REVENUE								
Grants	\$ 22,208	\$ 241,468	\$ 618	\$ 180,505	\$ 63,875	\$ 244,380	\$ 23,103	\$ 63,599
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	(22,208)	0	0	0	0	0	0	0
Total Revenue	0	241,468	618	180,505	63,875	244,380	23,103	63,599
EXPENSES								
Salaries and wages	0	2,247	418	9,385	4,162	13,547	724	38,013
Fringe benefits	0	653	89	2,825	1,101	3,926	195	11,989
Occupancy	0	0	0	0	35	35	0	369
Contracted services	0	0	9	27	598	625	0	1,346
Client assistance	0	0	0	166,288	56,873	223,161	22,062	0
Day care provider payments	0	0	0	0	0	0	0	0
Insurance	0	0	0	0	0	0	0	74
Vehicle costs	0	0	0	0	0	0	0	0
Telecommunications	0	0	0	18	141	159	0	257
Utilities	0	0	0	0	43	43	0	470
Other	0	238,179	35	326	217	543	0	4,431
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	389	67	1,636	705	2,341	122	6,650
Total Expenses	0	241,468	618	180,505	63,875	244,380	23,103	63,599
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, 2023

FEDERAL PROGRAMS								
Department of Health and Human Services								
93.558			93.568					
	FADSS 23-09 (20)	Community Adolescent Pregnancy Prevention (21)	93.558 Subtotal	LIHEAP 21ARPA-09 (22)	LIHEAP 22-09 (23)	LIHEAP 23-09 (24)	LIHEAP 23ES-09 (25)	HEAP 22-09 (26)
REVENUE								
Grants	\$ 42,035	\$ 15,204	\$ 143,941	\$ 2,004,716	\$ 1,844,241	\$ 998,244	\$ 14,760	\$ 900,729
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	53	53	0	0	0	0	0
Total Revenue	42,035	15,257	143,994	2,004,716	1,844,241	998,244	14,760	900,729
EXPENSES								
Salaries and wages	25,446	5,838	70,021	11,339	55,325	76,133	810	0
Fringe benefits	6,908	1,547	20,639	3,632	16,419	25,116	216	0
Occupancy	265	0	634	2,019	304	1,866	0	0
Contracted services	1,249	6,567	9,162	1,209	1,897	7,154	0	0
Client assistance	0	0	22,062	1,979,988	1,756,244	866,816	13,596	0
Day care provider payments	0	0	0	0	0	0	0	0
Insurance	0	0	74	159	0	0	0	12,384
Vehicle costs	0	0	0	0	0	0	0	0
Telecommunications	347	35	639	159	33	2,009	0	0
Utilities	382	0	852	0	0	498	0	0
Other	3,102	390	7,923	4,220	4,477	5,085	0	888,345
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	4,336	880	11,988	1,991	9,542	13,567	138	0
Total Expenses	42,035	15,257	143,994	2,004,716	1,844,241	998,244	14,760	900,729
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, 2023

	FEDERAL PROGRAMS							
	Department of Health and Human Services							
	93.568		93.569				93.575	
	HEAP 23-09 (27)	93.568 Subtotal	Community Services Block Grant 21-09 (28)	Community Services Block Grant 22-09 (29)	CARES Community Services Block Grant 20S-09 (30)	Subtotal 93.569	Child Care Block Grant Wrap Around 2021 (31)	Child Care Block Grant Wrap Around 2022 (32)
REVENUE								
Grants	\$ 46,471	\$ 5,809,161	\$ 54,564	\$ 219,220	\$ 80,422	\$ 354,206	\$ 341,987	\$ 223,113
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	(104,771)	104,771
Total Revenue	46,471	5,809,161	54,564	219,220	80,422	354,206	237,216	327,884
EXPENSES								
Salaries and wages	0	143,607	34,333	102,549	21,422	158,304	147,197	211,765
Fringe benefits	0	45,383	11,007	30,016	6,292	47,315	44,339	53,995
Occupancy	0	4,189	0	7,525	38	7,563	3,249	4,550
Contracted services	0	10,260	854	31,442	46,871	79,167	0	0
Client assistance	0	4,616,644	0	0	0	0	514	255
Day care provider payments	0	0	0	0	0	0	0	0
Insurance	0	12,543	0	850	0	850	0	0
Vehicle costs	0	0	0	0	0	0	0	0
Telecommunications	0	2,201	1,700	10,612	989	13,301	3,222	4,079
Utilities	0	498	0	4,775	0	4,775	11,604	16,049
Other	46,471	948,598	640	13,687	1,124	15,451	1,617	1,579
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	25,238	6,030	17,764	3,686	27,480	25,474	35,612
Total Expenses	46,471	5,809,161	54,564	219,220	80,422	354,206	237,216	327,884
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, 2023

	FEDERAL PROGRAMS					STATE AND LOCAL PROGRAMS		
	Department of Health and Human Services				DHS			
	93.575	93.600			97.024			
	Subtotal	Head Start Early Head Start	ARPA Head Start/EHS	Subtotal	Emergency Food and Shelter	Total Federal	Transit	FaDSS
	93.575	07CH011393	07HE000208	93.600	Phase 39	Programs	Operating	2022
		(33)	(34)		(35)		(36)	(37)
REVENUE								
Grants	\$ 565,100	\$ 3,191,915	\$ 215,914	\$ 3,407,829	\$ 1,696	\$ 13,255,476	\$ 276,648	\$ 95,397
Program income	0	0	0	0	0	0	1,258,137	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	22,124	0
Other income	0	0	0	0	0	0	0	0
In-kind contributions	0	563,963	0	563,963	0	563,963	0	0
Transfers	0	0	0	0	0	(20,853)	0	0
Total Revenue	565,100	3,755,878	215,914	3,971,792	1,696	13,798,586	1,556,909	95,397
EXPENSES								
Salaries and wages	358,962	1,764,710	84,363	1,849,073	0	3,739,117	137,393	57,018
Fringe benefits	98,334	587,928	19,168	607,096	0	1,189,824	36,065	17,983
Occupancy	7,799	34,664	111	34,775	0	59,702	23,560	554
Contracted services	0	88,202	19,659	107,861	0	217,899	111,314	2,019
Client assistance	769	58,651	1,320	59,971	1,696	5,106,745	0	40
Day care provider payments	0	0	0	0	0	439,128	0	0
Insurance	0	32,874	0	32,874	0	52,060	86,952	111
Vehicle costs	0	17,748	0	17,748	0	67,948	258,274	0
Telecommunications	7,301	23,074	4,787	27,861	0	58,085	43,365	385
Utilities	27,653	32,083	0	32,083	0	74,219	12,733	706
Other	3,196	236,727	35,472	272,199	0	1,532,843	48,601	6,606
Equipment	0	0	37,161	37,161	0	37,161	0	0
Depreciation	0	0	0	0	0	0	3,187	0
In-kind expenses	0	563,963	0	563,963	0	563,963	0	0
Indirect	61,086	315,254	13,873	329,127	0	659,892	23,244	9,975
Total Expenses	565,100	3,755,878	215,914	3,971,792	1,696	13,798,586	784,688	95,397
Change in net assets	0	0	0	0	0	0	772,221	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	\$ 772,221	\$ 0

See Independent Auditor's Report.

Northeast Iowa Community Action Corporation

Schedule of Program Activity

Year Ended January 31, 2023

STATE AND LOCAL PROGRAMS

	FaDSS 2023 (38)	Shared Visions 2021 (39)	Shared Visions 2022 (40)	Disaster (41)	County General Relief (42)	Weatherization Utilities (43)	Weatherization Clearing (44)	Energy Assistance Utilities (45)
REVENUE								
Grants	\$ 63,052	\$ 53,134	\$ 99,735	\$ 18,803	\$ 0	\$ 210,318	(\$ 14,864)	\$ 0
Program income	0	0	0	0	47,131	0	0	158,809
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	63,052	53,134	99,735	18,803	47,131	210,318	(14,864)	158,809
EXPENSES								
Salaries and wages	38,169	28,314	57,522	1,851	20,011	0	312,677	0
Fringe benefits	10,362	9,527	18,021	627	6,057	0	116,548	0
Occupancy	397	3,351	4,908	722	1,554	0	3,719	0
Contracted services	1,874	0	0	997	0	0	572,105	0
Client assistance	0	1,521	2,903	10,602	16,000	0	0	94,143
Day care provider payments	0	0	0	0	0	0	0	0
Insurance	0	0	0	0	0	0	8,495	0
Vehicle costs	0	0	0	0	0	0	27,080	0
Telecommunications	521	0	0	3,037	0	0	3,774	0
Utilities	572	2,500	3,500	432	0	0	6,167	0
Other	4,654	2,888	2,758	204	27	210,318	(1,163,460)	0
Equipment	0	0	0	0	0	0	40,515	0
Depreciation	0	0	0	0	0	0	0	0
In-kind expenses	0	0	0	0	0	0	0	0
Indirect	6,503	5,033	10,123	331	3,482	0	57,516	0
Total Expenses	63,052	53,134	99,735	18,803	47,131	210,318	(14,864)	94,143
Change in net assets	0	0	0	0	0	0	0	64,666
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	\$ 64,666

See Independent Auditor's Report.

Northeast Iowa Community Action Corporation

Schedule of Program Activity

Year Ended January 31, 2023

STATE AND LOCAL PROGRAMS

	Waukon USDA (46)	Early Childhood Grants (47)	Lease Purchase Maintenance (48)	Housing Properties (49)	County Crisis (50)	CACFP Local (51)	Total State and Local Programs
REVENUE							
Grants	\$ 0	\$ 118,548	\$ 0	\$ 0	\$ 95,944	\$ 644	\$ 1,017,359
Program income	12,315	0	0	0	184	0	1,476,576
Rental income	0	0	34,369	286,789	0	0	321,158
Interest	0	0	255	1,585	0	0	1,840
Contributions	0	0	0	0	257,982	0	280,106
Other income	0	0	565	17,799	0	0	18,364
In-kind contributions	0	0	0	0	0	0	0
Transfers	0	0	0	0	(3,572)	(3)	(3,575)
Total Revenue	12,315	118,548	35,189	306,173	350,538	641	3,111,828
EXPENSES							
Salaries and wages	0	35,941	1,207	35,075	146,912	343	872,433
Fringe benefits	0	11,459	450	12,919	48,175	98	288,291
Occupancy	(7,333)	0	59	1,118	3,098	0	35,707
Contracted services	0	0	1,339	33,241	15,616	0	738,505
Client assistance	0	275	0	0	340,965	0	466,449
Day care provider payments	0	0	0	0	0	0	0
Insurance	0	0	(135)	33,798	0	0	129,221
Vehicle costs	0	0	63	427	0	0	285,844
Telecommunications	0	0	43	(4,378)	5,184	0	51,931
Utilities	0	0	0	25,617	144	0	52,371
Other	10,332	1,547	10,208	103,223	11,169	141	(750,784)
Equipment	0	0	0	0	6,833	0	47,348
Depreciation	0	0	0	0	0	0	3,187
In-kind expenses	0	0	0	0	0	0	0
Indirect	0	6,347	222	6,431	26,141	59	155,407
Total Expenses	2,999	55,569	13,456	247,471	604,237	641	2,375,910
Change in net assets	9,316	62,979	21,733	58,702	(253,699)	0	735,918
Net assets - Beginning of year	0	0	0	0	0	0	0
NET ASSETS - END OF YEAR	\$ 9,316	\$ 62,979	\$ 21,733	\$ 58,702	(\$ 253,699)	\$ 0	\$ 735,918

See Independent Auditor's Report.

Northeast Iowa Community Action Corporation

Schedule of Program Activity

Year Ended January 31, 2023

	DISCRETIONARY ACTIVITIES			
	Indirect	GAAP	Corporate	Total
	(52)	Adjustments (53)	(54)	Discretionary Activity
REVENUE				
Grants	\$ 0	\$ 0	\$ 113,431	\$ 113,431
Program income	0	0	0	0
Rental income	0	0	0	0
Interest	0	0	51,210	51,210
Contributions	0	0	40,259	40,259
Other income	0	0	63,712	63,712
In-kind contributions	0	(563,963)	0	(563,963)
Transfers	0	0	24,428	24,428
Total Revenue	0	(563,963)	293,040	(270,923)
EXPENSES				
Salaries and wages	427,434	0	63,604	491,038
Fringe benefits	117,316	0	6,136	123,452
Occupancy	21,996	0	5,473	27,469
Contracted services	191,147	0	944	192,091
Client assistance	0	582,678	2,445	585,123
Day care provider payments	0	0	0	0
Insurance	21,363	0	2,472	23,835
Vehicle costs	0	0	(110)	(110)
Telecommunications	10,877	0	168	11,045
Utilities	0	0	0	0
Other	51,441	38,956	14,323	104,720
Equipment	0	(84,509)	0	(84,509)
Depreciation	0	767,111	(3,187)	763,924
In-kind expenses	0	(563,963)	0	(563,963)
Indirect	(817,574)	0	2,275	(815,299)
Total Expenses	24,000	740,273	94,543	858,816
Change in net assets	(24,000)	(1,304,236)	198,497	(1,129,739)
Net assets - Beginning of year	0	0	0	0
NET ASSETS - END OF YEAR	(\$ 24,000)	(\$ 1,304,236)	\$ 198,497	(\$ 1,129,739)

See Independent Auditor's Report.

Northeast Iowa Community Action Corporation

Schedule of Expenditures of Federal Awards

Year Ended January 31, 2023

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	10/01/21 - 09/30/22	968010	\$ 132,113
(2) Child and Adult Care Food Program - Centers #968010	10.558	Iowa Department of Education	10/01/22 - 09/30/23	968010	85,760
(3) Child and Adult Care Food Program - Home Providers #968013	10.558	Iowa Department of Education	10/01/21 - 09/30/22	968013	357,134
(4) Child and Adult Care Food Program - Home Providers #968013	10.558	Iowa Department of Education	10/01/22 - 09/30/23	968013	165,520
Total Federal Expenditures #10.558					740,527
Community Facilities Loans and Grants Cluster					
Community Facilities Loans and Grants	10.766	U.S. Department of Agriculture	N/A	N/A	221,661
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
(5) Housing Counseling Assistance Program	14.169	Department of Housing and Urban Development	10/01/19 - 03/31/22	HC200821034	2,112
(6) Community Development Block Grant	14.228	Howard County	03/11/21 - 01/31/23	21-CRLET-004-HOWARD	50,200
(7) Home Investment Partnership Program	14.239	Iowa Finance Authority	07/06/22 - 12/31/22	22-CO-OP-3	50,000
(8) Home Investment Partnership Program	14.239	Iowa Community Action Association	06/01/19 - 04/30/22	19-1-HM-565	5,469
Home Investment Partnership Program	14.239	Iowa Finance Authority	01/01/15 - 07/01/45	14-HM-362	273,235
Home Investment Partnership Program	14.239	Iowa Finance Authority	01/01/19 - 02/01/38	18MAY-HM-325	365,800
Home Investment Partnership Program	14.239	Iowa Finance Authority	06/23/20 - 08/31/40	20-1-HM-310	172,912
Home Investment Partnership Program	14.239	Iowa Finance Authority	01/01/15 - 12/01/31	14JUL-HM-924	519,837
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					1,916,353
DEPARTMENT OF TRANSPORTATION					
(9) Formula Grants for Rural Areas	20.509	Iowa Department of Transportation	07/01/21 - 06/30/22	3301	507,869
(10) Formula Grants for Rural Areas	20.509	Iowa Department of Transportation	07/01/21 - 06/30/22	Fellowship	23,011
(11) COVID-19 Formula Grants for Rural Areas ARPA	20.509	Iowa Department of Transportation	07/01/21 - 06/30/23	4758	302,856
(12) COVID-19 Formula Grants for Rural Areas CRRSAA	20.509	Iowa Department of Transportation	01/20/20 - 12/31/23	3656	782,825
Total Federal Expenditures #20.509					1,616,561
DEPARTMENT OF THE TREASURY					
(13) COVID-19 Emergency Rental Assistance Program	21.023	Iowa Community Action	04/19/21 - 04/30/22	N/A	22,208
DEPARTMENT OF ENERGY					
(14) Weatherization #DOE-22-09	81.042	Iowa Department of Human Rights	04/01/22 - 03/31/23	DOE-22-09	241,468
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
(15) Family Planning Services	93.217	Allen Women's Health	04/01/21 - 06/30/22	N/A	618
(16) COVID-19 Low-Income Water Assistance 2022	93.499	Iowa Department of Human Rights	05/28/21 - 09/30/23	LIHWAP-21CAA-09	180,505
(17) COVID-19 Low-Income Water Assistance 2023	93.499	Iowa Department of Human Rights	03/01/22 - 09/30/23	LIHWAP-21ARPA-09	63,875
Total Federal Expenditures #93.499					244,380
(18) COVID-19 Temporary Assistance for Needy Families	93.558	Iowa Department of Human Rights	07/01/21 - 07/31/23	FaDSS PEA-22-09	23,103
(19) Temporary Assistance for Needy Families	93.558	Iowa Department of Human Rights	07/01/21 - 09/30/22	FADSS-22-09	63,599
(20) Temporary Assistance for Needy Families	93.558	Iowa Department of Human Rights	07/01/22 - 06/30/23	FADSS-23-09	42,035
(21) Temporary Assistance for Needy Families	93.558	Iowa Department of Human Services	07/01/21 - 06/30/22	ACFS 20-2049	15,204
Total Federal Expenditures #93.558					143,941

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, 2023

	Federal Grantor/Pass-Through Number/Program Title	Assistance		Program Period	Award Number	Federal Expenditures
		Listing Number	Federal Grantor or Pass-Through Agency			
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)						
(22)	COVID-19 Low-Income Home Energy Assistance Program	93.568	Iowa Department of Human Rights	05/27/21 - 09/30/22	LIHEAP-21ARPA-09	2,004,716
(23)	Low-Income Home Energy Assistance Program	93.568	Iowa Department of Human Rights	10/01/21 - 09/30/22	LIHEAP-22-09	1,844,241
(24)	Low-Income Home Energy Assistance Program	93.568	Iowa Department of Human Rights	10/01/22 - 09/30/23	LIHEAP-23-09	998,244
(25)	Low-Income Home Energy Assistance Program	93.568	Iowa Department of Human Rights	10/01/22 - 09/30/23	LIHEAP-23ES-09	14,760
(26)	Low-Income Home Energy Assistance Program #HEAP 22-09	93.568	Iowa Department of Human Rights	01/01/22 - 12/31/22	HEAP-22-09	900,729
(27)	Low-Income Home Energy Assistance Program #HEAP 23-09	93.568	Iowa Department of Human Rights	01/01/23 - 12/31/23	HEAP-23-09	46,471
Total Federal Expenditures #93.568						5,809,161
(28)	Community Services Block Grant 2021	93.569	Iowa Department of Human Rights	10/01/20 - 03/31/22	CSBG-21-09	54,564
(29)	Community Services Block Grant 2022	93.569	Iowa Department of Human Rights	10/01/21 - 03/31/23	CSBG-22-09	219,220
(30)	COVID-19 Community Services Block Grant CARES	93.569	Iowa Department of Human Rights	01/01/20 - 09/30/22	CSBG-20S-09	80,422
Total Federal Expenditures #93.569						354,206
CCDF Cluster						
(31)	Child Care Block Grant Wrap Around 2021 #ACFS-21-014	93.575	Iowa Department of Human Services	07/01/21 - 06/30/22	ACFS 21_014	341,987
(32)	Child Care Block Grant Wrap Around 2022 #ACFS-21-014	93.575	Iowa Department of Human Services	07/01/22 - 06/30/23	ACFS 21_014	223,113
Total Federal Expenditures CCDF Cluster #93.575						565,100
Head Start Cluster						
(33)	Head Start #07CH011393	93.600	US Department of Health and Human Services	02/01/22 - 01/31/23	07CH011393-03	3,191,915
(34)	COVID-19 Head Start ARPA	93.600	US Department of Health and Human Services	04/01/21 - 03/31/23	07HE000208-01	215,914
Total Federal Expenditures Head Start Cluster #93.600						3,407,829
DEPARTMENT OF HOMELAND SECURITY						
(35)	Emergency Food and Shelter	97.024	Emergency Food and Shelter National Board	09/14/2022-4/30/2023	Phase 39-Bremer	1,696
TOTAL FEDERAL EXPENDITURES						\$ 15,338,021

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, 2023

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, 2023. 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 10-percent de minimis indirect cost rate 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, 2023 were \$212,613 for Community Facilities Loans and Grants AL #10.766 and \$1,801,967 for the Home Investment Partnership Program AL #14.239.

Northeast Iowa Community Action Corporation

Schedule of Revenue and Expenses Compared with Budget FY 2022 Transit Operating

Contract Period: 07/01/21-06/30/22

	Approved Budget	Total	Actual 07/01/21 - 01/31/22	Actual 02/01/22 - 06/30/22
REVENUE				
Federal Grants	\$ 1,209,078	\$ 1,209,078	\$ 340,943	\$ 868,135
State Grants	568,106	568,106	359,076	209,030
Local	1,293,361	585,106	364,058	221,048
Total Revenue	\$ 3,070,545	\$ 2,362,290	\$ 1,064,077	\$ 1,298,213
EXPENSES				
Salaries and wages	\$ 1,574,540	\$ 1,157,724	\$ 663,029	\$ 494,695
Fringe benefits	544,488	360,288	200,148	160,140
Occupancy	20,000	21,123	11,839	9,284
Contracted Services	106,612	102,276	67,319	34,957
Insurance	80,328	87,684	732	86,952
Vehicle Costs	222,764	283,914	155,759	128,155
Telecommunications	30,803	41,404	22,687	18,717
Utilities	9,321	12,408	7,203	5,205
Other	98,963	80,049	53,269	26,780
Indirect	281,135	201,896	112,947	88,949
Total Expenses	\$ 2,968,954	\$ 2,348,766	\$ 1,294,932	\$ 1,053,834

Northeast Iowa Community Action Corporation

Schedule of Revenue and Expenses Compared with Budget

Community Services Block Grant

Contract Number: CSBG-22-09
 Contract Period: 10/01/21 - 03/31/2023

	Approved Budget	Total	Actual 10/01/21 - 01/31/22	Actual 02/01/22 - 1/31/2023
REVENUE				
Iowa Department of Human Rights	\$ 286,723	\$ 225,960	\$ 6,740	\$ 219,220
EXPENSE				
Personnel	\$ 172,723	\$ 132,565	\$ 0	\$ 132,565
Travel/transportation	8,000	6,267	1,594	4,673
Space costs	20,990	16,635	3,485	13,150
Other costs	62,038	52,730	1,661	51,069
Indirect costs	22,972	17,764	0	17,764
TOTAL EXPENSE	\$ 286,723	\$ 225,960	\$ 6,740	\$ 219,220

Contract Number: CSBG-21-09
 Contract Period: 10/01/20 - 03/31/2022

	Approved Budget	Total	Actual 10/01/20 - 1/31/2021	Actual 10/01/21 - 01/31/22	Actual 02/01/22 - 1/31/2023
REVENUE					
Iowa Department of Human Rights	\$ 282,977	\$ 282,977	\$ 37,931	\$ 190,481	\$ 54,564
EXPENSE					
Personnel	\$ 184,583	\$ 180,155	\$ 19,321	\$ 115,493	\$ 45,340
Travel/transportation	4,280	4,708	1,105	3,175	428
Space costs	16,514	17,184	4,696	12,487	0
Consultants	9,750	9,750	-	9,750	0
Other costs	43,300	47,220	10,239	34,215	2,766
Indirect costs	24,550	23,961	2,570	15,361	6,030
TOTAL EXPENSE	\$ 282,977	\$ 282,977	\$ 37,931	\$ 190,481	\$ 54,564

Northeast Iowa Community Action Corporation

Schedule of Revenue and Expenses Compared with Budget

COVID-19 Community Services Block Grant

Contract Number: CSBG-20S-09

Contract Period: 01/20/20 - 09/30/22

	Approved Budget	Total	Actual 01/20/20 - 01/31/21	Actual 02/01/21 - 01/31/22	Actual 02/01/22 - 09/30/22
REVENUE					
Iowa Department of Human Rights	\$ 387,241	\$ 387,241	\$ 163,472	\$ 143,347	\$ 80,422
EXPENSE					
Personnel	\$ 163,993	\$ 165,506	\$ 46,636	\$ 91,156	\$ 27,714
Travel/transportation	500	272	0	48	224
Space costs	446	451	0	414	38
Equipment costs	10,620	10,619	0	10,619	0
Consultants	9,750	9,750	0	0	9,750
Supplemental programs and services	108,687	108,687	98,828	9,859	0
Other costs	71,434	69,942	11,806	19,127	39,009
Indirect costs	21,811	22,012	6,203	12,124	3,686
TOTAL EXPENSE	\$ 387,241	\$ 387,241	\$ 163,472	\$ 143,347	\$ 80,422

Northeast Iowa Community Action Corporation

Schedule of Revenue and Expenses Compared with Budget

Low-Income Home Energy Assistance Program

Contract Number: LIHEAP-22-09
 Contract Period: 10/01/21 - 09/30/22

	<u>Approved Budget</u>	<u>Actual 02/01/22- 09/30/22</u>
REVENUE		
Iowa Department of Human Rights	\$ 1,847,790	\$ 1,844,241
EXPENSE		
Administration	\$ 60,247	\$ 57,408
ECIP	732,569	732,357
Program Support	22,238	22,238
Regular Assistance	327,585	327,088
Summer Pre-Buy	696,800	696,800
Assurance 16	8,351	8,351
	<u>8,351</u>	<u>8,351</u>
TOTAL EXPENSE	<u>\$ 1,847,790</u>	<u>\$ 1,844,241</u>

Contract Number: LIHEAP-23-09
 Contract Period: 10/01/22 - 09/30/23

	<u>Approved Budget</u>	<u>Actual 10/01/22 01/31/23</u>
REVENUE		
Iowa Department of Human Rights	\$ 1,580,714	\$ 998,244
EXPENSE		
Administration	\$ 162,696	\$ 125,281
ECIP	83,558	83,176
Program Support	14,386	4,518
Regular Assistance	1,317,747	783,640
Assurance 16	2,327	1,629
	<u>2,327</u>	<u>1,629</u>
TOTAL EXPENSE	<u>\$ 1,580,714</u>	<u>\$ 998,244</u>

Northeast Iowa Community Action Corporation

Schedule of Revenue and Expenses Compared with Budget

Low-Income Home Energy Assistance Program

COVID-19 Low-Income Home Energy Assistance Program

Contract Number: LIHEAP-21ARPA-09

Contract Period: 05/27/21 - 09/30/22

	<u>Approved Budget</u>	<u>Total</u>	<u>Actual 05/27/21- 01/31/22</u>	<u>Actual 02/01/22- 09/30/22</u>
REVENUE				
Iowa Department of Human Rights	\$ 3,324,300	\$ 3,323,464	\$ 1,318,748	\$ 2,004,716
EXPENSE				
Administration	\$ 125,637	\$ 125,588	\$ 106,660	\$ 18,928
ECIP	632,273	631,607	306,893	324,714
Program Support	12,016	12,016	8,332	3,683
Regular Assistance	2,373,067	2,372,948	891,873	1,481,075
Summer Pre Buy	174,200	174,200	0	174,200
Assurance 16	7,107	7,107	4,990	2,117
TOTAL EXPENSE	<u>\$ 3,324,300</u>	<u>\$ 3,323,465</u>	<u>\$ 1,318,748</u>	<u>\$ 2,004,716</u>

Low-Income Home Energy Assistance Program

Contract Number: LIHEAP-23ES-09

Contract Period: 10/01/22 - 09/30/23

REVENUE				
Iowa Department of Human Rights			\$ 401,927	\$ 14,760
EXPENSE				
Administration			\$ 38,754	\$ 99
ECIP			279,692	13,596
Regular Assistance			62,893	0
Program Support			18,564	566
Assurance 16			2,024	499
TOTAL EXPENSE			<u>\$ 401,927</u>	<u>\$ 14,760</u>

Northeast Iowa Community Action Corporation

Schedule of Revenue and Expenses Compared with Budget

Low-Income Household Water Assistance

Contract Number: LIHWAP-21CAA-09
 Contract Period: 05/28/21 - 09/30/23

	<u>Approved Budget</u>	<u>Total</u>	<u>Actual 05/28/21 - 01/31/22</u>	<u>Actual 02/01/22 - 12/31/22</u>
REVENUE				
Iowa Department of Human Rights	\$ 231,593	\$ 231,498	\$ 50,993	\$ 180,505
EXPENSE				
Administration	3,600	3,567	1,561	2,006
ECIP	206,993	206,993	40,705	166,288
Program support	21,000	20,938	8,727	12,211
TOTAL EXPENSE	\$ 231,593	\$ 231,498	\$ 50,993	\$ 180,505

Contract Number: LIHWAP-21ARPA-09
 Contract Period: 03/01/22 - 09/30/23

	<u>Approved Budget</u>	<u>Actual 03/01/22 - 01/31/23</u>
REVENUE		
Iowa Department of Human Rights	\$ 166,978	\$ 63,875
EXPENSE		
Administration	\$ 18,520	\$ 1,739
ECIP	139,198	56,873
Program support	9,260	5,263
TOTAL EXPENSE	\$ 166,978	\$ 63,875

Northeast Iowa Community Action Corporation

Schedule of Revenue and Expenses Compared with Budget

Weatherization Assistance Programs

Contract Number: DOE-21-09
 Contract Period: 04/01/21 - 03/31/22

	Approved Budget	Total	Actual 04/01/21 - 01/31/22	Actual 02/01/22 - 03/31/22
REVENUE				
Iowa Department of Human Rights	\$ 401,206	\$ 401,206	\$ 401,206	\$ 0
EXPENSE				
Administration	\$ 60,361	\$ 60,361	\$ 60,361	\$ 0
Materials	88,715	130,099	130,099	0
Support	79,647	89,157	89,157	0
Labor	88,715	69,903	69,903	0
Health and safety	63,768	44,858	44,858	0
Training and Technical Assistance	20,000	6,828	6,828	0
TOTAL EXPENSE	\$ 401,206	\$ 401,206	\$ 401,206	\$ 0

Contract Number: DOE-22-09
 Contract Period: 04/01/22 - 03/31/23

	Approved Budget	Actual 04/01/22 - 01/31/23
REVENUE		
Iowa Department of Human Rights	\$ 260,229	\$ 241,468
EXPENSE		
Administration	\$ 45,011	\$ 13,457
Materials	54,745	92,412
Support	44,690	40,680
Labor	54,745	46,103
Health and safety	38,038	44,577
Training and Technical Assistance	23,000	4,239
TOTAL EXPENSE	\$ 260,229	\$ 241,468

Northeast Iowa Community Action Corporation

Schedule of Revenue and Expenses Compared with Budget

Weatherization Assistance Programs

Contract Number: HEAP-22-09

Contract Period: 01/01/22 -12/31/22

	Approved Budget	Total	Actual 01/01/22 - 01/31/22	Actual 02/01/22 - 12/31/22
REVENUE				
Iowa Department of Human Rights	\$ 1,004,598	\$ 973,565	\$ 72,837	\$ 900,728
EXPENSE				
Administration	47,313	43,845	3,662	40,183
Health and safety	199,352	238,374	23,316	215,058
Support	222,289	263,891	15,900	247,991
Labor	217,895	113,541	9,444	104,097
Materials	217,895	230,625	15,708	214,917
Equipment/training	87,469	70,906	0	70,906
Insurance	12,385	12,384	4,806	7,578
TOTAL EXPENSE	\$ 1,004,598	\$ 973,565	\$ 72,836	\$ 900,729

Contract Number: HEAP-23-09

Contract Period: 01/01/23 -12/31/23

	Approved Budget	Actual 01/01/23 - 01/31/23
REVENUE		
Iowa Department of Human Rights	\$ 357,231	\$ 46,471
EXPENSE		
Materials	\$ 83,490	\$ 13,248
Administration	18,693	0
Health and safety	76,385	24,407
Support	85,173	0
Labor	83,490	8,816
Equipment/training	10,000	0
TOTAL EXPENSE	\$ 357,231	\$ 46,471

Northeast Iowa Community Action Corporation

Schedule of Revenue and Expenses Compared with Budget Family Development and Self Sufficiency

Contract Number: FaDSS-22-09
Contract Period: 07/01/21 - 09/30/22

	Approved Budget	Total	Actual 07/01/21 - 01/31/22	Actual 02/01/22 - 9/30/2022
REVENUE				
Iowa Department of Human Rights	\$ 285,507	\$ 285,507	\$ 126,511	\$ 158,996
In-kind	0	0	0	0
TOTAL REVENUE	\$ 285,507	\$ 285,507	\$ 126,511	\$ 158,996
EXPENSES				
Salaries	\$ 164,115	\$ 174,042	\$ 79,011	\$ 95,031
Benefits	57,735	53,393	23,421	29,972
Travel	12,495	10,979	3,279	7,699
Space Costs	6,111	3,946	1,662	2,284
Other	15,505	12,859	5,515	7,344
Indirect Costs	29,506	30,249	13,623	16,625
3rd Party Payments	40	40	0	40
TOTAL EXPENSES	\$ 285,507	\$ 285,507	\$ 126,511	\$ 158,996

Contract Number: FaDSS-23-09
Contract Period: 07/01/22 - 06/30/23

	Approved Budget	Actual 07/01/22 - 01/31/23
REVENUE		
Iowa Department of Human Rights	\$ 230,000	\$ 105,087
In-kind	0	0
TOTAL REVENUE	\$ 230,000	\$ 105,087
EXPENSE		
Salaries	\$ 133,465	\$ 63,615
Benefits	47,447	17,270
Travel	12,320	6,386
Space Costs	3,550	1,616
Other Costs	8,975	5,361
Indirect Costs	24,243	10,839
TOTAL EXPENSE	\$ 230,000	\$ 105,087

Northeast Iowa Community Action Corporation

Schedule of Revenue and Expenses Compared with Budget Family Development and Self Sufficiency

Contract Number: FaDSS-PEAF-22-09
Contract Period: 07/01/21 - 07/31/2023

	<u>Approved Budget</u>	<u>Total</u>	<u>Actual 07/01/21 - 01/31/22</u>	<u>Actual 02/01/22 - 7/31/2023</u>
REVENUE				
Iowa Department of Human Rights	\$ 52,084	\$ 52,084	\$ 28,981	\$ 23,103
In-kind	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUE	<u>\$ 52,084</u>	<u>\$ 52,084</u>	<u>\$ 28,981</u>	<u>\$ 23,103</u>
EXPENSES				
Admin	\$ 5,208	\$ 5,208	\$ 4,167	\$ 1,041
Non-Recurrent Short Term Benefits	<u>46,876</u>	<u>46,876</u>	<u>24,814</u>	<u>22,062</u>
TOTAL EXPENSES	<u>\$ 52,084</u>	<u>\$ 52,084</u>	<u>\$ 28,981</u>	<u>\$ 23,103</u>

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, 2023, 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 June 20, 2023.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.

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*.

Northeast Iowa Community Action Corporation's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on Northeast Iowa Community Action Corporation's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. NEICAC's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
June 20, 2023

Independent Auditor's Report on Compliance for Each 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 Each Major Federal Program

Opinion on Each 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 each of its major federal programs for the year ended January 31, 2023. 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.

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 major federal program for the year ended January 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States (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 each 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 each 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

June 20, 2023

Northeast Iowa Community Action Corporation

Schedule of Findings and Questioned Costs

Year Ended January 31, 2023

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 programs:

 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 programs:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
20.509	Formula Grants for Rural Areas
93.568	Low-Income Home Energy Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs \$ 750,000

Auditee qualified as low-risk auditee? Yes

Northeast Iowa Community Action Corporation

Schedule of Findings and Questioned Costs (Continued)

Year Ended January 31, 2023

Section II - Financial Statement Findings

2023-001 Internal Control Over Financial Reporting

Criteria or Specific Requirement: Management is responsible for establishing and maintaining internal controls and for the fair presentation of the financial statements including the related disclosures, in accordance with accounting principles generally accepted in the United States (GAAP).

Condition: In the audited financial statements for the year ended January 31, 2023, a restatement was reported of \$637,850 to increase net assets with donor restrictions and decrease net assets without donor restrictions.

Context: Previously net assets with donor restrictions was not reported in NEICAC's financial statements and management elected to calculate and correct net assets.

Effect: A prior period adjustment was reported which represents a significant deficiency in internal control over financial reporting.

Cause: NEICAC was not aware of the requirement to separate net assets between those with and without donor restrictions as doing so was not part of historical practice.

Auditor's Recommendation: NEICAC should continue to monitor net assets for proper classification.

Management's Response: NEICAC agrees with the finding and has developed a corrective action plan.

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Summary of Prior Year Audit Findings

None