

COMMUNITY OPPORTUNITIES, INC.
D/B/A NEW OPPORTUNITIES, INC.

INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2025

NEW OPPORTUNITIES, INC.

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NEW OPPORTUNITIES, INC.

BOARD OF DIRECTORS

Executive Board of Directors

Eugene Meiners	President
Terry Striegel	Vice President
Dillon Brandt	Secretary
Carolyn Masters	Treasurer

Board Members

<u>County</u>	<u>Representing</u>		
	<u>Government</u>	<u>Low-Income</u>	<u>Private</u>
Audubon	Heath Hansen	Jon Hays	MacKenzie Felt-Lewis
Calhoun	Cory Ridgely	Dillon Brandt	Deb Lightner
Carroll	Eugene Meiners	Rhonda Mart	Peg Hamilton
Dallas	Julia Helm	Kim Denman	Tim Farmer
Greene	Dan Benitz	Wendy Pittman	Erica Burris
Guthrie	Jerome Kuster	Denis James	Carolyn Masters
Sac	Mike Fischer	Cindy Wallace	Terry Striegel

Agency Officials

Chad Jensen	Chief Executive Officer
Sheri Mertz	Chief Financial Officer

Gronewold, Bell, Kyhnn & Co. P.C.

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS AND FINANCIAL CONSULTANTS

1910 EAST 7th STREET BOX 369
ATLANTIC, IOWA 50022-0369
(712) 243-1800
FAX (712) 243-1265
CPA@GBKCO.COM

DAVID A. GINTHER
DUSTIN T. VEENSTRA
FAITH E. HINRICHS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
New Opportunities, Inc.
Carroll, Iowa

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of New Opportunities, Inc. (an Iowa Non-Profit Corporation) which comprise the statement of financial position as of September 30, 2025, 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 financial statements referred to above present fairly, in all material respects, the financial position of New Opportunities, Inc. as of September 30, 2025, 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 of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 New Opportunities, Inc. 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 of America. Management is also responsible 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 New Opportunities, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued

To the Board of Directors of
New Opportunities, Inc.

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 judgement 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 judgement 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 New Opportunities, Inc.'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about New Opportunities, Inc.'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.

To the Board of Directors of
New Opportunities, Inc.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on page 1 and on Schedules 1 through 3, including the Schedule of Expenditures of Federal Awards required by Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the 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 February 18, 2026 on our consideration of New Opportunities, Inc.'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 New Opportunities, Inc.'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 New Opportunities, Inc.'s internal control over financial reporting and compliance.

Domenick, Bell, Thyer & W. P.C.

Atlantic, Iowa
February 18, 2026

NEW OPPORTUNITIES, INC.
Statement of Financial Position
September 30, 2025

ASSETS

Cash	\$ 1,146,095
Investments	34,159
Receivables:	
Grantor agencies	1,058,420
Other sources	131,111
Prepaid expenses	10,092
Inventory	8,814
Deferred financing costs	11,318
Property and equipment at cost, less accumulated depreciation of \$2,542,882	5,204,802
Total Assets	\$ 7,604,811

LIABILITIES AND NET ASSETS

Liabilities	
Payables:	
Accounts	\$ 458,032
Salaries and benefits	337,730
Compensated absences	180,033
Advances from grantors	699,202
Long-term debt	365,018
Total Liabilities	2,040,015
Net Assets	
Without donor restrictions	1,874,648
With donor restrictions	3,690,148
Total Net Assets	5,564,796
Total Liabilities and Net Assets	\$ 7,604,811

See notes to financial statements.

NEW OPPORTUNITIES, INC.
Statement of Activities
Year Ended September 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public Support and Revenues:			
Grant Revenues	\$ 11,860,062	\$ 677,544	\$ 12,537,606
Local Funding and Donations	296,801	153,904	450,705
Program and Other Income	687,880	--	687,880
Co-Funding	153,743	--	153,743
In-Kind Contributions	988,936	--	988,936
Investment Income	46,675	--	46,675
Rental Income	127,442	--	127,442
Loss on Disposal of Building	(292,331)	--	(292,331)
Total Public Support and Revenues	<u>13,869,208</u>	<u>831,448</u>	<u>14,700,656</u>
Net Assets Released from Restrictions	<u>683,181</u>	<u>(683,181)</u>	<u>--</u>
Total Public Support, Revenues, and Net Assets Released from Program Restrictions	14,552,389	148,267	14,700,656
Expenses:			
Head Start	6,496,134	--	6,496,134
Child and Adult Care Food Program (CACFP)	710,283	--	710,283
Community Services Block Grant (CSBG)	313,761	--	313,761
Family Development and Self-Sufficiency	228,783	--	228,783
Outreach Centers	452,521	--	452,521
Women, Infants and Children (WIC)	614,885	--	614,885
Maternal Health	251,901	--	251,901
1 st Five	145,176	--	145,176
Low-Income Home Energy Assistance Program (LIHEAP)	2,291,616	--	2,291,616
Weatherization Assistance	620,246	--	620,246
Substance Use Disorder Prevention	388,593	--	388,593
Behavioral Health Services	998,582	--	998,582
Other Programs	574,320	--	574,320
Administration	75,458	--	75,458
Depreciation	389,349	--	389,349
Total Expenses	<u>14,551,608</u>	<u>--</u>	<u>14,551,608</u>
Excess of Revenues Over Expenses	781	148,267	149,048
Change in Unrealized Gains and Losses on Investments, Other Than Trading Securities	<u>(1,232)</u>	<u>--</u>	<u>(1,232)</u>
Change in Net Assets	(451)	148,267	147,816
Net Assets - Beginning of Year	<u>1,875,099</u>	<u>3,541,881</u>	<u>5,416,980</u>
Net Assets - End of Year	<u>\$ 1,874,648</u>	<u>\$ 3,690,148</u>	<u>\$ 5,564,796</u>

See notes to financial statements.

NEW OPPORTUNITIES, INC.
Statement of Functional Expenses
Year Ended September 30, 2025

	<u>Management and General</u>	<u>Program Services</u>	<u>Total</u>
Salaries and wages	\$ 563,144	\$ 5,130,014	\$ 5,693,158
Fringe benefits	166,915	1,646,355	1,813,270
Assistance to individuals	2,452	3,349,797	3,352,249
Professional fees and contracted services	94,003	582,758	676,761
Travel	18,718	154,377	173,095
Occupancy	18,240	245,682	263,922
Communication costs	7,815	99,053	106,868
Program and office supplies	61,298	387,242	448,540
Equipment, property and maintenance	118,543	42,890	161,433
Insurance	29,295	98,035	127,330
Interest expense	27,200	--	27,200
Amortization	3,029	--	3,029
Miscellaneous	28,696	144,029	172,725
Co-funding	--	153,743	153,743
In-kind expenses	--	988,936	988,936
Depreciation	145,670	243,679	389,349
	<u>145,670</u>	<u>243,679</u>	<u>389,349</u>
 Total Expenses Before Allocation of Indirect Costs	 1,285,018	 13,266,590	 14,551,608
Allocation of indirect costs	<u>(1,063,890)</u>	<u>1,063,890</u>	<u>--</u>
 Total Expenses	 <u>\$ 221,128</u>	 <u>\$ 14,330,480</u>	 <u>\$ 14,551,608</u>

See notes to financial statements.

NEW OPPORTUNITIES, INC.
Statement of Cash Flows
Year Ended September 30, 2025

Cash flows from operating activities:	
Cash received from granting agencies	\$ 12,949,775
Local funding and donations received	450,705
Investment income	46,675
Program and other income received	668,984
Cash paid to employees and suppliers	(12,735,072)
Interest paid	(27,200)
Net cash provided by operating activities	<u>1,353,867</u>
Cash flows from investing activities:	
Payments to acquire property and equipment	(1,120,948)
Net cash used in investing activities	<u>(1,120,948)</u>
Cash flows from financing activities:	
Principal paid on revenue bond	(97,696)
Net cash used in financing activities	<u>(97,696)</u>
Net increase in cash	135,223
Cash and cash equivalents at beginning of year	<u>1,010,872</u>
Cash and cash equivalents at end of year	<u>\$ 1,146,095</u>

Non-Cash Transactions:

The Agency also incurred the following non-cash transactions in addition to the transactions reflected in the reconciliation of change in net assets to net cash provided by operating activities:

In-kind contributions received	<u>\$ 988,936</u>
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See notes to financial statements.

NEW OPPORTUNITIES, INC.
Notes to Financial Statements
September 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Community Opportunities, Inc. d/b/a New Opportunities, Inc. (the Agency), a not-for-profit corporation, is a community action agency that serves the Iowa counties of Audubon, Calhoun, Carroll, Dallas, Greene, Guthrie, and Sac, while also providing select services in Adair, Adams, Boone, Buena Vista, Crawford, Ida, Madison, Monona, O'Brien, Pocahontas, Shelby, Union and Warren counties. The Agency is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and a similar section of the Iowa income tax law, which provides tax exemption for corporations organized and operated exclusively for religious, charitable, or educational purposes. The Agency is required to file a Form 990 annually to maintain its exempt status.

The Agency administers various programs funded by Federal, State and local governmental bodies. Each program is accounted for as a separate fund. For the year ended September 30, 2025, the Agency received approximately 85% of its revenues from governmental funding sources. The Agency has renewed substantially all of these governmental funding sources for fiscal year October 1, 2025 to September 30, 2026.

The Agency's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board for non-profit corporations.

B. Basis of Accounting

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

C. Revenue Recognition

Grant revenue is either considered revenue from contributions or from exchange transactions based on criteria contained in the grant award, and is considered to be earned over time. Grant revenue considered to be revenue from contributions is recognized in the period in which the related allowable expenses are incurred or when the capital asset is placed in service. Grant revenue considered to be revenue from exchange transactions is recognized when the performance obligations in the contract with the grantor agency are met. Grant revenues that are received in advance of when expenses are incurred, or performance obligations are met, are reflected as a liability titled advances from grantors.

Local funding and donations are generally recognized as revenue at the point in time that the unconditional pledge or contribution is received.

NEW OPPORTUNITIES, INC.
Notes to Financial Statements
September 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The Agency recognizes program revenue in the period in which it satisfies the performance obligations under contracts by providing services to its clients. These revenues are considered to be earned over time and are reported at the amounts the Agency expects to receive in exchange for providing client services. This includes the gross amount charged for services rendered, less any third-party contractual adjustments, less any sliding fee scale adjustments, less any approved financial hardship discounts. Any adjustments and/or discounts applied are based on actual third-party contractual agreements or claim remittance advices, Federal or State Grant guidance, Federal Income Poverty guidelines, financial hardship policies, and historical experience. Payment is due over the period of the grant in installments, based on performance obligations as specified in the contracts.

D. Basis of Presentation

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

Net Assets Without Donor Restrictions - Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the Agency, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions - Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Agency must continue to use the resources in accordance with the donor's instructions.

Unconditional promises to give cash and other assets to the Agency are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Agency, unless the donor provides more specific directions about the period of its use.

NEW OPPORTUNITIES, INC.
Notes to Financial Statements
September 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenues and expenses are reported as increases or decreases in net assets without donor restrictions unless use of the related assets is limited by donor- or grantor-imposed restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

E. Assets, Liabilities and Net Assets

The following accounting policies are followed in preparing the Statement of Financial Position:

Cash and Cash Equivalents - The Agency considers demand deposits and all other highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments - Investments are stated at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investment income or loss (including realized gains and losses on investments, interest and dividends) is included in the excess of revenues over expenses (expenses over revenues) unless the income or loss is restricted by donor or law. Unrealized gains or losses are recorded in investment income (loss) on trading securities and as a change in net assets on available for sale and held to maturity securities.

Receivables from Grantor Agencies and Other Sources - Reimbursement procedures used for grants and contracts may result in timing differences between program reimbursements and expenditures as of the beginning and end of the year. Receivables from grantor agencies and other sources represent an excess of expenditures over cash basis reimbursements at year end.

All receivables are considered fully collectible. Accordingly, no provision for credit losses has been recorded.

Prepaid Expenses - Prepaid expenses consist of the unexpired portion of insurance premiums for Agency auto, liability, property damage, and worker's compensation coverage and miscellaneous other small prepayments.

Inventory - Inventory is valued at the lower of cost or net realizable value. Cost is determined on the first-in, first-out basis. The costs of inventories are recorded as expenses when consumed rather than when purchased.

NEW OPPORTUNITIES, INC.
Notes to Financial Statements
September 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property and Equipment - Property and equipment are valued at historical cost or estimated cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation.

Depreciation has been provided using the straight-line method over the estimated useful lives of the respective assets, generally 5 to 25 years. The depreciated cost of the property and equipment does not purport to be either a realizable value or a replacement value.

Expenses for maintenance, repairs and minor replacements are charged to the current year, while the cost for major replacements and betterments are capitalized. The cost of assets disposed of is deleted. No interest costs were capitalized during the year ended September 30, 2025.

Advances From Grantors - Advances from grantors represents an excess of cash advances by the funding source over expenses incurred by year end.

Compensated Absences - Employees of the Agency accumulate a limited amount of earned but unused annual leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when each of the following have occurred: the leave is attributable to services already rendered, the leave accumulates and carries forward from one reporting period to the next and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Amounts representing the cost of compensated absences are recorded as liabilities on the statement of financial position. This liability has been computed based on rates of pay in effect at September 30, 2025.

Rent Expense - The Agency leases office and classroom space under leases which may be canceled by either party by giving written notice ranging from thirty to ninety days of their intention to vacate the lease. The Agency also leases copy machines and a mailing system under leases having immaterial non-cancelable obligations remaining at September 30, 2025. Rent expense under these leases totaled \$100,077 during the year ended September 30, 2025.

F. In-Kind Contributions

The Agency recognizes donated labor, services, materials and rent-free or rent-reduced usage of facilities and equipment as in-kind revenues at the time the services and materials are utilized. These in-kind contributions and the corresponding expense are valued at their estimated fair market value and recognized in the financial statements in accordance with grant requirements.

G. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. These statements report certain categories of expenses that are attributable to both program or supporting functions of the Agency. Natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as square footage for space and utility costs and time and effort for personnel expenses and other costs.

NEW OPPORTUNITIES, INC.
Notes to Financial Statements
September 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

H. Use of Estimates

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

NOTE 2 - INDIRECT COST RATE AGREEMENT

New Opportunities, Inc. entered into an Indirect Cost Rate Agreement with their cognizant agency, Department of Health and Human Services, setting a provisional Indirect Cost Rate of up to 16.0% for fiscal years October 1, 2023 to September 30, 2026. The Agency used a 15.7% Indirect Cost Rate for the fiscal year ending September 30, 2025. The Indirect Cost allowed is calculated by multiplying the lower of the approved provisional rate or the rate used by the Agency (15.7%) times the allocation base. The allocation base is the Agency's direct salaries and wages, including fringe benefits and is applicable to all programs. The use of the Indirect Cost Rate allows for an allocation process of the Agency's costs that are incurred for common or joint objectives and, therefore, cannot be readily and specifically identified with a particular project or activity.

NOTE 3 - DEPOSITS AND INVESTMENTS

The Agency's deposits at September 30, 2025 were entirely covered by Federal depository insurance, collateralized with securities or letters of credit held by the Agency or the Agency's agent in the Agency's name, or by a multiple financial institution collateral pool in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

Investments are stated as indicated in Note 1. The composition of investments is as set forth below:

Equity securities	\$ <u>34,159</u>
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All equity securities are classified as available for sale. None of the \$34,159 of equity securities is covered by any form of insurance against loss.

Investment income and other changes in investments are comprised of the following for the year ended September 30, 2025:

Investment Income:	
Interest and dividend income	\$ <u>46,675</u>
Other Changes in Investments:	
Change in unrealized gains and (losses) on available for sale securities	\$(<u>1,232</u>)

NEW OPPORTUNITIES, INC.
Notes to Financial Statements
September 30, 2025

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions of \$3,690,148 consist of undepreciated capital items and unspent donations restricted for use within a specific program.

Net assets released from restrictions of \$683,181 during the year ended September 30, 2025 represent amounts that satisfied program restrictions or were utilized during the time period for which it was restricted.

NOTE 5 - FAIR VALUE MEASUREMENTS

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1). Level 3 inputs are unobservable and have the lowest priority. The Agency uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Agency measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 1 inputs were available for all investments at September 30, 2025.

Level 1 Fair Value Measurements

The fair value of publicly traded equity securities is based on quoted net asset values of the shares held by the Agency at year-end.

The following table sets forth, by level within the fair value hierarchy, the Agency's investments at fair value as of September 30, 2025:

	<u>Fair Value</u>	Fair Value Measurements at Reporting Date Using: <u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
<u>September 30, 2025</u>		
Equity securities	\$ <u>34,159</u>	\$ <u>34,159</u>

NEW OPPORTUNITIES, INC.
Notes to Financial Statements
September 30, 2025

NOTE 6 - FINANCIAL ASSETS AND LIQUIDITY RESOURCES

As of September 30, 2025, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital costs not financed with debt, were as follows:

Financial assets:	
Cash and cash equivalents	\$ 1,146,095
Investments	34,159
Receivables from grantor agencies and other sources	<u>1,189,531</u>
Total financial assets available within one year	<u>\$ 2,369,785</u>

The Agency does not have a formal liquidity policy but generally maintains financial assets in liquid form such as cash and cash equivalents. Most of the Agency's grant awards reimburse expenditures as they are incurred to meet liquidity needs. The Agency also has a line of credit that could be available for additional cash as described in Note 10.

NOTE 7 - PROPERTY AND EQUIPMENT

A summary of property and equipment comprising the plant fund at September 30, 2025, categorized by acquiring program/source, is as follows:

<u>Acquiring Program/Source</u>	<u>Land and Buildings</u>	<u>Vehicles</u>	<u>Equipment</u>	<u>Total</u>
Head Start	\$3,991,549	\$ 291,346	\$ 231,711	\$ 4,514,606
Weatherization Assistance	--	118,912	--	118,912
Women, Infants and Children	90,742	75,579	--	166,321
Community Service Block Grant	--	21,851	--	21,851
General Agency	<u>2,666,485</u>	<u>61,098</u>	<u>198,411</u>	<u>2,925,994</u>
Total Cost	<u>6,748,776</u>	<u>568,786</u>	<u>430,122</u>	<u>7,747,684</u>
Less Accumulated Depreciation	<u>(1,849,457)</u>	<u>(416,555)</u>	<u>(276,870)</u>	<u>(2,542,882)</u>
Net	<u>\$4,899,319</u>	<u>\$ 152,231</u>	<u>\$ 153,252</u>	<u>\$ 5,204,802</u>

The components of the Agency's accumulated depreciation at September 30, 2025 are as follows:

	<u>Buildings</u>	<u>Vehicles</u>	<u>Equipment</u>	<u>Total</u>
Balance Beginning of Year	\$1,697,127	\$ 364,718	\$ 244,751	\$ 2,306,596
Current Year Depreciation	285,937	51,837	51,575	389,349
Less Disposals	<u>(133,607)</u>	<u>--</u>	<u>(19,456)</u>	<u>(153,063)</u>
Balance End of Year	<u>\$1,849,457</u>	<u>\$ 416,555</u>	<u>\$ 276,870</u>	<u>\$ 2,542,882</u>

NEW OPPORTUNITIES, INC.
Notes to Financial Statements
September 30, 2025

NOTE 8 - LONG-TERM DEBT

The following is a summary of long-term debt and related information at September 30, 2025:

Revenue bond payable \$ 365,018

The revenue bond was issued in December, 2008 in the amount of \$1,400,000. The bond was issued to finance the acquisition of land and a building to house the Agency's operations and is collateralized by a mortgage agreement on the Agency's real estate. The bond matures in 240 equal monthly installments of \$10,408, including interest at 6.5% per annum, through December, 2028.

The principal and interest payments required on long-term debt for the next four years are as follows:

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 104,239	\$ 20,657	\$ 124,896
2027	111,221	13,675	124,896
2028	118,669	6,227	124,896
2029	<u>30,889</u>	<u>335</u>	<u>31,224</u>
	<u>\$ 365,018</u>	<u>\$ 40,894</u>	<u>\$ 405,912</u>

NOTE 9 - PENSION AND RETIREMENT BENEFITS

Iowa Public Employees Retirement System

The Agency contributes to the Iowa Public Employees Retirement System (IPERS) which is identified as a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117 or at www.ipers.org.

Plan members are required to contribute 6.29% of their annual salary and the Agency is required to contribute 9.44% of annual covered payroll. Contribution requirements are established by State statute. The Agency's contribution to IPERS for the year ended September 30, 2025 was approximately \$505,000, equal to the required contribution for the year, while the employees contributed approximately \$337,000.

NEW OPPORTUNITIES, INC.
Notes to Financial Statements
September 30, 2025

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Line of Credit

The Agency has established an open-end line of credit with a local bank with a face amount of \$500,000. The line of credit carries a variable interest rate (7.25% at September 30, 2025) and there was no amount borrowed on the line at September 30, 2025. The agreement expires in June, 2026.

Federal Assistance Grants

New Opportunities, Inc. receives a significant portion of its revenues from government grants and contracts, all of which are subject to audit by the federal government. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and audited by the government. Until such audits have been completed and final settlement reached, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits, therefore no liability is accrued on these financial statements.

Agency Risk Management

New Opportunities, Inc. is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

Construction in Progress

During the year ended September 30, 2025, the Agency began a project to acquire land and construct a building in Waukee, Iowa, and purchase other minor equipment and supplies for the Head Start Program. The total anticipated cost of the project is approximately \$4,240,000 and will be financed primarily through supplemental one-time funding from the HHS Administration for Children and Families. Through the date of this report, the Agency had entered into construction contracts totaling approximately \$3,427,000. As of September 30, 2025, costs incurred on the project totaled \$353,812 and are included in Land and Buildings in the notes to the Agency's financial statements.

Subsequent Events

The Agency has evaluated all subsequent events through February 18, 2026, the date the financial statements were available to be issued.

* * *

SUPPLEMENTARY INFORMATION

NEW OPPORTUNITIES, INC.
Schedule of Activities - Programs
Year Ended September 30, 2025

	<u>Head Start & Early Head Start</u>	<u>CACFP - Head Start</u>
Revenues:		
Grant Revenue	\$ 6,131,010	\$ 258,004
Local Funding and Donations	--	--
Program and Other Income	--	--
Co-Funding	--	--
In-Kind Contributions	<u>988,936</u>	<u>--</u>
Total Revenues	7,119,946	258,004
Expenses:		
Salaries and wages	2,964,433	34,462
Fringe benefits	1,018,593	12,792
Assistance to individuals	28,983	203,331
Professional fees and contracted services	411,434	--
Travel	50,291	--
Occupancy	93,580	--
Communication costs	45,908	--
Program and office supplies	192,106	--
Equipment, property and maintenance	579,715	--
Insurance	63,567	--
Miscellaneous	57,064	--
Co-Funding	--	--
In-Kind expenses	<u>988,936</u>	<u>--</u>
Total Expenses Before Allocation of Indirect Costs	6,494,610	250,585
Allocation of Indirect Costs	<u>625,336</u>	<u>7,419</u>
Total Expenses	<u>7,119,946</u>	<u>258,004</u>
Change in Net Assets	--	--
Net Assets (Deficit) at Beginning of Year	<u>--</u>	<u>--</u>
Net Assets (Deficit) at End of Year	<u>\$ --</u>	<u>\$ --</u>

(continued next page)

<u>CACFP - Homes</u>	<u>CSBG</u>	<u>Family Development and Self- Sufficiency</u>	<u>Outreach Centers</u>
\$ 452,279	\$ 313,761	\$ 228,783	\$ 5,680
--	--	--	275,541
--	--	--	20,277
--	--	--	154,475
--	--	--	--
<u>452,279</u>	<u>313,761</u>	<u>228,783</u>	<u>455,973</u>
50,697	95,367	123,589	137,722
16,795	27,522	37,121	60,253
358,601	--	--	118,872
5,369	5,363	5,308	3,596
4,651	723	14,421	5,822
1,555	2,727	3,848	27,958
1,800	1,437	2,269	12,478
1,657	3,550	1,205	31,974
543	1,824	10,503	9,252
--	1,274	583	7,025
15	938	4,705	7,586
--	153,743	--	--
--	--	--	--
<u>441,683</u>	<u>294,468</u>	<u>203,552</u>	<u>422,538</u>
<u>10,596</u>	<u>19,293</u>	<u>25,231</u>	<u>31,082</u>
<u>452,279</u>	<u>313,761</u>	<u>228,783</u>	<u>453,620</u>
--	--	--	2,353
--	--	--	8,158
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 10,511</u>

NEW OPPORTUNITIES, INC.
Schedule of Activities - Programs - Continued
Year Ended September 30, 2025

	<u>WIC</u>	<u>Maternal Health</u>
Revenues:		
Grant Revenue	\$ 667,241	\$ 149,152
Local Funding and Donations	--	--
Program and Other Income	1,594	104,749
Co-Funding	(218)	--
In-Kind Contributions	<u>--</u>	<u>--</u>
Total Revenues	668,617	253,901
Expenses:		
Salaries and wages	321,059	85,170
Fringe benefits	88,379	22,828
Assistance to individuals	23,344	--
Professional fees and contracted services	39,565	62,120
Travel	4,523	5,176
Occupancy	23,666	15,440
Communication costs	5,884	1,157
Program and office supplies	23,422	14,533
Equipment, property and maintenance	67,071	10,711
Insurance	4,826	1,792
Miscellaneous	2,596	18,018
Co-Funding	--	--
In-Kind expenses	<u>--</u>	<u>--</u>
Total Expenses Before Allocation of Indirect Costs	604,335	236,945
Allocation of Indirect Costs	<u>64,282</u>	<u>16,956</u>
Total Expenses	<u>668,617</u>	<u>253,901</u>
Change in Net Assets	--	--
Net Assets (Deficit) at Beginning of Year	<u>--</u>	<u>--</u>
Net Assets (Deficit) at End of Year	<u>\$ --</u>	<u>\$ --</u>

(continued next page)

1 st Five	LIHEAP	Weatherization Assistance Programs		
		HEAP	Department of Energy	Utility Company
\$ 148,336	\$ 2,291,616	\$ 231,932	\$ 576,318	\$ 71,485
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
148,336	2,291,616	231,932	576,318	71,485
74,494	202,338	--	42,888	--
18,994	44,281	--	7,944	--
--	1,959,472	156,187	326,987	62,305
13,189	7,125	--	--	--
2,370	5,093	--	12,143	--
2,333	12,053	--	--	--
1,036	8,093	--	--	--
7,309	8,262	--	--	--
5,608	3,960	694	--	--
406	1,785	2,625	--	--
7,919	435	72,426	186,356	9,180
--	--	--	--	--
--	--	--	--	--
133,658	2,252,897	231,932	576,318	71,485
14,678	38,719	--	--	--
148,336	2,291,616	231,932	576,318	71,485
--	--	--	--	--
--	--	--	--	--
\$ --	\$ --	\$ --	\$ --	\$ --

NEW OPPORTUNITIES, INC.
Schedule of Activities - Programs - Continued
Year Ended September 30, 2025

	<u>Substance Use Disorder Prevention</u>	<u>Behavioral Health Services</u>
Revenues:		
Grant Revenue	\$ 308,485	\$ 570,172
Local Funding and Donations	46,367	38,743
Program and Other Income	41,582	406,533
Co-Funding	(425)	--
In-Kind Contributions	<u> --</u>	<u> --</u>
Total Revenues	396,009	1,015,448
Expenses:		
Salaries and wages	202,303	546,247
Fringe benefits	60,132	158,633
Assistance to individuals	--	40,802
Professional fees and contracted services	10,846	6,824
Travel	17,647	21,168
Occupancy	10,070	27,826
Communication costs	2,412	9,732
Program and office supplies	36,077	36,503
Equipment, property and maintenance	4,230	10,536
Insurance	1,739	3,743
Miscellaneous	3,758	44,483
Co-Funding	--	--
In-Kind expenses	<u> --</u>	<u> --</u>
Total Expenses Before Allocation of Indirect Costs	349,214	906,497
Allocation of Indirect Costs	<u>41,202</u>	<u>110,666</u>
Total Expenses	<u>390,416</u>	<u>1,017,163</u>
Change in Net Assets	5,593	(1,715)
Net Assets (Deficit) at Beginning of Year	<u>90,147</u>	<u>828,699</u>
Net Assets (Deficit) at End of Year	<u>\$ 95,740</u>	<u>\$ 826,984</u>

See accompanying independent auditor's report.

<u>Other</u>	<u>Eliminations/ Reclasses</u>	<u>Total</u>
\$ 133,352	\$(677,544)	\$ 11,860,062
83,194	--	443,845
362,625	(290,914)	646,446
(89)	--	153,743
--	--	988,936
579,082	(968,458)	14,093,032
249,245	--	5,130,014
72,088	--	1,646,355
70,913	--	3,349,797
12,019	--	582,758
10,349	--	154,377
24,626	--	245,682
6,847	--	99,053
30,644	--	387,242
15,787	(677,544)	42,890
8,670	--	98,035
19,464	(290,914)	144,029
--	--	153,743
--	--	988,936
520,652	(968,458)	13,022,911
58,430	--	1,063,890
579,082	(968,458)	14,086,801
--	--	6,231
(252,578)	154,741	829,167
\$(252,578)	\$ 154,741	\$ 835,398

NEW OPPORTUNITIES, INC.
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2025

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Grant or Contract Number</u>
U.S. Department of Health and Human Services		
Head Start Cluster:		
Head Start/Early Head Start Program	93.600	07CH 012197-02
Head Start/Early Head Start Program	93.600	07CH 012197-03
Head Start/Early Head Start Program	93.600	07WH000046-01
Passed through Iowa Department of Health and Human Services		
Maternal Health Innovation Program	93.110	COAC PVH 25 386
Maternal Health Primary Care Services	93.130	COAC PVH 25 386
State Sexual Risk Avoidance Education Program	93.235	COAC PVH 25 731
State Sexual Risk Avoidance Education Program	93.235	PHTH CAH 26 731
Promoting Safe and Stable Families	93.556	CPPC
Community Adolescent Pregnancy Prevention Program	93.558	PHTH CAH 26 692
Family Development and Self-Sufficiency Program	93.558	FWBP-EIS-25-066
Family Development and Self-Sufficiency Program	93.558	FWBP-EFD-26-001
Low-Income Home Energy Assistance Program	93.568	LIHEAP 24-01
Low-Income Home Energy Assistance Program	93.568	LIHEAP 25-01
Weatherization Assistance Program	93.568	HEAP 24-01
Weatherization Assistance Program	93.568	HEAP 3E-01
Community Service Block Grant	93.569	CSBG 24-01
Community Service Block Grant	93.569	CSBG 25-01
CCDF Cluster:		
Iowa Quality for Kids	93.575	IQ4K
Medicaid Cluster:		
1 st Five HMDI - Implementation Phase	93.778	COAC PVH 25 668
1 st Five HMDI - Implementation Phase	93.778	PHTH CAH 26 668
Maternal Health Medical Assistance Program	93.778	COAC PVH 25 386
HCBS ARPA Recruitment and Retention	93.778	2366-MC-FFS
State Opioid Response in Iowa	93.788	BEHESPP25027
Iowa Healthcare Collaborative	93.912	HRSA-23-041

(continued next page)

<u>Period of Grant</u>	<u>Program Expenditures</u>
12/01/23 - 11/30/24	\$ 1,394,632
12/01/24 - 11/30/25	4,109,190
09/01/24 - 08/31/26	<u>627,188</u>
	6,131,010
10/01/24 - 09/30/25	52,410
10/01/24 - 09/30/25	3,600
08/01/24 - 07/31/25	57,979
08/01/25 - 07/30/26	<u>8,872</u>
	66,851
07/01/24 - 06/30/25	2,700
07/01/22 - 06/30/26	60,366
07/01/24 - 07/31/25	76,484
07/01/25 - 06/30/26	<u>15,029</u>
	151,879
10/01/23 - 12/31/24	234,292
10/01/24 - 12/31/25	2,045,624
01/01/24 - 06/30/26	183,016
06/01/23 - 09/30/25	<u>48,916</u>
	2,511,848
10/01/23 - 09/30/25	178,301
10/01/24 - 03/31/26	<u>135,460</u>
	313,761
	8,076
08/01/24 - 06/30/25	37,283
07/01/25 - 06/30/26	17,601
10/01/24 - 09/30/25	17,917
01/01/23 - 03/31/25	<u>16,016</u>
	88,817
09/30/24 - 09/29/25	149,548
09/01/23 - 08/31/27	29,340

NEW OPPORTUNITIES, INC.
Schedule of Expenditures of Federal Awards - continued
Year Ended September 30, 2025

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Grant or Contract Number
U.S. Department of Health and Human Services		
Passed through Iowa Department of Health and Human Services		
IPN Prevention - Substance Abuse	93.959	5883 PN05
IPN Network Support	93.959	BEHESPP25207
IPN Prevention - Substance Abuse	93.959	BEHESPP25207
IPN Prevention Problem Gambling	93.959	BEHESPP25207
IPN Outpatient Treatment - Substance Use Disorder	93.959	BEHESPP25207
IPN Prevention Treatment - Problem Gambling	93.959	BEHESPP25207
IPN Prevention Treatment - Transportation	93.959	BEHESPP25207
IPN - ARPA Supplemental Prevention	93.959	5884 PN105
Iowa PCA ASO Access	93.959	1 B08T1088102-01
Iowa PCA ASO Prevention - Substance Abuse	93.959	1 B08T1088102-01
 Maternal Health	 93.994	 COAC PVH 25 386
<i>Total U.S. Department of Health and Human Services</i>		
U.S. Department of Agriculture		
Passed through Iowa Department of Health and Human Services		
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	COAC PVH 25 133
Special Supplemental Nutrition Program for Women, Infants and Children Infrastructure	10.578	COAC PVH 25 133
Child and Adult Care Food Program (Day Care Homes)	10.558	148015
CACFP Expansion	10.558	148015
Child and Adult Care Food Program (Centers)	10.558	09998616
 Farmers Market	 10.572	 3IA810850
Farmers Market	10.572	3IA810850
<i>Total U.S. Department of Agriculture</i>		
U.S. Department of Energy		
Passed through Iowa Department of Health and Human Services		
Weatherization Assistance Program	81.042	DOE 24-01
Weatherization Assistance Program	81.042	DOE BIL22-01
<i>Total U.S. Department of Energy</i>		
Total Expenditures of Federal Awards		

<u>Period of Grant</u>	<u>Program Expenditures</u>
	\$ 1,668
07/01/24 - 06/30/25	13,515
07/01/24 - 06/30/25	23,366
07/01/24 - 06/30/25	4,031
07/01/24 - 06/30/25	65,803
07/01/24 - 06/30/25	17,829
07/01/24 - 06/30/25	625
03/15/23 - 06/30/25	121,736
07/01/25 - 06/30/26	15,106
07/01/25 - 06/30/26	<u>21,840</u>
	285,519
10/01/24 - 09/30/25	<u>45,502</u>
	9,840,861
10/01/24 - 09/30/25	662,615
10/01/24 - 09/30/25	3,432
10/01/24 - 09/30/25	450,053
08/01/25 - 09/30/25	2,226
10/01/24 - 09/30/25	<u>258,004</u>
	710,283
06/01/24 - 12/31/24	3
06/01/25 - 12/31/25	<u>1,191</u>
	<u>1,194</u>
	1,377,524
04/01/24 - 03/31/25	119,440
07/01/22 - 06/30/26	<u>456,878</u>
	<u>576,318</u>
	576,318
	<u>\$ 11,794,703</u>

NEW OPPORTUNITIES, INC.
Schedule of Expenditures of Federal Awards - continued
Year Ended September 30, 2025

NOTE A - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of New Opportunities, Inc. under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of New Opportunities, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of New Opportunities, Inc.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

NOTE C - SUBRECIPIENTS

No federal grant awards were passed through to subrecipients during the year ended September 30, 2025.

NOTE D - INDIRECT COST RATE

New Opportunities, Inc. has not elected to use the 15% de minimis indirect cost rate allowed under the Uniform Guidance. It has a federal approved rate from the Department of Health and Human Services.

See accompanying independent auditor's report.

NEW OPPORTUNITIES, INC.
 Schedule of Revenues and Expenditures
 Administration
 Year Ended September 30, 2025

	<u>Miscellaneous</u>	<u>Indirect Cost Pool</u>	<u>Eliminations/ Reclasses</u>	<u>Total</u>
Revenues:				
Local Funding and Donations	\$ 6,860	\$ --	\$ --	\$ 6,860
Program and Other Income	41,434	--	--	41,434
Investment Income	46,675	--	--	46,675
Rental Income	127,442	--	--	127,442
Loss on disposal of building	(292,331)	--	--	(292,331)
	<u>\$(69,920)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$(69,920)</u>
Total Revenues				
Expenditures:				
Salaries and Wages	\$ --	\$ 563,144	\$ --	\$ 563,144
Fringe Benefits	--	166,915	--	166,915
Assistance to Individuals	2,452	--	--	2,452
Professional Fees and Contracted Services	138	93,865	--	94,003
Travel	--	18,718	--	18,718
Occupancy	--	18,240	--	18,240
Communication Costs	30	7,785	--	7,815
Program and Office Supplies	28,253	33,045	--	61,298
Equipment, Property and Maintenance	13,158	107,385	(2,000)	118,543
Insurance	--	29,295	--	29,295
Interest Expense	27,200	--	--	27,200
Amortization	3,029	--	--	3,029
Miscellaneous	7,771	20,925	--	28,696
	<u>82,031</u>	<u>1,059,317</u>	<u>(2,000)</u>	<u>1,139,348</u>
Total Expenditures Before Allocation of Indirect Costs				
Allocation of Indirect Costs	<u>--</u>	<u>(1,063,890)</u>	<u>--</u>	<u>(1,063,890)</u>
	<u>\$ 82,031</u>	<u>\$(4,573)</u>	<u>\$(2,000)</u>	<u>\$ 75,458</u>
Total (Revenues) Expenditures, Net				

See accompanying independent auditor's report.

COMMENTS AND RECOMMENDATIONS

Gronewold, Bell, Kyhnn & Co. P.C.

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS AND FINANCIAL CONSULTANTS

1910 EAST 7th STREET BOX 369
ATLANTIC, IOWA 50022-0369
(712) 243-1800
FAX (712) 243-1265
CPA@GBKCO.COM

DAVID A. GINTHER
DUSTIN T. VEENSTRA
FAITH E. HINRICHS

Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Board of Directors of
New Opportunities, Inc.
Carroll, Iowa

We have audited, in accordance with auditing standards generally accepted in the United States of America 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 New Opportunities, Inc. (an Iowa Non-Profit Corporation), which comprise the statement of financial position as of September 30, 2025 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated February 18, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered New Opportunities, Inc.'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 New Opportunities, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of New Opportunities, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

To the Board of Directors of
New Opportunities, Inc.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Atkinson, Bell, Thyer + W.P.C.

Atlantic, Iowa
February 18, 2026

Gronewold, Bell, Kyhnn & Co. P.C.

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS AND FINANCIAL CONSULTANTS

1910 EAST 7th STREET BOX 369
ATLANTIC, IOWA 50022-0369
(712) 243-1800
FAX (712) 243-1265
CPA@GBKCO.COM

DAVID A. GINTHER
DUSTIN T. VEENSTRA
FAITH E. HINRICHS

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

To the Board of Directors of
New Opportunities, Inc.
Carroll, Iowa

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited New Opportunities, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the Agency's major federal program for the year ended September 30, 2025. The Agency's major federal program is identified in the Summary of the Independent Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, New Opportunities, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2025.

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 of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). 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 New Opportunities, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe 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 New Opportunities, Inc.'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 New Opportunities, Inc.'s federal programs.

To the Board of Directors of
New Opportunities, Inc.

Auditor's Responsibilities 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 New Opportunities, Inc.'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 judgement made by a reasonable user of the report on compliance about New Opportunities, Inc.'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 judgement 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 New Opportunities, Inc.'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 New Opportunities, Inc.'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 New Opportunities, Inc.'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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility 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.

To the Board of Directors of
New Opportunities, Inc.

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.

Donald, Bell, Hyman + W. P. C.

Atlantic, Iowa
February 18, 2026

NEW OPPORTUNITIES, INC.

Schedule of Findings and Questioned Costs

Year ended September 30, 2025

PART I: Summary of the Independent Auditor's Results

Financial Statements

- (a) Type of auditor's report issued:
- Unmodified.
- (b) Internal control over financial reporting:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? _____ yes X none reported
- (c) Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

- (d) Internal control over major programs:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? _____ yes X none reported
- (e) Type of auditor's report issued on compliance for major federal programs:
- Unmodified.
- (f) Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, [2CFR 200.516(a)]? _____ yes X no
- (g) Identification of major federal programs:
- Assistance Listing Number 93.568 - Low-Income Home Energy Assistance Program (Including the Weatherization Assistance Program)
- (h) Dollar threshold used to distinguish between Type A and Type B programs: \$1,000,000.
- (i) Auditee qualified as low-risk auditee? X yes _____ no

NEW OPPORTUNITIES, INC.
Schedule of Findings and Questioned Costs
Year ended September 30, 2025

Part II: Findings Related to the Financial Statements

INTERNAL CONTROL DEFICIENCIES:

No matters were reported.

INSTANCES OF NONCOMPLIANCE:

No matters were reported.

Part III: Findings and Questioned Costs for Federal Awards

INTERNAL CONTROL DEFICIENCIES:

No matters were reported.

INSTANCES OF NONCOMPLIANCE:

No matters were reported.

Part IV: Summary Schedule of Prior Audit Findings:

None

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