

**Operation: New View
Community Action Agency
Dubuque, Iowa**

**Financial Statements
September 30, 2012**

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Independent Auditor's Report

To the Board of Directors
Operation: New View Community Action Agency
Dubuque, Iowa

We have audited the accompanying financial statements, listed as exhibits in the table of contents of this report, of Operation: New View Community Action Agency, Dubuque, Iowa, as of and for the year ended September 30, 2012. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Operation: New View Community Action Agency as of September 30, 2012, and changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2013, on our consideration of Operation: New View Community Action Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and is important for assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information included in Schedules 1 through 24, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and

Non-Profit Organizations is presented for purposes of additional analysis, and is not a required part of the basic 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 our audit of the basic 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 of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

HONKAMP KRUEGER & CO., P.C.

A handwritten signature in cursive script that reads "Honkamp Krueger & Co.".

Dubuque, Iowa
June 7, 2013

Operation: New View Community Action Agency
Combined Statement of Financial Position
All Funds
September 30, 2012

Exhibit A

ASSETS	Administrative and Local Funds	Program Funds	Plant Fund	Total (Memorandum Only)
Current Assets				
Cash	\$ 10,404	\$ 158,599	\$ -	\$ 169,003
Certificates of Deposit	36,231	-	-	36,231
Due from Other Funds	412,527	790,654	-	1,203,181
Grants Receivable	-	568,997	-	568,997
Miscellaneous Receivable	(385)	110	-	(275)
Prepaid Expenses	18,528	981	-	19,509
Total Current Assets	<u>477,305</u>	<u>1,519,341</u>	<u>-</u>	<u>1,996,646</u>
Equipment				
Building and Equipment	-	-	698,502	698,502
Accumulated Depreciation	-	-	(404,959)	(404,959)
Equipment, Net	<u>-</u>	<u>-</u>	<u>293,543</u>	<u>293,543</u>
Total Assets	<u>\$ 477,305</u>	<u>\$ 1,519,341</u>	<u>\$ 293,543</u>	<u>\$ 2,290,189</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Due to Other Funds	\$ 653,320	\$ 549,861	\$ -	\$ 1,203,181
Deferred Revenue	-	15,149	-	15,149
Accounts Payable	27,257	101,955	-	129,212
Current Portion of Note Payable	3,338	-	-	3,338
Accrued Payroll and Related Expenses	124,243	41,392	-	165,635
Total Current Liabilities	<u>808,158</u>	<u>708,357</u>	<u>-</u>	<u>1,516,515</u>
Note Payable, Net of Current	<u>197,956</u>	<u>-</u>	<u>-</u>	<u>197,956</u>
Total Liabilities	<u>1,006,114</u>	<u>708,357</u>	<u>-</u>	<u>1,714,471</u>
Net Assets				
Temporarily Restricted	-	810,984	-	810,984
Unrestricted	(528,809)	-	293,543	(235,266)
Total Net Assets	<u>(528,809)</u>	<u>810,984</u>	<u>293,543</u>	<u>575,718</u>
Total Liabilities and Net Assets	<u>\$ 477,305</u>	<u>\$ 1,519,341</u>	<u>\$ 293,543</u>	<u>\$ 2,290,189</u>

See Notes to Financial Statements

Operation: New View Community Action Agency
Combined Statement of Activities
All Funds
Year Ended September 30, 2012

Exhibit B

	Administrative and Local Funds	Program Funds	Plant Fund	Total (Memorandum Only)
REVENUES				
Federal Funds	\$ -	\$ 5,602,088	\$ -	\$ 5,602,088
State Funds	-	20,905	-	20,905
County and City Funds	48,105	-	-	48,105
Other Revenue	29,953	362,289	-	392,242
Non-Cash Match	-	410,126	-	410,126
Total Revenue	<u>78,058</u>	<u>6,395,408</u>	<u>-</u>	<u>6,473,466</u>
EXPENDITURES				
Personnel Costs:				
Salaries	237,358	1,643,636	-	1,880,994
Fringe Benefits	48,285	415,890	-	464,175
Payroll Taxes	20,875	136,531	-	157,406
Total Personnel Costs	<u>306,518</u>	<u>2,196,057</u>	<u>-</u>	<u>2,502,575</u>
Non-Personnel Costs:				
Consultant and Contract Service	-	12,055	-	12,055
Travel	17,810	223,086	-	240,896
Space Costs and Rentals	29,453	223,661	-	253,114
Consumable Supplies	24,052	29,256	-	53,308
Property and Equipment Costs	576	1,306	-	1,882
Depreciation	-	-	41,101	41,101
Other Costs, Including Direct Assistance Payments	193,844	3,552,729	-	3,746,573
Total Non-Personnel Costs	<u>265,735</u>	<u>4,042,093</u>	<u>41,101</u>	<u>4,348,929</u>
Expenses Allocated	<u>(242,564)</u>	<u>242,564</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>329,689</u>	<u>6,480,714</u>	<u>41,101</u>	<u>6,851,504</u>
Excess of Revenues or (Expenditures)	(251,631)	(85,306)	(41,101)	(378,038)
Net Assets Transfers	45,548	(48,202)	2,654	-
Net Assets, Beginning, as Previously Reported	(322,726)	944,492	331,990	953,756
Net Assets, Ending	<u>\$ (528,809)</u>	<u>\$ 810,984</u>	<u>\$ 293,543</u>	<u>\$ 575,718</u>

See Notes to Financial Statements

**Operation: New View Community Action Agency
 Combined Statement of Functional Expenses
 Administrative and Local Funds and Program Funds
 Year Ended September 30, 2012**

Exhibit C

	Administrative and Local Funds	Program Funds	Total
Salaries	\$ 237,358	\$ 1,643,636	\$ 1,880,994
Fringe Benefits	48,285	415,890	464,175
Payroll Taxes	20,875	136,531	157,406
Consultant and Contract Service	-	12,055	12,055
Travel	17,810	223,086	240,896
Space Cost and Rentals	29,453	223,661	253,114
Consumable Supplies	24,052	29,256	53,308
Property and Equipment Costs	576	1,306	1,882
Other Costs, Including Direct Assistance Payments	193,844	3,552,729	3,746,573
Total Expenses before Allocation of Indirect Costs	572,253	6,238,150	6,810,403
Allocation of Indirect Costs	(242,564)	242,564	-
Total Expenses	<u>\$ 329,689</u>	<u>\$ 6,480,714</u>	<u>\$ 6,810,403</u>

Operation: New View Community Action Agency
Statement of Cash Flows
Year Ended September 30, 2012

Exhibit D

Reconciliation of Changes in Net Assets to Net Cash:

Cash Flows from Operating Activities:

Changes in Net Assets	\$ (378,038)
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by Operating Activities:	
Depreciation	41,101
(Increase) Decrease in Assets:	
Receivables	77,251
Prepaid Expense	(1,939)
Increase (Decrease) in Liabilities:	
Payables	(76,401)
Deferred Revenue	2,337
Accrued Payroll and Related Expenses	26,769
Net Cash Provided by Operating Activities	(308,920)

Cash Flows from Investing Activities:

Purchase of Property and Equipment	(2,654)
Purchase of Investments	-
Net Cash (Used) by Investing Activities	(2,654)

Cash Flows from Financing Activities:

Payments on Long-Term Debt	(3,184)
Net Cash (Used) by Financing Activities	(3,184)
Net Decrease in Cash	(314,758)
Cash, Beginning	483,761
Cash, Ending	\$ 169,003

Supplemental Cash Flow Information:

Cash Paid for Interest	\$ 9,790
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**Operation: New View Community Action Agency
Statement of Fiduciary Net Assets
September 30, 2012**

Exhibit E

	<u>UNDIA Fund 950</u>
ASSETS	
Current Assets	
Cash	\$ 1,347
Total Assets	<u>\$ 1,347</u>
 LIABILITIES AND NET ASSETS	
Liabilities	
Accounts Payable	\$ -
Due to UNDIA	1,347
Total Liabilities	<u>1,347</u>
 Net Assets	
Unrestricted	<u>-</u>
Total Net Assets	<u>-</u>
Total Liabilities and Net Assets	<u><u>\$ 1,347</u></u>

Operation: New View Community Action Agency

Notes to Financial Statements

NOTE 1. Summary of Significant Accounting Policies

Operation: New View Community Action Agency (the "Agency"), a not-for-profit corporation, is a community action agency that serves the Iowa counties of Dubuque, Delaware, and Jackson counties. Operation: New View Community Action Agency is exempt from income tax under section 501(c)1 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. Operation: New View Community Action Agency administers various programs funded by federal, state, and local governmental bodies. Each program is accounted for as a separate fund.

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.

Reporting Entity

For financial reporting purposes, Operation: New View Community Action Agency has included all funds, organizations, account groups, agencies, boards, commissions, and authorities. The Agency has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the Agency are such that exclusion would cause the Agency's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the Agency to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the Agency. Operation: New View Community Action Agency has no component units which meet the Governmental Accounting Standards Board criteria.

Fund Accounting

The accounts of the Agency are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, net assets, revenues, and expenses. The various funds are summarized as follows in the financial statements:

Administrative and Local Funds – The Administrative and Local Funds represent funds derived from local sources such as donations, rents, and miscellaneous activities. The Agency's overall management and administrative expenses are charged to these funds, and then, allowable indirect costs are allocated to the various programs which the Agency administers.

Operation: New View Community Action Agency

Notes to Financial Statements

NOTE 1. Summary of Significant Accounting Policies (Continued)

Program Funds – Program Funds are used to account for the revenues and expenses that are contractually restricted by the funding source for specific purposes.

Plant Fund – The Plant Fund is used to accumulate the net investment in fixed assets and to account for the unexpended resources contributed specifically for the purpose of acquiring fixed assets for the Agency.

Basis of Accounting

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

The accompanying financial statements have been prepared on the accrual basis of accounting, in 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.

Purchases of fixed assets providing future benefits are recorded as expenses in the program at the time of purchase and capitalized in the plant fund.

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:

Unrestricted: Unrestricted net assets include all net assets which are neither temporarily or permanently restricted.

Temporarily Restricted: Temporarily restricted net assets include contributed net assets for which donor imposed time and purpose restrictions have not been met, and the ultimate purpose of the contribution is not permanently restricted.

Permanently Restricted: Permanently restricted net assets include contributions and other inflows of assets whose use by the Agency is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Agency. The Agency has no permanently restricted net assets for the year ended September 30, 2012.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities

Operation: New View Community Action Agency

Notes to Financial Statements

NOTE 1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Assets, Liabilities, and Net Assets

The following accounting policies are followed in preparing the combined statement of financial position:

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

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

The carrying amount of grants receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful grants is based on management's assessment of the collectability of specific grants and the aging of the grants receivable. All grants or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for doubtful accounts.

Receivables/Payables from Other Funds – During the course of operations, numerous transactions occur between individual funds for goods provided, or services rendered. To the extent that certain transactions between funds had not been paid or received as of September 30, 2012, balances of interfund amounts receivable or payable have been recorded.

Inventory – Minor materials and supplies are charged to expense during the period of purchase. As a result, no inventory is recognized on the statement of financial position.

Property and Equipment – Property and equipment are valued at historical cost. Donated fixed assets are valued at their estimated fair value on the date of donation.

Property and equipment purchased are recorded as expenses in the fund purchasing the asset. The purchases are then capitalized in the plant fund accumulating the net investment in fixed assets. Depreciation has been provided in the plant fund using the straight-line method over the estimated useful lives of the respective assets, generally 3 to 40 years. The depreciated cost of the property and equipment does not purport

Operation: New View Community Action Agency

Notes to Financial Statements

NOTE 1. Summary of Significant Accounting Policies (Continued)

Property and Equipment (Continued) – 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 since there were no qualifying assets.

Deferred Revenue – Deferred revenue represents an excess of cash advances by the funding source over accrued expenses at year-end.

Compensated Absences – Employees of the Agency accumulate a limited amount of earned but unused vacation payable to employees. Amounts representing the cost of compensated absences are recorded as liabilities of the Administrative Fund. This liability has been computed based on rate of pay in effect at September 30, 2012.

Recognition of Grant Revenue and Donor Restricted Contributions

Support that is restricted by the grantor or donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Personnel

Agency administrative and financial personnel record the time they spend working on specific programs and general agency matters on their time sheets. The time specifically identifiable to a particular program is charged to that program. The time spent on general agency matters is charged to programs using a percentage based on the direct labor charges to programs.

Other Indirect Costs

Other indirect costs (telephone, copier costs, insurance, computer usage, etc.), are allocated to agency programs based on the amounts used by each program.

Space Costs

Space costs (maintenance costs, supplies, depreciation, etc.), are allocated based on the number of square feet of space each program occupies. Space occupied by administrative staff is allocated based upon the allocation of the administrative staff's time.

Operation: New View Community Action Agency

Notes to Financial Statements

NOTE 1. Summary of Significant Accounting Policies (Continued)

Advertising Expenses

The Agency expenses advertising costs as incurred.

Total Column

The total column on the combined statement of financial position and the statement of activities is presented to facilitate financial analysis. Data in these columns does not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation.

Use of Estimates

The preparation of financial statements on the basis of accounting, as described previously, 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. Estimates also affect the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

In-Kind Contributions

The Agency recognizes donated labor, services, materials, and rent-free usage of facilities and equipment as in-kind revenues at the time the services and materials are received. 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.

Cost Allocation

The Agency utilizes cost allocation methods to distribute certain direct and indirect costs to its various programs. Costs which are common to more than one program have been identified and classified into cost pools. These cost pools have been allocated to the programs based on formulas developed by the Agency for each pool.

NOTE 2. Uninsured Cash Balances

The Agency's deposits in banks at September 30, 2012, were entirely covered by federal depository insurance or by the State Sinking Fund 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.

Operation: New View Community Action Agency

Notes to Financial Statements

NOTE 3. U.S.D.A. Reimbursements

Included in federal revenue under the Head Start Program are U.S.D.A. reimbursements totaling \$154,791.

NOTE 4. Head Start Program Match

The Head Start Program, funded by the Department of Health and Human Services, requires that the Head Start Program receive matching funds equal to 20% of total federal expenditures.

The grantee's matching funds which are recorded in revenues and expenditures for the fiscal year ended September 30, 2012, and for the program year ended October 31, 2011, are as follows:

	Fiscal Year Ended 09/30/12	Program Year Ended 10/31/11
Expenditure Accounts:		
Volunteers' Time	\$ 168,360	\$ 201,735
Space Costs	59,580	46,134
Travel	106,000	110,073
Other Resources	76,186	82,709
Total Non-Cash Match Received	<u>\$ 410,126</u>	<u>\$ 440,651</u>
Match Required		<u>\$ 440,651</u>

The Agency met the match requirement for the program year ended October 31, 2011.

Operation: New View Community Action Agency

Notes to Financial Statements

NOTE 5. Property and Equipment

A summary of property and equipment comprising the plant fund, categorized by acquiring program/source, is as follows at September 30, 2012:

<u>Acquiring Program/Source</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
Head Start	\$ 350,707	\$ 112,661	\$ 463,368
Weatherization Assistance for Low-Income General Agency	-----	87,643	87,643
	-----	147,491	147,491
Total Cost	350,707	347,795	698,502
Less: Accumulated Depreciation	100,828	304,131	404,959
Net Equipment	<u>\$ 249,879</u>	<u>\$ 43,664</u>	<u>\$ 293,543</u>

The components of the Agency's accumulated depreciation as of September 30, 2012, are as follows:

	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
Balance, Beginning of Year	\$ 92,061	\$ 271,797	\$ 363,858
Current Year Depreciation	8,767	32,334	41,101
Balance, End of Year	<u>\$ 100,828</u>	<u>\$ 304,131</u>	<u>\$ 404,959</u>

NOTE 6. Lease Agreement and Subsequent Event

The Agency leases its main office under a lease agreement which requires monthly rents of \$3,512 and expires on November 30, 2013. Minimum future rentals under this agreement for years ending September 30 are as follows:

2013	\$ 42,144
2014	7,024
	<u>\$ 49,168</u>

Total lease expense relating to the agreement above was \$39,773 for the year ended September 30, 2012.

Subsequent to year end, the lease was extended through September 30, 2016, with the same monthly terms.

Operation: New View Community Action Agency

Notes to Financial Statements

NOTE 7. Building Lease

The Agency leases a portion of the Dyersville Early Childhood Center building to the Kid Project. The term of the lease was 25 months from September 1, 2004 to May 31, 2006. Monthly rental payments due to the Agency are \$350. This lease was not formally extended and currently operates on a month-to-month basis.

NOTE 8. Pension and Retirement Benefits

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

Plan members are required to contribute 5.78% of their annual salary and the Agency is required to contribute 8.67% of annual covered payroll. Contribution requirements are established by state statute. The Agency's contribution to IPERS for the year ended September 30, 2012, was \$126,044, which was equal to the required contribution.

NOTE 9. Long-Term Debt

The Agency has the following long-term debt at September 30, 2012:

Note Payable, U.S. Department of Agriculture, due in monthly payments of \$1,069 beginning November 19, 2003, including interest at 4.75%. This note is due October 19, 2041, and is secured by all assets of the Agency.	\$ 201,294
Less: Current Maturities	<u>3,338</u>
Total Long-Term Debt	<u>\$ 197,956</u>

Operation: New View Community Action Agency

Notes to Financial Statements

NOTE 9. Long-Term Debt (Continued)

Maturities of notes payable for years ending September 30 are as follows:

2013	\$	3,338
2014		3,500
2015		3,670
2016		3,848
2017		4,035
Thereafter		182,903
	\$	<u>201,294</u>

NOTE 10. Fair Value Measurements

FASB Codification Topic 820 establishes a framework for measuring fair value which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB Codification Topic 820 are described below:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Agency has the ability to access.
Level 2	Inputs to the valuation methodology include: <ul style="list-style-type: none">• Quoted prices for similar assets or liabilities in active markets;• Quoted prices for identical or similar assets or liabilities in inactive markets;• Inputs other than quoted prices that are observable for the asset or liability;• Inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Operation: New View Community Action Agency

Notes to Financial Statements

NOTE 10. Fair Value Measurements (Continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2012.

Certificates of Deposit: Valued at cost, which approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Agency believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Agency's investments at fair value as of September 30, 2012:

	Investments at Fair Value as Determined by Quoted Prices in Active Markets (Level I)	Investments at Estimated Fair Value		Total
		Valuation Techniques Based on Observable Market Data (Level II)	Valuation Techniques Incorporating Information Other Than Observable Market Data (Level III)	
Certificates of Deposit	\$ 36,231	\$ -----	\$ -----	\$ 36,231
Total Investments	\$ 36,231	\$ -----	\$ -----	\$ 36,231

NOTE 11. Disclosure about Certain Concentrations

The Agency is subject to a certain degree of vulnerability due to concentrations of revenue received from major funders. Operation: New View Community Action Agency received \$4,445,688 of funding from the Department of Health and Human Services for the year ended September 30, 2012.

Operation: New View Community Action Agency

Notes to Financial Statements

NOTE 12. Risk Management

Operation: New View Community Action Agency is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The Agency assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

NOTE 13. Recent Accounting Pronouncements

In October 2012, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2012-04, *Technical Corrections and Improvements*, to update the accounting standards codification with source literature amendments, guidance clarification, reference corrections and conforming amendments related to fair value measurements. The amendments relating to source literature, guidance clarification and reference corrections were effective immediately. The fair value amendments primarily pertain to financial institutions and benefit plans and requiring them to value and present investments at fair value less brokerage commissions and other costs normally incurred in a sale, if significant. This guidance is effective for fiscal periods beginning after December 15, 2013. The Agency is currently evaluating the impact of adoption on the Agency's financial statements. The Agency does not expect any impact as a result of adoption.

NOTE 14. Subsequent Event

Subsequent to year end, the Agency entered into a seventy-two month lease for a head start location, requiring monthly payments of \$1,950. The lease expires December 31, 2018.

NOTE 15. Management's Review

Subsequent events have been evaluated through June 7, 2013, which is the date the financial statements were available to be issued.

Supplementary Information

Operation: New View Community Action Agency
Combining Statement of Financial Position
Administrative and Local Funds
September 30, 2012

Schedule 1

ASSETS	Local Accounts Funds 870, 876, 891, & 595	Allocated Services Central Service Fund 006	Allocated Services Self-Funding Reserve Fund 003	Allocated Services Administrative Funds 000, 001, 002, 004 & 019	Total (Memorandum Only)
Current Assets					
Cash	\$ 8,496	\$ -	\$ -	\$ 1,908	\$ 10,404
Certificates of Deposit	36,231	-	-	-	36,231
Due from Other Funds	412,527	-	-	-	412,527
Miscellaneous Receivable	-	17	-	(402)	(385)
Prepaid Expenses	-	11,144	-	7,384	18,528
Total Current Assets	<u>457,254</u>	<u>11,161</u>	<u>-</u>	<u>8,890</u>	<u>477,305</u>
Total Assets	<u>\$ 457,254</u>	<u>\$ 11,161</u>	<u>\$ -</u>	<u>\$ 8,890</u>	<u>\$ 477,305</u>
 LIABILITIES AND NET ASSETS					
Current Liabilities					
Due to Other Funds	\$ -	\$ 25,314	\$ 20,656	\$ 607,350	\$ 653,320
Accounts Payable	2,470	-	-	24,787	27,257
Current Portion of Note Payable	3,338	-	-	-	3,338
Accrued Payroll and Related Expenses	-	-	-	124,243	124,243
Total Current Liabilities	<u>5,808</u>	<u>25,314</u>	<u>20,656</u>	<u>756,380</u>	<u>808,158</u>
Note Payable, Net of Current	<u>197,956</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>197,956</u>
Total Liabilities	<u>203,764</u>	<u>25,314</u>	<u>20,656</u>	<u>756,380</u>	<u>1,006,114</u>
Net Assets					
Unrestricted	<u>253,490</u>	<u>(14,153)</u>	<u>(20,656)</u>	<u>(747,490)</u>	<u>(528,809)</u>
Total Net Assets	<u>253,490</u>	<u>(14,153)</u>	<u>(20,656)</u>	<u>(747,490)</u>	<u>(528,809)</u>
Total Liabilities and Net Assets	<u>\$ 457,254</u>	<u>\$ 11,161</u>	<u>\$ -</u>	<u>\$ 8,890</u>	<u>\$ 477,305</u>

**Operation: New View Community Action Agency
Combining Statement of Activities
Administrative and Local Funds
Year Ended September 30, 2012**

Schedule 2

	Unrestricted				Total (Memorandum Only)
	Local Accounts	Allocated Services			
	Funds 870, 876, 891, & 595	Central Service Fund 006	Self-Funding Reserve Fund 003	Administrative Funds 000, 001, 002, 004 & 019	
REVENUES					
Other Revenue	\$ 14,649	\$ 8,070	\$ -	\$ 7,234	\$ 29,953
County and City Funds	48,105	-	-	-	48,105
Total Revenue	<u>62,754</u>	<u>8,070</u>	<u>-</u>	<u>7,234</u>	<u>78,058</u>
EXPENDITURES					
Personnel Costs:					
Salaries	14,715	-	-	222,643	237,358
Fringe Benefits	968	-	-	47,317	48,285
Payroll Taxes	1,377	-	-	19,498	20,875
Total Personnel Costs	<u>17,060</u>	<u>-</u>	<u>-</u>	<u>289,458</u>	<u>306,518</u>
Non-Personnel Costs:					
Travel	9,874	-	-	7,936	17,810
Space Costs and Rental	-	-	-	29,453	29,453
Consumable Supplies	5,608	7,052	-	11,392	24,052
Property and Equipment Costs	-	-	-	576	576
Other Costs	24,033	-	23,754	146,057	193,844
Total Non-Personnel Costs	<u>39,515</u>	<u>7,052</u>	<u>23,754</u>	<u>195,414</u>	<u>265,735</u>
Expenses Allocated	<u>2,382</u>	<u>-</u>	<u>-</u>	<u>(244,946)</u>	<u>(242,564)</u>
Total Expenditures	<u>58,957</u>	<u>7,052</u>	<u>23,754</u>	<u>239,926</u>	<u>329,689</u>
Excess of Revenues or (Expenditures)	3,797	1,018	(23,754)	(232,692)	(251,631)
Net Assets Transfers	-	-	-	45,548	45,548
Beginning Net Assets, Unrestricted	249,693	(15,171)	3,098	(560,346)	(322,726)
Ending Net Assets, Unrestricted	<u>\$ 253,490</u>	<u>\$ (14,153)</u>	<u>\$ (20,656)</u>	<u>\$ (747,490)</u>	<u>\$ (528,809)</u>

Operation: New View Community Action Agency
Combining Statement of Financial Position
Program Funds
September 30, 2012

Schedule 3

ASSETS	Community Block Grants (Schedule 11)	Weatherization Assistance (Schedule 5)
Current Assets		
Cash	\$ -	\$ 20,712
Due from Other Funds	46,055	718,838
Grants Receivable	-	130,655
Miscellaneous Receivable	-	45
Prepaid Expenses	-	-
Total Current Assets	46,055	870,250
Total Assets	\$ 46,055	\$ 870,250
 LIABILITIES AND NET ASSETS		
Liabilities		
Due to Other Funds	\$ -	\$ 118,838
Deferred Revenue	4,307	-
Accounts Payable	2,999	20,099
Accrued Payroll and Related Expenses	38,749	-
Total Liabilities	46,055	138,937
 Net Assets		
Temporarily Restricted	-	731,313
Total Net Assets	-	731,313
Total Liabilities and Net Assets	\$ 46,055	\$ 870,250

Early Childhood Program (Schedule 7)	Low-Income Home Energy Assistance (Schedule 9)	Other Program Funds (Schedule 13)	Total (Memorandum Only)
\$ 21,988	\$ 60,213	\$ 55,686	\$ 158,599
-	-	25,761	790,654
434,057	4,285	-	568,997
65	-	-	110
981	-	-	981
<u>457,091</u>	<u>64,498</u>	<u>81,447</u>	<u>1,519,341</u>
<u>\$ 457,091</u>	<u>\$ 64,498</u>	<u>\$ 81,447</u>	<u>\$ 1,519,341</u>
\$ 384,137	\$ 44,064	\$ 2,822	\$ 549,861
10,842	-	-	15,149
49,324	28,254	1,279	101,955
-	2,643	-	41,392
<u>444,303</u>	<u>74,961</u>	<u>4,101</u>	<u>708,357</u>
12,788	(10,463)	77,346	810,984
<u>12,788</u>	<u>(10,463)</u>	<u>77,346</u>	<u>810,984</u>
<u>\$ 457,091</u>	<u>\$ 64,498</u>	<u>\$ 81,447</u>	<u>\$ 1,519,341</u>

Operation: New View Community Action Agency
Combining Statement of Activities
Program Funds
Year Ended September 30, 2012

Schedule 4

	Community Block Grants (Schedule 12)	Weatherization Assistance (Schedule 6)
REVENUES		
Federal Funds	\$ 279,213	\$ 534,749
State Funds	-	-
Other Revenue	920	183,820
Non-Cash Match	-	-
Total Revenue	280,133	718,569
EXPENDITURES		
Personnel Costs:		
Salaries	145,861	127,294
Fringe Benefits	44,839	30,090
Payroll Taxes	13,308	11,611
Total Personnel Costs	204,008	168,995
Non-Personnel Costs:		
Consultant and Contract Service	-	-
Travel	6,485	6,338
Space Costs and Rentals	21,379	9,927
Consumable Supplies	4,979	3,998
Property and Equipment Costs	-	233
Other Costs, Including Direct Assistance Payments	18,396	579,173
Total Non-Personnel Costs	51,239	599,669
Expenses Allocated	24,886	21,217
Total Expenditures	280,133	789,881
Excess of Revenues or (Expenditures)	-	(71,312)
Net Assets Transfers	-	-
Temporarily Restricted Net Assets, Beginning	-	802,625
Temporarily Restricted Net Assets, Ending	\$ -	\$ 731,313

Early Childhood Program (Schedule 8)	Low-Income Home Energy Assistance (Schedule 10)	Other Program Funds (Schedule 14)	Total (Memorandum Only)
\$ 2,444,309	\$ 2,333,002	\$ 10,815	\$ 5,602,088
20,905	-	-	20,905
634	121,985	54,930	362,289
410,126	-	-	410,126
<u>2,875,974</u>	<u>2,454,987</u>	<u>65,745</u>	<u>6,395,408</u>
1,232,443	137,467	571	1,643,636
317,829	23,086	46	415,890
99,418	12,150	44	136,531
<u>1,649,690</u>	<u>172,703</u>	<u>661</u>	<u>2,196,057</u>
12,055	-	-	12,055
205,990	4,273	-	223,086
179,711	12,644	-	223,661
14,349	5,930	-	29,256
1,073	-	-	1,306
<u>639,810</u>	<u>2,262,757</u>	<u>52,593</u>	<u>3,552,729</u>
1,052,988	2,285,604	52,593	4,042,093
173,508	22,953	-	242,564
<u>2,876,186</u>	<u>2,481,260</u>	<u>53,254</u>	<u>6,480,714</u>
(212)	(26,273)	12,491	(85,306)
(50,000)	-	1,798	(48,202)
63,000	15,810	63,057	944,492
<u>\$ 12,788</u>	<u>\$ (10,463)</u>	<u>\$ 77,346</u>	<u>\$ 810,984</u>

**Operation: New View Community Action Agency
Combining Schedule of Financial Position
Weatherization Assistance**

Schedule 5

	Utility Company Funds 218 225 & 273	DOE-12-10K Fund 275	BHE-12-10K Fund 274
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Current Assets			
Cash	\$ 13,399	\$ -	\$ -
Due from Other Funds	-	-	-
Miscellaneous Receivable	-	-	-
Grants Receivable	11,817	83,422	28,593
	<u>25,216</u>	<u>83,422</u>	<u>28,593</u>
Total Current Assets	25,216	83,422	28,593
	<u>\$ 25,216</u>	<u>83,422</u>	<u>28,593</u>
LIABILITIES AND NET ASSETS			
Liabilities			
Due to Other Funds	\$ -	\$ 83,422	\$ 28,593
Accounts Payable	-	-	-
	<u>-</u>	<u>83,422</u>	<u>28,593</u>
Total Liabilities	-	83,422	28,593
Net Assets			
Temporarily Restricted	25,216	-	-
	<u>25,216</u>	<u>-</u>	<u>-</u>
Total Net Assets	25,216	-	-
	<u>\$ 25,216</u>	<u>\$ 83,422</u>	<u>\$ 28,593</u>

<u>HEAP-11-10 Fund 243</u>	<u>HEAP-12-10 Fund 247</u>	<u>MADD Fund 600</u>	<u>Weatherization Allocation Fund 205</u>	<u>Total (Memorandum Only)</u>
\$ 304	\$ -	\$ 6,683	\$ 326	\$ 20,712
-	-	-	718,838	718,838
-	-	-	45	45
-	6,823	-	-	130,655
<u>304</u>	<u>6,823</u>	<u>6,683</u>	<u>719,209</u>	<u>870,250</u>
<u>\$ 304</u>	<u>\$ 6,823</u>	<u>\$ 6,683</u>	<u>\$ 719,209</u>	<u>\$ 870,250</u>
\$ -	\$ 6,823	\$ -	\$ -	\$ 118,838
304	-	-	19,795	20,099
<u>304</u>	<u>6,823</u>	<u>-</u>	<u>19,795</u>	<u>138,937</u>
-	-	6,683	699,414	731,313
-	-	6,683	699,414	731,313
<u>\$ 304</u>	<u>\$ 6,823</u>	<u>\$ 6,683</u>	<u>\$ 719,209</u>	<u>\$ 870,250</u>

**Operation: New View Community Action Agency
Combining Schedule of Activities
Weatherization Assistance
Year Ended September 30, 2012**

Schedule 6

	Utility Company Funds 218 225 & 273	DOE-12-10K Fund 275 4/1/2012 - 3/31/2013	HEAP-12-10 Fund 247 1/1/2012 - 12/31/2012
REVENUES			
Federal Funds	\$ -	\$ 235,228	\$ 31,818
Other Revenue	62,611	-	-
Total Revenue	<u>62,611</u>	<u>235,228</u>	<u>31,818</u>
EXPENDITURES			
Personnel Costs:			
Salaries	-	-	-
Fringe Benefits	-	-	-
Payroll Taxes	-	-	-
Total Personnel Costs	<u>-</u>	<u>-</u>	<u>-</u>
Non-Personnel Costs:			
Travel	-	-	-
Space Costs and Rentals	-	-	-
Consumable Supplies	-	-	-
Property and Equipment Costs	-	-	-
Other Costs	62,611	235,228	31,818
Total Non-Personnel Costs	<u>62,611</u>	<u>235,228</u>	<u>31,818</u>
Expenses Allocated	-	-	-
Total Expenditures	<u>62,611</u>	<u>235,228</u>	<u>31,818</u>
Excess of Revenues or (Expenditures)	-	-	-
Transfer of Net Assets	-	-	-
Beginning Temporarily Restricted Net Assets	<u>25,216</u>	<u>-</u>	<u>-</u>
Ending Temporarily Restricted Net Assets	<u>\$ 25,216</u>	<u>\$ -</u>	<u>\$ -</u>

Weatherization Allocation Fund 205	BHE-12-10K Fund 274 1/1/2012 - 12/31/2012	HEAP-11-10 Fund 243 1/1/2011 - 12/31/2011	MADD Fund 600	DOE-ARRA- 09-10K Fund 815 4/1/2009 - 4/30/2012	Total (Memorandum Only)
\$ -	\$ -	\$ (21,318)	\$ -	\$ 289,021	\$ 534,749
-	117,609	-	3,600	-	183,820
-	117,609	(21,318)	3,600	289,021	718,569
127,294	-	-	-	-	127,294
30,090	-	-	-	-	30,090
11,611	-	-	-	-	11,611
168,995	-	-	-	-	168,995
6,338	-	-	-	-	6,338
9,927	-	-	-	-	9,927
3,998	-	-	-	-	3,998
233	-	-	-	-	233
(139,818)	117,609	(21,318)	4,022	289,021	579,173
(119,322)	117,609	(21,318)	4,022	289,021	599,669
21,217	-	-	-	-	21,217
70,890	117,609	(21,318)	4,022	289,021	789,881
(70,890)	-	-	(422)	-	(71,312)
-	-	-	-	-	-
770,304	-	-	7,105	-	802,625
\$ 699,414	\$ -	\$ -	\$ 6,683	\$ -	\$ 731,313

**Operation: New View Community Action Agency
Combining Schedule of Financial Position
Early Childhood Program
September 30, 2012**

Schedule 7

	Head Start PA 20/22 Funds 539 & 540	Crisis Childcare Funds 616, 617, 618, 619, 631, 632, & 633	In Kind Fund 530
ASSETS			
Current Assets			
Cash	\$ -	\$ 4,856	\$ 11,981
Miscellaneous Receivable	65	-	-
Grants Receivable	276,853	3,361	-
Prepaid Expenses	-	-	-
Total Current Assets	<u>276,918</u>	<u>8,217</u>	<u>11,981</u>
Total Assets	<u>\$ 276,918</u>	<u>\$ 8,217</u>	<u>\$ 11,981</u>
 LIABILITIES AND NET ASSETS			
Liabilities			
Due to Other Funds	\$ 271,690	\$ -	\$ -
Deferred Revenue	-	6,722	-
Accounts Payable	5,228	1,495	-
Accrued Payroll and Related Expenses	-	-	-
Total Liabilities	<u>276,918</u>	<u>8,217</u>	<u>-</u>
 Net Assets			
Temporarily Restricted	-	-	11,981
Total Net Assets	<u>-</u>	<u>-</u>	<u>11,981</u>
Total Liabilities and Net Assets	<u>\$ 276,918</u>	<u>\$ 8,217</u>	<u>\$ 11,981</u>

Equipment Fund 550	Child and Adult Care Food Program 28-8011 Fund 547	Food Program 28-8010 Fund 516	Total (Memorandum Only)
\$ 807	\$ -	\$ 4,344	\$ 21,988
-	-	-	65
-	139,958	13,885	434,057
-	981	-	981
<u>807</u>	<u>140,939</u>	<u>18,229</u>	<u>457,091</u>
<u>\$ 807</u>	<u>\$ 140,939</u>	<u>\$ 18,229</u>	<u>\$ 457,091</u>
\$ -	\$ 112,447	\$ -	\$ 384,137
-	-	4,120	10,842
-	28,492	14,109	49,324
-	-	-	-
<u>-</u>	<u>140,939</u>	<u>18,229</u>	<u>444,303</u>
<u>807</u>	<u>-</u>	<u>-</u>	<u>12,788</u>
<u>807</u>	<u>-</u>	<u>-</u>	<u>12,788</u>
<u>\$ 807</u>	<u>\$ 140,939</u>	<u>\$ 18,229</u>	<u>\$ 457,091</u>

**Operation: New View Community Action Agency
Combining Schedule of Activities
Early Childhood Program
Year Ended September 30, 2012**

Schedule 8

	Head Start PA 20/22 Funds for FY 2012 539 & 540	Head Start PA 22/26 Funds for FY 2011 537 & 538	Crisis Childcare Funds 616, 617, 618, 619, 631, 632, & 633
REVENUES			
Federal Funds	\$ 1,760,860	\$ 62,113	\$ -
State Funds	-	-	20,905
Other Revenue	-	-	-
Non-Cash Match	-	-	-
Total Revenues	1,760,860	62,113	20,905
EXPENDITURES			
Personnel Costs:			
Salaries	989,012	15,392	4,903
Fringe Benefits	296,776	4,184	944
Payroll Taxes	92,591	1,403	419
Total Personnel Costs	1,378,379	20,979	6,266
Non-Personnel Costs:			
Consultant and Contract Services	15,396	(3,341)	-
Travel	94,614	2,668	-
Space Costs and Rentals	101,649	8,179	-
Consumable Supplies	12,446	(432)	-
Property and Equipment Costs	582	-	-
Other Costs	10,098	17,925	13,854
Total Non-Personnel Cost	234,785	24,999	13,854
Expenses Allocated	147,696	16,135	785
Total Expenditures	1,760,860	62,113	20,905
Excess of Revenues or (Expenditures)	-	-	-
Transfer of Net Assets	-	(50,000)	-
Beginning Temporarily Restricted Net Assets	-	50,000	-
Ending Temporarily Restricted Net Assets	\$ -	\$ -	\$ -

<u>In Kind Fund 530</u>	<u>Equipment Fund 550</u>	<u>Child and Adult Care Food Program 28-8011 Fund 547</u>	<u>Food Program 28-8010 Fund 516</u>	<u>Total (Memorandum Only)</u>
\$ -	\$ -	\$ 466,545	\$ 154,791	\$ 2,444,309
-	-	-	-	20,905
399	-	235	-	634
410,126	-	-	-	410,126
<u>410,525</u>	<u>-</u>	<u>466,780</u>	<u>154,791</u>	<u>2,875,974</u>
168,360	-	54,776	-	1,232,443
-	-	15,925	-	317,829
-	-	5,005	-	99,418
<u>168,360</u>	<u>-</u>	<u>75,706</u>	<u>-</u>	<u>1,649,690</u>
-	-	-	-	12,055
106,000	-	2,708	-	205,990
59,580	-	10,303	-	179,711
-	-	2,335	-	14,349
-	-	491	-	1,073
76,797	-	366,345	154,791	639,810
242,377	-	382,182	154,791	1,052,988
-	-	8,892	-	173,508
<u>410,737</u>	<u>-</u>	<u>466,780</u>	<u>154,791</u>	<u>2,876,186</u>
(212)	-	-	-	(212)
-	-	-	-	(50,000)
<u>12,193</u>	<u>807</u>	<u>-</u>	<u>-</u>	<u>63,000</u>
<u>\$ 11,981</u>	<u>\$ 807</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,788</u>

**Operation: New View Community Action Agency
Combining Schedule of Financial Position
Low-Income Home Energy Assistance
September 30, 2012**

Schedule 9

ASSETS	Fuel Assistance Refund Fund 408	Project I-Care Fund 413	LIHEAP-12-10 Fund 401
Current Assets			
Cash	\$ 3,373	\$ 14,752	\$ 21,491
Grant Receivable	-	-	4,285
Total Current Assets	<u>3,373</u>	<u>14,752</u>	<u>25,776</u>
Total Assets	<u>\$ 3,373</u>	<u>\$ 14,752</u>	<u>\$ 25,776</u>
 LIABILITIES AND NET ASSETS			
Liabilities			
Due To Other Funds	\$ -	\$ -	\$ -
Accounts Payable	3,373	100	23,133
Accrued Payroll and Related Expenses	-	-	2,643
Total Liabilities	<u>3,373</u>	<u>100</u>	<u>25,776</u>
 Net Assets			
Temporarily Restricted	-	14,652	-
Total Net Assets	<u>-</u>	<u>14,652</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 3,373</u>	<u>\$ 14,752</u>	<u>\$ 25,776</u>

Senior Living Program Fund 441	Cascade Muni Project Fund 428	Hometown Care Fund 429	Recare Fund 415	Black Hills Cares Fund 417	Total (Memorandum Only)
\$ 11,137	\$ 490	\$ -	\$ 1,950	\$ 7,020	\$ 60,213
-	-	-	-	-	4,285
11,137	490	-	1,950	7,020	64,498
<u>\$ 11,137</u>	<u>\$ 490</u>	<u>\$ -</u>	<u>\$ 1,950</u>	<u>\$ 7,020</u>	<u>\$ 64,498</u>
\$ -	\$ -	\$ 44,064	\$ -	\$ -	\$ 44,064
750	-	-	142	756	28,254
-	-	-	-	-	2,643
750	-	44,064	142	756	74,961
10,387	490	(44,064)	1,808	6,264	(10,463)
10,387	490	(44,064)	1,808	6,264	(10,463)
<u>\$ 11,137</u>	<u>\$ 490</u>	<u>\$ -</u>	<u>\$ 1,950</u>	<u>\$ 7,020</u>	<u>\$ 64,498</u>

**Operation: New View Community Action Agency
Combining Schedule of Activities
Low-Income Home Energy Assistance
Year Ended September 30, 2012**

Schedule 10

	Project I-Care Fund 413	LIHEAP-12-10 10/1/11 - 09/30/12 Fund 401	Recare Fund 415
REVENUES			
Federal Funds	\$ -	\$ 2,333,002	\$ -
Other Revenue	8,546	-	1,277
Total Revenue	<u>8,546</u>	<u>2,333,002</u>	<u>1,277</u>
EXPENDITURES			
Personnel Costs:			
Salaries	-	137,467	-
Fringe Benefits	-	23,086	-
Payroll Taxes	-	12,150	-
Total Personnel Costs	<u>-</u>	<u>172,703</u>	<u>-</u>
Non-Personnel Costs:			
Travel	-	4,273	-
Space Costs and Rentals	-	12,644	-
Consumable Supplies	-	5,930	-
Property and Equipment Costs	-	-	-
Other Costs	8,557	2,114,499	2,052
Total Non-Personnel Costs	<u>8,557</u>	<u>2,137,346</u>	<u>2,052</u>
Expenses Allocated	<u>-</u>	<u>22,953</u>	<u>-</u>
Total Expenditures	<u>8,557</u>	<u>2,333,002</u>	<u>2,052</u>
Excess of Revenues or (Expenditures)	(11)	-	(775)
Transfer of Net Assets	-	-	-
Beginning Net Assets	<u>14,663</u>	<u>-</u>	<u>2,583</u>
Ending Net Assets	<u>\$ 14,652</u>	<u>\$ -</u>	<u>\$ 1,808</u>

Senior Living Program Fund 441	Cascade Muni Project Fund 428	Hometown Care Fund 429	Black Hills Cares Fund 417	Total (Memorandum Only)
\$ -	\$ -	\$ -	\$ -	\$ 2,333,002
78,750	-	14,079	19,333	121,985
<u>78,750</u>	<u>-</u>	<u>14,079</u>	<u>19,333</u>	<u>2,454,987</u>
-	-	-	-	137,467
-	-	-	-	23,086
-	-	-	-	12,150
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>172,703</u>
-	-	-	-	4,273
-	-	-	-	12,644
-	-	-	-	5,930
-	-	-	-	-
<u>75,050</u>	<u>477</u>	<u>20,787</u>	<u>41,335</u>	<u>2,262,757</u>
75,050	477	20,787	41,335	2,285,604
-	-	-	-	22,953
<u>75,050</u>	<u>477</u>	<u>20,787</u>	<u>41,335</u>	<u>2,481,260</u>
3,700	(477)	(6,708)	(22,002)	(26,273)
-	-	-	-	-
<u>6,687</u>	<u>967</u>	<u>(37,356)</u>	<u>28,266</u>	<u>15,810</u>
<u>\$ 10,387</u>	<u>\$ 490</u>	<u>\$ (44,064)</u>	<u>\$ 6,264</u>	<u>\$ (10,463)</u>

**Operation: New View Community Action Agency
Combining Schedule of Financial Position
Community Block Grant Funds
September 30, 2012**

Schedule 11

	Community Services Block Grants (Funds 071 and 072)	Total (Memorandum Only)
ASSETS		
Current Assets		
Cash	\$ -	\$ -
Due from Other Funds	46,055	46,055
Total Current Assets	46,055	46,055
Total Assets	\$ 46,055	\$ 46,055
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	\$ 2,999	\$ 2,999
Deferred Revenue	4,307	4,307
Accrued Payroll and Related Expenses	38,749	38,749
Total Liabilities	46,055	46,055
 Net Assets		
Temporarily Restricted	-	-
Total Net Assets	-	-
Total Liabilities and Net Assets	\$ 46,055	\$ 46,055

**Operation: New View Community Action Agency
Combining Schedule of Activities
Community Block Grant Funds
Year Ended September 30, 2012**

Schedule 12

	Community Services Block Grants (Funds 071 and 072)	Total (Memorandum Only)
REVENUES		
Federal Funds	\$ 279,213	\$ 279,213
Other Revenue	920	920
Total Revenue	280,133	280,133
EXPENDITURES		
Personnel Costs:		
Salaries	145,861	145,861
Fringe Benefits	44,839	44,839
Payroll Taxes	13,308	13,308
Total Personnel Costs	204,008	204,008
Non-Personnel Costs:		
Travel	6,485	6,485
Space Costs and Rentals	21,379	21,379
Consumable Supplies	4,979	4,979
Property and Equipment Costs	-	-
Other Costs	18,396	18,396
Total Non-Personnel Costs	51,239	51,239
Expenses Allocated	24,886	24,886
Total Expenditures	280,133	280,133
Excess of Revenues or (Expenditures)	-	-
Transfer of Net Assets	-	-
Beginning Temporarily Restricted Net Assets	-	-
Ending Temporarily Restricted Net Assets	\$ -	\$ -

**Operation: New View Community Action Agency
Combining Schedule of Financial Position
Other Program Funds**

Schedule 13

ASSETS	Emergency Food and Shelter Funds 067, 068, 069, 080 & 081	Hauptert Foundation Fund 035	Tax Credit Fund 036	Keep Our Neighbors Warm Fund 046
Current Assets				
Cash	\$ -	\$ -	\$ 809	\$ 2,086
Due From Other Funds	-	-	-	-
Total Current Assets	-	-	809	2,086
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 809</u>	<u>\$ 2,086</u>
 LIABILITIES AND NET ASSETS				
Liabilities				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due To Other Funds	2,822	-	-	-
Total Liabilities	<u>2,822</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets				
Temporarily Restricted	(2,822)	-	809	2,086
Total Net Assets	<u>(2,822)</u>	<u>-</u>	<u>809</u>	<u>2,086</u>
Total Liabilities and Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 809</u>	<u>\$ 2,086</u>

Special Nutrition Program Fund 029	Emergency Assistance Funds 025 & 026	Disaster Relief Funds 169 & 170	BB &C Green Fund 045	Dubuque Racing Association Fund 091	Total (Memorandum Only)
\$ -	\$ 32,740	\$ -	\$ 19,014	\$ 1,037	\$ 55,686
-	25,761	-	-	-	25,761
-	58,501	-	19,014	1,037	81,447
<u>\$ -</u>	<u>\$ 58,501</u>	<u>\$ -</u>	<u>\$ 19,014</u>	<u>\$ 1,037</u>	<u>\$ 81,447</u>
\$ -	\$ 796	\$ -	\$ 483	\$ -	\$ 1,279
-	-	-	-	-	2,822
-	796	-	483	-	4,101
-	57,705	-	18,531	1,037	77,346
-	57,705	-	18,531	1,037	77,346
<u>\$ -</u>	<u>\$ 58,501</u>	<u>\$ -</u>	<u>\$ 19,014</u>	<u>\$ 1,037</u>	<u>\$ 81,447</u>

Operation: New View Community Action Agency
Combining Schedule of Activities
Other Program Funds
Year Ended September 30, 2012
Schedule 14

	Emergency Food and Shelter Funds 067, 068, 069, 080 & 081	Disaster Relief Funds 169 & 170	Hauptert Foundation Fund 035	Tax Credit Fund 036
REVENUES				
Federal Revenue	\$ 2,815	\$ -	\$ -	\$ 8,000
Other Revenue	-	-	-	-
Total Revenue	<u>2,815</u>	<u>-</u>	<u>-</u>	<u>8,000</u>
EXPENDITURES				
Personnel Costs:				
Salaries	-	-	-	571
Fringe Benefits	-	-	-	46
Payroll Taxes	-	-	-	44
Total Personnel Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>661</u>
Non-Personnel Costs:				
Travel	-	-	-	-
Consumable Supplies	-	-	-	-
Other Costs	4,032	-	-	7,339
Total Non-Personnel Costs	<u>4,032</u>	<u>-</u>	<u>-</u>	<u>7,339</u>
Expenses Allocated				
Total Expenditures	<u>4,032</u>	<u>-</u>	<u>-</u>	<u>8,000</u>
Excess of Revenues or (Expenditures)	(1,217)	-	-	-
Transfer of Net Assets	-	8,496	(1,044)	-
Beginning Net Assets	(1,605)	(8,496)	1,044	809
Ending Net Assets	<u>\$ (2,822)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 809</u>

BB & C Green Fund 045	Dubuque Racing Association Fund 091	Keep Our Neighbors Warm Fund 046	Emergency Assistance Funds 025 & 026	Special Nutrition Program Fund 029	Embrace Iowa Fund 028	Total (Memorandum Only)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,815
10,000	6,500	1,873	26,668	-	9,889	54,930
10,000	6,500	1,873	26,668	-	9,889	65,745
-	-	-	-	-	-	571
-	-	-	-	-	-	46
-	-	-	-	-	-	44
-	-	-	-	-	-	661
-	-	-	-	-	-	-
-	-	-	-	-	-	-
12,271	3,011	2,342	13,709	-	9,889	52,593
12,271	3,011	2,342	13,709	-	9,889	52,593
-	-	-	-	-	-	-
12,271	3,011	2,342	13,709	-	9,889	53,254
(2,271)	3,489	(469)	12,959	-	-	12,491
-	(2,654)	-	-	(3,000)	-	1,798
20,802	202	2,555	44,746	3,000	-	63,057
\$ 18,531	\$ 1,037	\$ 2,086	\$ 57,705	\$ -	\$ -	\$ 77,346

Operation: New View Community Action Agency
Schedule of Budget Compared to Actual Expenditures
Weatherization Assistance Program
DOE-12-10K
For the Period April 1, 2012 through March 31, 2013
Schedule 15

	<u>Approved Budget Unaudited</u>	<u>Actual Through 9/30/2012</u>
REVENUES		
Federal	<u>\$ 263,250</u>	<u>\$ 235,228</u>
 EXPENDITURES		
Administration	13,162	11,755
Health and Safety	50,018	77,935
Support	63,180	84,127
Labor	68,445	26,343
Materials	<u>68,445</u>	<u>35,068</u>
Total Expenditures	<u>\$ 263,250</u>	<u>\$ 235,228</u>

Operation: New View Community Action Agency
Schedule of Budget Compared to Actual Expenditures
Weatherization Assistance Program
DOE-RA-10K
For the Period April 1, 2009 through April 30, 2012
Schedule 16

	Approved Budget Unaudited	Actual
REVENUES		
Federal	\$ 2,020,547	\$ 2,020,522
EXPENDITURES		
T & TA	\$ 15,165	\$ 15,072
Administration	132,363	132,433
Administration - Equipment	2,501	2,500
Health and Safety	375,958	448,221
Support	480,880	611,183
Labor	506,840	312,235
Materials	506,840	498,878
Total Expenditures	\$ 2,020,547	\$ 2,020,522

Operation: New View Community Action Agency
Schedule of Budget Compared to Actual Expenditures
HEAP Weatherization HEAP 12-10K
For the Period January 1, 2012 through December 31, 2012

Schedule 17

	<u>Approved Budget Unaudited</u>	<u>Actual Through 9/30/2012</u>
REVENUES		
Federal	<u>\$ 494,292</u>	<u>\$ 31,818</u>
 EXPENDITURES		
Administration	\$ 24,750	\$ 1,673
Support Services	111,814	-
Labor	119,910	1,068
Health and Safety	87,908	26,786
Materials	119,910	2,028
Equipment / Training	<u>30,000</u>	<u>263</u>
Total Expenditures	<u>\$ 494,292</u>	<u>\$ 31,818</u>

Operation: New View Community Action Agency
Schedule of Budget Compared to Actual Expenditures
HEAP Weatherization HEAP 11-10K
For the Period January 1, 2011 through December 31, 2011

Schedule 18

	Approved Budget Unaudited	<u>Actual</u>
REVENUES		
Federal	<u>\$ 421,855</u>	<u>\$ 13,248</u>
 EXPENDITURES		
Administration	\$ 20,374	\$ 717
Support Services	96,720	-
Labor	100,865	56
Health and Safety	74,613	12,141
Equipment / Training	28,418	-
Materials	<u>100,865</u>	<u>334</u>
Total Expenditures	<u>\$ 421,855</u>	<u>\$ 13,248</u>

**Operation: New View Community Action Agency
Schedule of Budget Compared to Actual Expenditures
Low-Income Home Energy Assistance Program
LIHEAP-12-10
For the Period October 1, 2011 through September 30, 2012**

Schedule 19

	<u>Approved Budget Unaudited</u>	<u>Actual</u>
LiHeap		
Administration	\$ 218,204	\$ 195,052
Energy Crisis Intervention Payments	119,493	119,493
Summer Deliverable Fuel Payments	267,352	267,352
Regular Assistance	<u>1,806,664</u>	<u>1,717,335</u>
Total	<u>2,411,713</u>	<u>2,299,232</u>
Affordable Heating Program		
Developmental Assessment and Resolution Program	-	-
AHA Assessment and Resolution	<u>33,770</u>	<u>33,770</u>
Total	<u>33,770</u>	<u>33,770</u>
Total LiHeap	<u><u>\$ 2,445,483</u></u>	<u><u>\$ 2,333,002</u></u>

Operation: New View Community Action Agency
Schedule of Budget Compared to Actual Expenditures
Head Start Program Grant No. 07CH0003/39
For the Period November 1, 2011 through October 31, 2012
Schedule 20

	Approved Budget Unaudited	Actual Through 9/30/2012
REVENUES		
<i>Office of Human Development Services:</i>		
Amount Awarded This Budget Period	\$ 1,787,631	\$ 1,760,860
Reimbursements U.S. D. A. Funds	172,170	154,791
Reimbursements Grantee Contributions	446,908	410,126
Other Revenue	-	-
Total Revenues	<u>\$ 2,406,709</u>	<u>\$ 2,325,777</u>
EXPENDITURES		
Federal Share:		
<i>Head Start, Full Year/Part Day and Handicapped</i>		
Personnel and Fringe Benefits	\$ 1,369,704	\$ 1,379,177
Travel	-	-
Equipment	-	544
Supplies	14,284	19,219
Contractual	75,500	90,605
Indirect Costs	169,666	147,559
Other Costs	130,556	109,326
Total	<u>1,759,710</u>	<u>1,746,430</u>
<i>Training and Technical Assistance T20</i>		
Personnel and Fringe Benefits	10,669	1,066
Travel	6,459	5,834
Supplies	983	73
Contractual	-	-
Indirect Costs	1,547	136
Other Costs	8,263	7,321
Total	<u>27,921</u>	<u>14,430</u>
Total Federal Share	<u>1,787,631</u>	<u>1,760,860</u>
Reimbursements Applied:		
<i>Head Start, Full Year/Part Day</i>		
Other Costs	172,170	154,791
Grantee Share:		
<i>Head Start, Full Year/Part Day and Handicapped</i>		
Volunteers	179,499	168,360
Space Costs	59,796	59,580
Travel	162,894	106,000
Other Resources	44,719	76,186
Total Grantee's Share	<u>446,908</u>	<u>410,126</u>
Total Expenditures	<u>\$ 2,406,709</u>	<u>\$ 2,325,777</u>

Operation: New View Community Action Agency
Schedule of Budget Compared to Actual Expenditures
Head Start Program Grant No. 07CH0003/38
For the Period November 1, 2010 through October 31, 2011
Schedule 21

REVENUES	Approved Budget Unaudited	Actual
<i>Office of Human Development Services:</i>		
Amount Awarded This Budget Period	\$ 1,762,594	\$ 1,762,595
Reimbursements U.S. D. A. Funds	169,206	129,794
Reimbursements Grantee Contributions	440,651	440,651
Other Revenue	-	116
Total Revenues	\$ 2,372,451	\$ 2,333,156
EXPENDITURES		
Federal Share:		
<i>Head Start, Full Year/Part Day and Handicapped</i>		
Personnel and Fringe Benefits	\$ 1,358,697	\$ 1,287,611
Travel	-	191
Equipment	-	-
Supplies	14,284	17,222
Contractual	75,500	123,590
Indirect Costs	168,183	178,302
Other Costs	118,009	127,758
Total	1,734,673	1,734,674
<i>Training and Technical Assistance T20</i>		
Personnel and Fringe Benefits	10,997	2,436
Travel	6,771	3,413
Supplies	1,132	14,725
Contractual	-	-
Indirect Costs	1,695	315
Other Costs	7,326	7,032
Total	27,921	27,921
Total Federal Share	1,762,594	1,762,595
Reimbursements Applied:		
<i>Head Start, Full Year/Part Day</i>		
Other Costs	169,206	129,794
Other Costs		
	-	116
Grantee Share:		
<i>Head Start, Full Year/Part Day and Handicapped</i>		
Volunteers	132,381	201,735
Space Costs	59,421	46,134
Travel	105,674	110,073
Other Resources	143,175	82,709
Total Grantee's Share	440,651	440,651
Total Expenditures	\$ 2,372,451	\$ 2,333,156

Operation: New View Community Action Agency
Schedule of Budget Compared to Actual Expenditures
Community Service Block Grant
CSBG-12-10
For the Period October 1, 2011 through March 31, 2013
Schedule 22

	<u>Approved Budget Unaudited</u>	<u>Actual Through 9/30/2012</u>
REVENUES		
Federal	<u>\$ 285,285</u>	<u>\$ 138,537</u>
 EXPENDITURES		
Personnel Costs	151,397	93,532
Travel	9,171	3,172
Space Costs	17,311	8,908
Equipment Costs	-	-
Co-Funded Programs	20,000	-
Other Costs	64,091	20,355
Indirect Costs	23,315	12,570
Total Expenditures	<u>\$ 285,285</u>	<u>\$ 138,537</u>

Operation: New View Community Action Agency
Schedule of Budget Compared to Actual Expenditures
Community Service Block Grant
CSBG-11-10
For the Period October 1, 2010 through March 31, 2012
Schedule 23

	<u>Approved Budget Unaudited</u>	<u>Actual</u>
<i>REVENUES</i>		
Federal	<u>\$ 286,277</u>	<u>\$ 286,277</u>
 <i>EXPENDITURES</i>		
Personnel Costs	210,508	208,071
Travel	9,171	9,176
Space Costs	15,811	17,392
Equipment Costs	5,928	5,505
Co-Funded Programs	-	-
Other Costs	13,080	14,388
Indirect Costs	<u>31,779</u>	<u>31,745</u>
Total Expenditures	<u>\$ 286,277</u>	<u>\$ 286,277</u>

**Operation: New View Community Action Agency
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2012**

Schedule 24

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantors' Numbers	Program Disbursements
I. Department of Health and Human Services			
Direct Programs:			
Head Start	93.600	07CH0003/38	\$ 62,113
	93.600	07CH0003/37	\$ 1,760,860
Passed through State			
Department of Human Rights:			
Community Services Block Grant	93.569	CSBG-11-10	\$ 138,537
	93.569	CSBG-10-10	140,676
Low Income Home Energy Assistance Program	93.568	LIHEAP-11-10	2,333,002
HEAP Weatherization	93.568	HEAP-11-10	(21,318)
	93.568	HEAP-10-10K	31,818
Total Passed through State Department of Human Rights			<u>\$ 2,622,715</u>
Total Department of Health and Human Services			<u><u>\$ 4,445,688</u></u>
II. Department of Energy			
Direct Programs:			
None			
Passed Through State			
Department of Human Rights			
Weatherization Assistance for Low-Income Persons	81.042	DOE-RA-10K	\$ 289,021
	81.042	DOE-12-10K	235,228
Total Department of Energy			<u><u>\$ 524,249</u></u>

(Continued)

**Operation: New View Community Action Agency
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2012
Schedule 24 (Continued)**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantors' Numbers	Program Disbursements
III. Department of Agriculture			
Direct Programs:			
None			
Passed through State			
Department of Education			
Adult and Child Care			
Food Program	10.558	22-8011	\$ 621,336
Total Department of Agriculture			<u>\$ 621,336</u>
IV. Department of Treasury			
Direct Programs:			
None			
Passed through ISED			
VITA Grant	21.009	V12360	\$ 3,040
	21.009	ACFS 11-063	4,960
Total Department of Treasury			<u>\$ 8,000</u>
V. Department of Homeland Security			
Direct Programs:			
None			
Passed through Local Counties			
Emergency Food and Shelter	97.024	2946-00 Jackson	\$ 700
	97.024	2908-00 Dubuque	2,115
Total Department of Homeland Security			<u>\$ 2,815</u>
Total Federal Financial Assistance			<u>\$ 5,602,088</u>

Operation: New View Community Action Agency

Notes to Schedule of Expenditures of Federal Awards

NOTE 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Operation: New View Community Action Agency and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the financial statements.

NOTE 2. Risk-Based Audit Approach

The dollar threshold used to distinguish between Type A and Type B programs is \$300,000. The Agency does not qualify as a low-risk auditee.



**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 *Governmental Auditing Standards***

To the Board of Directors
Operation: New View Community Action Agency

We have audited the basic financial statements of Operation: New View Community Action Agency as of and for the year ended September 30, 2012, and have issued our report thereon dated June 7, 2013. We conducted our audit 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Operation: New View Community Action Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Operation: New View Community Action Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Operation: New View Community Action Agency's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of the 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items II-A-12, II-B-12, II-C-12, and II-D-12 to be material weaknesses.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. However, of the material weaknesses described above, we believe items II-A-12, II-B-12, II-C-12, and II-D-12 are significant deficiencies.

Compliance and Other Matters

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

Operation: New View Community Action Agency's responses to findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Operation: New View Community Action Agency's responses and, accordingly, we express no opinion on them.

We noted certain matters that we have reported to management of Operation: New View Community Action Agency in a separated letter dated June 7, 2013.

This report, a public record by law, is intended solely for the information and use of management, others within the entity, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

HONKAMP KRUEGER & CO., P.C.



Dubuque, Iowa
June 7, 2013



**Independent Auditor's Report on Compliance
with Requirements Applicable to Each Major
Program and on Internal Control over Compliance
in Accordance with OMB Circular A-133**

To the Board of Directors
Operation: New View Community Action Agency

Compliance

We have audited the compliance of Operation: New View Community Action Agency with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, that are applicable to each of its major federal programs for the year ended September 30, 2012. Operation: New View Community Action Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Operation: New View Community Action Agency's management. Our responsibility is to express an opinion on Operation: New View Community Action Agency's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Operation: New View Community Action Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Operation: New View Community Action Agency's compliance with those requirements.

In our opinion, Operation: New View Community Action Agency complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2012.

Internal Control over Compliance

Management of Operation: New View Community Action Agency is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Operation: New View Community Action Agency's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Operation: New View Community Action Agency's internal control over compliance.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items III-A-12, III-B-12 and III-C-12 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or 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. Of the material weaknesses in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs, we consider items III-A-12, III-B-12 and III-C-12 to be significant deficiencies.

Operation: New View Community Action Agency's responses to findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Operation: New View Community Action Agency's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the audit committee, management and other parties to whom Operation: New View Community Action Agency may report, including federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

HONKAMP KRUEGER & CO., P.C.

Honkamp Krueger & Co.

Dubuque, Iowa
June 7, 2013

**Operation: New View Community Action Agency
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2012**

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

- a. An unqualified opinion was issued on the financial statements.
- b. Material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements, including significant deficiencies.
- c. The audit did not disclose any non-compliance which is material to the financial statements.
- d. Material weaknesses in internal control over major programs were disclosed by the audit of the financial statements, including significant deficiencies.
- e. An unqualified opinion was issued on compliance with requirements applicable to each major program.
- f. The audit disclosed no audit findings which were required to be reported in accordance with Office of Management and Budget (OMB) Circular A-133, Section .510(a).
- g. The major programs were as follows:
 - CFDA Number 93.600 – Head Start
 - CFDA Number 10.558 – Adult and Child Care Food Program
 - CFDA Number 81.042 – Weatherization Assistance for Low-Income Persons ARRA
 - CFDA Number 93.568 – Low-Income Home Energy Assistance
- h. The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- i. Operation: New View Community Action Agency does not qualify as a low-risk auditee.

**Operation: New View Community Action Agency
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended September 30, 2012**

Part II. Findings Related to the Financial Statements:

Instances of Non-Compliance:

No matters were reported.

Material Weaknesses:

II-A-12

Financial Reporting – During the audit, we identified material cash transactions that were not reconciled to the general ledger. Further, we noted material amounts of cash transactions that were erroneously recorded in the Agency's financial statements. During the fiscal year, the Agency experienced a change in fiscal officers due to retirement, and the majority of errors noted were isolated to the transition period to the new fiscal officer. Audit adjustments were made to properly include these amounts in the financial statements.

Recommendation – The Agency should implement procedures to ensure all receipts and disbursements are accurately reconciled and included in the Agency's financial statements.

Response – We have implemented procedures to ensure the bank reconciliation is performed properly by agreeing cash transactions to the bank statements in future years. The fiscal office has implemented procedures to reconcile all receipts and disbursements to the corresponding funds within the Agency's general ledger for accuracy and completeness.

Conclusion – Response acknowledged.

**Operation: New View Community Action Agency
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended September 30, 2012**

Part II. Findings Related to the Financial Statements:

Material Weaknesses (Continued):

II-B-12

Preparation of Financial Statements – It is the Agency's responsibility to prepare its financial statements in accordance with generally accepted accounting principles. However, the Agency does not have the internal resources to prepare the full-disclosure financial statements required by generally accepted accounting principles for external reporting. While this circumstance is not uncommon for most not-for-profit agencies, it is the responsibility of management and those charged with governance, to prepare reliable financial data, or accept the risk associated with this condition because of cost or other consideration.

Recommendation – We recognize that with a limited number of office employees, gaining sufficient knowledge and expertise to properly select and apply accounting principles and prepare full disclosure financial statements for external reporting purposes is difficult. However, we recommend that Agency officials continue to review operating procedures and obtain the internal expertise needed to handle all the aspects of external financial reporting.

Response – We recognize our limitations, however it is not fiscally responsible to add additional staff at this time.

Conclusion – Response acknowledged.

II-C-12

Segregation of Duties: One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. We noted that certain functions are not entirely segregated.

Recommendation: We realize that with a limited number of office employees, segregation of duties is difficult. However, the Agency should review its control procedures to obtain the maximum internal control possible under the circumstances.

Response: We have reviewed the procedures as suggested, and have implemented many new procedures to help alleviate this condition, including cross training employees to further segregate duties. Like many agencies our size, the economics of our situation prohibits us from hiring more office staff to provide for this function.

Conclusion: Response acknowledged.

**Operation: New View Community Action Agency
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended September 30, 2012**

Part II. Findings Related to the Financial Statements:

Material Weaknesses (Continued):

II-D-12

Significant Journal Entries / Internal Control Over Accounts: During the course of our engagement, we proposed audit adjustments that we believe may not have been identified as a result of the Agency's existing internal controls and, therefore, could have resulted in a material misstatement of the Agency's financial statements. During the fiscal year, the Agency experienced a change in fiscal officers due to retirement, and the majority of errors noted were isolated to the transition period to the new fiscal officer.

Recommendation: The Agency should implement procedures to ensure all material general ledger account balances are reconciled timely and accurately.

Response: We have implemented procedures to verify account accuracy in future years. The fiscal office will agree / reconcile the Agency's general ledger with supporting records of the Agency for accuracy and completeness.

Conclusion: Response acknowledged.

**Operation: New View Community Action Agency
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended September 30, 2012**

Part III. Findings and Questioned Costs for Federal Awards:

Instances of Non-Compliance:

No matters were reported.

Material Weaknesses:

III-A-12

Financial Reporting – During the audit, we identified material cash transactions that were not reconciled to the general ledger. Further, we noted material amounts of cash transactions that were erroneously recorded in the Agency's financial statements. During the fiscal year, the Agency experienced a change in fiscal officers due to retirement, and the majority of errors noted were isolated to the transition period to the new fiscal officer. Audit adjustments were made to properly include these amounts in the financial statements.

Recommendation – The Agency should implement procedures to ensure all receipts and disbursements are accurately reconciled and included in the Agency's financial statements.

Response – We have implemented procedures to ensure the bank reconciliation is performed properly by agreeing cash transactions to the bank statements in future years. The fiscal office has implemented procedures to reconcile all receipts and disbursements to the corresponding funds within the Agency's general ledger for accuracy and completeness.

Conclusion – Response acknowledged.

III-B-12

Segregation of Duties: One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. We noted that certain functions are not entirely segregated.

Recommendation: We realize that with a limited number of office employees, segregation of duties is difficult. However, the Agency should review its control procedures to obtain the maximum internal control possible under the circumstances.

**Operation: New View Community Action Agency
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended September 30, 2012**

Part III. Findings and Questioned Costs for Federal Awards:

Material Weaknesses (Continued):

III-B-12 (continued)

Response: We have reviewed the procedures as suggested, and have implemented many new procedures to help alleviate this condition, including cross training employees to further segregate duties. Like many agencies our size, the economics of our situation prohibits us from hiring more office staff to provide for this function.

Conclusion: Response acknowledged.

III-C-12

Significant Journal Entries / Internal Control Over Accounts: During the course of our engagement, we proposed audit adjustments that we believe may not have been identified as a result of the Agency's existing internal controls and, therefore, could have resulted in a material misstatement of the Agency's financial statements. During the fiscal year, the Agency experienced a change in fiscal officers due to retirement, and the majority of errors noted were isolated to the transition period to the new fiscal officer.

Recommendation: The Agency should implement procedures to ensure all material general ledger account balances are reconciled timely and accurately.

Response: We have implemented procedures to verify account accuracy in future years. The fiscal office will agree / reconcile the Agency's general ledger with supporting records of the Agency for accuracy and completeness.

Conclusion: Response acknowledged.

Part IV. Other Findings Related to Statutory Requirements and Other Matters:

No matters were reported.



To the Board of Directors
Operation: New View Community Action Agency
Dubuque, Iowa

In planning and performing our audit of the financial statements of Operation: New View Community Action Agency as of and for the year ended September 30, 2012, 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* and OMB Circular A-133, issued by the Comptroller General of the United States, we considered Operation: New View Community Action Agency's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Operation: New View Community Action Agency's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, significant deficiencies or material weaknesses may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies in Operation: New View Community Action Agency's internal control to be material weaknesses.

Segregation of Duties

One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. We noted that certain functions are not entirely segregated. We realize that with a limited number of office employees, segregation of duties is difficult. However, the Agency should review its control procedures to obtain the maximum internal control possible under the circumstances.

Preparation of Financial Statements

It is the Agency's responsibility to prepare its financial statements in accordance with generally accepted accounting principles. However, the Agency does not have the internal resources to prepare the full-disclosure financial statements required by generally accepted accounting principles for external reporting. While this circumstance is not

uncommon for most not-for-profit agencies, it is the responsibility of management and those charged with governance, to prepare reliable financial data, or accept the risk associated with this condition because of cost or other consideration.

Financial Reporting - Cash

During the course of our engagement, we identified material cash transactions that were not reconciled to the general ledger. Further, we noted material amounts of cash transactions that were erroneously recorded in the Agency's financial statements such as duplicate adjusting entries. We recommend that bank accounts be reconciled monthly and all differences between book and bank balances be investigated and resolved timely to ensure accuracy of bank accounts and better cash management.

Significant Journal Entries / Internal Control Over Accounts

During the course of our engagement, we proposed audit adjustments that we believe may not have been identified as a result of the Agency's existing internal controls and, therefore, could have resulted in a material misstatement of the Agency's financial statements. The Agency should implement procedures to ensure all material general ledger account balances are reconciled timely and accurately.

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. We believe the material weaknesses described above are significant deficiencies.

This communication is intended solely for the information and use of management, the Board of Directors, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

HONKAMP KRUEGER & CO., P.C.



Dubuque, Iowa
June 7, 2013

**Operation: New View Community Action Agency
Corrective Action Plan for Federal Audit Findings
For the Year Ended September 30, 2012**

Finding III-A-12. Financial Reporting

Contact person responsible for corrective action: Tom Stovall (563) 556-5130

Corrective Action

Response: We have implemented procedures to ensure the bank reconciliation is performed properly by agreeing cash transactions to the bank statements in future years. The fiscal office has implemented procedures to reconcile all receipts and disbursements to the corresponding funds within the Agency's general ledger for accuracy and completeness.

Date of Completion

Ongoing.

Finding III-B-12. Lack of Segregation of Duties

Contact person responsible for corrective action: Tom Stovall (563) 556-5130

Corrective Action

Response: The Agency concurs with the recommendations, but with the limited number of office employees, segregation of duties is difficult. The Agency has reviewed its control procedures and is implementing procedures to obtain the maximum internal control possible under the circumstances, including cross training of staff.

Date of Completion

Ongoing.

Finding III-C-12. Significant Journal Entries / Internal Controls over Accounts

Contact person responsible for corrective action: Tom Stovall (563) 556-5130

Corrective Action

Response: The Agency concurs with the recommendations, and has implemented procedures to verify account accuracy in future years. The fiscal office will agree / reconcile the Agency's general ledger with supporting records of the Agency for accuracy and completeness.

Date of Completion

Ongoing.

**Operation: New View Community Action Agency
Summary Schedule of Prior Federal Audit Findings
For the Year Ended September 30, 2012**

Finding III-A-11. Financial Reporting

Contact person responsible for corrective action: Tom Stovall (563) 556-5130

Corrective Action

Response: The Agency concurs with the recommendations, and will implement procedures to record grant receivables upon completion of grants reports routinely submitted to the grantor agencies.

Date of Completion

Ongoing.

Finding III-B-11. Lack of Segregation of Duties

Contact person responsible for corrective action: Tom Stovall (563) 556-5130

Corrective Action

Response: The Agency concurs with the recommendations, but with the limited number of office employees, segregation of duties is difficult. The Agency will review its control procedures and implement procedures to obtain the maximum internal control possible under the circumstances.

Date of Completion

Ongoing.