

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

**Financial Statements
September 30, 2013**

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Operation: New View Community Action Agency, which comprise the combined statement of financial position as of September 30, 2013, and the related combined statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Operation: New View Community Action Agency as of September 30, 2013, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Restatement Due to Correction of an Error

As discussed in Note 13 to the financial statements, the Agency has revised its previous year's grant receivable balances, and accordingly, has restated the related net assets balances as of September 30, 2012. Our opinion is not modified with respect to this matter.

Other Matters**Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown on pages 19 through 41 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133 and is also not a required part of the financial statements.

The supplementary information referred to in the preceding paragraph 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information referred to in the preceding paragraph is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report Issued in Accordance with Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 26, 2014, on our consideration of Operation: New View Community Action Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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. This report is an integral part of a *Government Auditing Standards* and *A-133* audit in considering Operation: New View Community Action Agency's internal control over financial reporting and compliance.



Dubuque, Iowa
June 26, 2014

Operation: New View Community Action Agency
Combined Statement of Financial Position
All Funds
September 30, 2013

Exhibit A

ASSETS	Administrative and Local Funds	Program Funds	Plant Fund	Total (Memorandum Only)
Current Assets				
Cash	\$ (593,919)	\$ 820,968	\$ -	\$ 227,049
Certificates of Deposit	36,609	-	-	36,609
Due from Other Funds	-	-	-	-
Grants Receivable	-	182,529	-	182,529
Miscellaneous Receivable	17	110	-	127
Prepaid Expenses	18,565	981	-	19,546
Total Current Assets	<u>(538,728)</u>	<u>1,004,588</u>	<u>-</u>	<u>465,860</u>
Equipment				
Building and Equipment	-	-	708,498	708,498
Accumulated Depreciation	-	-	(438,679)	(438,679)
Equipment, Net	<u>-</u>	<u>-</u>	<u>269,819</u>	<u>269,819</u>
Total Assets	<u><u>\$ (538,728)</u></u>	<u><u>\$ 1,004,588</u></u>	<u><u>\$ 269,819</u></u>	<u><u>\$ 735,679</u></u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Due to Other Funds	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	20,502	-	20,502
Accounts Payable	14,940	109,094	-	124,034
Current Portion of Note Payable	3,500	-	-	3,500
Accrued Payroll and Related Expenses	82,523	41,392	-	123,915
Total Current Liabilities	<u>100,963</u>	<u>170,988</u>	<u>-</u>	<u>271,951</u>
Note Payable, Net of Current Portion	<u>194,462</u>	<u>-</u>	<u>-</u>	<u>194,462</u>
Total Liabilities	<u>295,425</u>	<u>170,988</u>	<u>-</u>	<u>466,413</u>
Net Assets				
Temporarily Restricted	-	833,600	-	833,600
Unrestricted	(834,153)	-	269,819	(564,334)
Total Net Assets (Deficit)	<u>(834,153)</u>	<u>833,600</u>	<u>269,819</u>	<u>269,266</u>
Total Liabilities and Net Assets (Deficit)	<u><u>\$ (538,728)</u></u>	<u><u>\$ 1,004,588</u></u>	<u><u>\$ 269,819</u></u>	<u><u>\$ 735,679</u></u>

See Notes to Financial Statements

Operation: New View Community Action Agency
Combined Statement of Activities
All Funds
Year Ended September 30, 2013

Exhibit B

	Administrative and Local Funds	Program Funds	Plant Fund	Total (Memorandum Only)
REVENUES				
Federal Funds	\$ -	\$ 5,241,871	\$ -	\$ 5,241,871
State Funds	-	21,917	-	21,917
County and City Funds	49,219	-	-	49,219
Other Revenue	39,795	336,487	-	376,282
Non-Cash Match	-	421,405	-	421,405
Total Revenue	<u>89,014</u>	<u>6,021,680</u>	<u>-</u>	<u>6,110,694</u>
EXPENDITURES				
Personnel Costs:				
Salaries	221,388	1,596,609	-	1,817,997
Fringe Benefits	16,049	377,737	-	393,786
Payroll Taxes	19,363	128,224	-	147,587
Total Personnel Costs	<u>256,800</u>	<u>2,102,570</u>	<u>-</u>	<u>2,359,370</u>
Non-Personnel Costs:				
Consultant and Contract Service	-	382	-	382
Travel	17,663	162,163	-	179,826
Space Costs and Rentals	19,249	212,628	-	231,877
Consumable Supplies	18,829	27,660	-	46,489
Property and Equipment Costs	576	878	-	1,454
Depreciation	-	-	33,720	33,720
Other Costs, Including Direct Assistance Payments	97,286	3,274,931	-	3,372,217
Total Non-Personnel Costs	<u>153,603</u>	<u>3,678,642</u>	<u>33,720</u>	<u>3,865,965</u>
Expenses Allocated	<u>(257,158)</u>	<u>257,158</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>153,245</u>	<u>6,038,370</u>	<u>33,720</u>	<u>6,225,335</u>
Excess of Revenues or (Expenditures)	(64,231)	(16,690)	(33,720)	(114,641)
Net Assets Transfers	(49,302)	39,306	9,996	-
Net Assets (Deficit), Beginning, as Restated (Note 13)	(720,620)	810,984	293,543	383,907
Net Assets (Deficit), Ending	<u>\$ (834,153)</u>	<u>\$ 833,600</u>	<u>\$ 269,819</u>	<u>\$ 269,266</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, 2013**

Exhibit C

	Administrative and Local Funds	Program Funds	Total
Salaries	\$ 221,388	\$ 1,596,609	\$ 1,817,997
Fringe Benefits	16,049	377,737	393,786
Payroll Taxes	19,363	128,224	147,587
Consultant and Contract Service	-	382	382
Travel	17,663	162,163	179,826
Space Cost and Rentals	19,249	212,628	231,877
Consumable Supplies	18,829	27,660	46,489
Property and Equipment Costs	576	878	1,454
Other Costs, Including Direct Assistance Payments	97,286	3,274,931	3,372,217
Total Expenses before Allocation of Indirect Costs	410,403	5,781,212	6,191,615
Allocation of Indirect Costs	(257,158)	257,158	-
Total Expenses	<u>\$ 153,245</u>	<u>\$ 6,038,370</u>	<u>\$ 6,191,615</u>

Operation: New View Community Action Agency
Statement of Cash Flows
Year Ended September 30, 2013

Exhibit D

Reconciliation of Changes in Net Assets to Net Cash:

Cash Flows from Operating Activities:

Changes in Net Assets	\$ (114,641)
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by Operating Activities:	
Depreciation	33,720
(Increase) Decrease in Assets:	
Receivables	194,255
Prepaid Expense	(37)
Increase (Decrease) in Liabilities:	
Payables	(5,178)
Deferred Revenue	5,353
Accrued Payroll and Related Expenses	(41,720)
Net Cash Provided by Operating Activities	71,752

Cash Flows from Investing Activities:

Purchase of Property and Equipment	(9,996)
Purchase of Investments	(378)
Net Cash (Used) by Investing Activities	(10,374)

Cash Flows from Financing Activities:

Payments on Long-Term Debt	(3,332)
Net Cash (Used) by Financing Activities	(3,332)
Net Decrease in Cash	58,046
Cash, Beginning	169,003
Cash, Ending	\$ 227,049

Supplemental Cash Flow Information:

Cash Paid for Interest	\$ 9,496
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**Operation: New View Community Action Agency
Statement of Fiduciary Net Assets
September 30, 2013**

Exhibit E

	<u>UNDIA Fund 950</u>
ASSETS	
Current Assets	
Cash	\$ 682
Total Assets	<u>\$ 682</u>
 LIABILITIES AND NET ASSETS	
Liabilities	
Accounts Payable	\$ -
Due to UNDIA	682
Total Liabilities	<u>682</u>
 Net Assets	
Unrestricted	<u>-</u>
Total Net Assets	<u>-</u>
Total Liabilities and Net Assets	<u><u>\$ 682</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.

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.

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 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.

Operation: New View Community Action Agency

Notes to Financial Statements

NOTE 1. Summary of Significant Accounting Policies (Continued)

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, 2013.

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 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. There was no allowance recorded at September 30, 2013.

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, 2013, balances of interfund amounts receivable or payable have been recorded. All interfund amounts are eliminated on the Combined Statement of Financial Position – All Funds.

Operation: New View Community Action Agency

Notes to Financial Statements

NOTE 1. Summary of Significant Accounting Policies (Continued)

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 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, 2013.

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.

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.

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, 2013, 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 \$111,445.

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, 2013, and for the program year ended October 31, 2012, are as follows:

	Fiscal Year Ended 09/30/13	Program Year Ended 10/31/12
Expenditure Accounts:		
Volunteers' Time	\$ 194,739	\$ 1,958,424
Space Costs	55,541	59,368
Travel	124,754	104,711
Other Resources	46,371	37,391
Total Non-Cash Match Received	<u>\$ 421,405</u>	<u>\$ 2,159,894</u>
Match Required		<u>\$ 440,649</u>

The Agency met the match requirement for the program year ended October 31, 2012.

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, 2013:

<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	-----	89,639	89,639
	-----	155,491	155,491
Total Cost	350,707	357,791	708,498
Less: Accumulated Depreciation	109,596	329,083	438,679
Net Equipment	<u>\$ 241,111</u>	<u>\$ 28,708</u>	<u>\$ 269,819</u>

The components of the Agency's accumulated depreciation as of September 30, 2013, are as follows:

	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
Balance, Beginning of Year	\$ 100,828	\$ 304,131	\$ 404,959
Current Year Depreciation	8,768	24,952	33,720
Balance, End of Year	<u>\$ 109,596</u>	<u>\$ 329,083</u>	<u>\$ 438,679</u>

NOTE 6. Lease Agreements

The Agency leases its main office under a lease agreement which requires monthly rents of \$4,457 and expires on November 30, 2016.

The Agency leases a head start location under a lease agreement which requires monthly rents of \$1,950 and expires on December 31, 2018.

Minimum future rentals under this agreement for years ending September 30 are as follows:

2014	\$ 76,880
2015	76,880
2016	32,313
2017	23,400
2018	23,400
Thereafter	5,850
	<u>\$ 238,723</u>

Operation: New View Community Action Agency

Notes to Financial Statements

NOTE 6. Lease Agreements (Continued)

The Agency also leases other properties for the Head Start program under cancellable operating leases.

Total lease expense relating to these agreements was \$98,556 for the year ended September 30, 2013.

NOTE 7. 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 5.95% of their annual salary and the Agency is required to contribute 8.93% of annual covered payroll. Contribution requirements are established by state statute. The Agency's contribution to IPERS for the year ended September 30, 2013, was \$126,353, which was equal to the required contribution.

NOTE 8. Long-Term Debt

The Agency has the following long-term debt at September 30, 2013:

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.	\$ 197,962
Less: Current Maturities	<u>3,500</u>
Total Long-Term Debt	<u>\$ 194,462</u>

Operation: New View Community Action Agency

Notes to Financial Statements

NOTE 8. Long-Term Debt (Continued)

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

2014	\$	3,500
2015		3,670
2016		3,848
2017		4,035
2018		4,231
Thereafter		<u>178,678</u>
	\$	<u>197,962</u>

NOTE 9. 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 9. 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, 2013.

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, 2013:

	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	\$ 36,609	\$ -----	\$ -----	\$ 36,609
Total Investments	\$ 36,609	\$ -----	\$ -----	\$ 36,609

NOTE 10. 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 \$4,563,871 of funding from the Department of Health and Human Services for the year ended September 30, 2013.

Operation: New View Community Action Agency

Notes to Financial Statements

NOTE 11. 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 12. 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 13. Restatement of Equity

The September 30, 2012 grant receivables were based on total grant expenditures. During fiscal year 2013, it was realized that several grants had met funding limits in prior years and the Agency would not be receiving reimbursement for the excess expenditures. Excess expenditures are subsidized by the Administrative and Local Funds.

Operation: New View Community Action Agency

Notes to Financial Statements

NOTE 13. Restatement of Equity (Continued)

The effects on the September 30, 2012 net assets are as follows.

	Administration and Local Funds
Net Assets, September 30, 2012, as Previously Reported	\$ (528,809)
Decrease in Grant Receivable:	
Child and Adult Care Food Program	(106,272)
Head Start	(85,539)
Net Assets, September 30, 2012, as Restated	<u>\$ (720,620)</u>

NOTE 14. Management's Review

Subsequent events have been evaluated through June 26, 2014, 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, 2013
Schedule 1

	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)
ASSETS					
Current Assets					
Cash	\$ 394,483	\$ (22,848)	\$ (26,859)	\$ (938,695)	\$ (593,919)
Certificates of Deposit	36,609	-	-	-	36,609
Due from Other Funds	-	-	-	-	-
Miscellaneous Receivable	-	17	-	-	17
Prepaid Expenses	-	11,181	-	7,384	18,565
Total Current Assets	<u>431,092</u>	<u>(11,650)</u>	<u>(26,859)</u>	<u>(931,311)</u>	<u>(538,728)</u>
Total Assets	<u>\$ 431,092</u>	<u>\$ (11,650)</u>	<u>\$ (26,859)</u>	<u>\$ (931,311)</u>	<u>\$ (538,728)</u>
LIABILITIES AND NET ASSETS					
Current Liabilities					
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	284	-	283	14,373	14,940
Current Portion of Note Payable	3,500	-	-	-	3,500
Accrued Payroll and Related Expenses	-	-	-	82,523	82,523
Total Current Liabilities	<u>3,784</u>	<u>-</u>	<u>283</u>	<u>96,896</u>	<u>100,963</u>
Note Payable, Net of Current Portion	<u>194,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>194,462</u>
Total Liabilities	<u>198,246</u>	<u>-</u>	<u>283</u>	<u>96,896</u>	<u>295,425</u>
Net Assets					
Unrestricted	<u>232,846</u>	<u>(11,650)</u>	<u>(27,142)</u>	<u>(1,028,207)</u>	<u>(834,153)</u>
Total Net Assets (Deficit)	<u>232,846</u>	<u>(11,650)</u>	<u>(27,142)</u>	<u>(1,028,207)</u>	<u>(834,153)</u>
Total Liabilities and Net Assets (Deficit)	<u>\$ 431,092</u>	<u>\$ (11,650)</u>	<u>\$ (26,859)</u>	<u>\$ (931,311)</u>	<u>\$ (538,728)</u>

**Operation: New View Community Action Agency
Combining Statement of Activities
Administrative and Local Funds
Year Ended September 30, 2013**

Schedule 2

	Unrestricted				Total (Memorandum Only)
	Local Accounts Funds 870, 876, 891, & 595	Allocated Services			
		Central Service Fund 006	Self-Funding Reserve Fund 003	Administrative Funds 000, 001, 002, 004 & 019	
REVENUES					
Other Revenue	\$ 15,177	\$ 7,990	\$ 12,098	4,530	\$ 39,795
County and City Funds	49,219	-	-	-	49,219
Total Revenue	<u>64,396</u>	<u>7,990</u>	<u>12,098</u>	<u>4,530</u>	<u>89,014</u>
EXPENDITURES					
Personnel Costs:					
Salaries	13,540	-	-	207,848	221,388
Fringe Benefits	191	-	-	15,858	16,049
Payroll Taxes	1,262	-	-	18,101	19,363
Total Personnel Costs	<u>14,993</u>	<u>-</u>	<u>-</u>	<u>241,807</u>	<u>256,800</u>
Non-Personnel Costs:					
Travel	11,911	-	-	5,752	17,663
Space Costs and Rental	-	-	-	19,249	19,249
Consumable Supplies	2,403	5,487	-	10,939	18,829
Property and Equipment Costs	-	-	-	576	576
Other Costs	53,284	-	18,584	25,418	97,286
Total Non-Personnel Costs	<u>67,598</u>	<u>5,487</u>	<u>18,584</u>	<u>61,934</u>	<u>153,603</u>
Expenses Allocated	<u>2,449</u>	<u>-</u>	<u>-</u>	<u>(259,607)</u>	<u>(257,158)</u>
Total Expenditures	<u>85,040</u>	<u>5,487</u>	<u>18,584</u>	<u>44,134</u>	<u>153,245</u>
Excess of Revenues or (Expenditures)	(20,644)	2,503	(6,486)	(39,604)	(64,231)
Net Assets Transfers	-	-	-	(49,302)	(49,302)
Beginning Net Assets (Deficit), Unrestricted, as Restated (Note 13)	253,490	(14,153)	(20,656)	(939,301)	(720,620)
Ending Net Assets (Deficit), Unrestricted	<u>\$ 232,846</u>	<u>\$ (11,650)</u>	<u>\$ (27,142)</u>	<u>\$ (1,028,207)</u>	<u>\$ (834,153)</u>

Operation: New View Community Action Agency
Combining Statement of Financial Position
Program Funds
September 30, 2013

Schedule 3

ASSETS	Community Block Grants (Schedule 11)	Weatherization Assistance (Schedule 5)
Current Assets		
Cash	\$ 56,508	\$ 671,852
Due from Other Funds	-	-
Grants Receivable	-	70,456
Miscellaneous Receivable	-	45
Prepaid Expenses	-	-
Total Current Assets	56,508	742,353
Total Assets	\$ 56,508	\$ 742,353
 LIABILITIES AND NET ASSETS		
Liabilities		
Due to Other Funds	\$ -	\$ -
Deferred Revenue	13,780	-
Accounts Payable	3,979	12,564
Accrued Payroll and Related Expenses	38,749	-
Total Liabilities	56,508	12,564
 Net Assets		
Temporarily Restricted	-	729,789
Total Net Assets	-	729,789
Total Liabilities and Net Assets	\$ 56,508	\$ 742,353

Early Childhood Program (Schedule 7)	Low-Income Home Energy Assistance (Schedule 9)	Other Program Funds (Schedule 13)	Total (Memorandum Only)
\$ (35,635)	\$ 42,752	\$ 85,491	\$ 820,968
-	-	-	-
110,761	1,312	-	182,529
65	-	-	110
981	-	-	981
<u>76,172</u>	<u>44,064</u>	<u>85,491</u>	<u>1,004,588</u>
<u>\$ 76,172</u>	<u>\$ 44,064</u>	<u>\$ 85,491</u>	<u>\$ 1,004,588</u>
\$ -	\$ -	\$ -	\$ -
6,722	-	-	20,502
43,182	47,614	1,755	109,094
-	2,643	-	41,392
<u>49,904</u>	<u>50,257</u>	<u>1,755</u>	<u>170,988</u>
26,268	(6,193)	83,736	833,600
<u>26,268</u>	<u>(6,193)</u>	<u>83,736</u>	<u>833,600</u>
<u>\$ 76,172</u>	<u>\$ 44,064</u>	<u>\$ 85,491</u>	<u>\$ 1,004,588</u>

Operation: New View Community Action Agency
Combining Statement of Activities
Program Funds
Year Ended September 30, 2013

Schedule 4

	Community Block Grants (Schedule 12)	Weatherization Assistance (Schedule 6)
REVENUES		
Federal Funds	\$ 276,232	\$ 563,760
State Funds	-	-
Other Revenue	-	158,711
Non-Cash Match	-	-
Total Revenue	276,232	722,471
EXPENDITURES		
Personnel Costs:		
Salaries	116,496	126,875
Fringe Benefits	29,835	31,166
Payroll Taxes	11,132	11,475
Total Personnel Costs	157,463	169,516
Non-Personnel Costs:		
Consultant and Contract Service	-	-
Travel	7,696	8,977
Space Costs and Rentals	31,564	8,354
Consumable Supplies	3,675	3,367
Property and Equipment Costs	-	332
Other Costs, Including Direct Assistance Payments	51,265	507,360
Total Non-Personnel Costs	94,200	528,390
Expenses Allocated	24,569	24,093
Total Expenditures	276,232	721,999
Excess of Revenues or (Expenditures)	-	472
Net Assets Transfers	-	(1,996)
Temporarily Restricted Net Assets, Beginning	-	731,313
Temporarily Restricted Net Assets, Ending	\$ -	\$ 729,789

Early Childhood Program (Schedule 8)	Low-Income Home Energy Assistance (Schedule 10)	Other Program Funds (Schedule 14)	Total (Memorandum Only)
\$ 2,186,510	\$ 2,203,679	\$ 11,690	\$ 5,241,871
21,917	-	-	21,917
18,688	81,961	77,127	336,487
421,405	-	-	421,405
<u>2,648,520</u>	<u>2,285,640</u>	<u>88,817</u>	<u>6,021,680</u>
1,179,899	172,353	986	1,596,609
280,873	35,807	56	377,737
91,852	13,746	19	128,224
<u>1,552,624</u>	<u>221,906</u>	<u>1,061</u>	<u>2,102,570</u>
382	-	-	382
141,440	3,777	273	162,163
164,567	8,143	-	212,628
19,097	1,434	87	27,660
546	-	-	878
<u>614,306</u>	<u>2,029,039</u>	<u>72,961</u>	<u>3,274,931</u>
940,338	2,042,393	73,321	3,678,642
184,440	24,011	45	257,158
<u>2,677,402</u>	<u>2,288,310</u>	<u>74,427</u>	<u>6,038,370</u>
(28,882)	(2,670)	14,390	(16,690)
42,362	6,940	(8,000)	39,306
12,788	(10,463)	77,346	810,984
<u>\$ 26,268</u>	<u>\$ (6,193)</u>	<u>\$ 83,736</u>	<u>\$ 833,600</u>

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

Schedule 5

	Utility Company Funds 218 <u>225, 273 & 278</u>	DOE-13-10K <u>Fund 279</u>	BHE-13-10K <u>Fund 276</u>
ASSETS			
Current Assets			
Cash	\$ 24,278	\$ (53,881)	\$ (8,039)
Due from Other Funds	-	-	-
Miscellaneous Receivable	-	-	-
Grants Receivable	938	53,881	8,039
Total Current Assets	<u>25,216</u>	<u>-</u>	<u>-</u>
Total Assets	<u><u>\$ 25,216</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
 LIABILITIES AND NET ASSETS			
Liabilities			
Due to Other Funds	\$ -	\$ -	\$ -
Accounts Payable	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets			
Temporarily Restricted	<u>25,216</u>	<u>-</u>	<u>-</u>
Total Net Assets	<u>25,216</u>	<u>-</u>	<u>-</u>
Total Liabilities and Net Assets	<u><u>\$ 25,216</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

HEAP-13-10 Fund 277	MADD Fund 600	Weatherization Allocation Fund 203	Total (Memorandum Only)
\$ (7,598)	\$ 7,460	\$ 709,632	\$ 671,852
-	-	-	-
-	-	45	45
7,598	-	-	70,456
-	7,460	709,677	742,353
<u>\$ -</u>	<u>\$ 7,460</u>	<u>\$ 709,677</u>	<u>\$ 742,353</u>
\$ -	\$ -	\$ -	\$ -
-	-	12,564	12,564
-	-	12,564	12,564
-	7,460	697,113	729,789
-	7,460	697,113	729,789
<u>\$ -</u>	<u>\$ 7,460</u>	<u>\$ 709,677</u>	<u>\$ 742,353</u>

**Operation: New View Community Action Agency
Combining Schedule of Activities
Weatherization Assistance
Year Ended September 30, 2013**

Schedule 6

	Utility Company Funds 218 <u>225, 273 & 278</u>	DOE-12-10K Fund 275 4/1/2012 - <u>12/31/2013</u>	DOE-13-10K Fund 279 4/1/2013 - <u>3/31/2014</u>
REVENUES			
Federal Funds	\$ -	\$ 59,922	\$ 108,820
Other Revenue	<u>41,425</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>41,425</u>	<u>59,922</u>	<u>108,820</u>
EXPENDITURES			
Personnel Costs:			
Salaries	-	-	-
Fringe Benefits	-	-	-
Payroll Taxes	<u>-</u>	<u>-</u>	<u>-</u>
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	<u>41,425</u>	<u>59,922</u>	<u>108,820</u>
Total Non-Personnel Costs	<u>41,425</u>	<u>59,922</u>	<u>108,820</u>
Expenses Allocated	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>41,425</u>	<u>59,922</u>	<u>108,820</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>

HEAP-12-10 Fund 247 1/1/2012 - 12/31/2012	HEAP-13-10 Fund 277 1/1/2013 - 12/31/2013	Weatherization Allocation Fund 203	BHE-12-10K Fund 274 1/1/2012 - 12/31/2012	BHE - 13-10K Fund 276 1/1/2013 - 12/31/2013	MADD Fund 600	Total (Memorandum Only)
\$ 103,990	\$ 291,028	\$ -	\$ -	\$ -	\$ -	\$ 563,760
-	-	-	21,051	92,605	3,630	158,711
103,990	291,028	-	21,051	92,605	3,630	722,471
-	-	126,875	-	-	-	126,875
-	-	31,166	-	-	-	31,166
-	-	11,475	-	-	-	11,475
-	-	169,516	-	-	-	169,516
-	-	8,977	-	-	-	8,977
-	-	8,354	-	-	-	8,354
-	-	3,367	-	-	-	3,367
-	-	332	-	-	-	332
103,990	291,028	(214,334)	21,051	92,605	2,853	507,360
103,990	291,028	(193,304)	21,051	92,605	2,853	528,390
-	-	24,093	-	-	-	24,093
103,990	291,028	305	21,051	92,605	2,853	721,999
-	-	(305)	-	-	777	472
-	-	(1,996)	-	-	-	(1,996)
-	-	699,414	-	-	6,683	731,313
\$ -	\$ -	\$ 697,113	\$ -	\$ -	\$ 7,460	\$ 729,789

**Operation: New View Community Action Agency
Combining Schedule of Financial Position
Early Childhood Program
September 30, 2013**

Schedule 7

	Head Start PA 20/22 Funds 739 & 740	Crisis Childcare Funds 615, 616, 633, & 634	In Kind Fund 530
ASSETS			
Current Assets			
Cash	\$ (60,926)	\$ 5,788	\$ 24,713
Miscellaneous Receivable	65	-	-
Grants Receivable	67,248	1,524	-
Prepaid Expenses	-	-	-
Total Current Assets	6,387	7,312	24,713
Total Assets	\$ 6,387	\$ 7,312	\$ 24,713
 LIABILITIES AND NET ASSETS			
Liabilities			
Due to Other Funds	\$ -	\$ -	\$ -
Deferred Revenue	-	6,722	-
Accounts Payable	6,387	590	-
Accrued Payroll and Related Expenses	-	-	-
Total Liabilities	6,387	7,312	-
 Net Assets			
Temporarily Restricted	-	-	24,713
Total Net Assets	-	-	24,713
Total Liabilities and Net Assets	\$ 6,387	\$ 7,312	\$ 24,713

Equipment Fund 550	Child and Adult Care Food Program 28-8011 Fund 548	Food Program 28-8010 Fund 516	Total (Memorandum Only)
\$ 807	\$ (6,251)	\$ 234	\$ (35,635)
-	-	-	65
-	31,606	10,383	110,761
-	981	-	981
<u>807</u>	<u>26,336</u>	<u>10,617</u>	<u>76,172</u>
<u>\$ 807</u>	<u>\$ 26,336</u>	<u>\$ 10,617</u>	<u>\$ 76,172</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	6,722
-	25,588	10,617	43,182
-	-	-	-
<u>-</u>	<u>25,588</u>	<u>10,617</u>	<u>49,904</u>
807	748	-	26,268
<u>807</u>	<u>748</u>	<u>-</u>	<u>26,268</u>
<u>\$ 807</u>	<u>\$ 26,336</u>	<u>\$ 10,617</u>	<u>\$ 76,172</u>

**Operation: New View Community Action Agency
Combining Schedule of Activities
Early Childhood Program
Year Ended September 30, 2013**

Schedule 8

	Head Start PA 20/22 Funds for FY 2012 539 & 540	Head Start PA 20/22 Funds for FY 2013 739 & 740	Crisis Childcare Funds 615, 616, 633, & 634
REVENUES			
Federal Funds	\$ 134,835	\$ 1,530,381	\$ -
State Funds	-	-	21,917
Other Revenue	-	546	-
Non-Cash Match	-	-	-
Total Revenues	<u>134,835</u>	<u>1,530,927</u>	<u>21,917</u>
EXPENDITURES			
Personnel Costs:			
Salaries	110,849	817,773	5,704
Fringe Benefits	31,382	231,953	1,395
Payroll Taxes	10,353	76,330	500
Total Personnel Costs	<u>152,584</u>	<u>1,126,056</u>	<u>7,599</u>
Non-Personnel Costs:			
Consultant and Contract Services	65	317	-
Travel	135	13,477	24
Space Costs and Rentals	1,400	96,590	-
Consumable Supplies	19	17,435	-
Property and Equipment Costs	-	546	-
Other Costs	355	106,854	13,241
Total Non-Personnel Cost	<u>1,974</u>	<u>235,219</u>	<u>13,265</u>
Expenses Allocated	<u>3,909</u>	<u>169,652</u>	<u>1,053</u>
Total Expenditures	<u>158,467</u>	<u>1,530,927</u>	<u>21,917</u>
Excess of Revenues or (Expenditures)	(23,632)	-	-
Transfer of Net Assets	23,632	-	-
Beginning Temporarily Restricted Net Assets	<u>-</u>	<u>-</u>	<u>-</u>
Ending Temporarily Restricted Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

In Kind Fund 530	Equipment Fund 550	Child and Adult Care Food Program 28-8011 Fund 548	Food Program 28-8010 Fund 516	Total (Memorandum Only)
\$ -	\$ -	\$ 409,849	\$ 111,445	\$ 2,186,510
-	-	-	-	21,917
17,244	-	898	-	18,688
421,405	-	-	-	421,405
<u>438,649</u>	<u>-</u>	<u>410,747</u>	<u>111,445</u>	<u>2,648,520</u>
194,739	-	50,834	-	1,179,899
-	-	16,143	-	280,873
-	-	4,669	-	91,852
<u>194,739</u>	<u>-</u>	<u>71,646</u>	<u>-</u>	<u>1,552,624</u>
-	-	-	-	382
124,754	-	3,050	-	141,440
55,541	-	11,036	-	164,567
-	-	1,643	-	19,097
-	-	-	-	546
50,883	-	331,528	111,445	614,306
231,178	-	347,257	111,445	940,338
-	-	9,826	-	184,440
<u>425,917</u>	<u>-</u>	<u>428,729</u>	<u>111,445</u>	<u>2,677,402</u>
12,732	-	(17,982)	-	(28,882)
-	-	18,730	-	42,362
<u>11,981</u>	<u>807</u>	<u>-</u>	<u>-</u>	<u>12,788</u>
<u>\$ 24,713</u>	<u>\$ 807</u>	<u>\$ 748</u>	<u>\$ -</u>	<u>\$ 26,268</u>

**Operation: New View Community Action Agency
Combining Schedule of Financial Position
Low-Income Home Energy Assistance
September 30, 2013**

Schedule 9

ASSETS	Fuel Assistance Refund Fund 408	Project I-Care Fund 413	LIHEAP-13-10 Fund 402
Current Assets			
Cash	\$ 3,464	\$ 16	\$ 44,865
Grant Receivable	-	-	1,312
Total Current Assets	<u>3,464</u>	<u>16</u>	<u>46,177</u>
Total Assets	<u>\$ 3,464</u>	<u>\$ 16</u>	<u>\$ 46,177</u>
 LIABILITIES AND NET ASSETS			
Liabilities			
Due To Other Funds	\$ -	\$ -	\$ -
Accounts Payable	3,464	356	43,534
Accrued Payroll and Related Expenses	-	-	2,643
Total Liabilities	<u>3,464</u>	<u>356</u>	<u>46,177</u>
Net Assets			
Temporarily Restricted	-	(340)	-
Total Net Assets (Deficit)	<u>-</u>	<u>(340)</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 3,464</u>	<u>\$ 16</u>	<u>\$ 46,177</u>

Cascade Muni Project Fund 428	Hometown Care Fund 429	Recare Fund 415	Black Hills Cares Fund 417	Total (Memorandum Only)
\$ 175	\$ (16,441)	\$ 1,140	\$ 9,533	\$ 42,752
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,312</u>
175	(16,441)	1,140	9,533	44,064
<u>\$ 175</u>	<u>\$ (16,441)</u>	<u>\$ 1,140</u>	<u>\$ 9,533</u>	<u>\$ 44,064</u>
\$ -	\$ -	\$ -	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	260	47,614
-	-	-	-	2,643
<u>-</u>	<u>-</u>	<u>-</u>	260	<u>50,257</u>
175	(16,441)	1,140	9,273	(6,193)
<u>175</u>	<u>(16,441)</u>	<u>1,140</u>	<u>9,273</u>	<u>(6,193)</u>
<u>\$ 175</u>	<u>\$ (16,441)</u>	<u>\$ 1,140</u>	<u>\$ 9,533</u>	<u>\$ 44,064</u>

**Operation: New View Community Action Agency
Combining Schedule of Activities
Low-Income Home Energy Assistance
Year Ended September 30, 2013**

Schedule 10

	Project I-Care Fund 413	LIHEAP-13-10 10/1/12 - 09/30/13 Fund 402	Recare Fund 415
REVENUES			
Federal Funds	\$ -	\$ 2,203,679	\$ -
Other Revenue	4,877	1,087	1,262
Total Revenue	<u>4,877</u>	<u>2,204,766</u>	<u>1,262</u>
EXPENDITURES			
Personnel Costs:			
Salaries	-	172,353	-
Fringe Benefits	-	35,807	-
Payroll Taxes	-	13,746	-
Total Personnel Costs	<u>-</u>	<u>221,906</u>	<u>-</u>
Non-Personnel Costs:			
Travel	-	3,777	-
Space Costs and Rentals	-	8,143	-
Consumable Supplies	-	1,434	-
Property and Equipment Costs	-	-	-
Other Costs	19,869	1,960,247	1,930
Total Non-Personnel Costs	<u>19,869</u>	<u>1,973,601</u>	<u>1,930</u>
Expenses Allocated	<u>-</u>	<u>24,011</u>	<u>-</u>
Total Expenditures	<u>19,869</u>	<u>2,219,518</u>	<u>1,930</u>
Excess of Revenues or (Expenditures)	(14,992)	(14,752)	(668)
Transfer of Net Assets	-	14,752	-
Beginning Net Assets (Deficit)	<u>14,652</u>	<u>-</u>	<u>1,808</u>
Ending Net Assets (Deficit)	<u>\$ (340)</u>	<u>\$ -</u>	<u>\$ 1,140</u>

Senior Living Program Fund 441	Cascade Muni Project Fund 428	Hometown Care Fund 429	Black Hills Cares Fund 417	Total (Memorandum Only)
\$ -	\$ -	\$ -	\$ -	\$ 2,203,679
(3,700)	-	44,273	34,162	81,961
<u>(3,700)</u>	<u>-</u>	<u>44,273</u>	<u>34,162</u>	<u>2,285,640</u>
-	-	-	-	172,353
-	-	-	-	35,807
-	-	-	-	13,746
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>221,906</u>
-	-	-	-	3,777
-	-	-	-	8,143
-	-	-	-	1,434
-	-	-	-	-
<u>(1,125)</u>	<u>315</u>	<u>16,650</u>	<u>31,153</u>	<u>2,029,039</u>
(1,125)	315	16,650	31,153	2,042,393
-	-	-	-	24,011
<u>(1,125)</u>	<u>315</u>	<u>16,650</u>	<u>31,153</u>	<u>2,288,310</u>
(2,575)	(315)	27,623	3,009	(2,670)
(7,812)	-	-	-	6,940
10,387	490	(44,064)	6,264	(10,463)
<u>\$ -</u>	<u>\$ 175</u>	<u>\$ (16,441)</u>	<u>\$ 9,273</u>	<u>\$ (6,193)</u>

**Operation: New View Community Action Agency
Combining Schedule of Financial Position
Community Block Grant Funds
September 30, 2013**

Schedule 11

	<u>Community Services Block Grants (Funds 072 and 073)</u>	<u>Total (Memorandum Only)</u>
ASSETS		
Current Assets		
Cash	\$ 56,508	\$ 56,508
Due from Other Funds	-	-
Grant Receivable	-	-
Total Current Assets	<u>56,508</u>	<u>56,508</u>
Total Assets	<u><u>\$ 56,508</u></u>	<u><u>\$ 56,508</u></u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	\$ 3,979	\$ 3,979
Due to Other Funds	-	-
Deferred Revenue	13,780	13,780
Accrued Payroll and Related Expenses	38,749	38,749
Total Liabilities	<u>56,508</u>	<u>56,508</u>
 Net Assets		
Temporarily Restricted	<u>-</u>	<u>-</u>
Total Net Assets	<u>-</u>	<u>-</u>
Total Liabilities and Net Assets	<u><u>\$ 56,508</u></u>	<u><u>\$ 56,508</u></u>

**Operation: New View Community Action Agency
Combining Schedule of Activities
Community Block Grant Funds
Year Ended September 30, 2013**

Schedule 12

	Community Services Block Grants (Funds 072 and 073)	Total (Memorandum Only)
REVENUES		
Federal Funds	\$ 276,232	\$ 276,232
Other Revenue	-	-
Total Revenue	276,232	276,232
EXPENDITURES		
Personnel Costs:		
Salaries	116,496	116,496
Fringe Benefits	29,835	29,835
Payroll Taxes	11,132	11,132
Total Personnel Costs	157,463	157,463
Non-Personnel Costs:		
Travel	7,696	7,696
Space Costs and Rentals	31,564	31,564
Consumable Supplies	3,675	3,675
Property and Equipment Costs	-	-
Other Costs	51,265	51,265
Total Non-Personnel Costs	94,200	94,200
Expenses Allocated	24,569	24,569
Total Expenditures	276,232	276,232
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
September 30, 2013**

Schedule 13

	Emergency Food and Shelter Funds 067, 082 & 083	Disaster Relief Fund 168	Tax Credit Fund 036
ASSETS			
Current Assets			
Cash	\$ (2,822)	\$ 1,415	\$ 1,134
Due From Other Funds	-	-	-
Total Current Assets	(2,822)	1,415	1,134
Total Assets	\$ (2,822)	\$ 1,415	\$ 1,134
 LIABILITIES AND NET ASSETS			
Liabilities			
Accounts Payable	\$ -	\$ 916	\$ -
Due To Other Funds	-	-	-
Total Liabilities	-	916	-
 Net Assets			
Temporarily Restricted	(2,822)	499	1,134
Total Net Assets	(2,822)	499	1,134
Total Liabilities and Net Assets	\$ (2,822)	\$ 1,415	\$ 1,134

BB &C Green Fund 045	Dubuque Racing Association Fund 091	Small Miracles Fund 043	Keep Our Neighbors Warm Fund 046	Emergency Assistance Funds 025 & 026	Embrace Iowa Fund 028	Total (Memorandum Only)
\$ 16,108	\$ (6,963)	\$ 2,445	\$ 2,654	\$ 71,517	\$ 3	\$ 85,491
-	-	-	-	-	-	-
16,108	(6,963)	2,445	2,654	71,517	3	85,491
<u>\$ 16,108</u>	<u>\$ (6,963)</u>	<u>\$ 2,445</u>	<u>\$ 2,654</u>	<u>\$ 71,517</u>	<u>\$ 3</u>	<u>\$ 85,491</u>
\$ 71	\$ -	\$ -	\$ -	\$ 768	\$ -	\$ 1,755
-	-	-	-	-	-	-
71	-	-	-	768	-	1,755
16,037	(6,963)	2,445	2,654	70,749	3	83,736
16,037	(6,963)	2,445	2,654	70,749	3	83,736
<u>\$ 16,108</u>	<u>\$ (6,963)</u>	<u>\$ 2,445</u>	<u>\$ 2,654</u>	<u>\$ 71,517</u>	<u>\$ 3</u>	<u>\$ 85,491</u>

Operation: New View Community Action Agency
Combining Schedule of Activities
Other Program Funds
Year Ended September 30, 2013
Schedule 14

	Emergency Food and Shelter Funds 067, 082 & 083	Disaster Relief Fund 168	Tax Credit Fund 036
REVENUES			
Federal Revenue	\$ 4,030	\$ -	\$ 7,660
Other Revenue	-	17,514	-
Total Revenue	<u>4,030</u>	<u>17,514</u>	<u>7,660</u>
EXPENDITURES			
Personnel Costs:			
Salaries	-	215	771
Fringe Benefits	-	56	-
Payroll Taxes	-	19	-
Total Personnel Costs	<u>-</u>	<u>290</u>	<u>771</u>
Non-Personnel Costs:			
Travel	-	-	273
Space Costs and Rental	-	-	-
Consumable Supplies	-	-	87
Other Costs	4,030	16,680	6,204
Total Non-Personnel Costs	<u>4,030</u>	<u>16,680</u>	<u>6,564</u>
Expenses Allocated	<u>-</u>	<u>45</u>	<u>-</u>
Total Expenditures	<u>4,030</u>	<u>17,015</u>	<u>7,335</u>
Excess of Revenues or (Expenditures)	-	499	325
Transfer of Net Assets	-	-	-
Beginning Net Assets	(2,822)	-	809
Ending Net Assets	<u>\$ (2,822)</u>	<u>\$ 499</u>	<u>\$ 1,134</u>

BB & C Green Fund 045	Dubuque Racing Association Fund 091	Small Miracles Fund 043	Keep Our Neighbors Warm Fund 046	Emergency Assistance Funds 025 & 026	Embrace Iowa Fund 028	Total (Memorandum Only)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,690
12,450	-	3,000	2,135	31,473	10,555	77,127
12,450	-	3,000	2,135	31,473	10,555	88,817
-	-	-	-	-	-	986
-	-	-	-	-	-	56
-	-	-	-	-	-	19
-	-	-	-	-	-	1,061
-	-	-	-	-	-	273
-	-	-	-	-	-	-
-	-	-	-	-	-	87
14,944	-	555	1,567	18,429	10,552	72,961
14,944	-	555	1,567	18,429	10,552	73,321
-	-	-	-	-	-	45
14,944	-	555	1,567	18,429	10,552	74,427
(2,494)	-	2,445	568	13,044	3	14,390
-	(8,000)	-	-	-	-	(8,000)
18,531	1,037	-	2,086	57,705	-	77,346
<u>\$ 16,037</u>	<u>\$ (6,963)</u>	<u>\$ 2,445</u>	<u>\$ 2,654</u>	<u>\$ 70,749</u>	<u>\$ 3</u>	<u>\$ 83,736</u>

Operation: New View Community Action Agency
Schedule of Budget Compared to Actual Expenditures
Weatherization Assistance Program
DOE-13-10K
For the Period April 1, 2013 through March 31, 2014
Schedule 15

	<u>Approved Budget Unaudited</u>	<u>Actual Through 9/30/2013</u>
REVENUES		
Federal	<u>\$ 133,956</u>	<u>\$ 108,820</u>
 EXPENDITURES		
Administration	\$ 14,578	\$ 11,841
Health and Safety	23,875	27,975
Support	30,919	34,679
Labor	32,292	17,027
Materials	<u>32,292</u>	<u>17,298</u>
Total Expenditures	<u>\$ 133,956</u>	<u>\$ 108,820</u>

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 December 31, 2013
Schedule 16

	Approved Budget Unaudited	Actual Unaudited
REVENUES		
Federal	\$ 295,150	\$ 295,150
EXPENDITURES		
Administration	14,757	14,499
Health and Safety	56,079	98,911
Support	70,836	105,941
Labor	76,739	34,210
Materials	76,739	41,589
Total Expenditures	\$ 295,150	\$ 295,150

Operation: New View Community Action Agency
Schedule of Budget Compared to Actual Expenditures
HEAP Weatherization HEAP 13-10K
For the Period January 1, 2013 through December 31, 2013

Schedule 17

	Approved Budget Unaudited	Actual Through 9/30/2013
REVENUES		
Federal	<u>\$ 632,243</u>	<u>\$ 291,028</u>
 EXPENDITURES		
Administration	\$ 32,838	\$ 15,611
Support Services	147,824	80,998
Labor	153,692	33,135
Health and Safety	114,197	113,892
Equipment / Training	30,000	4,861
Materials	<u>153,692</u>	<u>42,531</u>
Total Expenditures	<u>\$ 632,243</u>	<u>\$ 291,028</u>

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 18

	Approved Budget <u>Unaudited</u>	Actual <u>Unaudited</u>
REVENUES		
Federal	<u>\$ 494,292</u>	<u>\$ 135,808</u>
 EXPENDITURES		
Administration	\$ 24,750	\$ 7,279
Support Services	111,814	27,053
Labor	119,910	13,896
Health and Safety	87,908	73,218
Materials	119,910	13,026
Equipment / Training	<u>30,000</u>	<u>1,336</u>
Total Expenditures	<u>\$ 494,292</u>	<u>\$ 135,808</u>

Operation: New View Community Action Agency
Schedule of Budget Compared to Actual Expenditures
Low-Income Home Energy Assistance Program
LIHEAP-13-10
For the Period October 1, 2012 through September 30, 2013
Schedule 19

	<u>Approved Budget Unaudited</u>	<u>Actual</u>
LiHeap		
Administration	\$ 207,197	\$ 207,197
Energy Crisis Intervention Payments	111,369	111,369
Summer Deliverable Fuel Payments	222,190	222,190
Regular Assistance	<u>1,885,485</u>	<u>1,631,843</u>
Total	<u>2,426,241</u>	<u>2,172,599</u>
Affordable Heating Program		
Developmental Assessment and Resolution Program	-	-
AHA Assessment and Resolution	<u>31,080</u>	<u>31,080</u>
Total	<u>31,080</u>	<u>31,080</u>
Total LiHeap	<u><u>\$ 2,457,321</u></u>	<u><u>\$ 2,203,679</u></u>

Operation: New View Community Action Agency
Schedule of Budget Compared to Actual Expenditures
Head Start Program Grant No. 07CH0003/40
For the Period November 1, 2012 through October 31, 2013
Schedule 20

	Approved Budget Unaudited	Actual Through 9/30/2013
REVENUES		
<i>Office of Human Development Services:</i>		
Amount Awarded This Budget Period	\$ 1,775,630	\$ 1,530,381
Reimbursements U.S. D. A. Funds	177,464	111,445
Reimbursements Grantee Contributions	443,771	421,405
Other Revenue	-	546
	\$ 2,396,865	\$ 2,063,777
EXPENDITURES		
Federal Share:		
Personnel and Fringe Benefits	\$ 1,345,693	\$ 1,126,056
Travel	6,386	13,477
Equipment	546	-
Supplies	15,128	17,435
Contractual	61,450	317
Indirect Costs	206,685	169,652
Other Costs	139,742	203,444
	1,775,630	1,530,381
Reimbursements Applied:		
<i>Head Start, Full Year/Part Day</i>		
Other Costs	177,464	111,445
	-	546
Other Costs		
Grantee Share:		
<i>Head Start, Full Year/Part Day and Handicapped</i>		
Volunteers	186,228	194,739
Space Costs	57,257	55,541
Travel	173,218	124,754
Other Resources	27,068	46,371
	443,771	421,405
Total Expenditures	\$ 2,396,865	\$ 2,063,777

**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 21

	Approved Budget Unaudited	Actual Unaudited
REVENUES		
<i>Office of Human Development Services:</i>		
Amount Awarded This Budget Period	\$ 1,787,631	\$ 1,919,327
Reimbursements U.S. D. A. Funds	172,170	154,791
Reimbursements Grantee Contributions	446,908	2,159,894
Other Revenue	-	-
Total Revenues	<u>\$ 2,406,709</u>	<u>\$ 4,234,012</u>
EXPENDITURES		
Federal Share:		
Personnel and Fringe Benefits	\$ 1,380,373	\$ 1,530,963
Travel	6,459	94,749
Equipment	-	582
Supplies	15,267	12,465
Contractual	75,500	15,461
Indirect Costs	171,213	151,605
Other Costs	138,819	113,502
Total Federal Share	<u>1,787,631</u>	<u>1,919,327</u>
Reimbursements Applied:		
<i>Head Start, Full Year/Part Day</i>		
Other Costs	<u>172,170</u>	<u>154,791</u>
Grantee Share:		
<i>Head Start, Full Year/Part Day and Handicapped</i>		
Volunteers	179,499	1,958,424
Space Costs	59,796	59,368
Travel	162,894	104,711
Other Resources	44,719	37,391
Total Grantee's Share	<u>446,908</u>	<u>2,159,894</u>
Total Expenditures	<u>\$ 2,406,709</u>	<u>\$ 4,234,012</u>

Operation: New View Community Action Agency
Schedule of Budget Compared to Actual Expenditures
Community Service Block Grant
CSBG-13-10
For the Period October 1, 2012 through March 31, 2014
Schedule 22

	<u>Approved Budget Unaudited</u>	<u>Actual Through 9/30/2013</u>
REVENUES		
Federal	<u>\$ 259,545</u>	<u>\$ 129,484</u>
 EXPENDITURES		
Personnel Costs	175,902	86,137
Travel	8,000	2,825
Space Costs	14,790	11,597
Equipment Costs	8,368	-
Co-Funded Programs	983	488
Other Costs	24,414	13,816
Indirect Costs	27,088	14,621
Total Expenditures	<u>\$ 259,545</u>	<u>\$ 129,484</u>

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 23

	<u>Approved Budget Unaudited</u>	<u>Actual Unaudited</u>
REVENUES		
Federal	<u>\$ 285,285</u>	<u>\$ 285,285</u>
 EXPENDITURES		
Personnel Costs	170,108	166,480
Travel	7,480	8,222
Space Costs	16,336	17,964
Equipment Costs	-	-
Co-Funded Programs	18,986	19,307
Other Costs	46,179	50,795
Indirect Costs	26,196	22,517
Total Expenditures	<u>\$ 285,285</u>	<u>\$ 285,285</u>

**Operation: New View Community Action Agency
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2013**

Schedule 24

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantors' Numbers	Program Disbursements
<i>I. Department of Health and Human Services</i>			
Direct Programs:			
Head Start	93.600	07CH0003/39	\$ 134,835
	93.600	07CH0003/40	\$ 1,530,381
Passed through State			
Department of Human Rights:			
Community Services Block Grant	93.569	CSBG-13-10K	\$ 129,484
	93.569	CSBG-12-10K	146,748
Low Income Home Energy Assistance Program	93.568	LIHEAP-13-10K	2,203,679
HEAP Weatherization	93.568	HEAP-13-10K	291,028
	93.568	HEAP-12-10K	103,990
Total Passed through State Department of Human Rights			<u>\$ 2,874,929</u>
Total Department of Health and Human Services			<u>\$ 4,540,145</u>
<i>II. Department of Energy</i>			
Direct Programs:			
None			
Passed Through State			
Department of Human Rights			
Weatherization Assistance for Low-Income Persons	81.042	DOE-13-10K	\$ 108,820
	81.042	DOE-12-10K	59,922
Total Department of Energy			<u>\$ 168,742</u>

(Continued)

**Operation: New View Community Action Agency
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2013
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	\$ 521,294
Total Department of Agriculture			<u>\$ 521,294</u>
IV. Department of Treasury			
Direct Programs:			
None			
Passed through ISED			
VITA Grant	21.009	V13202	\$ 2,680
	21.009	ACFS 11-063	4,980
Total Department of Treasury			<u>\$ 7,660</u>
V. Department of Homeland Security			
Direct Programs:			
None			
Passed through Local Counties			
Emergency Food and Shelter	97.024	2946-00 Jackson	\$ 900
	97.024	2908-00 Dubuque	3,130
Total Department of Homeland Security			<u>\$ 4,030</u>
Total Federal Financial Assistance			<u>\$ 5,241,871</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. Basis of Presentation

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, Cost Principles for Non-profit Organizations, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Operation: New View Community Action Agency's summary of significant accounting policies is presented in Note 1 in the Agency's basic financial statements.

NOTE 3. 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 *Government Auditing Standards*

The Board of Directors
Operation: New View Community Action Agency
Dubuque, 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 Operation: New View Community Action Agency (Agency), which comprise the combined statement of financial position as of September 30, 2013, and the related combined statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be a 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider finding 2013-A and 2013-B described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

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.

Compliance and Other Matters

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

Operation: New View Community Action Agency's Responses to Findings

The Agency's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The Agency's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Dubuque, Iowa
June 26, 2014



Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133

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

Report on Compliance for Each Major Federal Program

We have audited Operation: New View Community Action Agency's (Agency) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Agency's major federal programs for the year ended September 30, 2013. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for each of Operation: New View Community Action Agency's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with 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 OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Operation: New View Community Action Agency's compliance.

Opinion on the Major Federal Programs

In our opinion, Operation: New View Community Action Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of the major federal programs for the year ended September 30, 2013.

Report on 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 types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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.

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 compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001 and 2013-002 that we consider to be significant deficiencies.

The Agency's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Agency's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Dubuque, Iowa
June 26, 2014

Part I: Summary of Independent Auditor's Results:

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 §.510(a):	Yes

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Child and Adult Care Food Program (CACFP)	10.558
Low-Income Home Energy Assistance	93.568
Head Start	93.600

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No

Part II: Findings – Related to the Financial Statements:

MATERIAL WEAKNESSES

2013-A Material Audit Adjustments

Criteria – A properly designed system of internal control over financial reporting allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles.

Condition – As a result of our audit procedures, we were required to propose material adjustments, including restatements of beginning equity, to the Agency’s financial statements in the area of grant receivables.

Cause – There is a limited number of employees with varying levels of experience with the reporting requirements.

Effect – The effect of this condition was financial data not in accordance with generally accepted accounting principles.

Recommendation – We recommend that staff continue to receive relevant training and that management review all documentation completed by staff for use in preparing the financial statements.

Response – Going forward, we have contracted with a consulting firm to ensure account accuracy and completeness. Fiscal staff will continue to obtain appropriate training.

2013-B Segregation of Duties

Criteria – Properly designed segregation of duties allows entities to initiate, authorize, record, process, and report financial data reliably in accordance with generally accepted accounting principles.

Condition – There are generally only one or two individuals in the office with control over the receipts and disbursements areas for which limited compensating controls exist.

Cause – With a limited number of office employees, segregation of duties is difficult.

Effect – Since job functions were not properly segregated, misstatements may not have been prevented or detected on a timely basis in the normal course of operations.

Recommendation – The Agency should review the operating procedures to obtain the maximum internal control possible under the circumstances.

Response – We will continue to review and update processes as necessary to help alleviate this condition, including additional cross training for employees. Like many agencies our size, the economics of our situation prohibits us from hiring additional office staff.

Part III: Findings and Questioned Costs - Federal Award Findings and Questioned Costs:

SIGNIFICANT DEFICIENCIES

**2013-001 Eligibility and Earmarking
U.S. Department of Health and Human Services
CFDA #93.600 Head Start**

Criteria – A properly designed system of internal control over compliance with the requirements of federal programs allows entities to meet those requirements set forth by the federal government. For Head Start agencies, the general rule is that the enrollees must come from families whose income is below the official Federal poverty guidelines or who are receiving public assistance (income-eligible) (45 CFR section 1305.4 (b)(1)). In addition to the general income eligibility rule, homeless children and children in foster care are categorically eligible to enroll in Head Start programs. Once the needs of these groups are met, then up to 10 percent of the children who are enrolled may be from families that are not income-eligible (45 CFR section 1305.4 (b)(2)). The Head Start agency may also enroll up to 35 percent of children from families with income up to 130 percent of the poverty line.

Condition – Two cases were noted where family income was incorrectly categorized between the three groups, below the poverty line, up to 130 percent of the poverty line, and not income-eligible. Revising the two cases' categories did not cause the Agency to be out of compliance with the eligibility and earmarking requirements.

Cause – It appears the causes were due to clerical errors.

Effect – Due to the incorrect categorization, the Agency could have been out of compliance with requirements over enrollment without the Agency's knowledge.

Recommendation – The Agency should implement additional review procedures to insure enrollees are properly categorized and that the Agency is meeting the eligibility and earmarking requirements of Head Start.

Response – New Head Start management and staff will update the current processes and procedures, including the implementation of a three part verification process. Employees will receive training on the new processes and procedures.

**2013-002 Matching
U.S. Department of Health and Human Services
CFDA #93.600 Head Start**

Criteria – A properly designed system of internal control over compliance with the requirements of federal programs allows entities to meet those requirements set forth by the federal government. For Head Start agencies, documentation of in-kind matching expenditures is to include signatures of the donor and recipient.

Part III: Findings and Questioned Costs - Federal Award Findings and Questioned Costs: (continued)

Condition – Several cases were noted where either the donor, the recipient, or both signatures were not included in the in-kind matching expenditure documentation. Documentation maintained by agency appears to reasonably support the in-kind matching expenditures.

Cause – It appears the cause of the condition was due to the Agency staff receiving the in-kind matching expenditure not being aware of the need for the signatures.

Effect – The effect of this condition was documentation of in-kind match expenditure without donor and recipient signatures.

Recommendation – The Agency should ensure that all staff receiving in-kind matching expenditures receive relevant training regarding the proper documentation needed.

Response – New Head Start management and staff will update the current processes and procedures regarding Matching. Upon approval, all employees will receive training on the new, updated policies and procedures.

Operation: New View Community Action Agency
 Corrective Action Plan for Audit Findings
 Year Ended September 30, 2013

<u>Comment Number</u>	<u>Comment Title</u>	<u>Corrective Action Plan</u>	<u>Contact Person, Title, Phone Number</u>	<u>Anticipated Date of Completion</u>
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Findings Related to the Financial Statements:

2013-A	Material Audit Adjustment	The corrective action plan was documented in our response to the auditor's comment. See the Schedule of Findings and Questioned Costs.	Tom Stovall, Executive Director, 563-556-5130	September 30, 2014
2013-B	Segregation of Duties	The corrective action plan was documented in our response to the auditor's comment. See the Schedule of Findings and Questioned Costs.	Tom Stovall, Executive Director, 563-556-5130	Not determined at this date.

Findings Related to Federal Programs:

2013-001	Eligibility and Earmarking	The corrective action plan was documented in our response to the auditor's comment. See the Schedule of Findings and Questioned Costs.	Tom Stovall, Executive Director, 563-556-5130	September 30, 2014
2013-002	Matching	The corrective action plan was documented in our response to the auditor's comment. See the Schedule of Findings and Questioned Costs.	Tom Stovall, Executive Director, 563-556-5130	September 30, 2014

III-A-12 **Finding** – Financial Reporting

Status – Finding has been resolved.

III-B-12 **Finding** – Segregation of Duties

Status – Finding has been reported as finding related to financial statements in current year. See finding 2013-B.

III-C-12 **Finding** – Significant Journal Entries / Internal Control Over Accounts

Status – Finding has been reported as finding related to financial statements in current year. See finding 2013-A.