

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

**Financial Statements
September 30, 2014**

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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 statement of financial position as of September 30, 2014, and the related statements of activities, functional expenses, cash flows and fiduciary net assets 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, 2014, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 18 through 40 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated July 21, 2015, 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 an audit performed in accordance with *Government Auditing Standards* in considering Operation: New View Community Action Agency's internal control over financial reporting and compliance.



Dubuque, Iowa
July 21, 2015

Operation: New View Community Action Agency
Combined Statement of Financial Position
All Funds
September 30, 2014

Exhibit A

ASSETS	Administrative and Local Funds	Program Funds	Plant Fund	Total (Memorandum Only)
Current Assets				
Cash	\$ 28,294	\$ 196,470	\$ -	\$ 224,764
Certificates of Deposit	36,712	-	-	36,712
Due from Other Funds	324,428	218,090	-	542,518
Grants Receivable	-	214,641	-	214,641
Miscellaneous Receivable	17	108	-	125
Prepaid Expenses	805	-	-	805
Total Current Assets	<u>390,256</u>	<u>629,309</u>	<u>-</u>	<u>1,019,565</u>
Equipment				
Building and Equipment	-	-	722,755	722,755
Accumulated Depreciation	-	-	(466,750)	(466,750)
Equipment, Net	<u>-</u>	<u>-</u>	<u>256,005</u>	<u>256,005</u>
Total Assets	<u><u>\$ 390,256</u></u>	<u><u>\$ 629,309</u></u>	<u><u>\$ 256,005</u></u>	<u><u>\$ 1,275,570</u></u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Due to Other Funds	\$ 386,190	\$ 156,328	\$ -	\$ 542,518
Deferred Revenue	-	423	-	423
Accounts Payable	3,103	59,012	-	62,115
Grant Payable	-	33,594	-	33,594
Current Portion of Note Payable	3,670	-	-	3,670
Accrued Payroll and Related Expenses	151,049	54,305	-	205,354
Total Current Liabilities	<u>544,012</u>	<u>303,662</u>	<u>-</u>	<u>847,674</u>
Note Payable, Net of Current Portion	<u>190,791</u>	<u>-</u>	<u>-</u>	<u>190,791</u>
Total Liabilities	<u>734,803</u>	<u>303,662</u>	<u>-</u>	<u>1,038,465</u>
Net Assets				
Temporarily Restricted	-	325,647	-	325,647
Unrestricted	(344,547)	-	256,005	(88,542)
Total Net Assets (Deficit)	<u>(344,547)</u>	<u>325,647</u>	<u>256,005</u>	<u>237,105</u>
Total Liabilities and Net Assets (Deficit)	<u><u>\$ 390,256</u></u>	<u><u>\$ 629,309</u></u>	<u><u>\$ 256,005</u></u>	<u><u>\$ 1,275,570</u></u>

See Notes to Financial Statements

**Operation: New View Community Action Agency
 Combined Statement of Activities
 All Funds
 Year Ended September 30, 2014**

Exhibit B

	Administrative and Local Funds	Program Funds	Plant Fund	Total (Memorandum Only)
REVENUES				
Federal Funds	\$ -	\$ 5,244,392	\$ -	\$ 5,244,392
State Funds	-	30,459	-	30,459
County and City Funds	50,106	-	-	50,106
Other Revenue	51,585	462,280	-	513,865
Non-Cash Match	-	327,863	-	327,863
Total Revenue	<u>101,691</u>	<u>6,064,994</u>	<u>-</u>	<u>6,166,685</u>
EXPENDITURES				
Personnel Costs:				
Salaries	221,509	1,363,536	-	1,585,045
Fringe Benefits	81,983	357,359	-	439,342
Payroll Taxes	18,304	121,785	-	140,089
Total Personnel Costs	<u>321,796</u>	<u>1,842,680</u>	<u>-</u>	<u>2,164,476</u>
Non-Personnel Costs:				
Consultant and Contract Service	2,304	3,700	-	6,004
Travel	12,837	128,027	-	140,864
Space Costs and Rentals	18,079	321,636	-	339,715
Consumable Supplies	36,699	35,980	-	72,679
Property and Equipment Costs	1,376	8,791	-	10,167
Depreciation	-	-	28,071	28,071
Other Costs, Including Direct Assistance Payments	88,714	3,348,156	-	3,436,870
Total Non-Personnel Costs	<u>160,009</u>	<u>3,846,290</u>	<u>28,071</u>	<u>4,034,370</u>
Expenses Allocated	<u>(262,694)</u>	<u>262,694</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>219,111</u>	<u>5,951,664</u>	<u>28,071</u>	<u>6,198,846</u>
Excess of Revenues or (Expenditures)	(117,420)	113,330	(28,071)	(32,161)
Net Assets Transfers	607,026	(621,283)	14,257	-
Net Assets (Deficits), Beginning	(834,153)	833,600	269,819	269,266
Net Assets (Deficits), Ending	<u>\$ (344,547)</u>	<u>\$ 325,647</u>	<u>\$ 256,005</u>	<u>\$ 237,105</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, 2014**

Exhibit C

	Administrative and Local Funds	Program Funds	Total
Salaries	\$ 221,509	\$ 1,363,536	\$ 1,585,045
Fringe Benefits	81,983	357,359	439,342
Payroll Taxes	18,304	121,785	140,089
Consultant and Contract Service	2,304	3,700	6,004
Travel	12,837	128,027	140,864
Space Cost and Rentals	18,079	321,636	339,715
Consumable Supplies	36,699	35,980	72,679
Property and Equipment Costs	1,376	8,791	10,167
Other Costs, Including Direct Assistance Payments	88,714	3,348,156	3,436,870
Total Expenses before Allocation of Indirect Costs	481,805	5,688,970	6,170,775
Allocation of Indirect Costs	(262,694)	262,694	-
Total Expenses	<u>\$ 219,111</u>	<u>\$ 5,951,664</u>	<u>\$ 6,170,775</u>

See Notes to Financial Statements

Operation: New View Community Action Agency
Statement of Cash Flows
Year Ended September 30, 2014

Exhibit D

Reconciliation of Changes in Net Assets to Net Cash:

Cash Flows from Operating Activities:

Changes in Net Assets	\$ (32,161)
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by Operating Activities:	
Depreciation	28,071
(Increase) Decrease in Assets:	
Receivables	(32,110)
Prepaid Expense	18,741
Increase (Decrease) in Liabilities:	
Payables	(28,325)
Deferred Revenue	(20,079)
Accrued Payroll and Related Expenses	81,439
Net Cash Provided by Operating Activities	15,576

Cash Flows from Investing Activities:

Purchase of Property and Equipment	(14,257)
Purchase of Investments	(103)
Net Cash (Used) by Investing Activities	(14,360)

Cash Flows from Financing Activities:

Payments on Long-Term Debt	(3,501)
Net Cash (Used) by Financing Activities	(3,501)
Net Decrease in Cash	(2,285)
Cash, Beginning	227,049
Cash, Ending	\$ 224,764

Supplemental Cash Flow Information:

Cash Paid for Interest	\$ 9,328
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**Operation: New View Community Action Agency
Statement of Fiduciary Net Assets
September 30, 2014**

Exhibit E

ASSETS	UNDIA Fund 950	DACPCA Fund 910	Total
Current Assets			
Cash	\$ 682	\$ 5,000	\$ 5,682
Total Assets	\$ 682	\$ 5,000	5,682
 LIABILITIES AND NET ASSETS			
Liabilities			
Accounts Payable	\$ -	\$ -	\$ -
Due to UNDIA / DACPCA	682	5,000	5,682
Total Liabilities	682	5,000	5,682
 Net Assets			
Unrestricted	-	-	-
Total Net Assets	-	-	-
Total Liabilities and Net Assets	\$ 682	\$ 5,000	\$ 5,682

See Notes to Financial Statements

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)

Basis of Presentation (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, 2014.

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, 2014.

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, 2014, balances of interfund amounts receivable or payable have been

Operation: New View Community Action Agency

Notes to Financial Statements

NOTE 1. Summary of Significant Accounting Policies (Continued)

Receivables/Payables from Other Funds (Continued) - recorded. All interfund amounts are eliminated on the Combined Statement of Financial Position – All Funds.

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, 2014.

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.

Operation: New View Community Action Agency

Notes to Financial Statements

NOTE 1. Summary of Significant Accounting Policies (Continued)

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.

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 has recorded in-kind contributions for space, supplies, and professional services in the statement of activities in accordance with generally accepted accounting principles (GAAP).

GAAP requires that only contributions of service received which create or enhance a nonfinancial asset or require specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. The requirements of GAAP are different than the in-kind requirements of several of the Agency's grant awards. The Agency also received in-kind contributions for nonprofessional volunteers with a value of \$150,521 for the year ending September 30, 2014, primarily for its Head Start program, which is not recorded in the statement of activities.

Operation: New View Community Action Agency

Notes to Financial Statements

NOTE 1. Summary of Significant Accounting Policies (Continued)

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, 2014, 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.

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

Included in federal revenue under the Head Start Program are U.S.D.A. reimbursements totaling \$115,699.

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 reflected in the supplementary grant information for the fiscal year ended September 30, 2014, and for the program year ended October 31, 2013, are shown on the following page:

Operation: New View Community Action Agency

Notes to Financial Statements

NOTE 4. Head Start Program Match (Continued)

	Fiscal Year Ended 09/30/14	Program Year Ended 10/31/13
Expenditure Accounts:		
Volunteers' Time	\$ 150,521	\$ 114,647
Space Costs	140,428	55,268
Travel	88,720	129,098
Other Resources	98,714	121,739
Total Non-Cash Match Received	\$ 478,383	\$ 420,752
Match Required		\$ 420,752

The Agency met the match requirement for the program year ended October 31, 2013.

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, 2014:

<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	-----	95,208	95,208
General Agency	-----	164,179	164,179
Total Cost	350,707	372,048	722,755
Less: Accumulated Depreciation	118,364	348,386	466,750
Net Equipment	\$ 232,343	\$ 23,662	\$ 256,005

The components of the Agency's accumulated depreciation as of September 30, 2014, are as follows:

	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
Balance, Beginning of Year	\$ 109,596	\$ 329,083	\$ 438,679
Current Year Depreciation	8,768	19,303	28,071
Balance, End of Year	\$ 118,364	\$ 348,386	\$ 466,750

Operation: New View Community Action Agency

Notes to Financial Statements

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:

2015	\$	76,884
2016		76,884
2017		32,314
2018		23,400
2019		5,850
	\$	<u>215,332</u>

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

Total lease expense relating to these agreements was \$100,695 for the year ended September 30, 2014.

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, 2014, was \$123,857, which was equal to the required contribution.

Operation: New View Community Action Agency

Notes to Financial Statements

NOTE 8. Long-Term Debt

The Agency has the following long-term debt at September 30, 2014:

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 real estate.	\$ 194,461
Less: Current Maturities	<u>3,670</u>
Total Long-Term Debt	<u>\$ 190,791</u>

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

2015	\$ 3,670
2016	3,848
2017	4,035
2018	4,231
2019	4,437
Thereafter	<u>174,240</u>
	<u>\$ 194,461</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 and on the following page:

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.
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Operation: New View Community Action Agency

Notes to Financial Statements

NOTE 9. Fair Value Measurements (Continued)

Level 2	<p>Inputs to the valuation methodology include:</p> <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. <p>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.</p>
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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, 2014.

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, 2014:

	<u>Investments at Estimated Fair Value</u>			
	<u>(Level I)</u>	<u>(Level II)</u>	<u>(Level III)</u>	<u>Total</u>
Certificates of Deposit	\$ 36,712	\$ -----	\$ -----	\$ 36,712
Total Investments	<u>\$ 36,712</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ 36,712</u>

Operation: New View Community Action Agency

Notes to Financial Statements

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 \$4,571,977 of funding from the Department of Health and Human Services for the year ended September 30, 2014.

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. Management's Review

Subsequent events have been evaluated through July 21, 2015, 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, 2014

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	\$ 28,294	\$ -	\$ -	\$ -	\$ 28,294
Certificates of Deposit	36,712	-	-	-	36,712
Due from Other Funds	324,428	-	-	-	324,428
Miscellaneous Receivable	-	17	-	-	17
Prepaid Expenses	-	805	-	-	805
Total Current Assets	389,434	822	-	-	390,256
Total Assets	\$ 389,434	\$ 822	\$ -	\$ -	\$ 390,256
LIABILITIES AND NET ASSETS					
Current Liabilities					
Due to Other Funds	\$ -	\$ 17,533	\$ 13,636	\$ 355,021	\$ 386,190
Accounts Payable	278	138	431	2,256	3,103
Current Portion of Note Payable	3,670	-	-	-	3,670
Accrued Payroll and Related Expenses	-	-	-	151,049	151,049
Total Current Liabilities	3,948	17,671	14,067	508,326	544,012
Note Payable, Net of Current Portion	190,791	-	-	-	190,791
Total Liabilities	194,739	17,671	14,067	508,326	734,803
Net Assets					
Unrestricted	194,695	(16,849)	(14,067)	(508,326)	(344,547)
Total Net Assets (Deficit)	194,695	(16,849)	(14,067)	(508,326)	(344,547)
Total Liabilities and Net Assets (Deficit)	\$ 389,434	\$ 822	\$ -	\$ -	\$ 390,256

**Operation: New View Community Action Agency
Combining Statement of Activities
Administrative and Local Funds
Year Ended September 30, 2014**

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	\$ 16,650	\$ 7,386	\$ 14,098	\$ 13,451	\$ 51,585
County and City Funds	50,106	-	-	-	50,106
Total Revenue	<u>66,756</u>	<u>7,386</u>	<u>14,098</u>	<u>13,451</u>	<u>101,691</u>
EXPENDITURES					
Personnel Costs:					
Salaries	30,946	-	-	190,563	221,509
Fringe Benefits	6,757	-	-	75,226	81,983
Payroll Taxes	2,156	-	-	16,148	18,304
Total Personnel Costs	<u>39,859</u>	<u>-</u>	<u>-</u>	<u>281,937</u>	<u>321,796</u>
Non-Personnel Costs:					
Consultant and Contract Service	-	-	-	2,304	2,304
Travel	9,485	-	-	3,352	12,837
Space Costs and Rental	-	-	-	18,079	18,079
Consumable Supplies	792	12,585	-	23,322	36,699
Property and Equipment Costs	-	-	-	1,376	1,376
Other Costs	38,480	-	1,023	49,211	88,714
Total Non-Personnel Costs	<u>48,757</u>	<u>12,585</u>	<u>1,023</u>	<u>97,644</u>	<u>160,009</u>
Expenses Allocated	<u>350</u>	<u>-</u>	<u>-</u>	<u>(263,044)</u>	<u>(262,694)</u>
Total Expenditures	<u>88,966</u>	<u>12,585</u>	<u>1,023</u>	<u>116,537</u>	<u>219,111</u>
Excess of Revenues or (Expenditures)	(22,210)	(5,199)	13,075	(103,086)	(117,420)
Net Assets Transfers	(15,941)	-	-	622,967	607,026
Beginning Net Assets (Deficit), (Unrestricted)	232,846	(11,650)	(27,142)	(1,028,207)	(834,153)
Ending Net Assets (Deficit), (Unrestricted)	<u>\$ 194,695</u>	<u>\$ (16,849)</u>	<u>\$ (14,067)</u>	<u>\$ (508,326)</u>	<u>\$ (344,547)</u>

Operation: New View Community Action Agency
Combining Statement of Financial Position
Program Funds
September 30, 2014

Schedule 3

ASSETS	Community Block Grants (Schedule 11)	Weatherization Assistance (Schedule 5)
Current Assets		
Cash	\$ 42,705	\$ 12,408
Due from Other Funds	-	68,801
Grants Receivable	-	70,537
Miscellaneous Receivable	-	45
Prepaid Expenses	-	-
Total Current Assets	42,705	151,791
Total Assets	\$ 42,705	\$ 151,791
 LIABILITIES AND NET ASSETS		
Liabilities		
Due to Other Funds	\$ -	\$ 68,801
Deferred Revenue	423	-
Accounts Payable	3,040	11,893
Grants Payable	-	-
Accrued Payroll and Related Expenses	39,242	-
Total Liabilities	42,705	80,694
Net Assets		
Temporarily Restricted	-	71,097
Total Net Assets	-	71,097
Total Liabilities and Net Assets	\$ 42,705	\$ 151,791

Early Childhood Program (Schedule 7)	Low-Income Home Energy Assistance (Schedule 9)	Other Program Funds (Schedule 13)	Total (Memorandum Only)
\$ 3,773	\$ 67,612	\$ 69,972	\$ 196,470
53,426	61,762	34,101	218,090
115,671	1,694	26,739	214,641
63	-	-	108
-	-	-	-
<u>172,933</u>	<u>131,068</u>	<u>130,812</u>	<u>629,309</u>
<u>\$ 172,933</u>	<u>\$ 131,068</u>	<u>\$ 130,812</u>	<u>\$ 629,309</u>
\$ 62,406	\$ -	\$ 25,121	\$ 156,328
-	-	-	423
38,235	5,550	294	59,012
-	33,594	-	33,594
11,107	3,956	-	54,305
<u>111,748</u>	<u>43,100</u>	<u>25,415</u>	<u>303,662</u>
61,185	87,968	105,397	325,647
<u>61,185</u>	<u>87,968</u>	<u>105,397</u>	<u>325,647</u>
<u>\$ 172,933</u>	<u>\$ 131,068</u>	<u>\$ 130,812</u>	<u>\$ 629,309</u>

Operation: New View Community Action Agency
Combining Statement of Activities
Program Funds
Year Ended September 30, 2014

Schedule 4

	Community Block Grants (Schedule 12)	Weatherization Assistance (Schedule 6)
REVENUES		
Federal Funds	\$ 281,848	\$ 450,862
State Funds	-	-
Other Revenue	-	110,446
Non-Cash Match	-	-
Total Revenue	281,848	561,308
EXPENDITURES		
Personnel Costs:		
Salaries	137,153	126,633
Fringe Benefits	41,512	34,006
Payroll Taxes	12,493	11,059
Total Personnel Costs	191,158	171,698
Non-Personnel Costs:		
Consultant and Contract Service	-	-
Travel	4,713	9,067
Space Costs and Rentals	19,267	7,893
Consumable Supplies	5,384	836
Property and Equipment Costs	-	163
Other Costs, Including Direct Assistance Payments	6,529	375,469
Total Non-Personnel Costs	35,893	393,428
Expenses Allocated	29,509	26,339
Total Expenditures	256,560	591,465
Excess of Revenues or (Expenditures)	25,288	(30,157)
Net Assets Transfers	(25,288)	(628,535)
Temporarily Restricted Net Assets, Beginning	-	729,789
Temporarily Restricted Net Assets, Ending	\$ -	\$ 71,097

Early Childhood Program (Schedule 8)	Low-Income Home Energy Assistance (Schedule 10)	Other Program Funds (Schedule 14)	Total (Memorandum Only)
\$ 2,176,413	\$ 2,323,601	\$ 11,668	\$ 5,244,392
30,459	-	-	30,459
34,941	209,324	107,569	462,280
327,863	-	-	327,863
<u>2,569,676</u>	<u>2,532,925</u>	<u>119,237</u>	<u>6,064,994</u>
969,356	128,225	2,169	1,363,536
253,152	28,141	548	357,359
87,213	10,824	196	121,785
<u>1,309,721</u>	<u>167,190</u>	<u>2,913</u>	<u>1,842,680</u>
3,700	-	-	3,700
110,308	2,818	1,121	128,027
277,990	16,486	-	321,636
22,352	7,401	7	35,980
8,628	-	-	8,791
<u>653,950</u>	<u>2,219,122</u>	<u>93,086</u>	<u>3,348,156</u>
1,076,928	2,245,827	94,214	3,846,290
180,650	25,747	449	262,694
<u>2,567,299</u>	<u>2,438,764</u>	<u>97,576</u>	<u>5,951,664</u>
2,377	94,161	21,661	113,330
32,540	-	-	(621,283)
26,268	(6,193)	83,736	833,600
<u>\$ 61,185</u>	<u>\$ 87,968</u>	<u>\$ 105,397</u>	<u>\$ 325,647</u>

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

Schedule 5

	Utility Company Funds 225, 278 & 282	DOE-14-10K Fund 283	BHE-14-10K Fund 280
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Current Assets			
Cash	\$ 377	\$ -	\$ -
Due from Other Funds	24,514	-	-
Miscellaneous Receivable	-	-	-
Grants Receivable	1,736	11,839	12,675
	<u>26,627</u>	<u>11,839</u>	<u>12,675</u>
Total Current Assets	<u>26,627</u>	<u>11,839</u>	<u>12,675</u>
Total Assets	<u><u>\$ 26,627</u></u>	<u><u>11,839</u></u>	<u><u>12,675</u></u>
 LIABILITIES AND NET ASSETS			
Liabilities			
Due to Other Funds	\$ -	\$ 11,839	\$ 12,675
Accounts Payable	-	-	-
	<u>-</u>	<u>11,839</u>	<u>12,675</u>
Total Liabilities	<u>-</u>	<u>11,839</u>	<u>12,675</u>
 Net Assets			
Temporarily Restricted	26,627	-	-
	<u>26,627</u>	<u>-</u>	<u>-</u>
Total Net Assets	<u>26,627</u>	<u>-</u>	<u>-</u>
Total Liabilities and Net Assets	<u><u>\$ 26,627</u></u>	<u><u>\$ 11,839</u></u>	<u><u>\$ 12,675</u></u>

HEAP-14-10K Fund 281	MADD Fund 600	Weatherization Allocation Fund 202	Total (Memorandum Only)
\$ -	\$ 6,318	\$ 5,713	\$ 12,408
-	-	44,287	68,801
-	-	45	45
44,287	-	-	70,537
44,287	6,318	50,045	151,791
<u>\$ 44,287</u>	<u>\$ 6,318</u>	<u>\$ 50,045</u>	<u>\$ 151,791</u>
\$ 44,287	\$ -	\$ -	\$ 68,801
-	-	11,893	11,893
44,287	-	11,893	80,694
-	6,318	38,152	71,097
-	6,318	38,152	71,097
<u>\$ 44,287</u>	<u>\$ 6,318</u>	<u>\$ 50,045</u>	<u>\$ 151,791</u>

**Operation: New View Community Action Agency
Combining Schedule of Activities
Weatherization Assistance
Year Ended September 30, 2014**

Schedule 6

	Utility Company Funds 225, 278 & 282	DOE-14-10K Fund 283 4/1/2014 - 3/31/2015	DOE-13-10K Fund 279 4/1/2013 - 12/31/2014	HEAP-14-10K Fund 281 1/1/14- 12/31/2014
REVENUES				
Federal Funds	\$ -	126,737	\$ 25,131	\$ 229,132
Other Revenue	29,397	-	-	-
Total Revenue	<u>29,397</u>	<u>126,737</u>	<u>25,131</u>	<u>229,132</u>
EXPENDITURES				
Personnel Costs:				
Salaries	-	-	-	-
Fringe Benefits	-	-	-	-
Payroll Taxes	-	-	-	-
Total Personnel Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-Personnel Costs:				
Travel	-	-	-	-
Space Costs and Rentals	-	-	-	-
Consumable Supplies	-	-	-	-
Property and Equipment Costs	-	-	-	-
Other Costs	27,986	126,737	25,131	225,367
Total Non-Personnel Costs	<u>27,986</u>	<u>126,737</u>	<u>25,131</u>	<u>225,367</u>
Expenses Allocated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>27,986</u>	<u>126,737</u>	<u>25,131</u>	<u>225,367</u>
Excess of Revenues or (Expenditures)	1,411	-	-	3,765
Transfer of Net Assets	-	-	-	(3,765)
Beginning Temporarily Restricted Net Assets	<u>25,216</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Temporarily Restricted Net Assets	<u>\$ 26,627</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HEAP-13-10K Fund 277 1/1/2013 - 12/31/2013	Weatherization Allocation Fund 202	BHE-14-10K Fund 280 1/1/2014 - 12/31/2014	BHE-13-10K Fund 276 1/1/2013 - 12/31/2013	MADD Fund 600	Total (Memorandum Only)
\$ 69,862	\$ -	\$ -	\$ -	\$ -	\$ 450,862
-	-	58,046	19,485	3,518	110,446
<u>69,862</u>	<u>-</u>	<u>58,046</u>	<u>19,485</u>	<u>3,518</u>	<u>561,308</u>
-	126,633	-	-	-	126,633
-	34,006	-	-	-	34,006
-	11,059	-	-	-	11,059
<u>-</u>	<u>171,698</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,698</u>
-	9,067	-	-	-	9,067
-	7,893	-	-	-	7,893
-	836	-	-	-	836
-	163	-	-	-	163
<u>69,862</u>	<u>(181,805)</u>	<u>58,046</u>	<u>19,485</u>	<u>4,660</u>	<u>375,469</u>
<u>69,862</u>	<u>(163,846)</u>	<u>58,046</u>	<u>19,485</u>	<u>4,660</u>	<u>393,428</u>
<u>-</u>	<u>26,339</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,339</u>
<u>69,862</u>	<u>34,191</u>	<u>58,046</u>	<u>19,485</u>	<u>4,660</u>	<u>591,465</u>
-	(34,191)	-	-	(1,142)	(30,157)
-	(624,770)	-	-	-	(628,535)
-	697,113	-	-	7,460	729,789
<u>\$ -</u>	<u>\$ 38,152</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,318</u>	<u>\$ 71,097</u>

**Operation: New View Community Action Agency
Combining Schedule of Financial Position
Early Childhood Program
September 30, 2014**

Schedule 7

	Head Start PA 20/22 Funds 738 & 741	Crisis Childcare Funds 615, 616, 634 & 635	In Kind Fund 530
ASSETS			
Current Assets			
Cash	\$ -	\$ -	\$ 2,966
Due From Other Funds	-	-	53,426
Miscellaneous Receivable	63	-	-
Grants Receivable	70,862	1,736	-
Total Current Assets	<u>70,925</u>	<u>1,736</u>	<u>56,392</u>
Total Assets	<u>\$ 70,925</u>	<u>\$ 1,736</u>	<u>\$ 56,392</u>
 LIABILITIES AND NET ASSETS			
Liabilities			
Due to Other Funds	\$ 52,493	\$ 933	\$ -
Accounts Payable	8,030	803	867
Accrued Payroll and Related Expenses	10,402	-	-
Total Liabilities	<u>70,925</u>	<u>1,736</u>	<u>867</u>
 Net Assets			
Temporarily Restricted	-	-	55,525
Total Net Assets	<u>-</u>	<u>-</u>	<u>55,525</u>
Total Liabilities and Net Assets	<u>\$ 70,925</u>	<u>\$ 1,736</u>	<u>\$ 56,392</u>

Equipment Fund 550	Child and Adult Care Food Program 28-8011 Fund 549	Food Program 28-8010 Fund 516	Total (Memorandum Only)
\$ 807	\$ -	\$ -	\$ 3,773
-	-	-	53,426
-	-	-	63
-	30,532	12,541	115,671
<u>807</u>	<u>30,532</u>	<u>12,541</u>	<u>172,933</u>
<u>\$ 807</u>	<u>\$ 30,532</u>	<u>\$ 12,541</u>	<u>\$ 172,933</u>
\$ -	\$ 4,518	\$ 4,462	\$ 62,406
-	25,542	2,993	38,235
-	705	-	11,107
-	30,765	7,455	111,748
<u>807</u>	<u>(233)</u>	<u>5,086</u>	<u>61,185</u>
<u>807</u>	<u>(233)</u>	<u>5,086</u>	<u>61,185</u>
<u>\$ 807</u>	<u>\$ 30,532</u>	<u>\$ 12,541</u>	<u>\$ 172,933</u>

**Operation: New View Community Action Agency
Combining Schedule of Activities
Early Childhood Program
Year Ended September 30, 2014**

Schedule 8

	Head Start PA 20/22 Funds for FY 2014 738 & 741	Head Start PA 20/22 Funds for FY 2013 739 & 740	Crisis Childcare Funds 615, 616, 634 & 635
REVENUES			
Federal Funds	\$ 1,514,994	\$ 152,540	\$ -
State Funds	-	-	30,459
Other Revenue	78	6	-
Non-Cash Match	-	-	-
Total Revenues	<u>1,515,072</u>	<u>152,546</u>	<u>30,459</u>
EXPENDITURES			
Personnel Costs:			
Salaries	826,694	85,513	5,440
Fringe Benefits	212,467	21,477	1,544
Payroll Taxes	74,367	7,828	448
Total Personnel Costs	<u>1,113,528</u>	<u>114,818</u>	<u>7,432</u>
Non-Personnel Costs:			
Consultant and Contract Services	3,700	-	-
Travel	16,991	2,156	-
Space Costs and Rentals	114,971	11,040	-
Consumable Supplies	17,847	2,222	-
Property and Equipment Costs	8,628	-	-
Other Costs	92,782	17,903	11,057
Total Non-Personnel Cost	<u>254,919</u>	<u>33,321</u>	<u>11,057</u>
Expenses Allocated	<u>159,382</u>	<u>8,929</u>	<u>1,145</u>
Total Expenditures	<u>1,527,829</u>	<u>157,068</u>	<u>19,634</u>
Excess of Revenues or (Expenditures)	(12,757)	(4,522)	10,825
Transfer of Net Assets	12,757	4,522	(10,825)
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 549	Food Program 28-8010 Fund 516	Total (Memorandum Only)
\$ -	\$ -	\$ 393,180	\$ 115,699	\$ 2,176,413
-	-	-	-	30,459
33,998	-	859	-	34,941
327,863	-	-	-	327,863
<u>361,861</u>	<u>-</u>	<u>394,039</u>	<u>115,699</u>	<u>2,569,676</u>
-	-	51,709	-	969,356
-	-	17,664	-	253,152
-	-	4,570	-	87,213
<u>-</u>	<u>-</u>	<u>73,943</u>	<u>-</u>	<u>1,309,721</u>
-	-	-	-	3,700
88,720	-	2,441	-	110,308
140,429	-	11,550	-	277,990
-	-	2,283	-	22,352
-	-	-	-	8,628
101,900	-	319,695	110,613	653,950
331,049	-	335,969	110,613	1,076,928
-	-	11,194	-	180,650
<u>331,049</u>	<u>-</u>	<u>421,106</u>	<u>110,613</u>	<u>2,567,299</u>
30,812	-	(27,067)	5,086	2,377
-	-	26,086	-	32,540
<u>24,713</u>	<u>807</u>	<u>748</u>	<u>-</u>	<u>26,268</u>
<u>\$ 55,525</u>	<u>\$ 807</u>	<u>\$ (233)</u>	<u>\$ 5,086</u>	<u>\$ 61,185</u>

**Operation: New View Community Action Agency
Combining Schedule of Financial Position
Low-Income Home Energy Assistance
September 30, 2014**

Schedule 9

ASSETS	Fuel Assistance Refund Fund 408	Hometown Care Fund 413	LIHEAP-14-10 Fund 403
Current Assets			
Cash	\$ 3,464	\$ 52,864	\$ 6,673
Due From Other Funds	-	30,593	31,169
Grant Receivable	-	-	1,694
Total Current Assets	<u>3,464</u>	<u>83,457</u>	<u>39,536</u>
Total Assets	<u><u>\$ 3,464</u></u>	<u><u>\$ 83,457</u></u>	<u><u>\$ 39,536</u></u>
 LIABILITIES AND NET ASSETS			
Liabilities			
Accounts Payable	\$ 3,464	\$ 100	\$ 1,986
Refunds Payable	-	-	33,594
Accrued Payroll and Related Expenses	-	-	3,956
Total Liabilities	<u>3,464</u>	<u>100</u>	<u>39,536</u>
 Net Assets			
Temporarily Restricted	-	83,357	-
Total Net Assets (Deficit)	<u>-</u>	<u>83,357</u>	<u>-</u>
Total Liabilities and Net Assets (Deficit)	<u><u>\$ 3,464</u></u>	<u><u>\$ 83,457</u></u>	<u><u>\$ 39,536</u></u>

Cascade Muni Project Fund 428	Recare Fund 415	Black Hills Cares Fund 417	Total (Memorandum Only)
\$ 175	\$ 1,661	\$ 2,775	\$ 67,612
-	-	-	61,762
-	-	-	1,694
<u>175</u>	<u>1,661</u>	<u>2,775</u>	<u>131,068</u>
<u>\$ 175</u>	<u>\$ 1,661</u>	<u>\$ 2,775</u>	<u>\$ 131,068</u>
\$ -	\$ -	\$ -	\$ 5,550
-	-	-	33,594
-	-	-	3,956
<u>-</u>	<u>-</u>	<u>-</u>	<u>43,100</u>
175	1,661	2,775	87,968
<u>175</u>	<u>1,661</u>	<u>2,775</u>	<u>87,968</u>
<u>\$ 175</u>	<u>\$ 1,661</u>	<u>\$ 2,775</u>	<u>\$ 131,068</u>

**Operation: New View Community Action Agency
Combining Schedule of Activities
Low-Income Home Energy Assistance
Year Ended September 30, 2014**

Schedule 10

	Hometown Care Fund 413	LIHEAP-14-10 10/1/13 - 9/30/2014 Fund 403	Recare Fund 415
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Federal Funds	\$ -	2,323,601	\$ -
Other Revenue	172,168	-	1,444
	<u>172,168</u>	<u>2,323,601</u>	<u>1,444</u>
EXPENDITURES			
Personnel Costs:			
Salaries	-	128,225	-
Fringe Benefits	-	28,141	-
Payroll Taxes	-	10,824	-
	<u>-</u>	<u>167,190</u>	<u>-</u>
Non-Personnel Costs:			
Travel	-	2,818	-
Space Costs and Rentals	-	16,486	-
Consumable Supplies	-	7,401	-
Property and Equipment Costs	-	-	-
Other Costs	72,030	2,103,959	923
	<u>72,030</u>	<u>2,130,664</u>	<u>923</u>
Expenses Allocated	<u>-</u>	<u>25,747</u>	<u>-</u>
Total Expenditures	<u>72,030</u>	<u>2,323,601</u>	<u>923</u>
Excess of Revenues or (Expenditures)	100,138	-	521
Transfer of Net Assets	-	-	-
Beginning Net Assets (Deficit)	(16,781)	-	1,140
Ending Net Assets (Deficit)	<u>\$ 83,357</u>	<u>\$ -</u>	<u>\$ 1,661</u>

Cascade Muni Project Fund 428	Black Hills Cares Fund 417	Total (Memorandum Only)
\$ -	\$ -	\$ 2,323,601
-	35,712	209,324
-	35,712	2,532,925
-	-	128,225
-	-	28,141
-	-	10,824
-	-	167,190
-	-	2,818
-	-	16,486
-	-	7,401
-	-	-
-	42,210	2,219,122
-	42,210	2,245,827
-	-	25,747
-	42,210	2,438,764
-	(6,498)	94,161
-	-	-
175	9,273	(6,193)
<u>\$ 175</u>	<u>\$ 2,775</u>	<u>\$ 87,968</u>

**Operation: New View Community Action Agency
Combining Schedule of Financial Position
Community Block Grant Funds
September 30, 2014**

Schedule 11

	Community Services Block Grants (Funds 073 and 074)	Total (Memorandum Only)
ASSETS	<u> </u>	<u> </u>
Current Assets		
Cash	\$ 42,705	\$ 42,705
Grant Receivable	-	-
Total Current Assets	<u>42,705</u>	<u>42,705</u>
Total Assets	<u><u>\$ 42,705</u></u>	<u><u>\$ 42,705</u></u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	3,040	\$ 3,040
Due to Other Funds	-	-
Deferred Revenue	423	423
Accrued Payroll and Related Expenses	<u>39,242</u>	<u>39,242</u>
Total Liabilities	<u>42,705</u>	<u>42,705</u>
Net Assets		
Temporarily Restricted	<u>-</u>	<u>-</u>
Total Net Assets	<u>-</u>	<u>-</u>
Total Liabilities and Net Assets	<u><u>\$ 42,705</u></u>	<u><u>\$ 42,705</u></u>

**Operation: New View Community Action Agency
Combining Schedule of Activities
Community Block Grant Funds
Year Ended September 30, 2014**

Schedule 12

	Community Services Block Grants (Funds 073 and 074)	Total (Memorandum Only)
REVENUES		
Federal Funds	281,848	\$ 281,848
Other Revenue	-	-
Total Revenue	281,848	281,848
EXPENDITURES		
Personnel Costs:		
Salaries	137,153	137,153
Fringe Benefits	41,512	41,512
Payroll Taxes	12,493	12,493
Total Personnel Costs	191,158	191,158
Non-Personnel Costs:		
Travel	4,713	4,713
Space Costs and Rentals	19,267	19,267
Consumable Supplies	5,384	5,384
Property and Equipment Costs	-	-
Other Costs	6,529	6,529
Total Non-Personnel Costs	35,893	35,893
Expenses Allocated	29,509	29,509
Total Expenditures	256,560	256,560
Excess of Revenues or (Expenditures)	25,288	25,288
Transfer of Net Assets	(25,288)	(25,288)
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, 084 & 085	Tax Credit Fund 036	Keep Our Neighbors Warm Fund 046	Tenant Based Rental Assistance Funds 100 & 101	Emergency Assistance Funds 025 & 026
Current Assets					
Cash	\$ -	\$ 1,191	\$ 15,767	\$ -	\$ 48,080
Due From Other Funds	-	-	-	-	34,101
Grants Receivable	1,734	-	-	3,734	-
Total Current Assets	<u>1,734</u>	<u>1,191</u>	<u>15,767</u>	<u>3,734</u>	<u>82,181</u>
Total Assets	<u><u>\$ 1,734</u></u>	<u><u>\$ 1,191</u></u>	<u><u>\$ 15,767</u></u>	<u><u>\$ 3,734</u></u>	<u><u>\$ 82,181</u></u>
 LIABILITIES AND NET ASSETS					
Liabilities					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ (25)
Due To Other Funds	2,233	-	-	2,116	-
Total Liabilities	<u>2,233</u>	<u>-</u>	<u>-</u>	<u>2,116</u>	<u>(25)</u>
Net Assets					
Temporarily Restricted	(499)	1,191	15,767	1,618	82,206
Total Net Assets	<u>(499)</u>	<u>1,191</u>	<u>15,767</u>	<u>1,618</u>	<u>82,206</u>
Total Liabilities and Net Assets	<u><u>\$ 1,734</u></u>	<u><u>\$ 1,191</u></u>	<u><u>\$ 15,767</u></u>	<u><u>\$ 3,734</u></u>	<u><u>\$ 82,181</u></u>

Disaster Relief Fund 171	Small Miracles Fund 043	BB & C Green Fund 045	Embrace Iowa Fund 028	Dubuque Racing Association Fund 091	Total (Memorandum Only)
\$ -	\$ 645	\$ 3,249	\$ 3	\$ 1,037	\$ 69,972
-	-	-	-	-	34,101
21,271	-	-	-	-	26,739
21,271	645	3,249	3	1,037	130,812
<u>\$ 21,271</u>	<u>\$ 645</u>	<u>\$ 3,249</u>	<u>\$ 3</u>	<u>\$ 1,037</u>	<u>\$ 130,812</u>
15	\$ -	\$ 304	\$ -	\$ -	\$ 294
20,772	-	-	-	-	25,121
20,787	-	304	-	-	25,415
484	645	2,945	3	1,037	105,397
484	645	2,945	3	1,037	105,397
<u>\$ 21,271</u>	<u>\$ 645</u>	<u>\$ 3,249</u>	<u>\$ 3</u>	<u>\$ 1,037</u>	<u>\$ 130,812</u>

Operation: New View Community Action Agency
Combining Schedule of Activities
Other Program Funds
Year Ended September 30, 2014
Schedule 14

	Emergency Food and Shelter Funds 067, 084 & 085	Disaster Relief Fund 171	Tax Credit Fund 036
REVENUES			
Federal Revenue	\$ 4,166	\$ -	\$ 7,502
Other Revenue	-	23,443	-
Total Revenue	<u>4,166</u>	<u>23,443</u>	<u>7,502</u>
EXPENDITURES			
Personnel Costs:			
Salaries	-	-	-
Fringe Benefits	-	-	-
Payroll Taxes	-	-	-
Total Personnel Costs	<u>-</u>	<u>-</u>	<u>-</u>
Non-Personnel Costs:			
Travel	-	-	469
Space Costs and Rental	-	-	-
Consumable Supplies	-	-	-
Other Costs	1,843	23,458	6,976
Total Non-Personnel Costs	<u>1,843</u>	<u>23,458</u>	<u>7,445</u>
Expenses Allocated			
Total Expenditures	<u>1,843</u>	<u>23,458</u>	<u>7,445</u>
Excess of Revenues or (Expenditures)	2,323	(15)	57
Transfer of Net Assets	-	-	-
Beginning Net Assets	(2,822)	499	1,134
Ending Net Assets	<u>\$ (499)</u>	<u>\$ 484</u>	<u>\$ 1,191</u>

BB & C Green Fund 045	Dubuque Racing Association Fund 091	Small Miracles Fund 043	Tenant Based Rental Assistance Funds 100 & 101	Keep Our Neighbors Warm Fund 046	Emergency Assistance Funds 025 & 026	Embrace Iowa Fund 028	Total (Memorandum Only)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,668
5,000	8,000	-	14,992	13,664	31,593	10,877	107,569
5,000	8,000	-	14,992	13,664	31,593	10,877	119,237
-	-	-	2,169	-	-	-	2,169
-	-	-	548	-	-	-	548
-	-	-	196	-	-	-	196
-	-	-	2,913	-	-	-	2,913
-	-	-	652	-	-	-	1,121
-	-	-	-	-	-	-	-
-	-	-	7	-	-	-	7
18,092	-	1,800	9,353	551	20,136	10,877	93,086
18,092	-	1,800	10,012	551	20,136	10,877	94,214
-	-	-	449	-	-	-	449
18,092	-	1,800	13,374	551	20,136	10,877	97,576
(13,092)	8,000	(1,800)	1,618	13,113	11,457	-	21,661
-	-	-	-	-	-	-	-
16,037	(6,963)	2,445	-	2,654	70,749	3	83,736
\$ 2,945	\$ 1,037	\$ 645	\$ 1,618	\$ 15,767	\$ 82,206	\$ 3	\$ 105,397

Operation: New View Community Action Agency
Schedule of Budget Compared to Actual Expenditures
Weatherization Assistance Program
DOE-14-10K
For the Period April 1, 2014 through March 31, 2015
Schedule 15

	Approved Budget Unaudited	Actual Through 9/30/2014
REVENUES		
Federal	\$ 126,737	\$ 126,737
 EXPENDITURES		
Administration	14,595	14,595
Health and Safety	22,698	30,851
Support	29,068	42,852
Labor	30,188	14,752
Materials	30,188	23,687
Total Expenditures	\$ 126,737	\$ 126,737

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 16

	Approved Budget Unaudited	Actual
REVENUES		
Federal	\$ 133,956	\$ 133,951
 EXPENDITURES		
Administration	\$ 14,578	\$ 14,575
Health and Safety	23,875	36,350
Support	30,919	43,872
Labor	32,292	19,391
Materials	32,292	19,763
Total Expenditures	\$ 133,956	\$ 133,951

Operation: New View Community Action Agency
Schedule of Budget Compared to Actual Expenditures
HEAP Weatherization HEAP 14-10K
For the Period January 1, 2014 through December 31, 2014
Schedule 17

	<u>Approved Budget Unaudited</u>	<u>Actual Through 9/30/2014</u>
REVENUES		
Federal	<u>\$ 279,839</u>	<u>\$ 229,132</u>
 EXPENDITURES		
Administration	\$ 14,728	\$ 11,487
Support Services	68,733	57,514
Labor	71,678	31,492
Health and Safety	53,022	91,885
Materials	71,678	29,722
Equipment / Training	-	7,032
Total Expenditures	<u>\$ 279,839</u>	<u>\$ 229,132</u>

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 18

	<u>Approved Budget Unaudited</u>	<u>Actual</u>
REVENUES		
Federal	<u>\$ 632,243</u>	<u>\$ 360,890</u>
 EXPENDITURES		
Administration	\$ 32,838	\$ 19,418
Support Services	147,824	100,303
Labor	153,692	43,493
Health and Safety	114,197	140,905
Equipment / Training	30,000	4,861
Materials	<u>153,692</u>	<u>51,910</u>
Total Expenditures	<u>\$ 632,243</u>	<u>\$ 360,890</u>

Operation: New View Community Action Agency
Schedule of Budget Compared to Actual Expenditures
Low-Income Home Energy Assistance Program
LIHEAP-14-10
For the Period October 1, 2013 through September 30, 2014
Schedule 19

	<u>Approved Budget Unaudited</u>	<u>Actual</u>
LiHeap		
Administration	\$ 204,473	\$ 201,838
Energy Crisis Intervention Payments	222,262	222,262
Summer Deliverable Fuel Payments	216,103	216,103
Regular Assistance	<u>1,822,367</u>	<u>1,655,283</u>
Total	<u>2,465,205</u>	<u>2,295,486</u>
Affordable Heating Program		
Developmental Assessment and Resolution Program	-	-
AHA Assessment and Resolution	<u>28,115</u>	<u>28,115</u>
Total	<u>28,115</u>	<u>28,115</u>
Total LiHeap	<u><u>\$ 2,493,320</u></u>	<u><u>\$ 2,323,601</u></u>

**Operation: New View Community Action Agency
Schedule of Budget Compared to Actual Expenditures
Head Start Program Grant No. 07CH0003/41
For the Period November 1, 2013 through October 31, 2014**

Schedule 20

	Approved Budget Unaudited	Actual Through 9/30/2014
REVENUES		
<i>Office of Human Development Services:</i>		
Amount Awarded This Budget Period	\$ 1,797,797	\$ 1,514,994
Reimbursements U.S. D. A. Funds	151,707	115,699
Reimbursements Grantee Contributions	449,449	478,383
Other Revenue	-	78
Total Revenues	\$ 2,398,953	\$ 2,109,154
EXPENDITURES		
Federal Share:		
Personnel and Fringe Benefits	\$ 1,359,984	\$ 1,113,528
Travel	6,803	16,991
Equipment	-	8,628
Supplies	17,068	17,847
Contractual	63,059	3,700
Indirect Costs	207,553	159,382
Other Costs	143,330	194,918
Total Federal Share	1,797,797	1,514,994
Reimbursements Applied:		
<i>Head Start, Full Year/Part Day</i>		
Other Costs	151,707	115,699
Other Costs		
	-	78
Grantee Share:		
<i>Head Start, Full Year/Part Day and Handicapped</i>		
Volunteers	173,887	150,521
Space Costs	57,257	140,428
Travel	159,778	88,720
Other Resources	58,527	98,714
Total Grantee's Share	449,449	478,383
Total Expenditures	\$ 2,398,953	\$ 2,109,154

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 21

	Approved Budget Unaudited	Actual
REVENUES		
<i>Office of Human Development Services:</i>		
Amount Awarded This Budget Period	\$ 1,775,084	\$ 1,683,009
Reimbursements U.S. D. A. Funds	177,464	111,445
Reimbursements Grantee Contributions	443,771	420,752
Other Revenue	-	552
Total Revenues	<u>\$ 2,396,319</u>	<u>\$ 2,215,758</u>
EXPENDITURES		
Federal Share:		
Personnel and Fringe Benefits	\$ 1,345,693	\$ 1,240,874
Travel	6,386	15,633
Equipment	-	-
Supplies	15,128	19,657
Contractual	61,450	317
Indirect Costs	206,685	178,581
Other Costs	139,742	227,947
Total Federal Share	<u>1,775,084</u>	<u>1,683,009</u>
Reimbursements Applied:		
<i>Head Start, Full Year/Part Day</i>		
Other Costs	177,464	111,445
Other Costs	<u>-</u>	<u>552</u>
Grantee Share:		
<i>Head Start, Full Year/Part Day and Handicapped</i>		
Volunteers	186,228	114,647
Space Costs	57,257	55,268
Travel	173,218	129,098
Other Resources	27,068	121,739
Total Grantee's Share	<u>443,771</u>	<u>420,752</u>
Total Expenditures	<u>\$ 2,396,319</u>	<u>\$ 2,215,758</u>

Operation: New View Community Action Agency
Schedule of Budget Compared to Actual Expenditures
Community Service Block Grant
CSBG-14-10
For the Period October 1, 2013 through March 31, 2015

Schedule 22

	Approved Budget Unaudited	Actual Through 9/30/2014
REVENUES		
Federal	\$ 264,423	\$ 135,188
 EXPENDITURES		
Personnel Costs	183,558	100,984
Travel	5,950	2,275
Space Costs	18,797	12,105
Equipment Costs	1,650	7,013
Co-Funded Programs	1,800	-
Other Costs	24,940	(4,289)
Indirect Costs	27,728	17,100
Total Expenditures	\$ 264,423	\$ 135,188

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 23

	<u>Approved Budget Unaudited</u>	<u>Actual</u>
REVENUES		
Federal	<u>\$ 259,545</u>	<u>\$ 259,545</u>
 EXPENDITURES		
Personnel Costs	175,902	176,311
Travel	8,000	5,263
Space Costs	14,790	18,759
Equipment Costs	8,368	7,060
Co-Funded Programs	983	488
Other Costs	24,414	24,634
Indirect Costs	<u>27,088</u>	<u>27,030</u>
Total Expenditures	<u>\$ 259,545</u>	<u>\$ 259,545</u>

**Operation: New View Community Action Agency
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2014**

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	07CH0003/40	\$ 152,540
	93.600	07CH0003/41	\$ 1,514,994
Passed through State			
Department of Human Rights:			
Community Services Block Grant	93.569	CSBG-14-10K	\$ 135,188
	93.569	CSBG-13-10K	146,660
Low Income Home Energy Assistance Program	93.568	LIHEAP-14-10K	2,323,601
HEAP Weatherization	93.568	HEAP-14-10K	229,132
	93.568	HEAP-13-10K	69,862
Total Passed through State Department of Human Rights			<u>\$ 2,904,443</u>
Total Department of Health and Human Services			<u><u>\$ 4,571,977</u></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-14-10K	\$ 126,737
	81.042	DOE-13-10K	25,131
Total Department of Energy			<u><u>\$ 151,868</u></u>

(Continued)

**Operation: New View Community Action Agency
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2014
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	\$ 508,879
Total Department of Agriculture			<u>\$ 508,879</u>
IV. Department of Treasury			
Direct Programs:			
None			
Passed through ISED			
VITA Grant	21.009	ACFS 11-063	\$ 7,502
Total Department of Treasury			<u>\$ 7,502</u>
V. Department of Homeland Security			
Direct Programs:			
None			
Passed through Local Counties			
Emergency Food and Shelter	97.024	2946-00 Jackson	\$ 934
	97.024	2908-00 Dubuque	3,232
Total Department of Homeland Security			<u>\$ 4,166</u>
Total Federal Financial Assistance			<u>\$ 5,244,392</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 statement of financial position as of September 30, 2014, and the related statement of activities, functional expenses, cash flows, and fiduciary net assets for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 21, 2015.

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 and another deficiency that we consider to be a significant deficiency.

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 findings 2014-A and 2014-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. We consider finding 2014-C described in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency.

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*.

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.



Dubuque, Iowa
July 21, 2015



Independent Auditor's Report on Compliance for Each Major Federal Program and 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, 2014. 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 the Agency's compliance.

Opinion on Each Major Federal Program

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 the major federal programs for the year ended September 30, 2014.

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 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 the 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 2014-001 and 2014-002 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
July 21, 2015

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	Yes
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>
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
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Auditee qualified as low-risk auditee?	No
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Part II: Findings – Related to the Financial Statements:

MATERIAL WEAKNESSES

2014-A Significant 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 significant adjustments to the Agency’s financial statements in the areas of deferred revenue, payroll liabilities, prepaid expenses, cash, and the schedule of expenditures of federal awards.

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 – We have contracted with a consulting firm to ensure account accuracy and completeness. Going forward, fiscal staff will be implementing the training and recommendations from the consulting firm.

2014-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 II: Findings – Related to the Financial Statements: (continued)

SIGNIFICANT DEFICIENCY

2014-C Bank Reconciliations

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 – While performing our audit procedures, we noted that the reconciliation of the Agency’s general ledger cash balance to the bank balance was only prepared once during the fiscal year.

Cause – There appears to have been miscommunication between the Agency and its third party accountant as to the frequency of the bank reconciliations.

Effect – The effect of this condition was that any inaccuracies in the Agency’s general ledger cash balances were not identified on a timely basis.

Recommendation – We recommend that the Agency ensure that timely bank reconciliations are performed monthly.

Response – We have contracted with a consulting firm to assist with completing our bank reconciliations in a timely manner. We are implementing new processes to have our staff complete them within 30 days going forward.

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

SIGNIFICANT DEFICIENCIES

2014-001 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.

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

Condition – One case was 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 case’s categories did not cause the Agency to be out of compliance with the eligibility and earmarking requirements.

Cause – It appears the inaccuracy was 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 – Head Start management and staff will use a 3 part verification process to ensure accuracy of documentation. An in house audit of children’s files will be conducted quarterly.

2014-002 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, in-kind matching expenditures are required to be documented and the documentation of in-kind matching expenditures is to include signatures of the donor and recipient.

Condition – Six out of sixty cases tested were noted where either supporting documentation was missing or the donor, the recipient, or both signatures were not included in the in-kind matching expenditure documentation. Also, in five out of sixty cases tested amounts claimed should have been different than the reported amounts.

Cause – It appears the cause of the lack of documentation was due to the Agency staff receiving and recording the in-kind matching expenditures were not aware of the need to maintain supporting documentation, including the need for signatures. The difference in amounts claimed appears to be from staff not appropriately following up on items that were turned in and claimed for matching.

Effect – The effect of this condition was the lack of documentation or documentation of in-kind match expenditures without donor and recipient signatures and incorrect amounts reported as matching funds.

Questioned costs – \$5,457 error out of \$118,585 tested. This does not constitute noncompliance since there are numerous other expenditures that would qualify as matching funds that were not claimed.

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

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

Response – Head Start management and staff have updated our current processes and procedures regarding Matching. Staff will continue to be trained on the required procedures in completing non-federal match documentation. All employees will receive training on the new, updated policies and procedures along with training from a DVD purchased in regard to non-federal match requirements.

Operation: New View Community Action Agency
 Corrective Action Plan for Audit Findings
 Year Ended September 30, 2014

<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:

2014-A	Significant Audit Adjustments	The corrective action plan was documented in our response to the auditor's comment. See the Schedule of Findings and Questioned Costs.	David Barnes, Executive Director, 563-556-5130	September 30, 2015
2014-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.	David Barnes, Executive Director, 563-556-5130	Not determined at this date.
2014-C	Bank Reconciliations	The corrective action plan was documented in our response to the auditor's comment. See the Schedule of Findings and Questioned Costs.	David Barnes, Executive Director, 563-556-5130	Not determined at this date.

Findings Related to Federal Programs:

2014-001	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.	David Barnes, Executive Director, 563-556-5130	September 30, 2015
2014-002	Matching	The corrective action plan was documented in our response to the auditor's comment. See the Schedule of Findings and Questioned Costs.	David Barnes, Executive Director, 563-556-5130	September 30, 2015

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

**Eligibility and Earmarking
Significant Deficiency in Internal Control over Compliance**

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.

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.

Status: Not resolved.

Auditor Response: Finding has been repeated as 2014-001

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

**Matching
Significant Deficiency in Internal Control over Compliance**

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.

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

Status: Not resolved.

Auditor Response: Finding has been repeated as 2014-002