

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

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

YEAR ENDED SEPTEMBER 30, 2023

# NEW OPPORTUNITIES, INC.

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NEW OPPORTUNITIES, INC.

BOARD OF DIRECTORS

Executive Board of Directors

Eugene Meiners	President
Carl Legore	Vice President
Terry Striegel	Secretary
Carolyn Masters	Treasurer

Board Members

<u>County</u>	<u>Representing</u>		
	<u>Government</u>	<u>Low-Income</u>	<u>Private</u>
Audubon	Heath Hansen	Jon Hays	Vacant
Calhoun	Carl Legore	Vacant	Deb Lightner
Carroll	Eugene Meiners	Jeff Cayler	Peg Hamilton
Dallas	Mark Hanson	Kim Denman	Tim Farmer
Greene	Dan Benitz	Vacant	Erica Burris
Guthrie	Jerome Kuster	Denis James	Carolyn Masters
Sac	Mike Fischer	Cindy Wallace	Terry Striegel

Agency Officials

Chad Jensen	Chief Executive Officer
Sheri Mertz	Chief Financial Officer

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

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DUSTIN T. VEENSTRA

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of New Opportunities, Inc. (an Iowa Non-Profit Corporation) which comprise the statement of financial position as of September 30, 2023 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Opportunities, Inc. as of September 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of New Opportunities, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about New Opportunities, Inc.'s ability to continue as a going concern for one year after the date that the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Board of Directors  
New Opportunities, Inc.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of New Opportunities, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about New Opportunities, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

To the Board of Directors  
New Opportunities, Inc.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise New Opportunities, Inc.'s basic financial statements. We previously audited, in accordance with the standards referred to in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report, the financial statements for the two years ended September 30, 2022 (which are not presented herein) and expressed an unmodified opinion on those financial statements. The supplementary information included on page 1 and on Schedules 1 through 13, including the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated January 24, 2024 on our consideration of New Opportunities, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of New Opportunities, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering New Opportunities, Inc.'s internal control over financial reporting and compliance.

*Demetrius, Bill, Thyer - W. P.C.*

Atlantic, Iowa  
January 24, 2024

NEW OPPORTUNITIES, INC.  
Statement of Financial Position  
September 30, 2023

ASSETS

Cash	\$ 1,014,449
Investments	29,693
Receivables:	
Grantor agencies	1,361,305
Other sources	118,239
Prepaid expenses	6,420
Inventory	7,345
Deferred financing costs	17,186
Property and equipment at cost, less accumulated depreciation of \$1,933,398	<u>4,991,968</u>
Total Assets	<u>\$ 7,546,605</u>

LIABILITIES AND NET ASSETS

Liabilities	
Payables:	
Accounts	\$ 456,341
Salaries and benefits	492,527
Advances from grantors	921,249
Long-term debt	<u>554,278</u>
Total Liabilities	2,424,395
Net Assets	
Without donor restrictions	1,723,900
With donor restrictions	<u>3,398,310</u>
Total Net Assets	<u>5,122,210</u>
Total Liabilities and Net Assets	<u>\$ 7,546,605</u>

See notes to financial statements.

NEW OPPORTUNITIES, INC.  
Statement of Activities  
Year Ended September 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenues:			
Grant Revenues	\$ 12,595,907	\$ 55,884	\$ 12,651,791
Local Funding and Donations	192,073	316,122	508,195
Program and Other Income	454,757	--	454,757
Co-Funding	117,737	--	117,737
In-Kind Contributions	852,128	--	852,128
Investment Income	45,151	--	45,151
Rental Income	125,041	--	125,041
Total Public Support and Revenues	<u>14,382,794</u>	<u>372,006</u>	<u>14,754,800</u>
Net Assets Released from Restrictions	<u>540,409</u>	<u>( 540,409)</u>	<u>--</u>
Total Public Support, Revenues, and Net Assets Released from Program Restrictions	14,923,203	( 168,403)	14,754,800
Expenses:			
Head Start	5,986,903	--	5,986,903
Child and Adult Care Food Program (CACFP)	874,591	--	874,591
Community Services Block Grant (CSBG)	264,763	--	264,763
Family Development Centers (FDC)/Outreach	609,153	--	609,153
Women, Infants and Children (WIC)	759,782	--	759,782
Maternal Health	237,137	--	237,137
1 <sup>st</sup> Five	107,644	--	107,644
Low-Income Household Water Assistance Program (LIHWAP)	239,707	--	239,707
Low-Income Home Energy Assistance Program (LIHEAP)	2,671,063	--	2,671,063
Weatherization Assistance	742,035	--	742,035
Substance Use Disorder (SUD) Programs	1,311,860	--	1,311,860
Other Programs	577,946	--	577,946
Administration	110,438	--	110,438
Depreciation	360,318	--	360,318
Total Expenses	<u>14,853,340</u>	<u>--</u>	<u>14,853,340</u>
Excess of Revenues Over Expenses (Expenses Over Revenues)	69,863	( 168,403)	( 98,540)
Change in Unrealized Gains and Losses on Investments, Other Than Trading Securities	( 33)	--	( 33)
Change in Net Assets	69,830	( 168,403)	( 98,573)
Net Assets - Beginning of Year	<u>1,654,070</u>	<u>3,566,713</u>	<u>5,220,783</u>
Net Assets - End of Year	<u>\$ 1,723,900</u>	<u>\$ 3,398,310</u>	<u>\$ 5,122,210</u>

See notes to financial statements.



NEW OPPORTUNITIES, INC.  
Statement of Functional Expenses  
Year Ended September 30, 2023

	Management and General	Program Services	Total
Salaries and wages	\$ 506,594	\$ 4,506,341	\$ 5,012,935
Fringe benefits	151,549	1,344,644	1,496,193
Assistance to individuals	11,161	3,752,334	3,763,495
Professional fees and contracted services	76,683	907,992	984,675
Travel	18,180	162,380	180,560
Occupancy	31,290	231,383	262,673
Communication costs	7,571	108,456	116,027
Program and office supplies	46,518	439,021	485,539
Equipment, property and maintenance	112,421	691,688	804,109
Insurance	10,179	175,136	185,315
Interest expense	39,079	--	39,079
Amortization	2,661	--	2,661
Miscellaneous	15,156	174,740	189,896
Co-funding	--	117,737	117,737
In-kind expenses	--	852,128	852,128
Depreciation	136,641	223,677	360,318
Total Expenses Before Allocation of Indirect Costs	1,165,683	13,687,657	14,853,340
Allocation of indirect costs	( 918,604)	918,604	--
Total Expenses	<u>\$ 247,079</u>	<u>\$ 14,606,261</u>	<u>\$ 14,853,340</u>

See notes to financial statements.

NEW OPPORTUNITIES, INC.  
Statement of Cash Flows  
Year Ended September 30, 2023

Cash flows from operating activities:	
Cash received from granting agencies	\$ 12,280,676
Local funding and donations received	508,195
Investment income	45,151
Program and other income received	632,693
Cash paid to employees and suppliers	( 13,002,344)
Interest paid	( 39,079)
Net cash provided by operating activities	<u>425,292</u>
Cash flows from investing activities:	
Payments to acquire property and equipment	( 199,921)
Net cash used in investing activities	<u>( 199,921)</u>
Cash flows from financing activities:	
Principal paid on revenue bond	( 85,817)
Net cash used in financing activities	<u>( 85,817)</u>
Net increase in cash	139,554
Cash and cash equivalents at beginning of year	<u>874,895</u>
Cash and cash equivalents at end of year	<u><u>\$ 1,014,449</u></u>

Non-Cash Transactions:

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

In-kind contributions received	<u><u>\$ 852,128</u></u>
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See notes to financial statements.

NEW OPPORTUNITIES, INC.  
Notes to Financial Statements  
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

The Agency administers various programs funded by Federal, State and local governmental bodies. Each program is accounted for as a separate fund. For the year ended September 30, 2023, the Agency received approximately 86% of its revenues from governmental funding sources. The Agency has renewed substantially all of these governmental funding sources for fiscal year October 1, 2023 to September 30, 2024 except for the LIHEAP ES and Head Start American Rescue Plan programs which ended during the year ended September 30, 2023 and had contracted amounts that totaled \$931,834.

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

B. Basis of Accounting

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

C. Revenue Recognition

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

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

NEW OPPORTUNITIES, INC.  
Notes to Financial Statements  
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

D. Basis of Presentation

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

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

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

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

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

NEW OPPORTUNITIES, INC.  
Notes to Financial Statements  
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

E. Assets, Liabilities and Net Assets

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

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

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

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

All receivables are considered fully collectible. Accordingly, no provision for uncollectible amounts has been recorded.

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

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

NEW OPPORTUNITIES, INC.  
Notes to Financial Statements  
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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

Expenses for maintenance, repairs and minor replacements are charged to the current year, while the cost for major replacements and betterments are capitalized. The cost of assets disposed of is deleted. No interest costs were capitalized during the year ended September 30, 2023.

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

Compensated Absences - Employees of the Agency accumulate a limited amount of earned but unused vacation payable to employees. Amounts representing the cost of compensated absences are recorded as liabilities on the statement of financial position. This liability has been computed based on rates of pay in effect at September 30, 2023.

Rent Expense - The Agency leases office and classroom space under leases which may be canceled by either party by giving written notice ranging from thirty to ninety days of their intention to vacate the lease. The Agency also leases copy machines and a mailing system under leases having immaterial non-cancelable obligations remaining at September 30, 2023. Rent expense under these leases totaled \$95,837 during the year ended September 30, 2023.

F. In-Kind Contributions

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

G. Functional Allocation of Expenses

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

NEW OPPORTUNITIES, INC.  
Notes to Financial Statements  
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

H. Use of Estimates

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

NOTE 2 - INDIRECT COST RATE AGREEMENT

New Opportunities, Inc. entered into an Indirect Cost Rate Agreement with their cognizant agency, Department of Health and Human Services, setting a provisional Indirect Cost Rate of up to 17.0% for fiscal years October 1, 2021 to September 30, 2024. The Agency used a 15.7% Indirect Cost Rate for the fiscal year ending September 30, 2023. The Indirect Cost allowed is calculated by multiplying the lower of the approved provisional rate or the rate used by the Agency (15.7%) times the allocation base. The allocation base is the Agency's direct salaries and wages, including fringe benefits and is applicable to all programs. The use of the Indirect Cost Rate allows for an allocation process of the Agency's costs that are incurred for common or joint objectives and, therefore, cannot be readily and specifically identified with a particular project or activity.

NOTE 3 - DEPOSITS AND INVESTMENTS

The Agency's deposits at September 30, 2023 were entirely covered by Federal depository insurance, collateralized with securities or letters of credit held by the Agency or the Agency's agent in the Agency's name, or by a multiple financial institution collateral pool in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

Equity securities	\$ <u>29,693</u>
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All equity securities are classified as available for sale. None of the \$29,693 of equity securities is covered by any form of insurance against loss.

Investment income and other changes in investments are comprised of the following for the year ended September 30, 2023:

Investment Income:	
Interest and dividend income	\$ <u>45,151</u>
Other Changes in Investments:	
Change in unrealized gains and (losses) on available for sale securities	\$( <u>33</u> )

NEW OPPORTUNITIES, INC.  
Notes to Financial Statements  
September 30, 2023

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions of \$3,398,310 consist of undepreciated capital items and unspent donations restricted for use within a specific program.

Net assets released from restrictions of \$540,409 during the year ended September 30, 2023 represent amounts that satisfied program restrictions or were utilized during the time period for which it was restricted.

NOTE 5 - FAIR VALUE MEASUREMENTS

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1). Level 3 inputs are unobservable and have the lowest priority. The Agency uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Agency measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 1 inputs were available for all investments at September 30, 2023.

*Level 1 Fair Value Measurements*

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

The following table sets forth, by level within the fair value hierarchy, the Agency's investments at fair value as of September 30, 2023:

<u>September 30, 2023</u>	<u>Fair Value</u>	Fair Value Measurements at Reporting Date Using:
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
Equity securities	\$ <u>29,693</u>	\$ <u>29,693</u>



NEW OPPORTUNITIES, INC.  
Notes to Financial Statements  
September 30, 2023

NOTE 6 - FINANCIAL ASSETS AND LIQUIDITY RESOURCES

As of September 30, 2023, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, scheduled principal payments on debt, and capital costs not financed with debt, were as follows:

Financial assets:	
Cash and cash equivalents	\$ 1,014,449
Investments	29,693
Receivables from grantor agencies and other sources	<u>1,479,544</u>
Total financial assets available within one year	<u>\$ 2,523,686</u>

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

NOTE 7 - PROPERTY AND EQUIPMENT

A summary of property and equipment comprising the plant fund at September 30, 2023, categorized by acquiring program/source, is as follows:

<u>Acquiring Program/Source</u>	<u>Land and Buildings</u>	<u>Vehicles</u>	<u>Equipment</u>	<u>Total</u>
Head Start	\$3,486,683	\$ 257,528	\$ 261,700	\$ 4,005,911
Weatherization Assistance	--	75,412	6,405	81,817
Women, Infants and Children	--	21,847	--	21,847
Community Service Block Grant	--	21,851	--	21,851
General Agency	<u>2,534,431</u>	<u>61,098</u>	<u>198,411</u>	<u>2,793,940</u>
Total Cost	6,021,114	437,736	466,516	6,925,366
Less Accumulated Depreciation	<u>(1,436,733)</u>	<u>( 310,904)</u>	<u>( 185,761)</u>	<u>( 1,933,398)</u>
Net	<u>\$4,584,381</u>	<u>\$ 126,832</u>	<u>\$ 280,755</u>	<u>\$ 4,991,968</u>

The components of the Agency's accumulated depreciation at September 30, 2023 are as follows:

	<u>Buildings</u>	<u>Vehicles</u>	<u>Equipment</u>	<u>Total</u>
Balance Beginning of Year	\$1,184,172	\$ 284,079	\$ 252,571	\$ 1,720,822
Current Year Depreciation	252,561	50,890	56,867	360,318
Less Disposals	<u>--</u>	<u>( 24,065)</u>	<u>( 123,677)</u>	<u>( 147,742)</u>
Balance End of Year	<u>\$1,436,733</u>	<u>\$ 310,904</u>	<u>\$ 185,761</u>	<u>\$ 1,933,398</u>

NEW OPPORTUNITIES, INC.  
Notes to Financial Statements  
September 30, 2023

NOTE 8 - LONG-TERM DEBT

The following is a summary of long-term debt and related information at September 30, 2023:

Revenue bond payable	\$ <u>554,278</u>
----------------------	-------------------

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

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

<u>Year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 91,564	\$ 33,332	\$ 124,896
2025	97,696	27,200	124,896
2026	104,239	20,657	124,896
2027	111,221	13,675	124,896
2028	118,669	6,227	124,896
2029	<u>30,889</u>	<u>335</u>	<u>31,224</u>
	<u>\$ 554,278</u>	<u>\$ 101,426</u>	<u>\$ 655,704</u>

NOTE 9 - PENSION AND RETIREMENT BENEFITS

Iowa Public Employees Retirement System

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

Plan members are required to contribute 6.29% of their annual salary and the Agency is required to contribute 9.44% of annual covered payroll. Contribution requirements are established by State statute. The Agency's contribution to IPERS for the year ended September 30, 2023 was approximately \$432,000, equal to the required contribution for the year, while the employees contributed approximately \$290,000.

NEW OPPORTUNITIES, INC.  
Notes to Financial Statements  
September 30, 2023

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Line of Credit

The Agency has established an open-end line of credit with a local bank with a face amount of \$300,000. The line of credit carries a variable interest rate (8.50% at September 30, 2023) and there was no amount borrowed on the line at September 30, 2023. The agreement expires in May, 2024.

Federal Assistance Grants

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

Agency Risk Management

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

Subsequent Event

The Agency has evaluated all subsequent events through January 24, 2024, the date the financial statements were available to be issued.

\* \* \*

## SUPPLEMENTARY INFORMATION

NEW OPPORTUNITIES, INC.  
Schedule of Activities - Programs  
Year Ended September 30, 2023

	<u>Head Start &amp; Early Head Start</u>	<u>CACFP - Head Start</u>
Revenues:		
Grant Revenue	\$ 5,190,659	\$ 195,914
Local Funding and Donations	--	--
Program and Other Income	--	--
Co-Funding	--	--
In-Kind Contributions	<u>852,128</u>	<u>--</u>
Total Revenues	6,042,787	195,914
Expenses:		
Salaries and wages	2,548,482	31,046
Fringe benefits	753,224	13,166
Assistance to individuals	41,041	144,761
Professional fees and contracted services	183,401	--
Travel	39,254	--
Occupancy	84,327	--
Communication costs	52,852	--
Program and office supplies	249,958	--
Equipment, property and maintenance	508,346	--
Insurance	149,922	--
Miscellaneous	61,484	--
Co-Funding	--	--
In-Kind expenses	<u>852,128</u>	<u>--</u>
Total Expenses Before Allocation of Indirect Costs	5,524,419	188,973
Allocation of Indirect Costs	<u>518,368</u>	<u>6,941</u>
Total Expenses	<u>6,042,787</u>	<u>195,914</u>
Change in Net Assets	--	--
Net Assets (Deficit) at Beginning of Year	<u>--</u>	<u>--</u>
Net Assets (Deficit) at End of Year	<u>\$ --</u>	<u>\$ --</u>

(continued next page)

<u>CACFP - Homes</u>	<u>CSBG</u>	<u>FDC Outreach</u>	<u>WIC</u>
\$ 678,677	\$ 264,763	\$ 236,103	\$ 758,472
--	--	264,854	--
--	--	35,335	--
--	--	104,344	1,310
--	--	--	--
678,677	264,763	640,636	759,782
64,515	86,042	229,987	319,034
15,940	22,993	89,633	88,763
--	--	93,365	25,155
568,559	1,882	4,975	50,543
8,752	1,154	19,776	8,807
1,378	2,837	34,015	31,386
2,260	2,053	13,820	8,156
1,771	5,115	24,444	22,952
895	2,895	54,955	133,386
235	1,098	5,399	3,823
1,741	3,838	16,868	3,753
--	117,737	--	--
--	--	--	--
666,046	247,644	587,237	695,758
12,631	17,119	50,180	64,024
678,677	264,763	637,417	759,782
--	--	3,219	--
--	--	81,092	--
\$ --	\$ --	\$ 84,311	\$ --

NEW OPPORTUNITIES, INC.  
Schedule of Activities - Programs - Continued  
Year Ended September 30, 2023

	<u>Maternal Health</u>	<u>1<sup>st</sup> Five</u>
Revenues:		
Grant Revenue	\$ 140,299	\$ 107,886
Local Funding and Donations	--	--
Program and Other Income	96,838	--
Co-Funding	--	358
In-Kind Contributions	<u>--</u>	<u>--</u>
Total Revenues	237,137	108,244
Expenses:		
Salaries and wages	116,135	53,859
Fringe benefits	29,673	14,214
Assistance to individuals	--	--
Professional fees and contracted services	38,795	3,425
Travel	885	1,516
Occupancy	5,498	2,300
Communication costs	865	885
Program and office supplies	4,286	12,916
Equipment, property and maintenance	8,688	3,475
Insurance	935	365
Miscellaneous	8,485	4,602
Co-Funding	--	--
In-Kind expenses	<u>--</u>	<u>--</u>
Total Expenses Before Allocation of Indirect Costs	214,245	97,557
Allocation of Indirect Costs	<u>22,892</u>	<u>10,687</u>
Total Expenses	<u>237,137</u>	<u>108,244</u>
Change in Net Assets	--	--
Net Assets (Deficit) at Beginning of Year	<u>--</u>	<u>--</u>
Net Assets (Deficit) at End of Year	<u>\$ --</u>	<u>\$ --</u>

(continued next page)

LIHWAP	LIHEAP	Weatherization Assistance Programs		
		HEAP	Department of Energy	Utility Company
\$ 239,707	\$ 2,671,063	\$ 363,102	\$ 484,717	\$ 186,429
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
239,707	2,671,063	363,102	484,717	186,429
26,442	154,460	4,106	10,316	--
6,301	43,533	1,171	3,169	--
200,646	2,390,211	258,816	239,574	162,112
57	2,222	--	--	--
--	6,457	3,244	19,202	--
--	12,344	--	--	--
348	7,750	--	--	--
772	13,499	158	--	--
--	5,644	8,018	9,516	--
--	1,180	2,576	--	--
--	2,678	85,013	202,940	24,317
--	--	--	--	--
--	--	--	--	--
234,566	2,639,978	363,102	484,717	186,429
5,141	31,085	--	--	--
239,707	2,671,063	363,102	484,717	186,429
--	--	--	--	--
--	--	--	--	--
\$ --	\$ --	\$ --	\$ --	\$ --



NEW OPPORTUNITIES, INC.  
Schedule of Activities - Programs - Continued  
Year Ended September 30, 2023

	<u>Substance Use Disorder Prevention</u>	<u>Substance Use Disorder Treatment</u>
Revenues:		
Grant Revenue	\$ 397,614	\$ 608,589
Local Funding and Donations	59,533	32,368
Program and Other Income	62,572	233,971
Co-Funding	--	10,757
In-Kind Contributions	<u>--</u>	<u>--</u>
Total Revenues	519,719	885,685
Expenses:		
Salaries and wages	243,381	386,999
Fringe benefits	82,449	114,298
Assistance to individuals	--	67,130
Professional fees and contracted services	22,860	20,133
Travel	24,770	17,912
Occupancy	15,564	21,878
Communication costs	4,233	9,393
Program and office supplies	47,156	34,825
Equipment, property and maintenance	8,859	14,100
Insurance	1,891	2,813
Miscellaneous	17,401	67,475
Co-Funding	--	--
In-Kind expenses	<u>--</u>	<u>--</u>
Total Expenses Before Allocation of Indirect Costs	468,564	756,956
Allocation of Indirect Costs	<u>51,155</u>	<u>78,704</u>
Total Expenses	<u>519,719</u>	<u>835,660</u>
Change in Net Assets	--	50,025
Net Assets (Deficit) at Beginning of Year	<u>85,151</u>	<u>777,058</u>
Net Assets (Deficit) at End of Year	<u>\$ 85,151</u>	<u>\$ 827,083</u>

See accompanying independent auditor's report.

<u>Other</u>	<u>Eliminations/ Reclasses</u>	<u>Total</u>
\$ 127,797	\$ ( 55,884)	\$ 12,595,907
145,288	--	502,043
307,155	( 339,594)	396,277
968	--	117,737
<u>--</u>	<u>--</u>	<u>852,128</u>
581,208	( 395,478)	14,464,092
231,537	--	4,506,341
66,117	--	1,344,644
129,523	--	3,752,334
11,140	--	907,992
10,651	--	162,380
19,856	--	231,383
5,841	--	108,456
21,169	--	439,021
17,059	( 84,148)	691,688
4,899	--	175,136
13,739	( 339,594)	174,740
--	--	117,737
<u>--</u>	<u>--</u>	<u>852,128</u>
531,531	( 423,742)	13,463,980
<u>49,677</u>	<u>--</u>	<u>918,604</u>
<u>581,208</u>	<u>( 423,742)</u>	<u>14,382,584</u>
--	28,264	81,508
<u>( 252,578)</u>	<u>--</u>	<u>690,723</u>
<u><u>\$( 252,578)</u></u>	<u><u>\$ 28,264</u></u>	<u><u>\$ 772,231</u></u>

NEW OPPORTUNITIES, INC.  
Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2023

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Grant or Contract Number</u>
U.S. Department of Health and Human Services		
Head Start/Early Head Start Program	93.600	07CH 010517-05
Head Start/Early Head Start Program	93.600	07CH 012197-01
Early Head Start Expansion	93.600	07HP 000122-03
Head Start American Rescue Plan	93.600	07HE 001008-01
 Passed through Iowa Department of Health and Human Services		
Maternal Health Innovation Program	93.110	5883 MH02
Title X Family Planning Program	93.217	5883 MH02
State Sexual Risk Avoidance Education Program	93.235	5883 CH01A
State Sexual Risk Avoidance Education Program	93.235	5884 CH01A
 IPN Zero Suicide Iowa	93.243	5883 SM16
Low-Income Household Water Assistance Program	93.499	LIHWAP 21CAA-01
Low-Income Household Water Assistance Program	93.499	LIHWAP 21ARPA-01
 Promoting Safe and Stable Families	93.556	CPPC
Community Adolescent Pregnancy Prevention Program	93.558	ACFS-23-008
Family Development and Self-Sufficiency Program	93.558	FaDSS-23-01
Family Development and Self-Sufficiency Program	93.558	FaDSS-24-01
 Low-Income Home Energy Assistance Program	93.568	LIHEAP 23-01
Low-Income Home Energy Assistance Program	93.568	LIHEAP 23ES-01
Weatherization Assistance Program	93.568	HEAP 22-01
Weatherization Assistance Program	93.568	HEAP 23-01
 Community Service Block Grant	93.569	CSBG 22-01
Community Service Block Grant	93.569	CSBG 23-01
 Iowa Quality for Kids	93.575	IQ4K
Iowa's Emergency COVID-19 Project	93.665	5882 SA175
1 <sup>st</sup> Five HMDI - Implementation Phase	93.778	5881 MHI03E
1 <sup>st</sup> Five HMDI - Implementation Phase	93.778	5883 MHI03
Maternal Health Medical Assistance Program	93.778	5883 MH02
 State Opioid Response in Iowa	93.788	5883 SA94

(continued next page)

<u>Period of Grant</u>	<u>Program Expenditures</u>
12/01/21 - 11/29/23	\$ 1,227,215
12/01/22 - 11/30/23	3,625,308
03/01/21 - 12/31/22	49,716
04/01/21 - 03/31/23	<u>288,420</u>
	5,190,659
10/01/22 - 09/29/23	46,668
10/01/22 - 03/31/23	739
08/01/22 - 07/31/23	52,369
08/01/23 - 07/31/24	<u>7,207</u>
	59,576
09/30/22 - 09/29/23	18,520
05/28/21 - 03/31/24	118,516
03/01/22 - 03/31/24	<u>121,191</u>
	239,707
07/01/23 - 06/30/24	600
07/01/22 - 06/30/24	63,291
07/01/22 - 09/30/23	72,545
07/01/23 - 06/30/24	<u>18,572</u>
	154,408
10/01/22 - 03/31/24	2,258,851
10/01/22 - 09/30/23	412,212
01/01/22 - 12/31/22	183,632
01/01/23 - 12/31/23	<u>179,470</u>
	3,034,165
10/01/21 - 09/30/23	199,683
10/01/22 - 12/31/23	<u>65,080</u>
	264,763
	355
05/31/21 - 05/31/23	38,880
07/01/21 - 12/31/22	8,301
01/01/23 - 06/30/24	31,617
10/01/22 - 09/30/23	<u>17,792</u>
	57,710
09/30/22 - 09/29/23	156,160

NEW OPPORTUNITIES, INC.  
Schedule of Expenditures of Federal Awards - continued  
Year Ended September 30, 2023

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Grant or Contract Number</u>
U.S. Department of Health and Human Services		
Passed through Iowa Department of Health and Human Services		
IPN Network Support	93.959	5883 PN05
IPN Prevention - Substance Abuse	93.959	5883 PN05
IPN Prevention Problem Gambling	93.959	5883 PN05
IPN Outpatient Treatment - Substance Use Disorder	93.959	5883 PN05
IPN Outpatient Treatment - Problem Gambling	93.959	5883 PN05
IPN Prevention Enhancement - Substance Abuse	93.959	5883 PN05
IPN - COVID-19 Supplemental Treatment	93.959	5882 PN105
IPN - ARPA Supplemental Prevention	93.959	5884 PN105
 Maternal Health	 93.994	 5883 MH02
<i>Total U.S. Department of Health and Human Services</i>		
U.S. Department of Agriculture		
Passed through Iowa Department of Health and Human Services		
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	5883 AO33
Breastfeeding Peer Counseling through WIC	10.557	5883 AO33
 Child and Adult Care Food Program (Day Care Homes)	 10.558	 14-8015
Child and Adult Care Food Program (Centers)	10.558	09998616
 Farmers Market	 10.572	 31A810850
Farmers Market	10.572	31A810850
<i>Total U.S. Department of Agriculture</i>		
U.S. Department of Energy		
Passed through Iowa Department of Health and Human Services		
Weatherization Assistance Program	81.042	DOE 22-01
Weatherization Assistance Program	81.042	DOE 23-01
Weatherization Assistance Program	81.042	DOE BIL22-01
<i>Total U.S. Department of Energy</i>		
Total Expenditures of Federal Awards		

<u>Period of Grant</u>	<u>Program Expenditures</u>
07/01/22 - 06/30/24	\$ 47,083
07/01/22 - 06/30/24	33,914
07/01/22 - 06/30/24	4,950
07/01/22 - 06/30/24	76,204
07/01/22 - 06/30/24	31,402
07/01/22 - 06/30/24	5,772
10/01/21 - 03/14/23	64,405
03/15/23 - 06/30/24	<u>57,868</u>
	321,598
10/01/22 - 09/30/23	<u>45,273</u>
	9,629,781
10/01/22 - 09/30/23	732,306
10/01/22 - 09/30/23	<u>25,694</u>
	758,000
10/01/22 - 09/30/23	678,677
10/01/22 - 09/30/23	<u>195,914</u>
	874,591
05/01/22 - 12/31/22	2
05/01/23 - 12/31/23	<u>470</u>
	<u>472</u>
	1,633,063
04/01/22 - 03/31/23	33,861
04/01/23 - 03/31/24	231,804
07/01/22 - 06/30/25	<u>219,052</u>
	<u>484,717</u>
	484,717
	<u>\$ 11,747,561</u>

NEW OPPORTUNITIES, INC.  
Schedule of Expenditures of Federal Awards - continued  
Year Ended September 30, 2023

NOTE A - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of New Opportunities, Inc. under programs of the federal government for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of New Opportunities, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of New Opportunities, Inc.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C - SUBRECIPIENTS

No federal grant awards were passed through to subrecipients during the year ended September 30, 2023.

NOTE D - INDIRECT COST RATE

New Opportunities, Inc. has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance. It has a federal approved rate from the Department of Health and Human Services.

See accompanying independent auditor's report.

NEW OPPORTUNITIES, INC.  
Schedule of Revenues and Expenditures Compared with Budget

Community Services Block Grant (CSBG)  
Contract Number CSBG 22-01  
Contract Period 10/01/21 - 09/30/23

	Approved Budget	Total	Actual 10/01/21 - 09/30/22	10/01/22 - 09/30/23
Program Revenues:				
Iowa Department of Health and Human Services	\$ 256,779	\$ 256,779	\$ 57,096	\$ 199,683
Program Expenditures:				
Personnel	\$ 101,690	\$ 109,050	\$ 14,196	\$ 94,854
Travel	900	952	--	952
Space Costs	7,000	5,739	527	5,212
Equipment	2,000	861	89	772
Co-Funded Programs	114,003	107,412	36,038	71,374
Other	15,221	15,644	4,017	11,627
Indirect Costs	15,965	17,121	2,229	14,892
Total Expenditures	\$ 256,779	\$ 256,779	\$ 57,096	\$ 199,683

Community Service Block Grant (CSBG)  
Contract Number CSBG 23-01  
Contract Period 10/01/22 - 12/31/23

	Approved Budget	Actual 10/01/22 - 09/30/23
Program Revenues:		
Iowa Department of Health and Human Services	\$ 269,941	\$ 65,080
Program Expenditures:		
Personnel	\$ 103,801	\$ 14,182
Travel	1,000	202
Space Costs	4,850	475
Equipment	1,800	213
Co-Funded Programs	119,599	46,363
Other	22,594	1,419
Indirect Costs	16,297	2,226
Total Expenditures	\$ 269,941	\$ 65,080

(continued next page)



NEW OPPORTUNITIES, INC.  
Schedule of Revenues and Expenditures Compared with Budget

Low-Income Household Water Assistance Program (LIHWAP)  
Contract Number LIHWAP 21CAA-01  
Contract Period 05/28/21 - 03/31/24

	Approved Budget	Actual Total	05/28/21 - 09/30/21
Program Revenues:			
Iowa Department of Health and Human Services	\$ 228,176	\$ 228,176	\$ 695
Program Expenditures:			
Energy Crisis Intervention Payments	\$ 201,463	\$ 201,463	\$ --
Program Support	18,346	18,346	537
Administration Costs	8,367	8,367	158
Total Expenditures	\$ 228,176	\$ 228,176	\$ 695

Low-Income Household Water Assistance Program (LIHWAP)  
Contract Number LIHWAP 21ARPA-01  
Contract Period 03/01/22 - 03/31/24

	Approved Budget	Actual Total	03/01/22 - 09/30/22
Program Revenues:			
Iowa Department of Health and Human Services	\$ 127,141	\$ 121,191	\$ --
Program Expenditures:			
Energy Crisis Intervention Payments	\$ 101,000	\$ 95,705	\$ --
Program Support	19,124	18,917	--
Administration Costs	7,017	6,569	--
Total Expenditures	\$ 127,141	\$ 121,191	\$ --

See accompanying independent auditor's report.

<u>Actual</u>	
<u>10/01/21 -</u>	<u>10/01/22 -</u>
<u>09/30/22</u>	<u>09/30/23</u>
<u>\$ 108,965</u>	<u>\$ 118,516</u>
\$ 96,522	\$ 104,941
9,823	7,986
<u>2,620</u>	<u>5,589</u>
<u>\$ 108,965</u>	<u>\$ 118,516</u>

<u>Actual</u>
<u>10/01/22 -</u>
<u>09/30/23</u>
<u>\$ 121,191</u>
\$ 95,705
18,917
<u>6,569</u>
<u>\$ 121,191</u>

NEW OPPORTUNITIES, INC.  
Schedule of Revenues and Expenditures Compared with Budget

Low-Income Energy Assistance Program (LIHEAP)  
Contract Number LIHEAP 23-01  
Contract Period 10/01/22 - 03/31/24

	<u>Approved Budget</u>	<u>Actual 10/01/22 - 09/30/23</u>
Program Revenues:		
Iowa Department of Health and Human Services	\$ 2,433,578	\$ 2,258,851
Program Expenditures:		
Regular Assistance	\$ 1,477,058	\$ 1,470,546
Energy Crisis Intervention Payments	466,933	372,844
Program Support	34,475	23,199
Assurance 16	7,498	4,709
Summer Pre-Buy	194,415	194,415
Administration Costs	<u>253,199</u>	<u>193,138</u>
Total Expenditures	<u>\$ 2,433,578</u>	<u>\$ 2,258,851</u>

Low-Income Energy Assistance Program (LIHEAP)  
Contract Number LIHEAP 23ES-01  
Contract Period 10/01/22 - 09/30/23

	<u>Approved Budget</u>	<u>Actual 10/01/22 - 09/30/23</u>
Program Revenues:		
Iowa Department of Health and Human Services	\$ 412,212	\$ 412,212
Program Expenditures:		
Energy Crisis Intervention Payments	\$ 352,406	\$ 352,406
Program Support	27,622	27,622
Assurance 16	5,998	5,998
Administration Costs	<u>26,186</u>	<u>26,186</u>
Total Expenditures	<u>\$ 412,212</u>	<u>\$ 412,212</u>

See accompanying independent auditor's report.

NEW OPPORTUNITIES, INC.  
Schedule of Revenues and Expenditures Compared with Budget

HEAP Weatherization Assistance Program  
Contract Number HEAP 22-01  
Contract Period 01/01/22 - 12/31/22

	Approved Budget	Total	Actual 01/01/22 - 09/30/22	10/01/22 - 12/31/22
Program Revenues:				
Iowa Department of Health and Human Services	\$ 677,799	\$ 592,661	\$ 409,030	\$ 183,631
Program Expenditures:				
Administration Costs	\$ 33,663	\$ 22,044	\$ 17,858	\$ 4,186
Health and Safety	140,537	180,595	123,584	57,011
Support	156,707	137,831	100,168	37,663
Labor	125,358	97,610	57,363	40,247
Materials	125,358	58,405	33,523	24,882
Special Project K & T	7,100	7,100	--	7,100
POI Insurance	2,576	2,576	2,576	--
Training/Equip	86,500	86,500	73,958	12,542
Total Expenditures	\$ 677,799	\$ 592,661	\$ 409,030	\$ 183,631

HEAP Weatherization Assistance Program  
Contract Number HEAP 23-01  
Contract Period 01/01/23 - 12/31/23

	Approved Budget	Actual 01/01/23 - 09/30/23
Program Revenues:		
Iowa Department of Health and Human Services	\$ 546,975	\$ 179,470
Program Expenditures:		
Administration Costs	\$ 26,220	\$ 5,306
Health and Safety	107,300	85,601
Support	119,644	37,261
Labor	117,279	10,692
Materials	117,279	1,633
Special Project K & T	36,677	31,650
POI Insurance	2,576	2,576
Training/Equip	20,000	4,751
Total Expenditures	\$ 546,975	\$ 179,470

See accompanying independent auditor's report.

NEW OPPORTUNITIES, INC.  
Schedule of Revenues and Expenditures Compared with Budget

DOE Weatherization Assistance Program  
Contract Number DOE 22-01  
Contract Period 04/01/22 - 03/31/23

	Approved Budget	Total	Actual 04/01/22 - 09/30/22	10/01/22 - 03/31/23
Program Revenues:				
Iowa Department of Health and Human Services	\$ 235,108	\$ 235,108	\$ 201,247	\$ 33,861
Program Expenditures:				
Administration Costs	\$ 38,073	\$ 38,073	\$ 34,592	\$ 3,481
Health and Safety	32,032	28,346	27,750	596
Support	37,842	40,970	37,565	3,405
Labor	46,446	51,978	48,995	2,983
Materials	46,446	41,472	33,575	7,897
Readiness	15,499	15,499	--	15,499
Training/Equip	18,770	18,770	18,770	--
Total Expenditures	\$ 235,108	\$ 235,108	\$ 201,247	\$ 33,861

DOE Weatherization Assistance Program  
Contract Number DOE 23-01  
Contract Period 04/01/23 - 03/31/24

	Approved Budget	Actual 04/01/23 - 09/30/23
Program Revenues:		
Iowa Department of Health and Human Services	\$ 251,126	\$ 231,804
Program Expenditures:		
Administration Costs	\$ 40,576	\$ 40,576
Health and Safety	46,192	46,291
Support	41,169	52,843
Labor	44,856	53,369
Materials	44,856	24,570
Readiness	12,288	--
Training/Equip	21,189	14,155
Total Expenditures	\$ 251,126	\$ 231,804

See accompanying independent auditor's report.

NEW OPPORTUNITIES, INC.  
Schedule of Revenues and Expenditures Compared with Budget

DOE Weatherization Assistance Program  
Contract Number DOE BIL22-01  
Contract Period 07/01/22 - 06/30/25

	Approved Budget	Total	Actual	
			01/01/22 - 09/30/22	10/01/22 - 03/31/23
Program Revenues:				
Iowa Department of Health and Human Services	\$ 908,717	\$ 219,052	\$ --	\$ 219,052
Program Expenditures:				
Administration Costs	\$ 140,500	\$ 33,184	\$ --	\$ 33,184
Health and Safety	137,263	39,645	--	39,645
Support	154,165	49,990	--	49,990
Labor	149,474	33,223	--	33,223
Materials	149,474	15,501	--	15,501
T & TA	177,841	37,993	--	37,993
Equipment	--	9,516	--	9,516
Total Expenditures	\$ 908,717	\$ 219,052	\$ --	\$ 219,052

See accompanying independent auditor's report.

NEW OPPORTUNITIES, INC.  
Schedule of Revenues and Expenditures Compared with Budget

BHE Weatherization Assistance Program - Utilities  
Contract Number BHE 22-01  
Contract Period 01/01/22 - 12/31/22

	Approved Budget	Total	Actual 01/01/22 - 09/30/22	10/01/22 - 12/31/22
Program Revenues:				
Iowa Department of Health and Human Services	\$ 12,156	\$ 12,156	\$ 8,857	\$ 3,299
Program Expenditures:				
Administration Costs	\$ 529	\$ 529	\$ 385	\$ 144
Support	1,057	1,057	770	287
Labor	5,285	6,257	4,823	1,434
Materials	5,285	4,313	2,879	1,434
Total Expenditures	\$ 12,156	\$ 12,156	\$ 8,857	\$ 3,299

BHE Weatherization Assistance Program - Utilities  
Contract Number BHE 23-01  
Contract Period 01/01/23 - 12/31/23

	Approved Budget	Actual 01/01/23 - 09/30/23
Program Revenues:		
Iowa Department of Health and Human Services	\$ 8,857	\$ 8,857
Program Expenditures:		
Administration Costs	\$ 385	\$ 385
Support	770	770
Labor	3,851	3,851
Materials	3,851	3,851
Total Expenditures	\$ 8,857	\$ 8,857

See accompanying independent auditor's report.

NEW OPPORTUNITIES, INC.  
Schedule of Revenues and Expenditures Compared with Budget

IPL Weatherization Assistance Program - Utilities  
Contract Number IPL 22-01  
Contract Period 01/01/22 - 12/31/22

	Approved Budget	Total	Actual 01/01/22 - 09/30/22	10/01/22 - 12/31/22
Program Revenues:				
Iowa Department of Health and Human Services	\$ 62,605	\$ 61,337	\$ 29,763	\$ 31,574
Program Expenditures:				
Administration Costs	\$ 2,721	\$ 2,667	\$ 1,294	\$ 1,373
Support	5,442	5,334	2,588	2,746
Labor	27,221	29,658	13,963	15,695
Materials	27,221	23,678	11,918	11,760
Total Expenditures	\$ 62,605	\$ 61,337	\$ 29,763	\$ 31,574

IPL Weatherization Assistance Program - Utilities  
Contract Number IPL 23-01  
Contract Period 01/01/23 - 12/31/23

	Approved Budget	Actual 01/01/23 - 09/30/23
Program Revenues:		
Iowa Department of Health and Human Services	\$ 62,532	\$ 30,547
Program Expenditures:		
Administration Costs	\$ 2,718	\$ 1,328
Support	5,436	2,656
Labor	27,189	14,102
Materials	27,189	12,461
Total Expenditures	\$ 62,532	\$ 30,547

See accompanying independent auditor's report.



NEW OPPORTUNITIES, INC.  
Schedule of Revenues and Expenditures Compared with Budget

MEC Weatherization Assistance Program - Utilities  
Contract Number MEC 22-01  
Contract Period 01/01/22 - 12/31/22

	Approved Budget	Total	Actual 01/01/22 - 09/30/22	10/01/22 - 12/31/22
Program Revenues:				
Iowa Department of Health and Human Services	\$ 82,056	\$ 74,280	\$ 52,951	\$ 21,329
Program Expenditures:				
Administration Costs	\$ 3,567	\$ 3,230	\$ 2,302	\$ 928
Support	7,135	6,459	4,604	1,855
Labor	35,677	33,460	24,273	9,187
Materials	35,677	31,131	21,772	9,359
Total Expenditures	\$ 82,056	\$ 74,280	\$ 52,951	\$ 21,329

MEC Weatherization Assistance Program - Utilities  
Contract Number MEC 23-01  
Contract Period 01/01/23 - 12/31/23

	Approved Budget	Actual 01/01/23 - 09/30/23
Program Revenues:		
Iowa Department of Health and Human Services	\$ 103,168	\$ 90,823
Program Expenditures:		
Administration Costs	\$ 4,485	\$ 3,949
Support	8,971	7,897
Labor	44,856	41,747
Materials	44,856	37,230
Total Expenditures	\$ 103,168	\$ 90,823

See accompanying independent auditor's report.

NEW OPPORTUNITIES, INC.  
Schedule of Revenues and Expenditures Compared with Budget

Family Development and Self-Sufficiency Program (FaDSS)  
Contract Number FaDSS-23-01  
Contract Period 07/01/22 - 09/30/23

	Approved Budget	Total	Actual 07/01/22 - 09/30/22	10/01/22 - 09/30/23
Program Revenues:				
Iowa Department of Health and Human Services	\$ 230,000	\$ 230,000	\$ 48,638	\$ 181,362
Program Expenditures:				
Administration Costs	\$ 27,228	\$ 26,286	\$ 5,139	\$ 21,147
Personnel - Salaries	123,366	123,672	23,764	99,908
Personnel - Benefits	50,060	43,755	8,966	34,789
Travel	5,987	11,581	2,610	8,971
Space/Utilities	6,480	6,716	1,295	5,421
Other	16,879	17,990	6,864	11,126
Total Expenditures	\$ 230,000	\$ 230,000	\$ 48,638	\$ 181,362

Family Development and Self-Sufficiency Program (FaDSS)  
Contract Number FaDSS-24-01  
Contract Period 07/01/23 - 06/30/24

	Approved Budget	Actual 07/01/23 - 09/30/23
Program Revenues:		
Iowa Department of Health and Human Services	\$ 230,000	\$ 46,431
Program Expenditures:		
Administration Costs	\$ 27,228	\$ 5,080
Personnel - Salaries	123,366	24,400
Personnel - Benefits	50,060	7,957
Travel	5,987	3,018
Space/Utilities	6,480	1,130
Materials	16,879	4,846
Total Expenditures	\$ 230,000	\$ 46,431

See accompanying independent auditor's report.

NEW OPPORTUNITIES, INC.  
Schedule of Revenues and Expenditures  
Administration  
Year Ended September 30, 2023

	<u>Miscellaneous</u>	<u>Indirect Cost Pool</u>	<u>Total</u>
Revenues:			
Local Funding and Donations	\$ 6,152	\$ --	\$ 6,152
Program and Other Income	58,480	--	58,480
Investment Income	45,151	--	45,151
Rental Income	<u>125,041</u>	<u>--</u>	<u>125,041</u>
Total Revenues	<u>\$ 234,824</u>	<u>\$ --</u>	<u>\$ 234,824</u>
Expenditures:			
Salaries and Wages	\$ --	\$ 506,594	\$ 506,594
Fringe Benefits	--	151,549	151,549
Assistance to Individuals	11,161	--	11,161
Professional Fees and Contracted Services	4	76,679	76,683
Travel	--	18,180	18,180
Occupancy	13,046	18,244	31,290
Communication Costs	427	7,144	7,571
Program and Office Supplies	7,887	38,631	46,518
Equipment, Property and Maintenance	27,319	85,102	112,421
Insurance	222	9,957	10,179
Interest Expense	39,079	--	39,079
Amortization	2,661	--	2,661
Miscellaneous	<u>8,691</u>	<u>6,465</u>	<u>15,156</u>
Total Expenditures Before Allocation of Indirect Costs	110,497	918,545	1,029,042
Allocation of Indirect Costs	<u>--</u>	<u>( 918,604)</u>	<u>( 918,604)</u>
Total Expenditures, Net	<u>\$ 110,497</u>	<u>\$ ( 59)</u>	<u>\$ 110,438</u>

See accompanying independent auditor's report.

## COMMENTS AND RECOMMENDATIONS

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

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KENNETH P. TEGELS  
CHRISTOPHER J. NELSON  
DAVID A. GINTHER  
DUSTIN T. VEENSTRA

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of New Opportunities, Inc. (an Iowa Non-Profit Corporation), which comprise the statement of financial position as of September 30, 2023 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated January 24, 2024.

### **Report on Internal Control Over Financial Reporting**

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

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

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

To the Board of Directors of  
New Opportunities, Inc.

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Demond, Bill, Hyman - W. P. C.*

Atlantic, Iowa  
January 24, 2024

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

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

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

### **Report on Compliance for Each Major Federal Program**

#### **Opinion on Each Major Federal Program**

We have audited New Opportunities, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the Agency's major federal programs for the year ended September 30, 2023. The Agency's major federal programs are identified in the Summary of Independent Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, New Opportunities, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

#### **Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of New Opportunities, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of New Opportunities, Inc.'s compliance with the compliance requirements referred to above.

#### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to New Opportunities, Inc.'s federal programs.

To the Board of Directors of  
New Opportunities, Inc.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on New Opportunities, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence judgement made by a reasonable user of the report on compliance about New Opportunities, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding New Opportunities, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of New Opportunities, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of New Opportunities, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct non-compliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility material non-compliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



To the Board of Directors of  
New Opportunities, Inc.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Demetrius Bell, CPA & W. P. C.*

Atlantic, Iowa  
January 24, 2024

NEW OPPORTUNITIES, INC.

Schedule of Findings and Questioned Costs

Year ended September 30, 2023

PART I: Summary of the Independent Auditor's Results

*Financial Statements*

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

*Federal Awards*

- (d) Internal control over major programs:
- Material weakness(es) identified? \_\_\_\_\_ yes   X   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes   X   none reported
- (e) Type of auditor's report issued on compliance for major programs:
- Unmodified.
- (f) Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, [2CFR 200.516(a)]? \_\_\_\_\_ yes   X   no
- (g) Identification of major programs:
- Assistance Listing Number 93.568 - Low-Income Home Energy Assistance Program
  - Assistance Listing Number 10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
- (h) Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.
- (i) Auditee qualified as low-risk auditee?   X   yes \_\_\_\_\_ no

NEW OPPORTUNITIES, INC.  
Schedule of Findings and Questioned Costs  
Year ended September 30, 2023

Part II: Findings Related to the Financial Statements

INTERNAL CONTROL DEFICIENCIES:

No matters were reported.

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

Part III: Findings and Questioned Costs for Federal Awards

INTERNAL CONTROL DEFICIENCIES:

No matters were reported.

INSTANCES OF NON- COMPLIANCE:

No matters were reported.

Part IV: Summary Schedule of Prior Audit Findings:

None

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