

IMPACT
Community Action
Columbus, Ohio

Financial Statements
For the Years Ended December 31, 2012 and 2011

(With Independent Auditors' Report Thereon)

IMPACT COMMUNITY ACTION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
IMPACT Community Action
Columbus, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of IMPACT Community Action (a nonprofit organization), which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities and functional expenditures and cash flows for the years 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 audits. We conducted our audits 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 audits 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 organization'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 organization'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.



**INDEPENDENT AUDITORS' REPORT
(Continued)**

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 the Organization as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2013 on our consideration of the IMPACT Community Action'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 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 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 the IMPACT Community Action's internal control over financial reporting and compliance.

Columbus, Ohio
March 28, 2013

A handwritten signature in blue ink that reads 'Hemphill & Associates'.

**IMPACT Community Action
Statements of Financial Position
December 31, 2012 and 2011**

	<u>2012</u>	<u>2011</u>
ASSETS		
Current Assets		
Cash	\$ 1,285,225	\$ 1,536,704
Government Contributions Receivable (Note 3)	634,966	1,568,035
Prepaid Expenses	-	22,700
Materials Inventory	69,765	71,850
Other Current Assets	19,636	16,500
Total Current Assets	<u>2,009,592</u>	<u>3,215,789</u>
Property and Equipment		
Equipment and Vehicles, Net (Note 4)	313,147	472,147
TOTAL ASSETS	<u>\$ 2,322,739</u>	<u>\$ 3,687,936</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 241,403	\$ 460,257
Accrued Vacation and Salaries	251,156	269,841
Refundable Advances (Note 5)	322,354	1,807,327
Deferred Revenue	53,080	-
Total Current Liabilities	<u>867,993</u>	<u>2,537,425</u>
TOTAL LIABILITIES	<u>867,993</u>	<u>2,537,425</u>
NET ASSETS		
Total Unrestricted	<u>1,454,746</u>	<u>1,150,511</u>
TOTAL NET ASSETS	<u>1,454,746</u>	<u>1,150,511</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,322,739</u>	<u>\$ 3,687,936</u>

IMPACT Community Action
Statement of Activities
For the Year Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
REVENUE		
Federal Grants	\$ 6,024,853	\$ 9,326,293
Other Grants		
City of Columbus	117,731	102,553
Columbus Public Health - Healthy Homes	51,274	61,997
AEP HWAP Low-Income Program	684,887	734,232
HEAP-Columbia Gas	-	469,277
ResCare Grant Revenue	166,607	-
Other Contributions	101,393	147,155
Interest Income	992	889
TOTAL REVENUE	<u>7,147,737</u>	<u>10,842,396</u>
 EXPENSES		
Program Expenses		
CSBG	2,016,060	2,246,668
HEAP	960,144	1,035,547
HWAP	2,908,916	6,107,107
Other Programs	739,288	1,197,422
Total Programs	<u>6,624,408</u>	<u>10,586,744</u>
Administrative & General	219,094	392,113
Total Expense	<u>6,843,502</u>	<u>10,978,857</u>
 Change in Net Assets Before Extraordinary Item	304,235	(136,461)
 Extraordinary Item - Theft Loss (Note 10)	<u>-</u>	<u>(161,113)</u>
 Change in Net Assets After Extraordinary Item	304,235	(297,574)
 Net Assets at Beginning of Year	<u>1,150,511</u>	<u>1,448,085</u>
 Net Assets at End of Year	<u><u>\$ 1,454,746</u></u>	<u><u>\$ 1,150,511</u></u>

See Accompanying Notes to Financial Statements

IMPACT Community Action
Statement of Functional Expenditures
For the Year Ended December 31, 2012

	<u>CSBG</u>	<u>HEAP</u>	<u>HWAP</u>	<u>Other Programs</u>	<u>Total Programs</u>	<u>Administrative & General</u>	<u>Total</u>
Expenses							
Personnel	\$ 1,168,084	\$ 710,171	\$ 1,960,047	\$ 353,584	\$ 4,191,886	\$ (140)	\$ 4,191,746
Contractual	323,716	62,008	41,917	58,075	485,716	10,685	496,401
Travel	8,805	235	14,655	5,301	28,996	414	29,410
Space Costs	155,371	67,785	112,585	34,922	370,663	112	370,775
Supplies	33,787	39,664	5,705	7,403	86,559	6,227	92,786
Equipment Lease/Purchase	6,302	17,882	13,731	18,724	56,639	(17,970)	38,669
Depreciation Expense	-	-	-	-	-	178,614	178,614
Materials	-	-	456,744	250,598	707,342	7,701	715,043
Client Assistance	225,986	-	-	-	225,986	2,480	228,466
Board Expenses	1,423	-	-	-	1,423	-	1,423
Training & Technical Assistance	8,199	7,671	16,431	144	32,445	-	32,445
Special Events / Marketing	3,518	387	-	-	3,905	17,948	21,853
Printing	1,812	3,128	1,605	72	6,617	-	6,617
Uniforms	-	-	13,763	-	13,763	-	13,763
Telephone Expense	8,864	16,800	18,504	2,072	46,240	-	46,240
Vehicle Expense	1,707	312	40,717	480	43,216	88	43,304
Other	68,486	34,101	212,512	7,913	323,012	12,935	335,947
TOTAL EXPENSES	<u>\$ 2,016,060</u>	<u>\$ 960,144</u>	<u>\$ 2,908,916</u>	<u>\$ 739,288</u>	<u>\$ 6,624,408</u>	<u>\$ 219,094</u>	<u>\$ 6,843,502</u>

See Accompanying Notes to Financial Statements

IMPACT Community Action
Statement of Functional Expenditures
For the Year Ended December 31, 2011

	<u>CSBG</u>	<u>HEAP</u>	<u>HWAP</u>	<u>Other Programs</u>	<u>Total Programs</u>	<u>Administrative & General</u>	<u>Total</u>
Expenses							
Personnel	\$ 1,221,133	\$ 848,476	\$ 4,404,437	\$ 221,666	\$ 6,695,712	\$ 79,267	\$ 6,774,979
Contractual	363,918	39,583	198,141	53,476	655,118	-	655,118
Travel	7,341	1,945	25,611	-	34,897	582	35,479
Space Costs	162,598	76,704	156,312	25,419	421,033	1,895	422,928
Supplies	62,157	17,699	27,822	6,052	113,730	(156)	113,574
Equipment Lease/Purchase	30,302	15,024	63,394	1,055	109,775	7,230	117,005
Depreciation Expense	-	-	-	-	-	191,761	191,761
Materials	-	-	978,326	469,207	1,447,533	35	1,447,568
Client Assistance	287,450	-	-	417,850	705,300	-	705,300
Board Expenses	2,942	-	-	-	2,942	54	2,996
Training & Technical Assistance	9,871	2,327	9,460	42	21,700	66	21,766
Special Events / Marketing	4,708	501	-	-	5,209	689	5,898
Printing	626	-	327	-	953	-	953
Uniforms	-	-	28,642	-	28,642	-	28,642
Telephone Expense	9,330	6,149	22,234	347	38,060	-	38,060
Vehicle Expense	736	548	81,222	757	83,263	-	83,263
Other	83,556	26,591	111,179	1,551	222,877	110,690	333,567
TOTAL EXPENSES	<u>\$ 2,246,668</u>	<u>\$ 1,035,547</u>	<u>\$ 6,107,107</u>	<u>\$ 1,197,422</u>	<u>\$ 10,586,744</u>	<u>\$ 392,113</u>	<u>\$ 10,978,857</u>

See Accompanying Notes to Financial Statements

IMPACT Community Action
Statements of Cash Flows
For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Change in Net Assets After Extraordinary Item	\$ 304,235	\$ (297,574)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Depreciation Expense	178,614	191,761
Changes in Assets:		
Decrease in Government Contributions Receivable	933,069	784,666
Decrease in Prepaid Expenses	22,700	87,684
Decrease in Materials Inventory	2,085	21,999
Increase in Other Current Assets	(3,136)	-
Changes in Liabilities:		
Decrease in Accounts Payable	(218,854)	(32,174)
Decrease in Accrued Vacation and Salaries	(18,685)	(164,557)
Decrease in Refundable Advances	(1,484,973)	(309,034)
Increase in Deferred Revenue	53,080	-
Net Cash (Used in) Provided By Operating Activities	<u>(231,865)</u>	<u>282,771</u>
Cash Flows from Investing Activities		
Purchase of Equipment and Vehicles	(19,614)	(18,951)
Net Cash Used in Investing Activities	<u>(19,614)</u>	<u>(18,951)</u>
Net (Decrease) Increase in Cash	(251,479)	263,820
Cash at Beginning of Year	<u>1,536,704</u>	<u>1,272,884</u>
Cash at End of Year	<u><u>\$ 1,285,225</u></u>	<u><u>\$ 1,536,704</u></u>

See Accompanying Notes to Financial Statements

IMPACT Community Action
Notes to Financial Statements
For the Years Ended December 31, 2012 and 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
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Name and Mission of Agency

On June 20, 2008, the Agency's name changed from Columbus Franklin County Community Action Agency to IMPACT Community Action ("IMPACT") through an amendment to the Articles of Incorporation filed with the Secretary of State. Accordingly, the name was also changed with the Internal Revenue Service. IMPACT Community Action is a nonprofit organization whose mission is to reduce poverty by providing hope-inspiring help and real opportunities for self-sufficiency. IMPACT's programs and activities are supported primarily through funding received from the Ohio Development Services Agency and the City of Columbus.

Basis of Accounting

The accompanying financial statements of IMPACT Community Action have been prepared utilizing the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Equipment and Vehicles

In accordance with grant award budgets approved by funding sources, equipment purchased with grant-awarded funds is charged to expenses in the period of purchase. The assets on IMPACT's statements of financial position include assets purchased with grant funds as well as assets that were given to IMPACT at its inception by Columbus LEADS, LLC, and were capitalized based on the estimated fair market value on April 1, 2007.

The equipment purchased and acquired is owned by IMPACT and used in the program for which it was purchased, or in other future authorized programs. However, the various funding sources have a reversionary interest in the equipment purchased with grant funds and, therefore, its disposition, as well as the ownership of any proceeds there from, is subject to funding source regulations.

Equipment and vehicles purchased with non-grant funds is carried at cost, less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. IMPACT follows the policy of capitalizing all expenditures for purchased assets of \$1,000 or greater. Major acquisitions and improvements are capitalized and depreciated. Maintenance and repairs, which do not improve or extend the useful lives of the respective assets, are recorded to expense as incurred. The carrying amounts of assets sold, retired, or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is included in the statements of activities and functional expenditures.

Inventory

Inventory consists of Home Weather Assistance Program (HWAP) materials remaining at December 31, 2012 and 2011 and is priced at the average unit-cost per item remaining in inventory.

IMPACT Community Action
Notes to Financial Statements
For the Years Ended December 31, 2012 and 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Revenues are recognized in the accompanying financial statements as follows:

Grant Revenue – The amount received from various funding sources is recognized as revenue in the accounting period when the expenses are incurred and the grant funds are earned.

Interest Income – Interest income is recognized in the accounting period when it is earned. IMPACT maintains funds received from various sources in an interest-bearing checking account. Interest earned on advances from State of Ohio contracts is included in the statements of financial position as “refundable advances”. The interest earned on other funds is used to support IMPACT’s programs at the discretion of management. This is in accordance with section 203 of the Intergovernmental Cooperation Act (42 U.S.C.4213) and applicable State of Ohio regulations.

Accounts Payable

The accounts payable balance represents all of IMPACT’s current obligations (due within one year), and includes operating expenses, as well as all current employment taxes and workers’ compensation premiums due as of December 31, 2012 and 2011.

Refundable Advances

Refundable advances represent unexpended grant-awarded funds and interest income received as of December 31, 2012 and 2011 (See Note 5 to the financial statements for additional disclosure).

Accrued Vacation

Vacation pay is accrued up to a maximum of three (3) weeks per eligible employee. As vacation time is subsequently paid by IMPACT and/or taken by the employee, the books are adjusted to reflect the change in the accumulated vacation liability. As of December 31, 2012 and 2011, the vacation and salary liability for all IMPACT projects was \$251,156 and \$269,841, respectively.

Income Taxes

IMPACT is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, IMPACT is also exempt from the Ohio Commercial Activities Tax. IMPACT’s federal exempt organization tax returns are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

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 certain 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. Accordingly, actual results may differ from those estimates.

**IMPACT Community Action
Notes to Financial Statements
For the Years Ended December 31, 2012 and 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
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Government Contributions Receivable

Government contributions receivable are shown at their net realizable value and reported at the amount management expects to collect on balances outstanding at year-end. Uncollectible accounts are charged to operations during the period in which they are determined to be uncollectible. IMPACT considers government contributions receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Basis of Presentation

The accompanying financial statements have been presented in accordance with generally accepted accounting principles. Under these principles, 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 IMPACT and changes therein are classified and reported as follows:

Unrestricted Net Assets – Unrestricted net assets are free of donor-imposed restrictions and are available for use in IMPACT’s ongoing operations.

Temporarily Restricted Net Assets – Temporarily restricted net assets are limited as to use by donor-imposed restrictions that either expire by passage of time or that can be fulfilled or removed by actions of IMPACT. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and functional expenditures as net assets released from restrictions. There were no temporarily restricted net assets as of December 31, 2012 and 2011.

Permanently Restricted Net Assets – Permanently restricted net assets are subject to donor-imposed restrictions which do not expire. Generally, the providers of these funds restrict IMPACT to maintain the principal in perpetuity and invest for the purposes of producing present and future income that may be expended by IMPACT. There were no permanently restricted net assets as of December 31, 2012 and 2011.

Fair Value of Financial Instruments

IMPACT’s financial instruments consist primarily of cash, government contributions receivable, prepaid expenses, inventory, accounts payable, accrued expenses and refundable advances. The carrying amount of these assets and liabilities approximates fair value due to their short-term nature. The carrying amount of inventory approximates fair value based on the average unit-cost per item remaining in inventory.

Cash and Cash Equivalents

For purposes of the statements of cash flows, IMPACT considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

IMPACT Community Action
Notes to Financial Statements
For the Years Ended December 31, 2012 and 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Generally accepted accounting principles define subsequent events as events or transactions that occur after the statement of financial position date, but before the financial statements are issued or are available to be issued. Management has evaluated subsequent events through March 28, 2013, the date on which the financial statements were available to be issued.

Reclassifications

Certain prior year amounts have been reclassified to conform with the current year presentation.

NOTE 2 - CONCENTRATION OF CREDIT RISK

IMPACT's funds contained in its cash balance are held in one financial institution. This institution provides insurance coverage up to \$250,000 through the Federal Deposit Insurance Corporation (FDIC) for accounts earning interest. Additionally, accounts that are non-interest bearing are also insured by the FDIC, with unlimited coverage that is in effect through December 31, 2012. As of December 31, 2012 and 2011, IMPACT's cash balance had been migrated to the Chase Ohio Public Funds, which means that all of its cash balance is protected and insured from risk of loss.

NOTE 3 - GOVERNMENT CONTRIBUTIONS RECEIVABLE

The government contributions receivable balance consisted of the following as of December 31:

<u>Program</u>	<u>2012</u>	<u>2011</u>
CSBG	\$ 208,994	\$ 741,123
HEAP	65,284	71,391
HWAP	68,410	618,998
City of Columbus	51,256	73,598
AEP	186,151	62,925
ResCare	36,113	-
MORPC	17,483	-
Connect Ohio	1,275	-
TOTAL	<u>\$ 634,966</u>	<u>\$1,568,035</u>

NOTE 4 - EQUIPMENT AND VEHICLES

A summary of equipment and vehicles purchased by IMPACT with grant and non-grant funds consisted of the following as of December 31:

	<u>2012</u>	<u>2011</u>
Equipment and Vehicles	\$1,051,576	\$1,031,962
Less: Accumulated Depreciation	(738,429)	(559,815)
NET BOOK VALUE	<u>\$ 313,147</u>	<u>\$ 472,147</u>

**IMPACT Community Action
Notes to Financial Statements
For the Years Ended December 31, 2012 and 2011**

NOTE 4 - EQUIPMENT AND VEHICLES (Continued)

Depreciation expense for the years ended December 31, 2012 and 2011 was \$178,614 and \$191,761, respectively.

NOTE 5 - REFUNDABLE ADVANCES

The refundable advances balance consisted of the following as of December 31:

<u>Program</u>	<u>2012</u>	<u>2011</u>
CSBG	\$ -	\$ 138
HEAP	156,445	136,344
HWAP	165,909	1,670,845
TOTAL	<u>\$322,354</u>	<u>\$1,807,327</u>

NOTE 6 - PENSION PLAN

IMPACT sponsors a 403(b) defined contribution pension plan. Employees are eligible to participate in the plan if they are at least 21 years old. IMPACT has agreed to contribute 1% of the base salary of each eligible employee, plus up to an additional 4% of each employee's contribution, after they have completed one year and 1,000 hours of service. The contributions made by IMPACT to the pension plan for the years ended December 31, 2012 and 2011 was \$68,668 and \$115,006, respectively. The employees' contribution rate is limited only to the statutorily permissible maximum.

Vesting of employees' benefits for the 403(b) defined contribution pension plan is as follows:

<u>Years of Continuous Service</u>	<u>Vested Interest</u>
After 1 Year	34%
After 2 Years	67%
After 3 Years	100%

NOTE 7 - COST ALLOCATION

IMPACT allocates joint costs to benefiting programs using various allocation methods depending on the type of joint cost being allocated. Joint costs are those costs incurred for the common benefit of all of IMPACT's programs, but which cannot be readily identified with a final cost objective. IMPACT's joint cost and cost allocation methods are as follows:

**IMPACT Community Action
Notes to Financial Statements
For the Years Ended December 31, 2012 and 2011**

NOTE 7 - COST ALLOCATION (Continued)

Personnel

IMPACT's administrative and financial personnel (Chief Executive Officer, Chief Operating Officer, Executive Administrator, Human Resources Director, Chief Financial Officer, Administrative Assistant, Accounting Manager) salaries are allocated based on the results of periodic task analysis designed to track the time spent on various programs administered by IMPACT. All time incurred by IMPACT's administrative and financial personnel, that can be specifically identified to a particular program, is charged to that program.

Building

Space costs (maintenance costs, rent, repairs, etc.) are allocated based on the number of square feet of space each program occupies. All space costs charged to the Ohio Development Services Agency (ODSA) programs are allocated in accordance with cost principles approved by the ODSA. Space costs charged to IMPACT's other programs are made in compliance with OMB Circular A-122.

Program Costs

Direct program costs (supplies, phone, equipment, customer program costs, etc.) are charged based on the amounts that are approved by the individual funding sources on the annual program budgets.

Insurance

Insurance costs are allocated to the respective benefiting programs depending on the specific equipment, space, or people covered by the insurance.

Phone

Phone costs are allocated based on the number of telephone lines used by each program. Cellular phone costs are allocated based upon the allocation of the personnel who utilize them.

NOTE 8 - OPERATING LEASES

IMPACT leases office space for its primary office and for its HWAP program. In addition, IMPACT leases various equipment for use in its operations. The total rent expense under the various operating leases for the years ended December 31, 2012 and 2011 was \$357,459 and \$387,825, respectively.

The future minimum lease payments due under these various operating leases with initial or remaining years' terms of one year or more are as follows:

For the year ending December 31,	Amount
2013	\$ 279,000
2014	272,400
2015	272,400
TOTAL	\$ 823,800

**IMPACT Community Action
Notes to Financial Statements
For the Years Ended December 31, 2012 and 2011**

NOTE 9 - CONTINGENCY

The grant programs of IMPACT are subject to an audit by agents of the granting authorities, which is to ensure compliance with conditions precedent to the granting of funds. Revenues generated by the grant programs may be disallowed in subsequent periods as a result of these audits.

NOTE 10 - EXTRAORDINARY ITEM – THEFT LOSS

On October 13, 2011, IMPACT had two groups of fraudulent transactions that were taken out of their bank account with Chase Bank in the net amount of \$161,113. IMPACT recognized this amount as a theft loss in the statements of activities and functional expenditures for the year ended December 31, 2011. IMPACT filed a claim with Chase Bank in order to recover the funds that were fraudulently taken. On February 14, 2012, Chase Bank denied IMPACT's claim for recovery. This claim has also been forwarded to the State's Fraud Investigation Division. It is premature to forecast the probability of success; however, any amounts ultimately recovered as a result of the litigation will be recorded as income in the year received.



**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
IMPACT Community Action
Columbus, Ohio

We have audited, in accordance with the 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 IMPACT Community Action, which comprise the statement of financial position as of December 31, 2012, and the related statement of activities and functional expenditures and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 28, 2013.

Internal Control over Financial Reporting

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



**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
(Continued)**

weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether IMPACT Community Action'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*.

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.

Columbus, Ohio
March 28, 2013

A handwritten signature in black ink that reads "Hemphill & Associates".



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL OVER COMPLIANCE; AND REPORT ON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133**

To the Board of Directors of
IMPACT Community Action
Columbus, Ohio

Report on Compliance for Each Major Federal Program

We have audited IMPACT Community Action's 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 IMPACT Community Action's major federal programs for the year ended December 31, 2012. IMPACT Community Action'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 compliance for each of IMPACT Community Action'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 IMPACT Community Action'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 IMPACT Community Action's compliance.

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL OVER COMPLIANCE; AND REPORT ON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133
(Continued)**

Opinion on Each Major Federal Program

In our opinion, IMPACT Community Action's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of IMPACT Community Action 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 IMPACT Community Action'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 IMPACT Community Action'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 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.



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL OVER COMPLIANCE; AND REPORT ON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133**

(continued)

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 over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of IMPACT Community Action as of and for the year ended December 31, 2012, and have issued our report thereon dated March 28, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Columbus, Ohio
March 28, 2013

A handwritten signature in blue ink that reads "Hemphill & Associates".

**IMPACT Community Action
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2012**

<u>Federal Grantor/Pass-Through Grantor /Program or Cluster Title</u>	<u>Pass-Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
CSBG Cluster			
<u>Department of Health & Human Services Passed Through Programs</u>			
Passed through Ohio Department of Development			
CSBG	1213-23	93.569	\$ 1,849,305
CSBG	1011-23	93.569	834
CSBG - T&TA	12-103	93.569	165,921
<i>Total Community Services Block Grant</i>			<u>2,016,060</u>
<i>Total Passed through Ohio Department of Development</i>			<u>2,016,060</u>
<i>Total Department of Health and Human Services</i>			<u>2,016,060</u>
Total CSBG Cluster			<u>2,016,060</u>
Other Programs			
<u>Department of Energy Passed Through Programs</u>			
Passed through Ohio Department of Development			
Weatherization Assistance for Low-Income Persons	DOE 11-145	81.042	554,921
Weatherization Assistance for Low-Income Persons	DOE 12-145	81.042	333,437
<i>Subtotal Weatherization Assistance for Low-Income Persons</i>			<u>888,358</u>
ARRA - Weatherization Assistance for Low-Income Persons	DOE 10-145	81.042	768,634
<i>Total Weatherization Assistance for Low-Income Persons</i>			<u>1,656,992</u>
<i>Total Passed through Ohio Department of Development</i>			<u>1,656,992</u>
<i>Total Department of Energy</i>			<u>1,656,992</u>
<u>Department of Health & Human Services Passed Through Programs</u>			
Passed through Ohio Department of Development			
Low-Income Home Energy Assistance (HEAP)	12-HA-122	93.568	\$ 696,490
Low-Income Home Energy Assistance (HEAP)	13-HA-122	93.568	263,654
Low-Income Home Energy Assistance (Weatherization)	HHS 12-145	93.568	668,751
<i>Subtotal Low-Income Home Energy Assistance</i>			<u>1,628,895</u>
ARRA Low-Income Home Energy Assistance	HHS 10-145	93.568	423,106
<i>Total Low-Income Home Energy Assistance</i>			<u>2,052,001</u>
<i>Total Passed through Ohio Department of Development</i>			<u>2,052,001</u>
<i>Total Department of Health and Human Services</i>			<u>2,052,001</u>
Total Other Programs			<u>3,708,993</u>
Total Expenditures of Federal Awards			<u>\$ 5,725,053</u>

IMPACT Community Action
Note to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2012

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of IMPACT Community Action under programs of the federal government for the year ended December 31, 2012. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of IMPACT Community Action, it is not intended to and does not present the financial position, changes in net assets or cash flows of IMPACT Community Action.

NOTE 2 – 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 OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

**IMPACT Community Action
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2012**

Section I — Summary of Auditors' Results

Financial Statements

Type of auditor's report issued:	Unqualified	
Internal control over financial reporting:		
• Material weakness(es) identified?	_____ yes	<u> X </u> no
• Significant deficiency(ies) identified?	_____ yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	_____ yes	<u> X </u> no

Federal Awards

Internal control over major programs:		
• Material weakness(es) identified?	_____ yes	<u> X </u> no
• Significant deficiency(ies) identified?	_____ yes	<u> X </u> none reported

Type of auditor's report issued on compliance for major programs:	Unqualified	
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Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	_____ yes	<u> X </u> no
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Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
93.568	Low-Income Home Energy Assistance
81.042	Weatherization Assistance for Low-Income Persons

Dollar threshold used to distinguish between type A and type B programs:	\$ 300,000
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Auditee qualified as low-risk auditee?	_____ yes	<u> X </u> no
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**IMPACT Community Action
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2012
(Continued)**

Section II — Financial Statement Findings
--

None noted

Section III — Federal Award Findings and Questioned Costs
--

None noted

IMPACT Community Action
Schedule of Prior Year Audit Findings and Questioned Costs
For the Year Ended December 31, 2012

Finding 2010-1: Accounting Oversight

Condition: During our audit of the financial statements, we noted that the organization failed to make five adjustments to the financial statements, which were material to the financial statements taken as a whole.

Criteria: Generally Accepted Accounting Principles (GAAP) require that material adjustments be booked in order for the financial statements to be properly stated at year-end.

Cause: Lack of internal control over requirements for the reporting year-end financial statements in accordance with Generally Accepted Accounting Principles (GAAP).

Effect: Due to the fact that five adjustments had not been recorded, the total assets, liabilities, expenses and revenues of the organization were all understated. This caused the financial statements of the organization to be materially misstated.

Recommendation: We recommend that the organization establish controls to more closely monitor the year-end financial statements to insure that all required GAAP reporting requirements have been met.

Status: During our audit of the financial statements for the year ended December 31, 2011, we noted that the Organization failed to record one (1) transaction, entry, and/or adjustment, which resulted in the financial statements being misstated. Therefore, based on our testing throughout the audit, **it appears that this condition continues to exist.**

Management Response:

For the year ended December 31, 2011, the misstatement resulted from recording a loss as a receivable, because the agency expects to recover the funds lost due to theft. Upon advice from the audit firm, this was written off as a loss in the year incurred. This event is an extraordinary and unusual one, and cannot be expected to recur.

The depreciation schedule has been updated to prevent the depreciation calculation error from recurring in future years.

Status: Based on the compliance test work performed throughout our audit for 2012, **it appears that this condition no longer exists.**



**INDEPENDENT AUDITOR'S REPORT
ON ADDITIONAL INFORMATION**

To the Board of Directors of
IMPACT Community Action
Columbus, Ohio

We have audited the financial statements of IMPACT Community Action as of and for the year ended December 31, 2012, and have issued our report thereon dated March 28, 2013, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The combining statements of activities and functional expenditures (by project) are presented for the purposes of additional analysis and are 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 not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Columbus, Ohio
March 28, 2013

A handwritten signature in blue ink that reads "Hemphill & Associates". The signature is written in a cursive style and is positioned to the right of the date. A large, faint watermark of the company logo is visible in the background of the page.

IMPACT Community Action
Combining Statement of Activities and Functional Expenditures (By Project)
For the Year Ended December 31, 2012

	30010	30011		34010	34012	31063	31200	31300	Subtotal	
	AEP	AEP		CSBG	CSBG	CSBG T&TA	HEAP	HEAP	This Page	
	Low-Income	Low-Income	Total	(01/01/10-12/31/11)	(01/01/12-12/31/13)	(1/1/12-12/31/12)	(9/01/11-08/31/12)	(9/01/12-8/31/13)	Temporarily	
	(07/1/10-03/31/12)	(04/1/12-03/31/13)	Unrestricted	1011-23	1213-23	12-103	12-HA122	13-HA-122	Restricted	
REVENUE	General									
Federal Contributions	\$ -	\$ -	\$ -	\$ -	\$ (209,244)	\$ 1,831,210	\$ 165,921	\$ 695,802	\$ 262,455	\$ 2,746,144
Interest Revenue	11	203	-	214	-	245	-	230	92	567
Other Contributions	44,715	354,885	330,002	729,602	-	17,850	-	1,278	1,107	20,235
Net Assets Released from Restrictions	478,603	(318,479)	-	160,124	210,078	-	-	(820)	-	209,258
TOTAL REVENUE	523,329	36,609	330,002	889,940	834	1,849,305	165,921	696,490	263,654	2,976,204
EXPENDITURES										
Personnel	(140)	6,640	121,603	128,103	11,942	1,141,334	14,808	506,113	204,058	1,878,255
Contractual	10,685	22,276	920	33,881	(260)	172,863	151,113	49,601	12,407	385,724
Travel	414	-	-	414	(499)	9,304	-	235	-	9,040
Space Costs	112	-	-	112	-	155,371	-	50,875	16,910	223,156
Supplies	6,227	-	-	6,227	(436)	34,223	-	28,175	11,489	73,451
Equipment Lease / Purchase	(17,970)	-	1,364	(16,606)	(10)	6,312	-	14,844	3,038	24,184
Depreciation Expense	178,614	-	-	178,614	-	-	-	-	-	-
Materials	7,701	7,693	205,282	220,676	-	-	-	-	-	-
Client Assistance	2,480	-	-	2,480	(220)	226,206	-	-	-	225,986
Board Expenses	-	-	-	-	-	1,423	-	-	-	1,423
Training & Technical Assistance	-	-	100	100	-	8,199	-	5,275	2,396	15,870
Special Events / Marketing	17,948	-	-	17,948	-	3,518	-	387	-	3,905
Printing	-	-	-	-	-	1,812	-	2,378	750	4,940
Uniforms	-	-	-	-	-	-	-	-	-	-
Telephone Expense	-	-	253	253	(334)	9,198	-	14,381	2,419	25,664
Vehicle Expense	88	-	480	568	-	1,707	-	303	9	2,019
Other	12,935	-	-	12,935	(9,349)	77,835	-	23,923	10,178	102,587
TOTAL EXPENDITURES	219,094	36,609	330,002	585,705	834	1,849,305	165,921	696,490	263,654	2,976,204
Change in Net Assets	304,235	-	-	304,235	-	-	-	-	-	-
Net Assets at Beginning of Year	1,150,511	-	-	1,150,511	-	-	-	-	-	-
Net Assets at End of Year	\$ 1,454,746	\$ -	\$ -	\$ 1,454,746	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

IMPACT Community Action
Combining Statement of Activities and Functional Expenditures (By Project)
For the Year Ended December 31, 2012

	31032 City of Columbus Computer Lab Grant (4/01/11-3/31/12)	31033 City of Columbus Computer Lab Grant (4/1/12-3/31/13)	30020 ResCare WEP (031/01/12-9/30/13)	30030 ConnectOhio (04/01/12-3/31/13)	30100 MORPC Warm Choice (04/01/12-3/31/15)	31411 DOE (HWAP) (04/01/11-3/31/12) 11-145	31412 DOE (HWAP) (04/01/12-3/31/13) 12-145	35909 DOE ARRA (HWAP) (04/01/09-03/31/12) 10-145	Subtotal This Page Temporarily Restricted
REVENUE									
Federal Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 658,650	\$ 333,437	\$ 1,126,758	\$ 2,118,845
Interest Revenue	-	-	-	-	-	137	-	64	201
Other Contributions	30,699	87,032	166,607	14,988	21,455	-	-	-	320,781
Net Assets Released from Restrictions	793	-	-	-	-	(138)	-	(310,282)	(309,627)
TOTAL REVENUE	<u>31,492</u>	<u>87,032</u>	<u>166,607</u>	<u>14,988</u>	<u>21,455</u>	<u>658,649</u>	<u>333,437</u>	<u>816,540</u>	<u>2,130,200</u>
EXPENDITURES									
Personnel	10,850	47,355	147,952	-	11,871	347,585	215,682	501,771	1,283,066
Contractual	1,677	12,274	5,177	-	-	5,447	2,000	11,617	38,192
Travel	-	-	5,301	-	-	6,431	8,405	(181)	19,956
Space Costs	10,234	23,861	827	-	-	4,149	29,942	35,771	104,784
Supplies	4,843	1,207	1,353	-	-	10,921	(142)	(11,717)	6,465
Equipment Lease / Purchase	866	746	760	14,988	-	1,727	3,965	6,447	29,499
Depreciation Expense	-	-	-	-	-	-	-	-	-
Materials	-	-	-	-	9,584	166,662	40,324	172,208	388,778
Client Assistance	-	-	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-	-	-
Training & Technical Assistance	44	-	-	-	-	4,228	2,223	9,980	16,475
Special Events / Marketing	-	-	-	-	-	-	-	-	-
Printing	-	72	-	-	-	753	370	-	1,195
Uniforms	-	-	-	-	-	785	5,304	5,613	11,702
Telephone Expense	129	561	1,129	-	-	1,347	3,498	7,263	13,927
Vehicle Expense	-	-	-	-	-	2,635	6,759	13,897	23,291
Other	2,849	956	4,108	-	-	105,979	15,107	63,871	192,870
TOTAL EXPENDITURES	<u>31,492</u>	<u>87,032</u>	<u>166,607</u>	<u>14,988</u>	<u>21,455</u>	<u>658,649</u>	<u>333,437</u>	<u>816,540</u>	<u>2,130,200</u>
Change in Net Assets	-	-	-	-	-	-	-	-	-
Net Assets at Beginning of Year	-	-	-	-	-	-	-	-	-
Net Assets at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IMPACT Community Action
Combining Statement of Activities and Functional Expenditures (By Project)
For the Year Ended December 31, 2012

	36909 HHS ARRA (HWAP) (04/01/09-03/31/13) 10-145	31421 HHS (HWAP) (04/01/11-03/31/12) 11-145	31422 HHS (HWAP) (04/01/12-03/31/13) 12-145	38009 Healthy Homes (04/01/09-3/31/12)	Total Temporarily Restricted	Unrestricted	Total Unrestricted & Temporarily Restricted
REVENUE							
Federal Contributions	\$ 487,514	\$ 3,599	\$ 668,751	\$ -	\$ 6,024,853	\$ -	\$ 6,024,853
Interest Revenue	6	2	-	2	778	214	992
Other Contributions	-	-	-	51,274	392,290	729,602	1,121,892
Net Assets Released from Restrictions	(59,580)	(2)	-	(173)	(160,124)	160,124	-
TOTAL REVENUE	427,940	3,599	668,751	51,103	6,257,797	889,940	7,147,737
EXPENDITURES							
Personnel	421,425	-	473,584	7,313	4,063,643	128,103	4,191,746
Contractual	-	-	22,853	15,751	462,520	33,881	496,401
Travel	-	-	-	-	28,996	414	29,410
Space Costs	-	-	42,723	-	370,663	112	370,775
Supplies	2,542	-	4,101	-	86,559	6,227	92,786
Equipment Lease / Purchase	-	-	1,592	-	55,275	(16,606)	38,669
Depreciation Expense	-	-	-	-	-	178,614	178,614
Materials	196	-	77,354	28,039	494,367	220,676	715,043
Client Assistance	-	-	-	-	225,986	2,480	228,466
Board Expenses	-	-	-	-	1,423	-	1,423
Training & Technical Assistance	-	-	-	-	32,345	100	32,445
Special Events / Marketing	-	-	-	-	3,905	17,948	21,853
Printing	-	-	482	-	6,617	-	6,617
Uniforms	-	-	2,061	-	13,763	-	13,763
Telephone Expense	-	-	6,396	-	45,987	253	46,240
Vehicle Expense	-	-	17,426	-	42,736	568	43,304
Other	3,777	3,599	20,179	-	323,012	12,935	335,947
TOTAL EXPENDITURES	427,940	3,599	668,751	51,103	6,257,797	585,705	6,843,502
Change in Net Assets	-	-	-	-	-	304,235	304,235
Net Assets at Beginning of Year	-	-	-	-	-	1,150,511	1,150,511
Net Assets at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,454,746</u>	<u>\$ 1,454,746</u>

See Accompanying Independent Auditor's Report on Additional Information