

**IMPACT**  
**Community Action**  
Columbus, Ohio

**Financial Statements**  
**For the Years Ended December 31, 2013 and 2012**

(With Independent Auditors' Report Thereon)

# IMPACT COMMUNITY ACTION

## TABLE OF CONTENTS

	<b>PAGE</b>
<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position	3
Statement of Activities	4
Statements of Functional Expenditures	5
Statements of Cash Flows	7
Notes to Financial Statements	8
<b>SUPPLEMENTARY FINANCIAL INFORMATION</b>	
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 <i>Government Auditing Standards</i>	14
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133	16
Schedule of Expenditures of Federal Awards	19
Schedule of Findings and Questioned Costs	21
<b>SUPPLEMENTAL INFORMATION</b>	23



## 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, 2013 and 2012, and the related statements of activities, functional expenses 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

**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 IMPACT Community Action as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance 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 May 28, 2014, 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  
May 28, 2014

*Hemphill & Associates*

**IMPACT Community Action  
Statements of Financial Position  
December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$1,423,111	\$ 1,285,225
Government Contributions Receivable (Note 3)	1,010,685	634,966
Materials Inventory	63,760	69,765
Other Current Assets	16,967	19,636
Total Current Assets	<u>2,514,523</u>	<u>2,009,592</u>
<b>Property and Equipment</b>		
Equipment and Vehicles, Net (Note 4)	167,504	313,147
<b>TOTAL ASSETS</b>	<u><u>\$2,682,027</u></u>	<u><u>\$ 2,322,739</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 204,684	\$ 241,403
Accrued Vacation and Salaries	131,024	251,156
Refundable Advances (Note 5)	486,735	322,354
Deferred Revenue	45,550	53,080
Total Current Liabilities	<u>867,993</u>	<u>867,993</u>
<b>TOTAL LIABILITIES</b>	<u>867,993</u>	<u>867,993</u>
<b>NET ASSETS</b>		
Total Unrestricted	<u>1,814,034</u>	<u>1,454,746</u>
<b>TOTAL NET ASSETS</b>	<u>1,814,034</u>	<u>1,454,746</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$2,682,027</u></u>	<u><u>\$ 2,322,739</u></u>

**IMPACT Community Action**  
**Statement of Activities**  
**For the Year Ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>REVENUE</b>		
Federal Grants	\$4,815,220	\$6,024,853
Other Grants		
City of Columbus	94,641	117,731
Columbus Public Health - Healthy Homes	-	51,274
AEP HWAP Low-Income Program	1,229,259	684,887
ResCare Grant Revenue	(5,024)	166,607
Other Contributions	250,899	101,393
Interest Income	439	992
<b>TOTAL REVENUE</b>	<u>6,385,434</u>	<u>7,147,737</u>
 <b>EXPENSES</b>		
Program Expenses		
CSBG	2,214,381	2,014,061
HEAP	1,107,700	954,471
HWAP	1,540,824	2,904,560
Other Programs	1,024,675	733,346
Total Programs	<u>5,887,580</u>	<u>6,606,438</u>
Administrative & General	246,933	237,064
<b>Total Expense</b>	<u>6,134,513</u>	<u>6,843,502</u>
 Change in Net Assets	250,921	304,235
 Change in Estimates (Note 1)	108,367	-
 Net Assets at Beginning of Year	<u>1,454,746</u>	<u>1,150,511</u>
 <b>Net Assets at End of Year</b>	<u><u>\$1,814,034</u></u>	<u><u>\$1,454,746</u></u>

See Accompanying Notes to Financial Statements

**IMPACT Community Action**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2013**

	<u>CSBG</u>	<u>HEAP</u>	<u>HWAP</u>	<u>Non-Federal Programs</u>	<u>Total Programs</u>	<u>Administrative &amp; General</u>	<u>Total</u>
<b>Expenses</b>							
Personnel	\$ 1,192,838	\$ 867,262	\$ 962,305	\$ 324,359	\$ 3,346,764	\$ 6,188	\$ 3,352,952
Contractual	369,920	63,490	41,898	52,190	527,498	19,125	546,623
Travel	19,154	1,564	13,795	1,872	36,385	36	36,421
Space Costs	160,741	77,756	83,138	36,990	358,625	-	358,625
Supplies	61,209	35,409	9,253	3,115	108,986	492	109,478
Equipment Lease/Purchase	12,509	8,439	10,206	1,008	32,162	594	32,756
Depreciation Expense	-	-	-	-	-	157,752	157,752
Materials	-	-	308,486	580,694	889,180	(1,864)	887,316
Client Assistance	264,357	-	-	13,295	277,652	100	277,752
Board Expenses	-	-	-	-	-	-	-
Training & Technical Assistance	13,042	8,389	16,329	128	37,888	1,890	39,778
Special Events / Marketing	6,588	12,300	-	-	18,888	20,938	39,826
Printing	2,558	5,867	1,355	-	9,780	997	10,777
Uniforms	-	-	7,762	-	7,762	325	8,087
Telephone Expense	20,546	11,154	7,870	2,470	42,040	-	42,040
Vehicle Expense	3,089	164	46,411	987	50,651	18	50,669
Other	87,830	15,906	32,016	7,567	143,319	40,342	183,661
<b>TOTAL EXPENSES</b>	<u>\$ 2,214,381</u>	<u>\$ 1,107,700</u>	<u>\$ 1,540,824</u>	<u>\$ 1,024,675</u>	<u>\$ 5,887,580</u>	<u>\$ 246,933</u>	<u>\$ 6,134,513</u>

See Accompanying Notes to Financial Statements

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

	<u>CSBG</u>	<u>HEAP</u>	<u>HWAP</u>	<u>Non-Federal Programs</u>	<u>Total Programs</u>	<u>Administrative &amp; General</u>	<u>Total</u>
<b>Expenses</b>							
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	4,303	12,209	9,375	12,782	38,669	-	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
<b>TOTAL EXPENSES</b>	<u>\$ 2,014,061</u>	<u>\$ 954,471</u>	<u>\$ 2,904,560</u>	<u>\$ 733,346</u>	<u>\$ 6,606,438</u>	<u>\$ 237,064</u>	<u>\$ 6,843,502</u>

See Accompanying Notes to Financial Statements



**IMPACT Community Action**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Change in Net Assets	\$ 250,921	\$ 304,235
<b>Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities</b>		
Depreciation Expense	157,752	178,614
Change in Estimates	108,367	-
Changes in Assets:		
(Increase) Decrease in Government Contributions Receivable	(375,719)	933,069
Decrease in Materials Inventory	6,005	2,085
Decrease in Other Current Assets	2,669	19,564
Changes in Liabilities:		
Decrease in Accounts Payable	(36,719)	(218,854)
Decrease in Accrued Vacation and Salaries	(120,132)	(18,685)
Increase (Decrease) in Refundable Advances	164,381	(1,484,973)
(Decrease) Increase in Deferred Revenue	(7,530)	53,080
<b>Net Cash Provided By (Used in) Operating Activities</b>	<u>149,995</u>	<u>(231,865)</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of Equipment and Vehicles	(12,109)	(19,614)
<b>Net Cash Used in Investing Activities</b>	<u>(12,109)</u>	<u>(19,614)</u>
Net Increase (Decrease) in Cash	137,886	(251,479)
Cash at Beginning of Year	<u>1,285,225</u>	<u>1,536,704</u>
<b>Cash at End of Year</b>	<u><u>\$ 1,423,111</u></u>	<u><u>\$ 1,285,225</u></u>

See Accompanying Notes to Financial Statements

**IMPACT Community Action  
Notes to Financial Statements  
For the Years Ended December 31, 2013 and 2012**

<b>NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>
---

**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 Organization uses the accrual basis of accounting.

**Financial Statement Presentation**

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. There were no temporarily restricted or permanently restricted net assets at December 31, 2013.

**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. As a result, the equipment expenses reflected in the statement of activities include the cost of equipment purchased or leased during the year. However, for GAAP reporting purposes, the cumulative cost of equipment purchased with grant funds has been reflected as an asset and corresponding valuation amount on the statement of financial position.

The equipment and vehicles acquired is owned by IMPACT Community Action while 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 purchased is recorded at cost, less accumulated depreciation. Depreciation of equipment is computed using the straight-line method over the estimated useful lives of the assets. IMPACT Community Action follows the policy of capitalizing all expenditures for purchased equipment of \$500 or greater. Expenditures of equipment, which increase the values or extend the useful lives of the respective assets, are capitalized. Routine maintenance and repairs, which do not improve or extend the useful lives of the respective assets, are charged to expenses as incurred.

**IMPACT Community Action**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2013 and 2012**

<b>NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
---

**Inventory**

Inventory consists of Home Weather Assistance Program (HWAP) materials remaining at December 31, 2013 and 2012 and is priced at the average unit-cost per item remaining in inventory.

**Revenue Recognition**

Revenues are recognized in the accompanying financial statements as follows:

**Grant Revenue** - The amount due from various 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.

**Refundable Advances**

Refundable advances represent monies advanced by the funding source for which the organization has not yet performed the contracted services as of December 31, 2013 (See NOTE 5 for additional details).

**Deferred Revenues**

Deferred revenue represents resources received from service beneficiaries for a particular program or activity that has not taken place as of December 31, 2013.

**Accrued Vacation**

Vacation pay is accrued up to a maximum of three (3) weeks per eligible employee. As vacation time is subsequently paid and/or taken, the books are adjusted to reflect the change in the accumulated vacation liability. As of December 31, 2013 and 2012, the vacation and salary liability for all IMPACT projects was \$131,024 and \$251,156, respectively. These amounts are included on the statement of financial position in the liability line item "Accrued Vacation and Salaries".

**Donor Imposed Restrictions**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports that support as unrestricted.

**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.

**IMPACT Community Action**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2013 and 2012**

<b>NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
---

**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. The estimate used to calculate the vacation liability was changed in 2013 from a PTO system to one that separates vacation from sick pay. The personnel policies were also modified reducing the maximum vacation payout upon separation of employment from 240 hours to 120 hours. This resulted in a reduction of \$108,367 in the associated liability and a corresponding cost savings for future periods.

**Receivable**

Government contributions receivable are stated at unpaid balances. It is IMPACT's policy to charge off uncollectible accounts when management determines the receivable will not be collected. The Organization considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

**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 May 28, 2014, 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.

<b>NOTE 2 - CONCENTRATION OF CREDIT RISK</b>
--

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. As of December 31, 2013 and 2012, 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 through US Treasury Bonds pledged by the financial institution.

**IMPACT Community Action**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2013 and 2012**

**NOTE 3 - GOVERNMENT CONTRIBUTIONS RECEIVABLE**

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

<u>Program</u>	<u>2013</u>	<u>2012</u>
CSBG	\$ 630,947	\$ 208,994
HEAP	22,364	65,284
HWAP	88,500	68,410
City of Columbus	38,567	51,256
AEP	223,082	186,151
ResCare	-	36,113
Mid-Ohio Regional Planning Commission	-	17,483
Connect Ohio	-	1,275
Central Ohio Workforce Investment Corporation	7,225	-
<b>TOTAL</b>	<u>\$1,010,685</u>	<u>\$634,966</u>

**NOTE 4 - EQUIPMENT AND VEHICLES**

As discussed above in NOTE 1 to the financial statements, purchased assets are capitalized and depreciated over their useful lives. The funding source holds a reversionary interest in grant-funded assets. Depreciation expense for the years ended December 31, 2013 and 2012 was \$157,752 and \$178,614, respectively. As of December 31, 2013, equipment and vehicles owned by IMPACT consisted of the following:

	<u>2013</u>	<u>2012</u>
Equipment and Vehicles	\$1,014,823	\$1,051,576
Less: Accumulated Depreciation	(847,319)	(738,429)
<b>NET BOOK VALUE</b>	<u>\$ 167,504</u>	<u>\$ 313,147</u>

**NOTE 5 - REFUNDABLE ADVANCES**

Refundable advances are discussed above in NOTE 1 to the financial statements. The refundable advances balance consisted of the following as of December 31:

<u>Program</u>	<u>2013</u>	<u>2012</u>
HEAP	\$205,833	\$156,445
HWAP	264,798	165,909
Chase - Workforce Development	11,690	-
CFED	4,000	-
COWIC	414	-
<b>TOTAL</b>	<u>\$486,735</u>	<u>\$322,354</u>

**IMPACT Community Action  
Notes to Financial Statements  
For the Years Ended December 31, 2013 and 2012**

**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, 2013 and 2012 was \$55,958 and \$68,668, 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:

**Personnel**

IMPACT's administrative and financial personnel (Chief Executive Officer, Chief Operating Officer, Executive Administrator, Human Resources Director, Chief Financial Officer, Administrative Assistant, HR 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.

**IMPACT Community Action**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2013 and 2012**

**NOTE 7 - COST ALLOCATION (Continued)**

**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, 2013 and 2012 was \$343,356 and \$357,459, 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:

<b>For the year ending December 31,</b>	<b>Amount</b>
2014	\$ 333,909
2015	319,800
2016	<u>295,800</u>
<b>TOTAL</b>	<u><u>\$ 949,509</u></u>

**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.

**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  
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 (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 28, 2014.

**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 weaknesses may exist that have not been identified.



**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*  
(Continued)**

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

Columbus, Ohio  
May 28, 2014

*Hemphill & Associates*

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE 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, 2013. 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.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE 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, 2013.

**Report on Internal Control Over Compliance**

Management of IMPACT Community Action is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered 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.

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.



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**  
(continued)

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, 2013, and have issued our report thereon dated May 28, 2014, 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  
May 28, 2014

**IMPACT Community Action  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2013**

<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>
<b>CSBG Cluster</b>			
<b><u>Department of Health &amp; Human Services Passed Through Programs</u></b>			
<b>Passed through Ohio Development Services Agency</b>			
CSBG	1213-23	93.569	\$ 1,964,033
CSBG - T&TA (Note 3)	12-103	93.569	24,279
CSBG - T&TA (Note 3)	13-103	93.569	226,069
<i>Total Community Services Block Grant</i>			<u>2,214,381</u>
<i>Total Passed through Ohio Development Services Agency</i>			<u>2,214,381</u>
<i>Total Department of Health and Human Services Pass-Through Programs</i>			<u>2,214,381</u>
<i>Total Department of Health and Human Services</i>			<u>2,214,381</u>
<b>Total CSBG Cluster</b>			<u>2,214,381</u>
<b>Other Programs</b>			
<b><u>Department of Energy Passed Through Programs</u></b>			
<b>Passed through Ohio Development Services Agency</b>			
Weatherization Assistance for Low-Income Persons	DOE 12-145	81.042	270,406
Weatherization Assistance for Low-Income Persons	DOE 13-145	81.042	324,644
<i>Total Weatherization Assistance for Low-Income Persons</i>			<u>595,050</u>
<i>Total Passed through Ohio Development Services Agency</i>			<u>595,050</u>
<i>Total Department of Energy Pass-Through Programs</i>			<u>595,050</u>
<i>Total Department of Energy</i>			<u>595,050</u>
<b><u>Department of Health &amp; Human Services Passed Through Programs</u></b>			
<b>Passed through Ohio Development Services Agency</b>			
Low-Income Home Energy Assistance (HEAP)	12-HA-122	93.568	824,256
Low-Income Home Energy Assistance (HEAP)	13-HA-122	93.568	283,444
Low-Income Home Energy Assistance (Weatherization)	HHS 12-145	93.568	569,785
Low-Income Home Energy Assistance (Weatherization)	HHS 13-145	93.568	303,547
<i>Total Low-Income Home Energy Assistance</i>			<u>1,981,032</u>
<i>Total Passed through Ohio Development Services Agency</i>			<u>1,981,032</u>
<i>Total Department of Health and Human Services Pass-Through Programs</i>			<u>1,981,032</u>
<i>Total Department of Health and Human Services</i>			<u>1,981,032</u>
<b>Total Other Programs</b>			<u>2,576,082</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 4,790,463</u>

**IMPACT Community Action**  
**Note to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2013**

**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, 2013. 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.

**NOTE 3 - PAYMENTS TO SUBRECIPIENTS**

IMPACT Community Action had one subrecipient, The Breathing Association, to which it paid \$222,974 for the operation of a Mobile Medical Unit during 2013. These payments were included in the schedule of federal expenditures of federal awards under grants 12-103 and 13-103 (CSBG T&TA), CFDA Number 93.569.

**IMPACT Community Action  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2013**

<b>Section I — Summary of Auditors' Results</b>
---

***Financial Statements***

Type of auditor's report issued:	<b>Unmodified</b>	
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:	<b>Unmodified</b>	
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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
81.042	Weatherization Assistance for Low-Income Persons
93.569	Community Services Block Grant (CSBG)

Dollar threshold used to distinguish between type A and type B programs:	\$ 300,000	
Auditee qualified as low-risk auditee?	_____ yes	<u>  X  </u> no

**IMPACT Community Action  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2013  
(Continued)**

<b>Section II — Financial Statement Findings</b>
--

None noted

<b>Section III — Federal Award Findings and Questioned Costs</b>
--

None noted





**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, 2013, and have issued our report thereon dated May 28, 2014, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The information included in the Supplementary Schedules on pages 24-26 is presented for the purposes of additional analysis 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 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  
May 28, 2014

A stylized signature of "Hemphill &amp; Associates" in a cursive script, positioned to the right of the date. A large, faint watermark of the company logo is visible in the background behind the signature.

**IMPACT Community Action**  
**Combining Statement of Activities and Functional Expenditures (By Project)**  
**For the Year Ended December 31, 2013**

	30011 AEP		30020	30050	30030	30070		34012	31063	31064	31300	31400	Subtotal
	Low-Income	ResCare WEP		Columbus Urban	ConnectOhio	COWIC	Total	CSBG	CSBG T&TA	CSBG T&TA	HEAP	HEAP	This Page
	(04/1/12-12/31/13)	(03/1/01/12-9/30/13)		League	(04/01/12-3/31/13)	(10/01/13-09/30/15)	Unrestricted	(01/01/12-12/31/13)	(1/1/12-12/31/12)	(1/1/13-12/31/13)	(9/01/12-08/31/13)	(9/01/13-8/31/14)	Temporarily
<b>REVENUE</b>	<b>General</b>							1213-23	12-103	13-103	12-HA122	13-HA-122	Restricted
Federal Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,954,597	\$ 24,279	\$ 226,069	\$ 857,545	\$ 283,429	\$ 3,345,919
Interest Revenue	125	10	-	-	-	-	135	-	-	-	98	15	113
Other Contributions	45,123	1,229,259	(5,024)	100,000	12,827	6,811	1,388,996	9,436	-	-	632	-	10,068
<b>TOTAL REVENUE</b>	<b>45,248</b>	<b>1,229,269</b>	<b>(5,024)</b>	<b>100,000</b>	<b>12,827</b>	<b>6,811</b>	<b>1,389,131</b>	<b>1,964,033</b>	<b>24,279</b>	<b>226,069</b>	<b>858,275</b>	<b>283,444</b>	<b>3,356,100</b>
<b>EXPENDITURES</b>													
Personnel	6,188	180,669	-	27,736	-	5,256	\$ 219,849	1,174,056	1,172	17,610	639,918	227,344	2,060,100
Contractual	19,125	45,896	(622)	-	-	-	64,399	138,354	23,107	208,459	50,874	12,616	433,410
Travel	36	4	-	626	-	5	671	19,154	-	-	1,564	-	20,718
Space Costs	-	1,196	(1,691)	248	-	905	658	160,741	-	-	57,712	20,044	238,497
Supplies	492	848	(591)	453	-	65	1,267	61,209	-	-	27,738	7,671	96,618
Equipment Lease / Purchase	594	-	(760)	-	-	269	103	12,509	-	-	5,377	3,062	20,948
Depreciation Expense	157,752	-	-	-	-	-	157,752	-	-	-	-	-	-
Materials	(1,864)	590,278	-	-	-	-	588,414	-	-	-	-	-	-
Client Assistance	100	-	-	-	-	-	100	264,357	-	-	-	-	264,357
Board Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Training & Technical Assistance	1,890	100	-	-	-	-	1,990	13,042	-	-	7,660	729	21,431
Special Events / Marketing	20,938	-	-	-	-	-	20,938	6,588	-	-	10,327	1,973	18,888
Printing	997	-	-	-	-	-	997	2,558	-	-	4,180	1,687	8,425
Uniforms	325	-	-	-	-	-	325	-	-	-	-	-	-
Telephone Expense	-	1,662	(1,129)	88	-	171	792	20,546	-	-	7,217	3,937	31,700
Vehicle Expense	18	987	-	-	-	-	1,005	3,089	-	-	141	23	3,253
Other	40,342	274	(231)	-	-	140	40,525	87,830	-	-	11,548	4,358	103,736
<b>TOTAL EXPENDITURES</b>	<b>246,933</b>	<b>821,914</b>	<b>(5,024)</b>	<b>29,151</b>	<b>-</b>	<b>6,811</b>	<b>1,099,785</b>	<b>1,964,033</b>	<b>24,279</b>	<b>226,069</b>	<b>824,256</b>	<b>283,444</b>	<b>3,322,081</b>
Change in Net Assets	(201,685)	407,355	-	70,849	12,827	-	289,346	-	-	-	34,019	-	34,019
Change in Estimates	108,367	-	-	-	-	-	108,367	-	-	-	-	-	-
Net Assets at Beginning of Year	1,454,746	-	-	-	-	-	1,454,746	-	-	-	-	-	-
Net Assets at End of Year	\$ 1,361,428	\$ 407,355	\$ -	\$ 70,849	\$ 12,827	\$ -	\$ 1,852,459	\$ -	\$ -	\$ -	\$ 34,019	\$ -	\$ 34,019

**IMPACT Community Action**  
**Combining Statement of Activities and Functional Expenditures (By Project)**  
**For the Year Ended December 31, 2013**

	<b>31033</b> <b>City of</b> <b>Columbus Computer</b> <b>Lab Grant</b> <b>(4/01/12-3/31/13)</b>	<b>31034</b> <b>City of</b> <b>Columbus Computer</b> <b>Lab Grant</b> <b>(4/1/13-3/31/14)</b>	<b>31422</b> <b>HHS</b> <b>(HWAP)</b> <b>(04/01/12-06/30/13)</b> <b>12-145</b>	<b>31423</b> <b>HHS</b> <b>(HWAP)</b> <b>(07/01/13-06/30/14)</b> <b>12-145</b>	<b>31412</b> <b>DOE</b> <b>(HWAP)</b> <b>(04/01/12-6/30/13)</b> <b>12-145</b>	<b>31413</b> <b>DOE</b> <b>(HWAP)</b> <b>(07/01/13-6/30/14)</b> <b>13-145</b>	<b>Subtotal</b> <b>This Page</b> <b>Temporarily</b> <b>Restricted</b>
<b>REVENUE</b>							
Federal Contributions	\$ -	\$ -	\$ 569,779	\$ 303,517	\$ 270,406	\$ 325,599	\$ 1,469,301
Interest Revenue	-	-	4	30	51	14	99
Other Contributions	20,298	74,343	-	-	(51)	(969)	93,621
<b>TOTAL REVENUE</b>	<u>20,298</u>	<u>74,343</u>	<u>569,783</u>	<u>303,547</u>	<u>270,406</u>	<u>324,644</u>	<u>1,563,021</u>
<b>EXPENDITURES</b>							
Personnel	10,034	38,875	365,219	156,440	222,358	218,288	1,011,214
Contractual	1,050	5,519	21,856	7,923	(3,503)	15,622	48,467
Travel	-	40	-	-	10,041	3,754	13,835
Space Costs	8,432	24,194	26,143	25,994	16,336	14,665	115,764
Supplies	317	1,737	(49)	5,274	517	3,511	11,307
Equipment Lease / Purchase	252	414	2,868	2,302	2,880	2,156	10,872
Depreciation Expense	-	-	-	-	-	-	-
Materials	-	-	116,731	80,812	66,342	44,601	308,486
Client Assistance	-	-	-	-	-	-	-
Board Expenses	-	-	-	-	-	-	-
Training & Technical Assistance	-	-	-	-	14,658	1,671	16,329
Special Events / Marketing	-	-	-	-	-	-	-
Printing	-	-	936	239	180	-	1,355
Uniforms	-	-	3,557	1,477	481	2,247	7,762
Telephone Expense	120	591	2,843	2,831	550	1,646	8,581
Vehicle Expense	-	-	20,645	11,861	3,354	10,551	46,411
Other	93	2,973	11,713	8,394	5,977	5,932	35,082
<b>TOTAL EXPENDITURES</b>	<u>20,298</u>	<u>74,343</u>	<u>572,462</u>	<u>303,547</u>	<u>340,171</u>	<u>324,644</u>	<u>1,635,465</u>
Change in Net Assets	-	-	(2,679)	-	(69,765)	-	(72,444)
Change in Estimates	-	-	-	-	-	-	-
Net Assets at Beginning of Year	-	-	-	-	-	-	-
Net Assets at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,679)</u>	<u>\$ -</u>	<u>\$ (69,765)</u>	<u>\$ -</u>	<u>\$ (72,444)</u>

See Accompanying Independent Auditor's Report on Additional Information

**IMPACT Community Action**  
**Combining Statement of Activities and Functional Expenditures (By Project)**  
**For the Year Ended December 31, 2013**

	30100	30040			
	MORPC Warm Choice (04/01/12-3/31/15)	Chase Employment Plus (01/01/13-12/31/13)	Total Temporarily Restricted	Unrestricted	Total Unrestricted & Temporarily Restricted
<b>REVENUE</b>					
Federal Contributions	\$ -	\$ -	\$ 4,815,220	\$ -	\$ 4,815,220
Interest Revenue	-	92	304	135	439
Other Contributions	(11,220)	88,310	180,779	1,388,996	1,569,775
<b>TOTAL REVENUE</b>	<u>(11,220)</u>	<u>88,402</u>	<u>4,996,303</u>	<u>1,389,131</u>	<u>6,385,434</u>
<b>EXPENDITURES</b>					
Personnel	(1,636)	63,425	3,133,103	219,849	3,352,952
Contractual	-	347	482,224	64,399	546,623
Travel	-	1,197	35,750	671	36,421
Space Costs	-	3,706	357,967	658	358,625
Supplies	-	286	108,211	1,267	109,478
Equipment Lease / Purchase	-	833	32,653	103	32,756
Depreciation Expense	-	-	-	157,752	157,752
Materials	(9,584)	-	298,902	588,414	887,316
Client Assistance	-	13,295	277,652	100	277,752
Board Expenses	-	-	-	-	-
Training & Technical Assistance	-	28	37,788	1,990	39,778
Special Events / Marketing	-	-	18,888	20,938	39,826
Printing	-	-	9,780	997	10,777
Uniforms	-	-	7,762	325	8,087
Telephone Expense	-	967	41,248	792	42,040
Vehicle Expense	-	-	49,664	1,005	50,669
Other	-	4,318	143,136	40,525	183,661
<b>TOTAL EXPENDITURES</b>	<u>(11,220)</u>	<u>88,402</u>	<u>5,034,728</u>	<u>1,099,785</u>	<u>6,134,513</u>
Change in Net Assets	-	-	(38,425)	289,346	250,921
Change in Estimate	-	-	-	108,367	108,367
Net Assets at Beginning of Year	-	-	-	1,454,746	1,454,746
Net Assets at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (38,425)</u>	<u>\$ 1,852,459</u>	<u>\$ 1,814,034</u>

See Accompanying Independent Auditor's Report on Additional Information