

NEW DIRECTIONS CAREER CENTER

AUDITED FINANCIAL STATEMENTS

TOGETHER WITH

INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2010

**NEW DIRECTIONS CAREER CENTER
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Premier Accounting Solutions, Inc.

Certified Public Accountants & Business Consultants

INDEPENDENT AUDITOR'S REPORT

Mr Hugh J. Dorrian
City Auditor
City of Columbus
Columbus, OH

We have audited the accompanying statement of financial position of New Directions Career Center (A nonprofit organization) as of June 30, 2010, and 2009 and the related statements of activities and cash flow for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

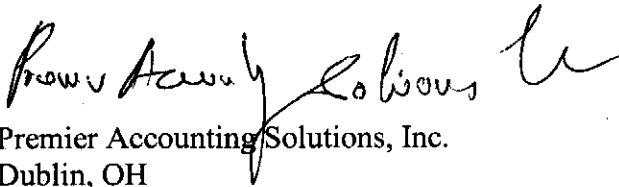
As explained in Note 9 to the financial statements, accounting principles generally accepted in the United States of America require that a specified beneficiary recognize its rights to the assets held by a recipient organization as an asset unless the donor has explicitly granted the recipient organization variance power. Management has granted variance power and has elected to include in assets funds transferred to others identified as Assets Held by Others. If accounting principles generally accepted in the United States of America had been followed, Total Current Assets and Net Assets as of June 30, 2010 and 2009 would have been decreased by \$ 93,005 and \$ 82,100 respectively.

In our opinion, except for the effects of recording Assets Held by Others, as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of New Directions Career Center as of June 30, 2010, and 2009 and the changes in its net assets and its cash flow for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2010 on our consideration of New Directions Career Center's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and are important in assessing the results of our audit.



Premier Accounting Solutions, Inc.
Dublin, OH
August 18, 2010.

NEW DIRECTIONS
CAREER CENTER
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2010 AND 2009.

ASSETS:	<u>2010</u>	<u>2009</u>
Current Assets:		
Cash	122,169	67,888
Investments	40,330	40,314
Assets Held by Others	93,005	82,100
Prepaid Expenses	4,029	3,352
Grants Receivable	2,518	15,656
Pledges Receivable	10,844	-
Security Deposit	<u>3,567</u>	<u>3,567</u>
Total Current Assets	276,462	212,877
Property & Equipment-At Cost		
Equipment	20,001	9,668
Furniture & Fixtures	6,387	6,387
Leasehold Improvements	20,858	18,558
Less:- Accumulated Depreciation	<u>(22,126)</u>	<u>(18,986)</u>
Property & Equipment-Net	25,120	15,627
 TOTAL ASSETS	 <u><u>\$ 301,582</u></u>	 <u><u>\$ 228,504</u></u>
 LIABILITIES & NET ASSETS		
Current Liabilities		
Differed Revenue	25,000	-
Accrued Expenses	<u>8,081</u>	<u>8,010</u>
Total Current Liabilities	33,081	8,010
 Net Assets		
Unrestricted	226,476	180,180
Restricted	<u>42,025</u>	<u>40,314</u>
Total Net Assets	268,501	220,494
 TOTAL LIABILITIES & NET ASSETS	 <u><u>\$ 301,582</u></u>	 <u><u>\$ 228,504</u></u>

" The accompanying notes are an integral part of these financial statements."

NEW DIRECTIONS
CAREER CENTER
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

REVENUE	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>	<u>TOTAL</u>
City of Columbus	\$ 28,246	-	\$ 28,246
United Way	42,497	-	42,497
Donations	35,397	-	35,397
Fees	38,469	-	38,469
Fund Raising	152,292	-	152,292
Grants	224,000	-	224,000
In-Kind Receipts	162,534	-	162,534
Loss / Gain on Investments	10,905	3,016	13,921
Interest	349	-	349
Vicki Hanger Scholarship	-	350	350
Net Assets Released from Restrictions	<u>1,655</u>	<u>(1,655)</u>	<u>-</u>
 Total Revenue	 696,344	 1,711	 698,055
 EXPENSES			
Salaries	318,091	-	318,091
Payroll Taxes	24,301	-	24,301
Insurance & Others	7,122	-	7,122
Professional Services	13,685	-	13,685
Supplies	18,995	-	18,995
Vicki Hanger Scholarship	655	-	655
Individual Assistance	6,353	-	6,353
Printing	2,064	-	2,064
Postage	3,487	-	3,487
Professional Development	2,839	-	2,839
Space Costs	40,163	-	40,163
Utilities	9,394	-	9,394
Auction Expenses	7,495	-	7,495
Travel	396	-	396
Telephone	3,589	-	3,589
Advertising	641	-	641
Depreciation	3,140	-	3,140
Bank Charges	2,271	-	2,271
Dues & Subscriptions	940	-	940
Miscellaneous Expenses	1,061	-	1,061
Office Expenses	1,223	-	1,223
Equipment Maintenance	6,752	-	6,752
Computer Services	12,857	-	12,857
In-Kind Expenses	<u>162,534</u>	<u>-</u>	<u>162,534</u>
 Total Expenses	 650,048	 -	 650,048
 Change in Net Assets	 46,296	 1,711	 48,007
 Net Assets- Beginning of the Year	 180,180	 40,314	 220,494
 Net Assets- End of the Year	 <u>\$ 226,476</u>	 <u>\$ 42,025</u>	 <u>\$ 268,501</u>

"The accompanying notes are an integral part of these financial statements."

NEW DIRECTIONS
CAREER CENTER
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2009

REVENUE	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>	<u>TOTAL</u>
City of Columbus	\$ 36,108	-	\$ 36,108
United Way	66,541	-	66,541
Donations	62,534	-	62,534
Fees	4,572	-	4,572
Fund Raising	100,746	-	100,746
Grants	118,500	-	118,500
In-Kind Receipts	95,930	-	95,930
Interest	407	-	407
Loss / Gain on Investments	(30,158)	759	(29,399)
Miscellaneous Income	1,603	-	1,603
Net Assets Released from Restrictions	<u>559</u>	<u>(559)</u>	<u>-</u>
 Total Revenue	 457,342	 200	 457,542
 EXPENSES			
Salaries	307,191	-	307,191
Payroll Taxes	23,500	-	23,500
Insurance & Others	7,448	-	7,448
Professional Services	15,600	-	15,600
Supplies	17,285	-	17,285
Individual Assistance	3,821	-	3,821
Printing	4,572	-	4,572
Postage	2,181	-	2,181
Professional Development	338	-	338
Space Costs	42,344	-	42,344
Utilities	8,365	-	8,365
Auction Expenses	12,470	-	12,470
Travel	228	-	228
Telephone	6,810	-	6,810
Advertising	-	-	-
Depreciation	3,080	-	3,080
Bank Charges	1,157	-	1,157
Interest	338	-	338
Dues & Subscriptions	200	-	200
Miscellaneous Expenses	1,696	-	1,696
Office Expenses	2,100	-	2,100
Moving Expenses	1,231	-	1,231
Equipment Maintenance	2,910	-	2,910
Computer Services	8,166	-	8,166
In-Kind Expenses	<u>95,930</u>	<u>-</u>	<u>95,930</u>
 Total Expenses	 568,961	 -	 568,961
 Change in Net Assets	 (111,619)	 200	 (111,419)
 Net Assets- Beginning of the Year	 52,074	 279,839	 331,913
 Prior Period Adjustment	 239,725	 (239,725)	 -
 Net Assets- End of the Year	 <u>\$ 180,180</u>	 <u>\$ 40,314</u>	 <u>\$ 220,494</u>

The accompanying notes are an integral part of these financial statements.

NEW DIRECTIONS
CAREER CENTER
STATEMENT OF CASH FLOW
YEAR ENDED JUNE 30, 2010 AND 2009

CASH FLOW FORM OPERATING ACTIVITIES:	<u>2010</u>	<u>2009</u>
Change in Net Assets	\$ 48,007	\$(111,419)
<u>Adjustments to Reconcile Change in Assets to Net Cash Provided by Operating Activities:</u>		
Depreciation Expense	3,140	3,080
<u>Change in Assets and Liabilities</u>		
(Increase)/Decrease in Investments	(16)	(201)
(Increase)/Decrease in Assets Held by Others	(10,905)	155,159
(Increase)/Decrease in Prepaid Expenses	(677)	6,307
(Increase)/Decrease in Grants Receivable	13,138	(7,715)
(Increase)/Decrease in Accounts Receivable-Other	(10,844)	10,320
(Increase)/Decrease in Deposits Receivable	-	2,325
Increase/(Decrease) in Accrued Expenses	71	(1,690)
Increase/(Decrease) in Deferred Revenue	25,000	-
Total Adjustments	<u>18,907</u>	<u>167,585</u>
Net Cash Provided by Operating Activities	66,914	56,166
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Equipment	(10,333)	-
Leasehold Improvements	<u>(2,300)</u>	<u>(6,125)</u>
Net Cash Used in Investing Activities	(12,633)	(6,125)
Net Increase in Cash	54,281	50,041
Cash-Beginning of the Year	67,888	17,847
Cash-End of the Year	<u>\$ 122,169</u>	<u>\$ 67,888</u>

"The accompanying notes are an integral part of these financial statements."

**NEW DIRECTIONS CAREER CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010 AND 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization:

New Directions Career Center (formerly Center for New Directions) (The Organization) provides career counseling, information and referrals to individuals in transition who seek long-term economic self-sufficiency.

Management Estimates:

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

Property & Depreciation:

Property & equipment purchased is recorded at cost. Donated Property is recorded at Fair Market Value at the date of the donation. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. Effective from January 2010, the policy of the organization is to capitalize any asset with a cost of \$ 500 or more. Leasehold improvements are capitalized if the cost is in excess of \$ 1,000 and are depreciated using the straight-line method of depreciation over the estimated useful life of the improvement or the remaining term of the lease whichever is shorter. Depreciation expense for the year ended June 30, 2010 & June 2009 were \$ 3,140 & \$ 3,080 respectively.

Income Taxes:

The Organization is exempt from Federal Income Taxes under Section 501(c)(3) of the Internal Revenue Code.

Disclosures Regarding Financial Instruments:

The carrying value of cash, accounts receivable, accrued expenses and accrued expenses is considered to approximate fair value due to the relatively short maturity of these instruments.

**NEW DIRECTIONS CAREER CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010 AND 2009**

Advertising

It is the policy of the organization to expense all advertising costs (if any) during the periods to which such advertising costs pertain. The organization does not capitalize any advertising costs. During the year ended June 30, 2010 the organization incurred \$ 641 in advertising costs and in 2009 the organization did not incur any advertising costs.

2. FIXED ASSETS

The Organization purchased no fixed assets with the City of Columbus funds during the year ended June 30, 2010 & 2009.

3. RESTRICTED FUNDS:

The Organization receives certain contributions that are restricted as to the use by the donor. The restricted funds consist of:

- a) The Bostwick Scholarship Fund which had a Fair Market Value of \$ 40,330 and \$ 40,314 as of June 30, 2010 & 2009 respectively.

4. CASH

The Organization's cash as of June 30, 2010 & 2009 is as follows:

	<u>2010</u>	<u>2009</u>
Checking - Huntington Bank	12,760	4,892
Money Market - Huntington Bank	107,129	62,536
Checking - US Bank	2,080	260
Petty Cash	<u>200</u>	<u>200</u>
Total	<u>\$122,169</u>	<u>\$ 67,888</u>

**NEW DIRECTIONS CAREER CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010 AND 2009**

5. SUPPORT FROM GRANT AND AWARD AGENCIES

The Organization received approximately 10% and 22% of its total revenue, from the City of Columbus and the United Way for the year ending June 30, 2010 and 2009 respectively. A material reduction in the level of this support, if it were to occur, may have a significant impact on the Organization's programs and activities.

6. INVESTMENTS

The Bostwick Scholarship Fund is a temporary restricted fund consisting of an investment in a mutual fund. The Organization carries this investment at Fair Market Value, which were \$ 40,330 and \$ 40,314 as of June 30, 2010 & 2009 respectively.

7. CONTRACTS WITH THE CITY OF COLUMBUS

The Organization entered into a contract (EL-009754) with the City of Columbus commencing February 1, 2009 and ending January 31, 2010. This contract was amended by (EL009494) modification one on Oct 23, 2009 which increased the contract amount by an amount of \$12,164 to a new total of \$ 31,312. Funds authorized over the contract period and contract activity reflected in the statement of cash receipts and disbursements is as follows:

Contract No. EL-008074/009494

	07/01/08 <u>06/30/09</u>	07/01/09 <u>06/30/10</u>	<u>Total</u>
Funds authorized	\$ 19,148	\$ 12,164	\$ 31,312
Funds received	<u>0</u>	<u>31,312</u>	<u>31,312</u>
Excess of funds authorized over funds received	<u>19,148</u>	<u>(19,148)</u>	<u>0</u>
Funds received	\$ 0	31,312	31,312
Funds disbursed	<u>15,656</u>	<u>15,656</u>	<u>31,312</u>
Excess of funds disbursed over funds received	\$ <u>(15,656)</u>	<u>\$15,656</u>	<u>\$ 0</u>

**NEW DIRECTIONS CAREER CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010 AND 2009**

CONTRACTS WITH THE CITY OF COLUMBUS (CONT)

The Organization entered into a contract (EL-010303) with the City of Columbus commencing February 1, 2010 and ending January 31, 2011. Funds authorized over the contract period and contract activity reflected in the statement of cash receipts and disbursements is as follows:

	<u>Contract No.</u> <u>EL-010303</u>
	07/01/10 <u>06/30/11</u>
Funds authorized	\$ 30,216
Funds received	<u>10,072</u>
Excess of funds authorized over funds received	<u>20,144</u>
Funds received	10,072
Funds disbursed	<u>12,590</u>
Excess of funds disbursed over funds received	\$ (<u>2,518</u>)

**NEW DIRECTIONS CAREER CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010 AND 2009**

8. IN-KIND CONTRIBUTIONS

The organization relies on the generous contributions of various corporations and individuals who provide the Organization with such needed items as facilities, staffing, supplies, and clothing. Management has estimated the value to be approximately \$ 78,583 and \$ 48,940 for the year ended June 30, 2010 & 2009 respectively.

The Organization also relies on individual volunteers who contribute numerous hours in providing necessary program services. Management has estimated the value of these services to be approximately \$ 83,951 and \$ 46,990 for the year ended June 30, 2010 and 2009 respectively. This amount does not include the time spent by the many other volunteers who provide administrative support to the Organization because no objective basis is available to measure their value.

The aforementioned amounts are included as both a revenue and expense on the Statement of Activities.

It is the opinion of the Organization's management that a significant reduction in the level of this in-kind support, if this were to occur, may have a significant impact on the programs and activities offered by the Organization.

9. ASSETS HELD BY OTHERS

In August 1999, the Organization established an endowment fund with the Columbus Foundation. All income from this fund is to be reinvested into the fund principal. The Organization is the beneficiary of this fund and may direct the Columbus Foundation as to the disbursement of funds. "SFAS 136 and as amended by SFAS 157", requires that a specified beneficiary recognize its rights to the assets held by a recipient organization as an asset unless the donor has explicitly granted the recipient organization variance power. At the time of transfer the Organization granted variance power to the Columbus Foundation to distribute the funds to other recipients, therefore generally accepted accounting principles require that assets transferred in which variance power was granted be omitted from the beneficiary's statement of financial position.

However, management believes it is highly unlikely that the Columbus Foundation would ever exercise its variance power and that the funds will be distributed only as directed by the Organization. Therefore, management has chosen to report these funds on its statement of financial position as Assets Held by Others and to include in the statement of activities the earnings and gains generated by the fund.

**NEW DIRECTIONS CAREER CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010 AND 2009**

10. REVOLVING LINE OF CREDIT

The Organization has an unsecured line of credit with Huntington National Bank, which it entered into during May of 2005, with a maximum borrowing limit of \$ 50,000. The Interest rate is at "Prime" and is charged monthly at the end of every month and any unpaid interest and principal is due at maturity. There were no funds drawn from this line as of June 30, 2010.

11. LEASE-OFFICE SPACE

The Organization entered into a five-year lease agreement on August 23, 2006 to lease office space located at 199 East Rich Street, which calls for a monthly lease payment of \$ 3,337. Future minimum lease payments under this lease for years ending June 30, are as follows.

Year	Amount
2011	40,044
2012	6,674

12. FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at June 30, 2010 and 2009 are as follows:

Fair Value Measurements at Reporting Date Using

	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)
<u>June 30, 2010</u>		
Investments	\$ 40,330	\$ 40,330
Assets held by others	<u>93,005</u>	<u>93,005</u>
	<u>\$ 133,335</u>	<u>\$ 133,335</u>
<u>June 30, 2009</u>		
Investments	\$ 40,314	\$ 40,314
Assets held by others	<u>82,100</u>	<u>82,100</u>
	<u>\$ 122,414</u>	<u>\$ 122,414</u>

**NEW DIRECTIONS CAREER CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2010 AND 2009**

FAIR VALUE MEASUREMENTS (CONT)

Fair values for investments and assets held by others are determined by reference to quoted prices in active markets and other relevant information generated by market transactions and are included in Level 1 of the hierarchy.

Premier Accounting Solutions, Inc.

Certified Public Accountants & Business Consultants

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

Mr. Hugh J. Dorrian
City Auditor
City of Columbus
Columbus, OH

We have audited the financial statements of New Directions Career Center as of and for the year ended June 30, 2010, and have issued our report thereon dated August 18, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered New Directions Career Center's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of New Direction Career Center's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

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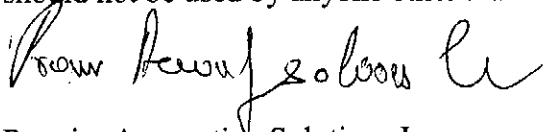
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by the employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether New Directions Career Center's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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*.

This report is intended solely for the information and use of management, others within the Organization and the City Auditor (City of Columbus) and is not intended to be and should not be used by anyone other than these specified parties.



Premier Accounting Solutions Inc.
Dublin OH
August 18, 2010.