

**NEW DIRECTIONS CAREER CENTER**

**AUDITED FINANCIAL STATEMENTS**

**TOGETHER WITH**

**INDEPENDENT AUDITOR'S REPORT**

**JUNE 30, 2011**

**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 statements of financial position of New Directions Career Center (A nonprofit organization) as of June 30, 2011, and 2010 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.

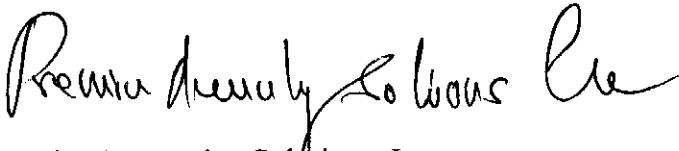
As explained in Note 9 to the financial statements, accounting principles generally accepted in the United States of America require that a specified beneficiary recognize its rights to the assets held by a recipient organization as an asset unless the donor has explicitly granted the recipient organization 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, 2011 and 2010 would have been decreased by \$113,691 and \$93,005 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, 2011, and 2010 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 October 11, 2011 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.

A handwritten signature in cursive script, appearing to read "Premier Accounting Solutions, Inc.", written in black ink.

Premier Accounting Solutions, Inc.  
Dublin, OH  
October 11, 2011.

NEW DIRECTIONS  
CAREER CENTER  
STATEMENT OF FINANCIAL POSITION  
AS OF JUNE 30, 2011 AND 2010.

<b>ASSETS:</b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b>Current Assets:</b>		
Cash	171,054	122,169
Investments	39,781	40,330
Assets Held by Others	113,691	93,005
Prepaid Expenses	3,978	4,029
Grants Receivable	2,678	2,518
Pledges Receivable	14,291	10,844
Security Deposit	<u>3,567</u>	<u>3,567</u>
Total Current Assets	349,040	276,462
<b>Property &amp; Equipment-At Cost</b>		
Equipment	22,923	20,001
Furniture & Fixtures	6,387	6,387
Leasehold Improvements	20,858	20,858
Less:- Accumulated Depreciation	<u>(27,738)</u>	<u>(22,126)</u>
Property & Equipment-Net	22,430	25,120
<b>TOTAL ASSETS</b>	<b><u><u>\$ 371,470</u></u></b>	<b><u><u>\$ 301,582</u></u></b>
<b>LIABILITIES &amp; NET ASSETS</b>		
<b>Current Liabilities</b>		
Differed Revenue	1,075	25,000
Accrued Expenses	<u>10,621</u>	<u>8,081</u>
Total Current Liabilities	11,696	33,081
<b>Net Assets</b>		
Unrestricted	318,298	226,476
Restricted	<u>41,476</u>	<u>42,025</u>
Total Net Assets	359,774	268,501
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b><u><u>\$ 371,470</u></u></b>	<b><u><u>\$ 301,582</u></u></b>

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

NEW DIRECTIONS  
CAREER CENTER  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2011

REVENUE	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>	<u>TOTAL</u>
City of Columbus	\$ 31,015	-	\$ 31,015
United Way	50,398	-	50,398
Donations	34,080	-	34,080
Fees	28,109	-	28,109
Fund Raising	242,909	-	242,909
Grants	206,010	-	206,010
In-Kind Receipts	304,627	-	304,627
Loss / Gain on Investments	15,685	1,459	17,144
Interest	276	-	276
Vicki Hanger Scholarship	-	750	750
Net Assets Released from Restrictions	<u>2,758</u>	<u>(2,758)</u>	<u>-</u>
 Total Revenue	 915,867	 (549)	 915,318
 EXPENSES			
Salaries	301,942	-	301,942
Payroll Taxes	22,474	-	22,474
Insurance & Others	7,976	-	7,976
Professional Services	22,784	-	22,784
Supplies	23,792	-	23,792
Vicki Hanger Scholarship	750	-	750
Individual Assistance	10,801	-	10,801
Printing	3,681	-	3,681
Postage	2,382	-	2,382
Professional Development	1,781	-	1,781
Space Costs	40,040	-	40,040
Utilities	13,684	-	13,684
Auction Expenses	20,127	-	20,127
Travel	997	-	997
Telephone	3,598	-	3,598
Advertising	334	-	334
Depreciation	5,612	-	5,612
Bank Charges	3,513	-	3,513
Dues & Subscriptions	975	-	975
Miscellaneous Expenses	7,429	-	7,429
Office Expenses	195	-	195
Equipment Maintenance	1,777	-	1,777
Computer Services	22,774	-	22,774
In-Kind Expenses	304,627	-	304,627
	<u>-</u>	<u>-</u>	<u>-</u>
 Total Expenses	 824,045	 -	 824,045
 Change in Net Assets	 91,822	 (549)	 91,273
 Net Assets- Beginning of the Year	 226,476	 42,025	 268,501
	<u>-</u>	<u>-</u>	<u>-</u>
 Net Assets- End of the Year	 <u>\$ 318,298</u>	 <u>\$ 41,476</u>	 <u>\$ 359,774</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
 <b>EXPENSES</b>			
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 CASH FLOW  
YEAR ENDED JUNE 30, 2011 AND 2010

<b>CASH FLOW FORM OPERATING ACTIVITIES:</b>	<b><u>2011</u></b>	<b><u>2010</u></b>
Change in Net Assets	\$ 91,273	\$ 48,007
<b><u>Adjustments to Reconcile Change in Assets to Net Cash Provided by Operating Activities:</u></b>		
Depreciation Expense	5,612	3,140
<b><u>Change in Assets and Liabilities</u></b>		
(Increase)/Decrease in Investments	549	(16)
(Increase)/Decrease in Assets Held by Others	(20,686)	(10,905)
(Increase)/Decrease in Prepaid Expenses	51	(677)
(Increase)/Decrease in Grants Receivable	(160)	13,138
(Increase)/Decrease in Accounts Receivable-Other	(3,447)	(10,844)
Increase/(Decrease) in Accrued Expenses	2,540	71
Increase/(Decrease) in Deferred Revenue	(23,925)	25,000
Total Adjustments	<u>(39,466)</u>	<u>18,907</u>
Net Cash Provided by Operating Activities	51,807	66,914
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Equipment	(2,922)	(10,333)
Leasehold Improvements	<u>-</u>	<u>(2,300)</u>
Net Cash Used in Investing Activities	(2,922)	(12,633)
Net Increase in Cash	48,885	54,281
Cash-Beginning of the Year	122,169	67,888
Cash-End of the Year	<u>\$ 171,054</u>	<u>\$ 122,169</u>

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



**NEW DIRECTIONS CAREER CENTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011 AND 2010**

**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, 2011 & June 2010 were \$5,612 & \$3,140 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, 2011 AND 2010**

**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. The Organization incurred \$334 & \$641 in advertising cost for the year ended June 30, 2011 & 2010 respectively.

**2. FIXED ASSETS**

The Organization purchased no fixed assets with the City of Columbus funds during the year ended June 30, 2011 & 2010.

**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 \$39,781 & \$40,330 as of June 30, 2011 & 2010 respectively.

**4. CASH**

The Organization's cash as of June 30, 2011 & 2010 is as follows:

	<u>2011</u>	<u>2010</u>
Checking – The Huntington Bank	24,949	12,760
Money Market – The Huntington Bank	145,805	107,129
Checking - US Bank	-	2,080
Petty Cash	<u>300</u>	<u>200</u>
Total	<u>\$171,054</u>	<u>\$122,169</u>

**NEW DIRECTIONS CAREER CENTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011 AND 2010**

**5. SUPPORT FROM GRANT AND AWARD AGENCIES**

The Organization received approximately 9% and 10% of its total revenue, from the City of Columbus and the United Way for the year ending June 30, 2011 and 2010 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 \$39,781 and \$40,330 as of June 30, 2011 & 2010 respectively.

**7. CONTRACTS WITH THE CITY OF COLUMBUS**

The Organization entered into a contract (EL010303) 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:

:

	<b><u>Contract No. EL-010303</u></b>		
	<u>07/01/09</u> <u>06/30/10</u>	<u>07/01/10</u> <u>06/30/11</u>	<u>Total</u>
Funds authorized	\$ 30,216	-	\$ 30,216
Funds received	<u>10,072</u>	<u>20,144</u>	<u>30,216</u>
Excess of funds authorized over funds received	<u>20,144</u>	<u>(20,144)</u>	<u>0</u>
Funds received	\$ 10,072	20,144	30,216
Funds disbursed	<u>12,590</u>	<u>17,626</u>	<u>30,216</u>
Excess of funds disbursed over funds received	\$ <u>(2,518)</u>	<u>\$ 2,518</u>	<u>\$ 0</u>

**NEW DIRECTIONS CAREER CENTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011 AND 2010**

**CONTRACTS WITH THE CITY OF COLUMBUS (CONT)**

The Organization entered into a contract (EL011673) with the City of Columbus commencing February 1, 2011 and ending January 31, 2012. Funds authorized over the contract period and contract activity reflected in the statement of cash receipts and disbursements is as follows:

	<u><b>Contract No.</b></u> <u><b>EL011673</b></u>
	07/01/10 <u>06/30/11</u>
Funds authorized	\$ 32,135
Funds received	<u>10,711</u>
Excess of funds authorized over funds received	<u>21,424</u>
Funds received	10,711
Funds disbursed	<u>13,389</u>
Excess of funds disbursed over funds received	\$ <u>(2,678)</u>

**NEW DIRECTIONS CAREER CENTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011 AND 2010**

**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 \$180,792 & \$78,583 for the year ended June 30, 2011 & 2010 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 \$123,835 & \$83,951 for the year ended June 30, 2011 & 2010 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. Generally Accepted Accounting Principles 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, 2011 AND 2010**

**10. REVOLVING LINE OF CREDIT**

The Organization has an unsecured line of credit with The 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, 2011.

**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. The Organization further entered into a four-year lease agreement commencing on August 27, 2011 to lease the same office space which calls for a monthly lease payment of \$ 3,185. Future minimum lease payments under this lease for years ending June 30 are as follows.

<u>Year</u>	<u>Amount</u>
2012	\$38,524
2013	38,220
2014	38,220
Thereafter	45,590

**12. FAIR VALUE MEASUREMENTS**

Fair values of assets measured on a recurring basis at June 30, 2011 and 2010 are as follows:

**Fair Value Measurements at Reporting Date Using**

	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets <u>(Level 1)</u>
<u>June 30, 2011</u>		
Investments	\$ 39,781	\$ 39,781
Assets held by others	<u>113,691</u>	<u>113,691</u>
Total	<u>\$ 153,472</u>	<u>\$ 153,472</u>
<u>June 30, 2010</u>		
Investments	\$ 40,330	\$ 40,330
Assets held by others	<u>93,005</u>	<u>93,005</u>
Total	<u>\$ 133,335</u>	<u>\$ 133,335</u>

**NEW DIRECTIONS CAREER CENTER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2011 AND 2010**

**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.

**13. SUBSEQUENT EVENTS**

Generally Accepted Accounting Principles defines subsequent events as events or transactions that occur after the statement of financial position date, but before the financial statement is issued or is available to be issued. Management has evaluated subsequent events through October 11, 2011, the date on which the financial statement was available to be issued and found that there are none.

# 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 (A nonprofit organization) as of and for the year ended June 30, 2011, and have issued our report thereon dated October 11, 2011. 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 auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Columbus Literacy Council's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

*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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, 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.

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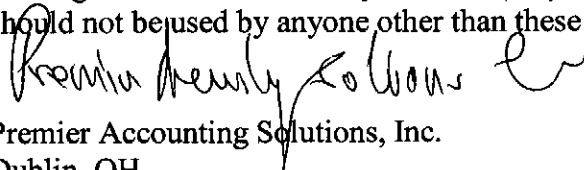
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether New Directions Career Center's financial statements are free of material misstatement, 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  
October 11, 2011