

NEW DIRECTIONS CAREER CENTER

AUDITED FINANCIAL STATEMENTS

TOGETHER WITH

INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2013

**NEW DIRECTIONS CAREER CENTER
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Premier Accounting Solutions, Inc.
A Certified Public Accounting & Business Consulting Firm
6063 Frantz Road Suite 203 Dublin OH 43017

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of New Directions Career Center, which comprise the statement of financial position as of June 30, 2013 and 2012 and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility of 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 Responsibility

Our responsibility is to express an opinion on this financial statement 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 misstatement.

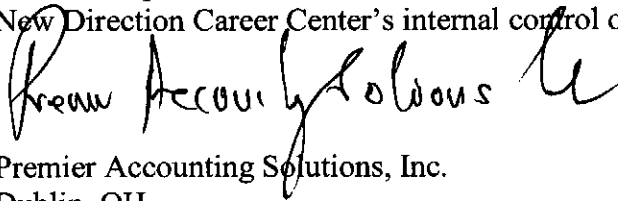
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 expensing 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of New Directions Career Center as of June 30 2013 and 2012, and the changes in net assets and 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 September 21, 2013 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* in considering New Direction Career Center's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Premia Accounting Solutions" with a stylized flourish at the end.

Premier Accounting Solutions, Inc.
Dublin, OH
September 21, 2013

NEW DIRECTIONS
CAREER CENTER
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2013 AND 2012

ASSETS:	<u>2013</u>	<u>2012</u>
Current Assets:		
Cash	124,180	190,563
Investments	92,325	42,599
Assets Held by Others	228,400	121,495
Prepaid Expenses	6,887	2,653
Grants Receivable	40,192	3,048
Pledges Receivable	5,335	33,184
Security Deposit	<u>3,567</u>	<u>3,567</u>
Total Current Assets	500,886	397,109
Property & Equipment-At Cost		
Equipment	28,894	21,495
Furniture & Fixtures	6,387	6,387
Leasehold Improvements	20,858	20,858
Less:- Accumulated Depreciation	<u>(30,764)</u>	<u>(25,672)</u>
Property & Equipment-Net	25,375	23,068
 TOTAL ASSETS	 <u><u>\$ 526,261</u></u>	 <u><u>\$ 420,177</u></u>
 LIABILITIES & NET ASSETS		
Current Liabilities		
Differed Revenue	2,684	1,425
Accrued Expenses	<u>6,765</u>	<u>4,875</u>
Total Current Liabilities	9,449	6,300
 Net Assets		
Unrestricted	473,287	371,278
Restricted	<u>43,525</u>	<u>42,599</u>
Total Net Assets	516,812	413,877
 TOTAL LIABILITIES & NET ASSETS	 <u><u>\$ 526,261</u></u>	 <u><u>\$ 420,177</u></u>

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

NEW DIRECTIONS
CAREER CENTER
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013

REVENUE	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>	<u>TOTAL</u>
City of Columbus	\$ 36,570	-	\$ 36,570
United Way	142,286	-	142,286
Donations	47,117	-	47,117
Fees	6,199	-	6,199
Fund Raising	224,627	-	224,627
Grants	241,500	26,500	268,000
In-Kind Receipts	383,172	-	383,172
Loss / Gain on Investments	16,404	1,366	17,770
Interest	388	-	388
Bostwick Scholarship	-	360	360
Net Assets Released from Restrictions	<u>27,300</u>	<u>(27,300)</u>	<u>-</u>
 Total Revenue	 1,125,563	 926	 1,126,489
 EXPENSES			
Salaries	336,433	-	336,433
Payroll Taxes	25,584	-	25,584
Insurance & Others	17,255	-	17,255
Professional Services	29,045	-	29,045
Supplies	50,529	-	50,529
Bostwick Scholarship	2,000	-	2,000
Individual Assistance	32,513	-	32,513
Printing	9,126	-	9,126
Postage	3,304	-	3,304
Professional Development	1,755	-	1,755
Space Costs	53,969	-	53,969
Utilities	18,794	-	18,794
Auction Expenses	18,223	-	18,223
Travel	322	-	322
Telephone	3,237	-	3,237
Advertising	-	-	-
Depreciation	5,092	-	5,092
Bank Charges	2,739	-	2,739
Dues & Subscriptions	3,056	-	3,056
Miscellaneous Expenses	1,808	-	1,808
Equipment Maintenance	3,582	-	3,582
Computer Services	22,016	-	22,016
In-Kind Expenses	<u>383,172</u>	<u>-</u>	<u>383,172</u>
 Total Expenses	 1,023,554	 -	 1,023,554
 Change in Net Assets	 102,009	 926	 102,935
Net Assets- Beginning of the Year	371,278	42,599	413,877
 Net Assets- End of the Year	 <u>\$ 473,287</u>	 <u>\$ 43,525</u>	 <u>\$ 516,812</u>

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

NEW DIRECTIONS
CAREER CENTER
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

REVENUE	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>	<u>TOTAL</u>
City of Columbus	\$ 33,984	-	\$ 33,984
United Way	91,984	-	91,984
Donations	34,895	840	35,735
Fees	6,330	-	6,330
Fund Raising	205,630	-	205,630
Grants	242,055	-	242,055
In-Kind Receipts	287,030	-	287,030
Loss / Gain on Investments	7,805	2,978	10,783
Interest	483	-	483
Vicki Hanger Scholarship	-	500	500
Net Assets Released from Restrictions	<u>1,500</u>	<u>(1,500)</u>	<u>-</u>
 Total Revenue	 911,696	 2,818	 914,514
 EXPENSES			
Salaries	327,627	-	327,627
Payroll Taxes	33,092	-	33,092
Insurance & Others	7,310	-	7,310
Professional Services	25,448	-	25,448
Supplies	46,192	-	46,192
Vicki Hanger Scholarship	500	-	500
Individual Assistance	13,760	-	13,760
Printing	6,047	-	6,047
Postage	3,294	-	3,294
Professional Development	725	-	725
Space Costs	40,293	-	40,293
Utilities	14,815	-	14,815
Auction Expenses	12,239	-	12,239
Travel	640	-	640
Telephone	6,798	-	6,798
Advertising	200	-	200
Depreciation	6,031	-	6,031
Bank Charges	3,699	-	3,699
Dues & Subscriptions	1,541	-	1,541
Miscellaneous Expenses	2,737	-	2,737
Equipment Maintenance	1,367	-	1,367
Computer Services	19,026	-	19,026
In-Kind Expenses	<u>287,030</u>	<u>-</u>	<u>287,030</u>
 Total Expenses	 860,411	 -	 860,411
 Change in Net Assets	 51,285	 2,818	 54,103
 Net Assets- Beginning of the Year	 318,298	 41,476	 359,774
 Prior Period Adjustment	 1,695	 (1,695)	 -
 Net Assets- End of the Year	 <u>\$ 371,278</u>	 <u>\$ 42,599</u>	 <u>\$ 413,877</u>

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

NEW DIRECTIONS
CAREER CENTER
STATEMENT OF CASH FLOW
YEAR ENDED JUNE 30, 2013 AND 2012.

CASH FLOW FROM OPERATING ACTIVITIES:	<u>2013</u>	<u>2012</u>
Change in Net Assets	\$ 102,935	\$ 54,103
<u>Adjustments to Reconcile Change in Assets to Net Cash Provided by Operating Activities:</u>		
Depreciation Expense	5,092	6,031
<u>Change in Assets and Liabilities</u>		
(Increase)/Decrease in Investments	(49,726)	(2,818)
(Increase)/Decrease in Assets Held by Others	(106,905)	(7,804)
(Increase)/Decrease in Prepaid Expenses	(4,234)	1,325
(Increase)/Decrease in Grants Receivable	(37,144)	(370)
(Increase)/Decrease in Pledges Receivable	27,849	(18,893)
Increase/(Decrease) in Accrued Expenses	1,890	(5,746)
Increase/(Decrease) in Deferred Revenue	1,259	350
Total Adjustments	<u>(161,919)</u>	<u>(27,925)</u>
Net Cash Provided by Operating Activities	(58,984)	26,178
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Equipment	(7,399)	(6,669)
Net Cash Used in Investing Activities	(7,399)	(6,669)
Net Increase in Cash	(66,383)	19,509
Cash-Beginning of the Year	190,563	171,054
Cash-End of the Year	<u>\$ 124,180</u>	<u>\$ 190,563</u>

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

**NEW DIRECTIONS CAREER CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013 AND 2012**

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, 2013 & June 2012 were \$5,092 and \$6,031 respectively.

Income Taxes:

The Organization is exempt from Federal Income Taxes under Section 501(c) (3) of the Internal Revenue Code and did not conduct any unrelated business activities. Accordingly, these financial statements do not reflect a provision for income taxes and the organization has no other tax positions which must be considered for disclosure.

Disclosures Regarding Financial Instruments:

The carrying value of cash, accounts receivable, 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, 2013 AND 2012**

Advertising

It is the policy of the Organization to expense all advertising costs (if any) during the periods to which such advertising costs pertain. There were no advertising costs incurred during the year ended June 30, 2013, however Organization incurred \$200 in advertising cost for the year ended June 30, 2012.

2. FIXED ASSETS

The Organization purchased no fixed assets with the City of Columbus funds during the year ended June 30, 2013 & 2012.

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 \$42,325 & \$42,599 as of June 30, 2013 & 2012 respectively.

4. CASH

The Organization's cash as of June 30, 2013 & 2012 is as follows:

	<u>2013</u>	<u>2012</u>
Checking – The Huntington Bank	(34,678)	18,721
Money Market – The Huntington Bank	158,113	171,542
Petty Cash	<u>745</u>	<u>300</u>
Total	<u>\$124,180</u>	<u>\$190,563</u>

**NEW DIRECTIONS CAREER CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013 AND 2012**

5. SUPPORT FROM GRANT AND AWARD AGENCIES

The Organization received approximately 16% and 14% of its total revenue, from the City of Columbus and from United Way for the year ending June 30, 2013 & 2012 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 Organization's investments as of June 30, 2013 consisted of the following:

The Bostwick Scholarship Fund which is a temporary restricted fund consisting of an investment in a mutual fund the fair market value of which amounted to \$42,325 & \$42,599 as of June 30, 2013 & 2012 respectively.

An unrestricted emergency fund consisting of an investment in mutual funds, the fair value of which amounted to \$50,000 as of June 30, 2013.

7. CONTRACTS WITH THE CITY OF COLUMBUS

The Organization entered into a contract (EL012815) with the City of Columbus commencing February 1, 2012 and ending January 31, 2013. Funds authorized over the contract period and contract activity reflected in the statement of cash receipts and disbursements is as follows:

	<u>Contract No. EL012815</u>		
	<u>07/01/11</u> <u>06/30/12</u>	<u>07/01/12</u> <u>06/30/13</u>	<u>Total</u>
Funds authorized	\$ 36,570	-	\$ 36,570
Funds received	<u>12,190</u>	<u>24,380</u>	<u>36,570</u>
Excess of funds authorized over funds received	<u>24,380</u>	<u>(24,380)</u>	<u>0</u>
Funds received	\$ 12,190	24,380	36,570
Funds disbursed	<u>15,237</u>	<u>21,333</u>	<u>36,570</u>
Excess of funds disbursed over funds received	\$ <u>(3,047)</u>	<u>\$ 3,047</u>	<u>\$ 0</u>

**NEW DIRECTIONS CAREER CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013 AND 2012**

CONTRACTS WITH THE CITY OF COLUMBUS (CONT)

The Organization entered into a contract (EL014284) with the City of Columbus commencing February 1, 2013 and ending January 31, 2014. 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>EL012815</u>
	07/01/12 <u>06/30/13</u>
Funds authorized	\$ 36,570
Funds received	<u>12,190</u>
Excess of funds authorized over funds received	<u>24,380</u>
Funds received	12,190
Funds disbursed	<u>15,237</u>
Excess of funds disbursed over funds received	\$ <u>(3,047)</u>

**NEW DIRECTIONS CAREER CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013 AND 2012**

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 \$254,007 & \$168,643 for the year ended June 30, 2013 & 2012 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 \$129,165 & \$118,387 for the year ended June 30, 2013 & 2012 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, where by 20% of net income from this fund is to be reinvested into the fund principal. The remaining 80% of net income can be taken as an on-going income stream, if the Board chooses to do so with a 2/3 affirmative vote. 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, 2013 AND 2012**

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, 2013.

11. FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at June 30, 2013 & 2012 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, 2013</u>		
Investments	92,325	92,325
Assets held by others	<u>228,400</u>	<u>228,400</u>
Total	<u>\$ 320,725</u>	<u>\$ 320,725</u>
<u>June 30, 2012</u>		
Investments	42,599	42,599
Assets held by others	<u>121,495</u>	<u>121,495</u>
Total	<u>\$ 164,094</u>	<u>\$ 164,094</u>

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.

**NEW DIRECTIONS CAREER CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013 AND 2012**

12. LEASE-OFFICE SPACE

The Organization leases office space under two separate lease agreements.

The first lease agreement commenced on August 23, 2006 and was extended on August 27, 2011 for an additional term of four (4) years and calls for a monthly base rent payment of \$3,185.

The second lease agreement commenced on January 1, 2013 for two years and eight months (32months) and calls for a monthly rent payment of \$2,250.

Future minimum payments under these leases for years ending June 30 are as follows.

<u>Year</u>	<u>Amount</u>
2014	65,220
2015	65,220
2016	10,870

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 September 21, 2013, the date on which the financial statement was available to be issued and found that there are none.

Premier Accounting Solutions, Inc.

A Certified Public Accounting & Business Consulting Firm

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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, CPA
City Auditor
City of Columbus
Columbus, OH

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 the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of New Directions Career Center (a non-profit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, and the cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 21, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered New Direction Career Center'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 statement, but not for the purpose of expressing an opinion on the effectiveness of New Directions Career Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 statement 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 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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any

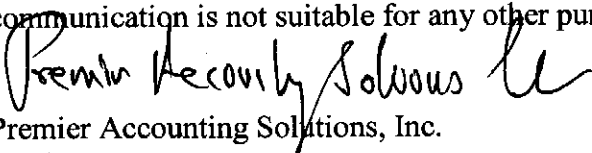
deficiencies in internal control that we consider to be material weaknesses. However material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether New Direction 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and 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 *Governmental Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Premier Accounting Solutions, Inc.
Dublin, OH
September 21, 2013