

George Gervin Youth Center, Inc.

**Consolidated Financial Statements and
Supplementary Data**

August 31, 2014

(with Independent Auditor's Report Thereon)

George Gervin Youth Center, Inc.
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August 31, 2014

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**CONSOLIDATED
FINANCIAL STATEMENTS**

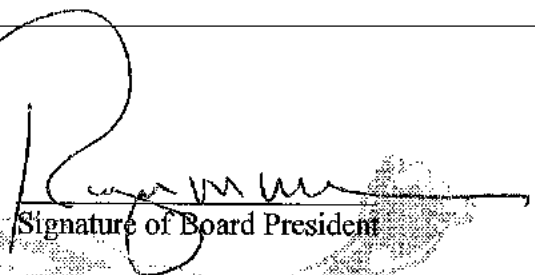


GEORGE GERVIN YOUTH CENTER, INC.
Federal Identification Number 74-2587818
Certification of Board

We the undersigned certify that the attached Financial Audit and Compliance Report of the George Gervin Youth Center, Inc. was reviewed and approved disapproved for the year ending August 31, 2014, at a meeting of the governing body of the charter holder on the 12th day of January 2015.



Signature of Board Secretary



Signature of Board President

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
George Gervin Youth Center, Inc.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of George Gervin Youth Center, Inc. (a nonprofit organization), which comprise the consolidated statement of financial position as of August 31, 2014, and the related statements of activities and cash flows for the year 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 consolidated 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 consolidated 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 consolidated financial statements based on our audit. We did not audit the financial statements of Newell Retirement Apartments, Inc., a local affiliate, which statements reflect total assets of \$3,352,744, as of December 31, 2013, and the total support and revenues of \$182,516, for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Newell Retirement Apartments, Inc., is based solely on the report of the other auditors. 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 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.

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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of George Gervin Youth Center, Inc. as of August 31, 2014 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards and accompanying single audit reports on page 28-36, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the additional supplementary schedules on consolidation on pages 18 – 21, the statements and schedules on George Gervin Academy on pages 22-26 are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2015, on our consideration of George Gervin Youth Center, Inc internal control over consolidated 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 George Gervin Youth Center, Inc internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the George Gervin Youth Center, Inc. 2013 consolidated financial statements, and we expressed an unmodified opinion on those audited consolidated financial statements in our report dated January 27, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Carman & Co., P.C.

January 23, 2015

GEORGE GERVIN YOUTH CENTER, INC.
Consolidated Statements of Financial Position
As of August 31, 2014

Assets	2014	Memo Totals 2013
	<u>2014</u>	<u>2013</u>
Cash and cash equivalents	\$ 1,501,524	\$ 1,554,065
Restricted cash	987,714	1,567,157
Investments	1,127,260	524,013
Receivables:		
Grantors	397,556	333,542
Other	23,277	10,312
Deposits	166,688	157,089
Prepaid expenses	22,794	146,648
Prepaid note payable expense	-	245,250
Discount on note payable	-	104,559
Construction in progress	4,402,512	1,898,269
Land Purchases & Improvements	2,661,358	1,785,251
Fixed Assets, net of accumulated depreciation \$7,546,266 and \$6,534,641	<u>17,757,414</u>	<u>17,876,489</u>
Total assets	<u>\$ 29,048,097</u>	<u>\$ 26,202,644</u>
 Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 246,973	\$ 227,540
Accrued liabilities	353,698	275,514
Other payable	60,441	45,713
Notes payable	15,563,970	15,814,988
Obligation under capital lease	<u>251,311</u>	<u>320,790</u>
Total Liabilities	<u>16,476,393</u>	<u>16,684,545</u>
 Net Assets:		
Unrestricted	8,035,908	5,848,409
Temporarily restricted	<u>4,535,796</u>	<u>3,669,690</u>
Total net assets	<u>12,571,704</u>	<u>9,518,099</u>
Total liabilities and net assets	<u>\$ 29,048,097</u>	<u>\$ 26,202,644</u>

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

GEORGE GERVIN YOUTH CENTER, INC.
Consolidated Statement of Activities and Net Assets
As of August 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2014</u>	<u>Memo Totals 2013</u>
Revenues					
Local support:					
Contributions	\$ 839,368	-	-	\$ 839,368	\$ 11,836
Local government	306,329	-	-	306,329	745,114
Rent Income	314,538	-	-	314,538	417,361
Interest and other income	239,582	-	-	239,582	215,745
Total local support	<u>1,699,817</u>	<u>-</u>	<u>-</u>	<u>1,699,817</u>	<u>1,390,056</u>
State program revenues:					
Foundation School Program	-	7,950,571	-	7,950,571	8,320,433
Other state aid	-	1,274,588	-	1,274,588	344,183
Total program revenues	<u>-</u>	<u>9,225,159</u>	<u>-</u>	<u>9,225,159</u>	<u>8,664,616</u>
Federal program revenues:					
Federal Revenue Distributed by State	-	1,088,222	-	1,088,222	1,181,662
Other Federal revenues	-	4,247,121	-	4,247,121	1,283,516
Total Federal program revenues	<u>-</u>	<u>5,335,343</u>	<u>-</u>	<u>5,335,343</u>	<u>2,465,178</u>
Net assets released from restrictions:					
Restrictions satisfied by payments	13,694,396	(13,694,396)	-	-	-
Total Revenues	<u>15,394,213</u>	<u>866,106</u>	<u>-</u>	<u>16,260,319</u>	<u>12,519,850</u>
Expenses					
Program services:					
GGYC Youth Center					
A.W.S	-	-	-	-	-
UTHSCSA-Teen Reach	4,246	-	-	4,246	58,823
COSA - College Access	-	-	-	-	8,251
Youthbuild Program	195,235	-	-	195,235	433,072
USDHHS Basic Shelter	805,192	-	-	805,192	704,839
COSA - Chance Summer	32,847	-	-	32,847	84,949
United Was - EPN	-	-	-	-	100,000
Newell Retirement Inc.	265,725	-	-	265,725	264,509
In-kind Expense	-	-	-	-	-
George Gervin Preparatory Academy	1,388,963	-	-	1,388,963	1,410,775
George Gervin Academy					
Instructional Related Services	2,439,248	-	-	2,439,248	3,903,304
Instructional and School Leadership	1,023,852	-	-	1,023,852	676,759
Total program services	<u>6,155,308</u>	<u>-</u>	<u>-</u>	<u>6,155,308</u>	<u>7,645,281</u>
GGYC Youth Center					
Management and general	3,530,660	-	-	3,530,660	3,637,573
George Gervin Academy					
Administrative Support Services	213,198	-	-	213,198	287,556
Ancillary Services	-	-	-	-	-
Support Services-Non Student Based	2,351,113	-	-	2,351,113	805,040
Support Services-Student (Pupil)	956,435	-	-	956,435	950,916
Total support services	<u>7,051,406</u>	<u>-</u>	<u>-</u>	<u>7,051,406</u>	<u>5,681,085</u>
Total expenses	<u>13,206,714</u>	<u>-</u>	<u>-</u>	<u>13,206,714</u>	<u>13,326,366</u>
Change in net assets	2,187,499	866,106	-	3,053,605	(806,516)
Prior period adjustment	-	-	-	-	1,290,821
Net assets at beginning of year	<u>5,848,409</u>	<u>3,669,690</u>	<u>-</u>	<u>9,518,099</u>	<u>9,033,794</u>
Net assets at end of year	<u>\$ 8,035,908</u>	<u>4,535,796</u>	<u>-</u>	<u>\$ 12,571,704</u>	<u>\$ 9,518,099</u>

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

GEORGE GERVIN YOUTH CENTER, INC.
Consolidated Statement of Cash Flows
As of August 31, 2014

	<u>2014</u>	<u>Memo Totals 2013</u>
Cash flows from operating activities:		
Change in net assets	\$ 3,053,605	\$ (806,516)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,375,268	1,295,790
Prior period adjustment	-	1,290,821
(Increase) decrease in:		
Receivables from grantors	(64,014)	42,741
Other receivables	(12,965)	98,291
Deposits	(9,599)	(13,229)
Prepaid expenses	369,104	(48,285)
Discount on Note payable	104,559	12,301
Increase (decrease) in:		
Accounts payable	19,433	(397,317)
Accrued liabilities	78,184	(36,774)
Other payable	14,728	1,619
Net cash provided by operating activities	<u>4,928,303</u>	<u>1,439,442</u>
Cash flows from investing activities:		
Purchase in investments	(603,247)	54,451
Purchase of fixed assets	(1,477,481)	(5,153,175)
Increase to construction in process	(2,659,065)	(858,533)
Net cash (used) by investing activities	<u>(4,739,793)</u>	<u>(5,957,257)</u>
Cash flows from financing activities:		
Loan proceeds	8,056,347	8,483,603
Loan repayments	(8,307,365)	(4,311,366)
Capital lease obligation	(69,479)	271,974
Net cash provided by financing activities	<u>(320,497)</u>	<u>4,444,211</u>
Net Increase in cash and cash equivalents	(131,987)	(73,604)
Cash and cash equivalents, beginning of year	3,121,225	3,194,829
Cash and cash equivalents, end of year	<u>\$ 2,989,238</u>	<u>\$ 3,121,225</u>
Interest paid	<u>\$ 973,309</u>	<u>\$ 574,842</u>
Taxes paid	<u>\$ 203,196</u>	<u>\$ 6,268</u>

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

George Gervin Youth Center, Inc.
Notes to Consolidated Financial Statements
For the Year Ended August 31, 2014

(1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization's Activities

George Gervin Youth Center, Inc. (the Center) is a nonprofit organization established on June 4, 1991, to provide an innovatively designed comprehensive program to target the needs of at-risk youths.

In May 1996, the George Gervin Youth Center was granted a charter from the Texas Education Agency to operate a charter school authorized to grant high school diplomas. The Center filed an assumed name certificate with the Secretary of State for the Building Alternative Charter School in August 1996 and operations commenced in September 1996. The charter school was renamed the George Gervin Academy in March 2001.

The George Gervin Youth Center, Inc. receives the majority of its program funding from federal financial assistance. These programs include youth training, remedial education, mentoring, tutoring, job placement, and supportive services.

The George Gervin Academy receives the majority of its funding from the Texas Education Agency based on its ADA Foundation Formula (Average Daily Attendance) in addition to the National School Lunch Program, School Breakfast, and Federal Titles.

In 2011, the George Gervin Youth Center was granted a charter from the State of Arizona Board of Education to operate a charter school in Phoenix, Arizona. In August 2012, the George Gervin Prep Academy (GGPA) opened its doors to serve middle school students grades 6th thru 8th. GGPA provides students a focus on college-readiness, rigor courses, responsible thinking and community service learning projects for middle school students.

GGPA receives the majority of its funding from the state of Arizona based on ADA Formula in addition to grants and the National School Lunch Program and School Breakfast Program and Federal Titles.

B. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting applicable to not-for-profit organizations in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Support and revenue are reported as an increase in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (e.g. the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205-55. Under ASC 958-205-55, the corporation is required to report information regarding its

George Gervin Youth Center, Inc.
Notes to Consolidated Financial Statements
For the Year Ended August 31, 2014

(1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

C. Basis of Presentation, (continued)

financial position and its activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The consolidated general-purpose financial statements included the accounts of five separate entities, George Gervin Youth Center, Inc., New Retirement Apartments, Inc., Edwards Association, Inc., George Gervin Retirement Apartments, Inc., and Wings of Hope, Inc. These entities are required to be consolidated under the provisions of the AICPA Statements of Position 94-3, *Reporting of Related Entities by Non Profit Organizations*.

D. Total Columns

Total columns for 2013, are presented to facilitate financial analysis only. Data in these columns are not intended to present financial position, results of operations and changes in net assets in conformity with generally accepted accounting principles.

E. Restricted and Unrestricted Revenue and Support

Under these provisions, net assets and revenue, expenses, gains, and losses are classified as unrestricted, temporarily restricted, and permanently restricted based upon the following criteria.

Unrestricted Net Assets – Unrestricted net assets consist of net assets that are not subject to donor-imposed restrictions. Unrestricted net assets result from operating revenues, unrestricted contributions, and unrestricted dividend and interest income. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors (the “Board”).

Temporarily Restricted Net Assets – Temporarily restricted net assets consist of assets that are subject to donor-imposed stipulations that require the passage of time or the occurrence of a specified event. When the donor restriction expires, the temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and net assets as net assets released from restrictions. The Center had \$4,542,914 in temporarily restricted net assets at August 31, 2014.

Permanently Restricted Net Assets – Permanently restricted net assets consist of net assets that are subject to donor-imposed stipulations that are to be maintained permanently. Generally, donors of these assets permit the use of all or part of the income earned on any related investments for general or specific purposes. The Center had no permanently restricted net assets at August 31, 2014.

F. Cash Equivalents

For financial statement purposes, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Amounts excluded are cash and investments that are restricted. These cash and investments are classified as restricted cash.

George Gervin Youth Center, Inc.
Notes to Consolidated Financial Statements
For the Year Ended August 31, 2014

(1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

G. Investments

Investments are stated at fair value based upon quoted market prices, when available, or estimates of fair value in the statements of financial position. Unrealized gains and losses are included in the statements of activities and net assets.

The Organization has an investment policy that sets guidelines and constraints to ensure the portfolio is appropriately diversified.

H. Trade Accounts Receivable

The allowance for doubtful accounts is established as losses are estimated to have occurred through a provision for bad debts charged to earnings. Losses are charged against the allowance when management believes the uncollectibility of a receivable is confirmed. Subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is evaluated on a regular basis by management and is based on historical experience and specifically identified questionable receivables. The evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available.

I. Property and Equipment

All fixed assets valued at \$5,000 are recorded at cost or estimated historical cost if actual historical cost is not available. Donated fixed assets valued at \$5,000 are recorded at their estimated fair market value on the date donated. Expenses for repairs that materially extend the useful life of an asset are capitalized at cost.

Depreciation is recorded using the straight-line method over the estimated useful lives of the assets, which range from 5 to 20 years.

J. Federal Income Taxes

The Center is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law, and contributions to it are tax deductible within the limitations prescribed by the Code. The Center has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Internal Revenue Code. In addition, the Organization's information return, Form 990, is open to examination by the Internal Revenue Services for years 2011, 2012 and 2013.

K. Public Support and Revenue

Contributions are recorded at fair value when the Organization is in possession of or receives an unconditional promise to give. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support based on the existence or nature of any donor restrictions. As donor or time restrictions are satisfied, net assets are reclassified to unrestricted net assets. The Organization's policy is to report restricted support that is satisfied in the year of receipt as restricted and then fully released in the same year.

George Gervin Youth Center, Inc.
Notes to Consolidated Financial Statements
For the Year Ended August 31, 2014

(1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

K. Public Support and Revenue, (continued)

Unconditional promises to give, or pledges, are recorded in the financial statements when there is sufficient evidence in the form of verifiable documentation that a promise is made and received. Pledges receivable are discounted to an estimated present value.

Contributed services that create or enhance nonfinancial assets or that require specialized skills that are provided by individuals possessing those skills, and which would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Contributed goods are recorded at their fair value in the period received.

L. Grants and Contracts

The Organization considers all government grants and contracts as exchange transactions rather than contributions. The Organization recognizes revenue from fee-for-service transactions as services are rendered and, for grants, as eligible expenditures are incurred. Advances from government agencies are recorded as refundable advances. Eligible expenditures incurred in excess of grant fund reimbursements are recorded as receivables.

Any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds, or both, as a result of any noncompliance with the terms of the grant or contract.

M. Functional Expenses

George Gervin Youth Center, Inc. allocates its expense on a functional basis among its operating services. Expenses that can be identified specifically as operating versus administrative services are allocated directly to their natural expenditure classifications.

N. Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the organization considers all cash in demand deposit accounts to be cash and all highly liquid debt instruments purchased with maturities of ninety days or less to be cash equivalents. As of August 31, 2014, GGYC had \$699,830 in demand deposit accounts that were in excess of the maximum amount insured by the F.D.I.C.

George Gervin Youth Center, Inc.
Notes to Consolidated Financial Statements
For the Year Ended August 31, 2014

(3) RESTRICTED CASH

GGYC maintains restricted cash accounts for the purpose of note payable requirements. Restricted cash as of August 31, 2014, was \$987,714.

(4) FAIR VALUE MEASUREMENTS AND DISCLOSURES

The requirements of Fair Value Measurements and Disclosures of the Accounting Standards Codification ("ASC") apply to all financial instruments and all nonfinancial assets and nonfinancial liabilities that are being measured and reported on a fair value basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair Value Measurements and Disclosures also establish a fair value hierarchy that prioritizes the inputs used in valuation methodologies into the following three levels:

- Level 1 Inputs – Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 Inputs – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, or other inputs that can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 Inputs – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or other valuation techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

At August 31, 2014 all investments were classified as Level 1.

The fair value of the Organization's cash and cash equivalents, receivables and payables, prepaid expenses, and note receivable approximates the carrying amounts of such instruments due to their short maturity. The fair value of the debt approximates the carrying amount because the rate and terms currently available to the Organization approximate the rate and terms on the existing debt.

(5) INVESTMENTS

Investments consisted of a money market account and a high yield savings account invested in mutual funds held by USAA Investment Management Company and Chase Bank at August 31, 2013. As of August 31, 2014 investments consist of a money market accounts held by SEI Cash Access Account and Comerica Securities, Inc. The carrying values of the investments are recorded at market value. The investment returns for August 31, 2014, were interest/dividends of \$19,402, with no realized or unrealized gain or loss and no capital gains distributions. As of August 31, 2014, GGYC had \$1,127,260 funds invested.

(6) ACCOUNTS RECEIVABLES

Accounts receivables due from grantor is revenue earned by reimbursable expenses incurred and are deemed fully collectible. Allowance for bad debt at August 31, 2014 was \$-0-.

George Gervin Youth Center, Inc.
Notes to Consolidated Financial Statements
For the Year Ended August 31, 2014

(7) FIXED ASSETS

The fixed assets of the Center for the years ended August 31, 2014 and 2013 are as follows:

	2014	Memo Totals 2013
Land	\$ 2,713,857	\$ 1,785,251
Buildings and improvements	23,630,459	22,377,785
Furniture and fixtures	647,745	729,089
Equipment	299,936	604,340
Vehicles	673,070	704,916
	<u>27,965,067</u>	<u>26,201,381</u>
Less: Accumulated depreciaiton	<u>(7,546,295)</u>	<u>(6,534,641)</u>
Subtotal	20,418,772	19,666,740
Construction in progress	4,402,512	1,898,269
Total	<u>\$ 24,821,284</u>	<u>\$ 21,565,009</u>

Depreciation expense recorded on the books for the August 31, 2014, was \$1,375,268.

Construction-in-process consisted of one GGYC project in the amount of \$79,570 and two HUD sponsored projects for related organizations to build facilities for operations, which both are expected to be completed in 2015. Construction-in-progress as of August 31, 2014 was \$4,402,512.

(8) OPERATING LEASES

Operating leases – the Center leases a two mail machine under operating leases expiring September 2015 and February 2016. In addition, the Center lease printers and other equipment under an operating lease expiring December 2016. Lease expense charged to operations for the year ended August 31, 2014, was \$14,015.

Future minimum lease payments under non-cancelable operating leases that have remaining terms in excess of one year as of August 31, 2014:

<u>Year ending August 31,</u>	<u>Amount</u>
2015	24,580
2016	22,092
2017	11,046
2018	-
Thereafter,	-
Total	<u>\$ 57,718</u>

George Gervin Youth Center, Inc.
Notes to Consolidated Financial Statements
For the Year Ended August 31, 2014

(9) CAPITAL LEASES

GGYC's leases office equipment under a capital lease expiring December 2017.

The following is an analysis of the leased property under capital lease:

<u>Classes of property</u>	<u>Asset Balance at August 31, 2014</u>
Office Equipment	\$ 309,509
Less: Accumulated amortization	<u>(77,377)</u>
	<u><u>\$ 232,132</u></u>

The Following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of August 31, 2014:

Year ending August 31:

2015	83,940
2016	83,940
2017	83,940
Thereafter	<u>20,985</u>
Total minimum lease payments	272,805
Less: amount representing interest	<u>(21,494)</u>
Present value of net minimum lease payments	<u><u>\$ 251,311</u></u>
Present value of net minimum lease payments	\$ 251,311
Less: Current Portion	<u>(73,033)</u>
Long term	<u><u>\$ 178,278</u></u>

The current fiscal year payments were allocated between interest expense and principal payment of the obligation:

Interest expense	\$ 14,462
Principal payment	<u>69,478</u>
	<u><u>\$ 83,940</u></u>

(10) NOTES PAYABLE

The Center's obligation under notes payable consists of the following:

	<u>2014</u>	<u>Memo Totals 2013</u>
3.0%, \$87,000 note payable to the San Antonio Housing Trust Foundation with maturity at May 30, 2034. Monthly payments are \$ 367 including principal and interest. The note is secured by 511 Yucca real estate.	\$63,243	\$65,707

George Gervin Youth Center, Inc.
Notes to Consolidated Financial Statements
For the Year Ended August 31, 2014

(10) <u>NOTES PAYABLE (continued)</u>	<u>2014</u>	Memo Totals <u>2013</u>
No interest, \$200,000, 30 year note payable to the Texas Department of Housing and Community Affairs with maturity at February 1, 2033. Monthly payments are \$556. The note is secured by 511 Yucca Building 2 real estate.	123,777	130,444
1.5%, \$189,183, 30 year note payable to the Texas Department of Housing and Community Affairs with maturity at June 30, 2031. Monthly payments are \$653 including principal and interest. The note is secured by 511 Yucca Building 1 real estate.	117,623	123,648
No interest, \$250,000, 30 year note payable to the Texas Department of Housing and Community Affairs with maturity at December 1, 2033. Monthly payments are \$694 on principal. The note is secured by 511 Yucca Building 3 real estate.	160,973	169,306
3.75% note of \$100,000 payable to Broadway Bank and is secured by East Commerce land. The term is 120 months with monthly payments of \$912 including interest through April 1, 2017.	28,637	38,767
Promissory note payable to Danbury Higher Education Authority, Inc., payable at maturity date of February 15, 2022 including varying interest, which was 5.00% to 5.75% as of August 31, 2010. The note is secured by real estate, that houses George Gervin Academy.	-0-	3,085,000
No interest, \$400,000, 30 year note payable the City of San Antonio. Principal will be due and payable in 120 monthly payments of \$3,333 beginning March 1, 2024. The note is secured by the Newell Retirement Apartments	400,000	400,000
6.50% note of \$311,600 payable to Broadway Bank and is secured by the 3511 Sunbelt real estate. The term is 15 year term, with monthly payments of approximately \$1,800, of principal and interest that are sufficient to amortize the loan over 180 months. Interest rate will adjust every five years.	220,891	240,333
5.00% note of \$4,580,000 payable to Comerica and is secured with Comerica Money Market and by the 6919 Sunbelt real estate. Principal and interest payments of \$19,889 per month.	-0-	4,531,241
7.50% note of \$549,000 payable to Broadway Bank and is secured by the 231 W. Cypress real estate. The term is 15 year term, with monthly payments approximately \$5,089 including interest and principal.	435,444	462,736
2.60% note of \$260,000 payable to Broadway Bank and is secured by the a certificate of deposit of \$260,000. The note matures on February 2014, with interest payments due monthly.	-0-	258,231

George Gervin Youth Center, Inc.
Notes to Consolidated Financial Statements
For the Year Ended August 31, 2014

(10) <u>NOTES PAYABLE (continued)</u>	<u>2014</u>	Memo Totals <u>2013</u>
5.86% note of \$1,700,000 payable to Wells Fargo Bank and is secured by the George Gervin Preparatory Academy real estate. The term is 15 year term, with quarterly payments of approximately \$24,905. The note matures on September 2027, with interest payments due quarterly.	1,700,000	1,700,000
4.00% note of \$4,316,000 payable to Great Western Bank and is secured by the George Gervin Preparatory Academy real estate. The term is 25 year, with monthly payments of \$23,509. The note matures on July 2038, with interest payments.	4,265,901	4,316,000
5.00% note of \$238,000 payable to Broadway. The note matures on October 2017, with interest payments of \$4,490 due monthly.	157,175	201,988
5.75% note of \$112,000 payable to Comerica Bank and is secured by the 1104 Denver real estate. The term is 15 year term, with monthly payments approximately \$935 including interest and principal.	85,575	91,587
3.95% note of \$8,050,299 payable to Comerica Bank and is secured by the 6903 and 6944 S. Sunbelt Dr. real estate. The term is 10 year term, with monthly payments approximately \$48,571 including interest and principal.	<u>7,804,729</u>	<u>-0-</u>
Total notes payable	<u>\$15,563,968</u>	<u>\$15,814,988</u>

Aggregate maturities of the notes at August 31, 2014:
Years ending August 31,

2015	1,432,600
2016	1,518,545
2017	1,549,089
2018	1,598,264
Thereafter	<u>9,465,470</u>
Total	<u>\$ 15,563,968</u>

(11) RETIREMENT PLAN

Plan Description – The Center, through the George Gervin Academy (Academy), contributes to the Teacher Retirement System of Texas (the System), a public employee retirement system. It is a cost-sharing, multiple-employer defined benefit pension plan with one exception; all risks and costs are not shared by the Center, but are a liability of the State of Texas. The System provides service retirement and disability retirement benefits, and death benefits to plan members and beneficiaries. The System operates under the authority of provisions contained primarily in the Texas Government Code, Title 8, Public Retirement Systems, Subtitle C, Teacher Retirement

George Gervin Youth Center, Inc.
Notes to Consolidated Financial Statements
For the Year Ended August 31, 2014

(11) RETIREMENT PLAN, (continued)

System of Texas, which is subject to amendment by the Texas Legislature. The System's annual financial report and other required disclosure information are available by writing the Teacher Retirement System of Texas, 1000 Red River, Austin, Texas 78701-2698 or by calling (800) 877-0123.

Fund Policy – Under provisions in State Law, plan members are required to contribute 7.05% of their annual covered salary and the State of Texas contributes an amount equal to 6.4% of the Academy's covered payroll after the employee has been vested. The Center's employees' contributions to the System for the year ended August 31, 2014, were \$280,940. Other contributions made from federal and private grants and from the Center for salaries above the statutory minimum for the year ended August 31, 2014, were \$-0-.

(12) CONCENTRATIONS OF CREDIT RISK

The Center receives the majority of its funding from the State of Texas for the George Gervin Academy Charter School. The state provided 95% of the total funding received as of August 31, 2014.

(13) CONTINGENCIES

The Center receives various grants to cover costs of specified programs. Final determination of eligibility of costs will be made by the grantor. Should any costs be found ineligible, the Center will be responsible for reimbursing the Grantor for these amounts.

In 2005, the Center received a grant in the amount of \$3,319,690 from the U.S. Department of Housing and Urban Development. This is a capital advance grant, which is not repayable as long as the Newell Retirement Apartment project remains available for very low-income individuals or families for no less than 40 years.

Also in 2005, the Center obtained a \$350,000 grant from the Federal Home Loan Bank of Dallas. This grant is not repayable as long as the Newell Retirement Apartment project remains available for low-income and very low income individuals or families for no less than 15 years.

In 2012, the Center obtained a \$866,106 grant from the U.S. Department of Housing and Urban Development. This grant is not repayable as long as the Edwards Association Senior Housing project remains available for low-income and very low income individuals or families for no less than 15 years.

(14) NET ASSETS RESTRICTIONS

Temporarily Restricted

Temporarily restricted net assets are available from the following grantors for specific expenses:

Newell Capital Advance	\$ 3,669,690
Edwards Association	<u>866,106</u>
	\$ <u>4,535,796</u>

George Gervin Youth Center, Inc.
Notes to Consolidated Financial Statements
For the Year Ended August 31, 2014

(15) FUND RECLASSIFICATION

George Gervin Youth Center, Inc. maintains the consolidating accounting records for the consolidated organization, which includes the general fund, both charter schools, the Edwards Association, George Gervin Retirement Apartments, and the Wings of Hope. The related organizations' Net Assets have been reclassified for financial statement presentation.

<u>Fund</u>	<u>Amount</u>
George Gervin Youth Center	\$(401,142)
George Gervin Prep Academy	410,259
Edwards Association	(156,121)
George Gervin Retirement Apartments	123,236
Wings of Hope	<u>23,768</u>
Total	\$ <u>0.00</u>

(16) RECONCILIATION OF TEA STATE FUNDS

George Gervin Academy (GGA) receives cash receipts from Texas Education Agency (TEA) based on federal passed-through education grant awards and State Average Daily

Attendance (ADA) funding. This note reconciles the TEA's cash payments to GGA's fiscal year 2014 revenue.

	<u>Amount</u>
2014 TEA Cash Receipts	\$ 8,365,398
Less: 9/1/13 Grant Receivables	(73,985)
Plus: 8/31/14 Grant Receivables	49,416
Total TEA 2014 Funding	<u>\$ 8,340,829</u>
Total TEA Revenue	8,341,697
	<u><u>\$ (868)</u></u>

Note: The \$868 difference relates to Region 20 for shared services provided to GGA. In addition, GGA has recognized this amount in the accounting records as of August 31, 2014.

(17) RELATED ENTITIES

NEWELL RETIREMENT APARTMENTS, INC. (Tax ID – 22-3865409)

The Newell Retirement Apartments, Inc. is a nonprofit entity that is owned by the George Gervin Youth Center, Inc. The December 31, 2013 audited financial statements have been consolidated with the George Gervin Youth Center, Inc. financial statement presentation as of August 31, 2014.

The Newell Retirement Apartments, Inc. is restricted from distributing cash to the George Gervin Youth Center, Inc. unless income is generated.

The Newell Retirement Apartments, Inc's financial statements were audited by an independent auditor and the report was issued on February 26, 2014.

George Gervin Youth Center, Inc.
Notes to Consolidated Financial Statements
For the Year Ended August 31, 2014

(17) RELATED ENTITIES (continued)

Edwards Association (Tax ID – 90-0752316)

In 2011, the Edwards Association, located in Gonzales, Texas, (a Non-profit entity) was established to provide affordable housing to the elderly under the HUD Section 202 Supportive Housing for the Elderly program. The organization's complex consists of eight (8) one-bedroom apartments. The construction of the complex was completed in December 2013.

The year-end activity has been consolidated in The Center financial statement presentation as of August 31, 2014.

George Gervin Retirement Apartments (Tax ID - 90-07523128)

In 2011, the George Gervin Apartments (a Non-profit entity) was established to provide affordable housing to the elderly under the HUD Section 202 Supportive Housing for the Elderly program. The organization's complex, which is currently under construction, will consist of forty-one (41) one-bedroom apartments. The complex is expected to be completed in March 2015. In addition, the available funding to complete the project is \$1,784,185 and \$500,000 from the Federal Home Loan Bank.

The year-end activity has been consolidated in The Center financial statement presentation as of August 31, 2014.

Wings of Hope (Tax ID - 80-0745834)

In 2011, the Wings of Hope (a Non-profit entity) was established to provide an independent living facility for persons with physical and development disabilities under the HUD Section 811 Housing for Persons with Disabilities program. The organization's complex, which is currently under construction, will consist of 14 (14) one-bedroom units. One unit is designated for an on-site resident manager. The complex is expected to be completed in March 2015. In addition, the available funding to complete the project is \$604,891.

The year-end activity has been consolidated in The Center financial statement presentation as of August 31, 2014.

(18) SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes.

Management evaluated the activity through January 23, 2015 and concluded that there were no events that would require recognition in the financial statements. As of the date of the report, no events have transpired that require recognition in the financial statements. In addition, management evaluated events that occurred subsequent to the balance sheet that would require disclosure in the accompany notes and identified one event the required disclosure.

SUPPLEMENTARY SCHEDULES

GEORGE GERVIN YOUTH CENTER, INC.
Consolidating Schedule of Financial Position
As of August 31, 2014

Assets	George Gervin Youth Center	George Gervin Academy	George Gervin Preparatory Academy	Total	Newell Retirement Inc.	Edwards Association	GG Retirement Mainland	Wngs of Hope	Total	Eliminating Entries	Consolidated Balance
Cash and cash equivalents	\$ 411,188	633,967	437,498	\$ 1,482,653	7,480	-	(400)	11,791	1,501,524	-	\$ 1,501,524
Restricted cash	987,714	-	-	987,714	-	-	-	-	987,714	-	987,714
Investments	1,065,842	61,418	-	1,127,260	-	-	-	-	1,127,260	-	1,127,260
Receivables:											
Grantors	168,140	49,416	180,000	397,556	-	-	-	-	397,556	-	397,556
Other	20,283	1,716	-	21,999	1,278	-	-	-	23,277	-	23,277
Interfund receivable	697,928	-	19,699	717,627	-	-	-	-	717,627	(717,627)	-
Deposits	-	4,100	19,170	23,270	143,418	-	-	-	166,688	-	166,688
Prepaid expenses	8,203	3,168	-	11,371	11,423	-	-	-	22,794	-	22,794
Construction in progress	79,570	-	-	79,570	-	-	2,865,733	1,457,209	4,402,512	-	4,402,512
Land Purchases & Improvements	1,795,252	-	-	1,795,252	-	866,106	-	-	2,661,358	-	2,661,358
Fixed Assets, net of accumulated depreciation \$7,546,266 and \$6,534,641	14,353,763	214,506	-	14,568,269	3,189,145	-	-	-	17,757,414	-	17,757,414
Total assets	\$ 19,587,883	\$ 968,291	\$ 656,367	\$ 21,212,541	\$ 3,352,744	\$ 866,106	\$ 2,865,333	\$ 1,469,000	\$ 29,765,724	\$ (717,627)	\$ 29,048,097
Liabilities and Net Assets											
Liabilities:											
Accounts payable	\$ 85,769	112,886	45,613	244,268	2,705	-	-	-	246,973	-	\$ 246,973
Accrued liabilities	144,321	197,376	8,966	350,663	3,035	-	-	-	353,698	-	353,698
Interfund payable	19,699	-	697,928	717,627	-	-	-	-	717,627	(717,627)	-
Other payable	13,309	23,265	-	36,574	23,867	-	-	-	60,441	-	60,441
Notes payable	15,163,970	-	-	15,163,970	400,000	-	-	-	15,563,970	-	15,563,970
Obligation under capital lease	251,311	-	-	251,311	-	-	-	-	251,311	-	251,311
Total Liabilities	15,678,379	333,527	752,507	16,764,413	429,607	-	-	-	17,194,020	(717,627)	16,476,393
Net Assets:											
Unrestricted	3,909,504	634,764	(96,140)	4,448,128	2,923,137	866,106	2,865,333	1,469,000	12,571,704	-	12,571,704
Temporarily restricted	-	-	-	-	-	-	-	-	-	-	-
Permanently restricted	-	-	-	-	-	-	-	-	-	-	-
Total net assets	3,909,504	634,764	(96,140)	4,448,128	2,923,137	866,106	2,865,333	1,469,000	12,571,704	-	12,571,704
Total liabilities and net assets	\$ 19,587,883	968,291	656,367	21,212,541	3,352,744	866,106	2,865,333	1,469,000	29,765,724	(717,627)	29,048,097

GEORGE GERVIN YOUTH CENTER, INC.
Consolidating Schedule of Activities and Net Assets
For the Year Ended August 31, 2014

	George Gervin Youth Center	George Gervin Academy	George Gervin Preparatory Academy	Total	Newell Retirement Inc.	Edwards Association	George Gervin Retirement Apartments	Wngs of Hope	Total	Eliminating Entries	Consolidated Balance
Revenues											
Local support:											
Contributions	\$ 144,147	3,450	691,771	839,368	-	-	-	-	839,368	-	\$ 839,368
Local government	3,541	302,788	-	306,329	-	-	-	-	306,329	-	306,329
Rent Income	1,721,749	61,818	-	1,783,567	182,164	-	-	-	1,965,731	(1,651,193)	314,538
Interest and other income	185,743	49,942	3,545	239,230	352	-	-	-	239,582	-	239,582
<i>Total local support</i>	<u>2,055,180</u>	<u>417,998</u>	<u>695,316</u>	<u>3,168,494</u>	<u>182,516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,351,010</u>	<u>(1,651,193)</u>	<u>1,699,817</u>
State program revenues:											
Foundation School Program	-	7,343,350	607,221	7,950,571	-	-	-	-	7,950,571	-	7,950,571
Other state aid	971,620	56,831	246,137	1,274,588	-	-	-	-	1,274,588	-	1,274,588
<i>Total program revenues</i>	<u>971,620</u>	<u>7,400,181</u>	<u>853,358</u>	<u>9,225,159</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,225,159</u>	<u>-</u>	<u>9,225,159</u>
Federal program revenues:											
Federal Revenue Distributed by State	-	941,516	146,706	1,088,222	-	-	-	-	1,088,222	-	1,088,222
Other Federal revenues	419,134	-	-	419,134	-	357,538	2,165,042	1,305,407	4,247,121	-	4,247,121
<i>Total Federal program revenues</i>	<u>419,134</u>	<u>941,516</u>	<u>146,706</u>	<u>1,507,356</u>	<u>-</u>	<u>357,538</u>	<u>2,165,042</u>	<u>1,305,407</u>	<u>5,335,343</u>	<u>-</u>	<u>5,335,343</u>
Total Revenues	<u>3,445,934</u>	<u>8,759,695</u>	<u>1,695,380</u>	<u>13,901,009</u>	<u>182,516</u>	<u>357,538</u>	<u>2,165,042</u>	<u>1,305,407</u>	<u>17,911,512</u>	<u>(1,651,193)</u>	<u>16,260,319</u>
Expenses											
		95%	59%								
Program services:											
GGYC Youth Center											
UTHSCSA-Teen Reach	4,246	-	-	4,246	-	-	-	-	4,246	-	4,246
Youthbuild Program	195,235	-	-	195,235	-	-	-	-	195,235	-	195,235
USDHHS Basic Shelter	805,192	-	-	805,192	-	-	-	-	805,192	-	805,192
DOL - Adult Re-entry	32,847	-	-	32,847	-	-	-	-	32,847	-	32,847
Newell Retirement Inc.	-	-	-	-	265,725	-	-	-	265,725	-	265,725
Edwards Association, Inc	-	-	-	-	-	-	-	-	-	-	-
GG Retirement Mainland, Inc.	-	-	-	-	-	-	-	-	-	-	-
Wings of Hope, Inc	-	-	-	-	-	-	-	-	-	-	-
George Gervin Preparatory Academy	-	-	1,631,301	1,631,301	-	-	-	-	1,631,301	(242,338)	1,388,963
George Gervin Academy											
Instructional Related Services	-	3,848,103	-	3,848,103	-	-	-	-	3,848,103	(1,408,855)	2,439,248
Instructional and School Leadership	-	1,023,852	-	1,023,852	-	-	-	-	1,023,852	-	1,023,852
<i>Total program services</i>	<u>1,037,520</u>	<u>4,871,955</u>	<u>1,631,301</u>	<u>7,540,776</u>	<u>265,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,806,501</u>	<u>(1,651,193)</u>	<u>6,155,308</u>

GEORGE GERVIN YOUTH CENTER, INC.
Consolidating Schedule of Activities and Net Assets
For the Year Ended August 31, 2014

	George Gervin Youth Center	George Gervin Academy	George Gervin Preparatory Academy	Total	Newell Retirement Inc.	Edwards Association	George Gervin Retirement Apartments	Wngs of Hope	Total	Eliminating Entries	Consolidated Balance
Support Services:											
GGYC Youth Center											
Management and general	3,530,660	-	-	3,530,660	-	-	-	-	3,530,660	-	3,530,660
George Gervin Academy											
Administrative Support Services	-	213,198	-	213,198	-	-	-	-	213,198	-	213,198
Ancillary Services	-	-	-	-	-	-	-	-	-	-	-
Support Services-Non Student Based	-	2,351,113	-	2,351,113	-	-	-	-	2,351,113	-	2,351,113
Support Services-Student (Pupil)	-	956,435	-	956,435	-	-	-	-	956,435	-	956,435
<i>Total support services</i>	3,530,660	3,520,746	-	7,051,406	-	-	-	-	7,051,406	-	7,051,406
Total expenses	4,568,180	8,392,701	1,631,301	14,592,182	265,725	-	-	-	14,857,907	(1,651,193)	13,206,714
Change in net assets	(1,122,246)	366,994	64,079	(691,173)	(83,209.00)	357,538	2,165,042	1,305,407	3,053,605	-	3,053,605
Fund Reclassification	(401,142)	-	410,259	9,117	-	(156,121)	123,236	23,768	-	-	-
Net assets at beginning of year	5,432,892	267,770	(570,478)	5,130,184	3,006,346	664,689	577,055	139,825	9,518,099	-	9,518,099
Net assets at end of year	\$ 3,909,504	634,764	(96,140)	4,448,128	2,923,137	866,106	2,865,333	1,469,000	12,571,704	-	\$ 12,571,704

GEORGE GERVIN YOUTH CENTER, INC.
Consolidated Schedule of Functional Expenses
For the Year Ended August 31, 2014

	Program Services							Supporting Services			Eliminating Entries	Grand Total	
	US Dept. of HHS - UTHSCSA	DOL - Adult Re-entry	DOL Youthbuild	US Dept HHS Basic Shelter	George Gervin Prep Academy	Newell Retirement Inc.	George Gervin Academy	Total	Management and General	Total Support Services			Total
Personnel:													
Salaries and wages	\$ 3,773	26,993	97,075	448,549	620,417	19,841	4,189,371	5,406,019	297,513	297,513	\$ 5,703,532	\$ -	\$ 5,703,532
Fringe benefits	473	3,624	16,451	74,434	209,989	3,971	419,569	728,511	48,841	48,841	777,352	-	777,352
Total personnel	4,246	30,617	113,526	522,983	830,406	23,812	4,608,940	6,134,530	346,354	346,354	6,480,884	-	6,480,884
Operational:													
Professional services	-	(426)	9,289	7,387	167,169	65,020	843,639	1,092,078	394,887	394,887	1,486,965	-	1,486,965
Contributions / Donation	-	-	-	-	-	-	-	-	223,015	223,015	223,015	-	223,015
Equipment rental, repairs & maint.	-	-	1,500	-	272,565	-	-	274,065	(83,948)	(83,948)	190,117	(242,338)	(52,221)
Utilities	-	-	-	-	47,856	27,618	359,787	435,261	10,751	10,751	446,012	-	446,012
Buildings and grounds R&M	-	-	-	67,734	12,067	-	-	79,801	19,426	19,426	99,227	-	99,227
Rents	-	924	42,269	62,084	-	-	1,552,391	1,657,668	3,933	3,933	1,661,601	(1,408,855)	252,746
Travel and vehicle expense	-	-	5,118	15,232	30,547	-	67,126	118,023	12,841	12,841	130,864	-	130,864
Licenses, permits, fees and dues	-	-	-	100	7,136	-	-	7,236	55,731	55,731	62,967	-	62,967
Supplies, postage, printing & office exp.	-	1,019	9,465	2,475	155,752	6,695	210,748	386,154	6,131	6,131	392,285	-	392,285
Meals, food and entertainment	-	-	-	-	48,543	-	471,396	519,939	-	-	519,939	-	519,939
Student stipends	-	-	-	97,301	-	-	32	97,333	350	350	97,683	-	97,683
Client subsistence costs	-	-	-	-	-	-	-	-	954	954	954	-	954
Insurance and bonding	-	673	2,306	6,657	17,195	20,321	77,137	124,289	19,098	19,098	143,387	-	143,387
Miscellaneous operating expenses	-	40	3,485	2,068	4,165	21,377	131,184	162,319	26,098	26,098	188,417	-	188,417
Interest Expense	-	-	-	-	-	-	-	-	973,309	973,309	973,309	-	973,309
Staff training	-	-	365	-	1,178	-	-	1,543	365	365	1,908	-	1,908
Telephone and communications	-	-	7,011	17,132	36,722	-	-	60,865	8,323	8,323	69,188	-	69,188
Property and Equipment purchases	-	-	902	4,040	-	-	-	4,942	1,220	1,220	6,162	-	6,162
Property taxes	-	-	-	-	-	-	-	-	203,196	203,196	203,196	-	203,196
Note related costs	-	-	-	-	-	-	-	-	104,559	104,559	104,559	-	104,559
Total expenses before depreciation	4,246	32,847	195,236	805,193	1,631,301	164,843	8,322,380	11,156,046	2,326,593	2,326,593	13,482,639	(1,651,193)	11,831,446
Depreciation	-	-	-	-	-	100,882	70,321	171,203	1,204,065	1,204,065	1,375,268	-	1,375,268
Total expenses after depreciation	\$ 4,246	\$ 32,847	\$ 195,236	\$ 805,193	\$ 1,631,301	\$ 265,725	\$ 8,392,701	\$ 11,327,249	\$ 3,530,658	\$ 3,530,658	\$ 14,857,907	\$ (1,651,193)	\$ 13,206,714

**GEORGE GERVIN ACADEMY
SUPPLEMENTARY INFORMATION**

GEORGE GERVIN ACADEMY
Statement of Financial Position
As of August 31, 2014

Assets	2014	Memo Totals 2013
	<hr/>	<hr/>
Cash and cash equivalents	\$ 633,967	\$ 472,540
Investment	61,418	
Receivables:		
Grantors	49,416	73,985
Other	1,716	1,178
Deposits	4,100	4,100
Prepaid expenses	3,168	1,066
Fixed Assets, net of accumulated depreciation of \$647,985 and \$817,117	214,506	284,827
	<hr/>	<hr/>
Total assets	\$ 968,291	\$ 837,696
	<hr/> <hr/>	<hr/> <hr/>
 Liabilities and Net Assets		
 Liabilities:		
Accounts payable	\$ 112,886	\$ 92,421
Accrued liabilities	197,376	179,762
Interfund payable	-	296,680
Other payable	23,265	1,063
	<hr/>	<hr/>
Total liabilities	333,527	569,926
	<hr/>	<hr/>
 Net Assets:		
Unrestricted	634,764	267,770
Temporarily restricted	-	-
Permanently restricted	-	-
	<hr/>	<hr/>
Total net assets	634,764	267,770
	<hr/>	<hr/>
Total liabilities and net assets	\$ 968,291	\$ 837,696
	<hr/> <hr/>	<hr/> <hr/>

**George Gervin Academy
Statement of Activities
As of August 31, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2014</u>	<u>Memo Totals 2013</u>
Revenue					
Local support:					
5740 Other Revenues from Local Sources	\$ 369,577	-	-	\$ 369,577	\$ 467,640
5750 Revenues from Cocurricular, Enterprising Services or Activities	45,305	-	-	45,305	52,569
5760 Miscellaneous Revenue/Intermed Sources	3,116	-	-	3,116	99
State program revenues					
5810 Foundation School Program Act Revenues	-	7,343,350	-	7,343,350	7,352,560
5820 State Program Revenues Distributed by Texas Education Agency	-	56,831	-	56,831	5,042
Total program revenues	417,998	7,400,181	-	7,818,179	7,877,910
Federal program revenues:					
5920 Federal Revenues Distributed by the Texas Education Agency	-	941,516	-	941,516	1,087,759
Net assets released from restrictions:					
Restrictions satisfied by payments	8,341,697	(8,341,697)	-	-	-
Total Revenues	8,759,695	-	-	8,759,695	8,965,669
Expenses					
11 Instruction	3,848,103	-	-	3,848,103	6,810,207
12 Instructional Resources and Media Services	-	-	-	-	-
13 Curriculum Development and Instructional Staff Development	1,128	-	-	1,128	4
21 Instructional Leadership	88	-	-	88	-
22 Counselor, Career & Tech	-	-	-	-	-
23 School Leadership	1,022,636	-	-	1,022,636	676,755
24 Compensatory Education	-	-	-	-	-
30 Training	-	-	-	-	-
31 Guidance, Counseling and Evaluation Services	42,215	-	-	42,215	41,249
32 Social Work Services	-	-	-	-	-
33 Health Services	-	-	-	-	-
34 Student (Pupil) Transportation	336,856	-	-	336,856	300,301
35 Food Services	512,164	-	-	512,164	524,471
36 Cocurricular/Extracurricular Activities	65,200	-	-	65,200	84,895
41 General Administration	213,198	-	-	213,198	287,556
51 Plant Maintenance and Operations	2,308,860	-	-	2,308,860	799,672
52 Security and Monitoring Services	-	-	-	-	-
53 Data Processing Services	42,253	-	-	42,253	5,368
61 Community Services	-	-	-	-	-
71 Debt Service	-	-	-	-	-
81 Fundraising	-	-	-	-	-
Total Expenses	8,392,701	-	-	8,392,701	9,530,478
Change in Net Assets	366,994	-	-	366,994	(564,809)
Addition of Fixed Assets	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Net Assets at beginning of year	267,770	-	-	267,770	832,579
Net Assets at end of year	\$ 634,764	-	-	\$ 634,764	\$ 267,770

GEORGE GERVIN ACADEMY
Statement of Cash Flows
As of August 31, 2014

	2014	Memo Totals 2013
Cash flows from operating activities:		
Change in net assets	\$ 366,994	\$ (564,809)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	70,321	74,490
(Increase) decrease in:		
Receivables from grantors	24,569	8,980
Other receivables	(538)	26,137
Prepaid expense	(2,102)	(1,066)
Increase (decrease) in:		
Accounts payable	20,465	(63,297)
Accrued liabilities	17,614	17,524
Interfund payable	(296,680)	296,680
Other payables	22,202	852
	222,845	(204,509)
Cash flows from investing activities:		
Increase in Investments	(61,418)	-
	(61,418)	-
Cash flows from financing activities:		
Net cash (used) by financing activities	-	-
Net Increase (decrease) in cash and cash equivalents	161,427	(204,509)
Cash and cash equivalents, beginning of year	472,540	677,049
Cash and cash equivalents, end of year	\$ 633,966	\$ 472,540
Interest paid	\$ -	\$ -

GEORGE GERVIN ACADEMY
Schedule of Expenses
As of August 31, 2014

	Totals	
	2014	Memo Totals 2013
Expenses		
6100 Payroll Costs	\$ 4,608,940	\$ 4,444,927
6200 Professional and Contracted Services	2,755,836	3,926,781
6300 Supplies and Materials	738,498	724,128
6400 Other Operating Costs	289,427	434,642
6500 Debt	-	-
	<hr/>	<hr/>
Total Expenses	<u><u>\$ 8,392,701</u></u>	<u><u>\$ 9,530,478</u></u>

GEORGE GERVIN ACADEMY
Schedule of Capital Assets
As of August 31, 2014

	Ownership Interest								
	Local			* State			Federal		
	Assets	Accumulated Depreciaiton	Net	Assets	Accumulated Depreciaiton	Net	Assets	Accumulated Depreciaiton	Net
1510 Land and Improvements	\$ -	\$ -	\$-	\$ -	\$ -	\$ -	\$ -	\$ -	\$-
1520 Buildings and Improvements	-	-	-	481,265	(368,261)	113,004	-	-	-
1531 Vehicles	-	-	-	107,230	(107,230)	-	-	-	-
1538 Computer Hardware/Software	-	-	-	17,765	(14,480)	3,285	-	-	-
1539 Furniture and Equipment	-	-	-	3,639	(3,285)	354	-	-	-
1540 Assets District Defined	-	-	-	101,258	(68,858)	32,400	-	-	-
1541 Vehicles	-	-	-	-	-	-	-	-	-
1542 Equipment	-	-	-	151,334	(85,871)	65,463	-	-	-
Total Property and Equipment	\$ -	\$ -	\$-	\$ 862,491	\$ (647,985)	\$ 214,506	\$ -	\$ -	\$-

* Property and equipment purchased in the years of 1997 thru 2005 have been retired and fully depreciation, with zero market value.

GEORGE GERVIN ACADEMY
Budgetary Comparison Schedule
As of August 31, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget	Variance Percentage Change
	Original	Final			
Revenue					
Local support:					
5740 Other Revenues from Local Sources	\$ 369,577	369,577	369,577	-	0.00%
5750 Revenues from Cocurricular, Enterprising Services or Activities	45,305	45,305	45,305	-	0.00%
5760 Revenues from Intermediate Sources	3,116	3,116	3,116	-	0.00%
State program revenues					
5810 Foundation School Program Act Revenues	6,983,474	6,983,474	7,343,350	359,876	5.15%
5820 State Program Revenues Distributed by Texas Education Agency	56,831	56,831	56,831	-	0.00%
Total program revenues	<u>7,458,303</u>	<u>7,458,303</u>	<u>7,818,179</u>	<u>359,876</u>	
Federal program revenues:					
5920 Federal Revenues Distributed by the Texas Education Agency	934,398	934,398	941,516	7,118	0.76%
Other Federal Revenues	-	-	-	-	
Total Revenues	<u>8,392,701</u>	<u>8,392,701</u>	<u>8,759,695</u>	<u>366,994</u>	
Expenses					
11 Instruction	3,848,103	3,848,103	3,848,103	-	0.00%
12 Instructional Resources and Media Services	-	-	-	-	0.00%
13 Curriculum Development and Instructional Staff Development	1,128	1,128	1,128	-	0.00%
21 Instructional Leadership	88	88	88	-	0.00%
22 Counselor, Career & Tech	-	-	-	-	0.00%
23 School Leadership	1,022,638	1,022,638	1,022,636	(2)	0.00%
30 Training	-	-	-	-	0.00%
31 Guidance, Counseling and Evaluation Services	42,215	42,215	42,215	-	0.00%
32 Social Work Services	-	-	-	-	0.00%
33 Health Services	-	-	-	-	0.00%
34 Student (Pupil) Transportation	336,856	336,856	336,856	-	0.00%
35 Food Services	512,164	512,164	512,164	-	0.00%
36 Cocurricular/Extracurricular Activities	65,200	65,200	65,200	-	0.00%
41 General Administration	213,197	213,197	213,198	1	0.00%
51 Plant Maintenance and Operations	2,308,859	2,308,859	2,308,860	1	0.00%
52 Security and Monitoring Services	-	-	-	-	0.00%
53 Data Processing Services	42,253	42,253	42,253	-	0.00%
61 Community Services	-	-	-	-	0.00%
71 Debt Service	-	-	-	-	0.00%
81 Fundraising	-	-	-	-	0.00%
Total Expenses	<u>8,392,701</u>	<u>8,392,701</u>	<u>8,392,701</u>	<u>-</u>	0.00%
Change in Net Assets	-	-	366,994	366,994	0.00%
Net Assets at beginning of year	-	-	<u>267,770</u>	<u>-</u>	0.00%
Net Assets at end of year	<u>\$ -</u>	<u>-</u>	<u>634,764</u>	<u>366,994</u>	

SINGLE AUDIT REPORTS

GEORGE GERVIN YOUTH CENTER, INC.
Schedule of Expenditures of Federal Awards
For The Year Ended August 31, 2014

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Grantor Pass-through Number	Expenditures
<u>George Gervin Youth Center, Inc.</u>			
<u>U.S. DEPARTMENT OF LABOR</u>			
Employment & Training Administration			
Youth Build Program	17.274	YB-21325-11-60-A-48	\$ 189,698
Youth Build Program	17.274	YB-26216-14-60-A-48	5,183
Training to Work 2-Adult Re-entry	17.270	PE-25937-14-60-A-48	32,847
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Basic Center Program for Runaway and Homeless Youth	93.623	06CY08443/02	0
	93.623	90CY6595-01-01	187,160
<u>Health and Human Services</u>			
UT Health Science Center-Teen Reach	93.243	9999999	4,246
Sub-total			<u>\$ 419,134</u>
<u>GEORGE GERVIN ACADEMY EXPENDITURES</u>			
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<u>Passed through Texas Education Agency</u>			
School Breakfast Program	10.553	20141n109946	\$ 162,044
National School Lunch Program	10.555		272,360
<u>Passed through Texas Education Agency</u>			
ESEA, Title I, Part A -Improving Basic Programs	84.010	S010A130043	251,704
IDEA B- Formula	84.173	H027A120008	9,798
IDEA B- Formula	84.173	H027A130168	171,520
Title II, Part A Teacher & Principal	84.367	S010A130043	43,878
Title I, Priority & Focus	84.010	S010A130043	20,000
Summer School LEP	84.369	S369A120045	2,226
Title 1, Part C SSA	84.011		868
Sub-total		NOTE (1)	<u>\$ 934,398</u>
<u>GEORGE GERVIN PREP ACADEMY EXPENDITURES</u>			
<u>Passed through Arizona Department of Education</u>			
Title I Grants to LEA	84.010	14FT1TTI-460021-01A	\$ 72,130
Title 11-A	84.367	14FT1TII-460021-03A	1,100
IDEAL B	84.027	14FESCSE-460021-43A	20,208
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<u>Passed through Arizona Education Agency</u>			
National School Lunch Program	10.555	20131N109946	53,268
Sub-total			<u>146,706</u>
Total Federal Expenditures			<u>\$ 1,500,238</u>

(1) See Schedule of Federal Expenditures Note Four (4)

George Gervin Youth Center, Inc.

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2014

(1) **Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of George Gervin Youth Center, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Related entities activity has been consolidated in the George Gervin Youth Center, Inc.'s Consolidated Financial Statement presentation; however, federal expenditures for these organizations are not consolidated into the George Gervin Youth Center, Inc.'s Schedule of Expenditures of Federal Awards as of August 31, 2014. Each entity has their own compliance requirements to adhere to upon commencement of operations as dictated by grantor. As of August 31, 2014, related entities federal awards were \$3,827,987.

(2) **Loans Outstanding**

George Gervin Youth Center, Inc. had no Federal Financial Assistance loan balances outstanding at August 31, 2014.

(3) **Subrecipients**

Of the federal expenditures presented in the schedule, George Gervin Youth Center, Inc. did not provide federal awards to subrecipients.

(4) **Federal Awards**

The following is a George Gervin Youth Center Inc reconciliation of federal award expended as of August 31, 2014:

Federal Support	\$1,507,356
Less; Federal Expenditures	
George Gervin Youth Center Inc.	(419,134)
George Gervin Academy	(934,398)
George Gervin Prep Academy	<u>(146,706)</u>
Total	\$ <u>7,118</u>

The difference of \$7,118 relates to Title I Part A funds expended by George Gervin Academy as of August 31, 2013 however was received and recorded as federal support as of August 31, 2014.

**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
George Gervin Youth Center, Inc.

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 George Gervin Youth Center, Inc. (GGYC) (a nonprofit organization), which comprise the consolidated statement of financial position as of August 31, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 23, 2015. Our report includes a reference to other auditors who audited the financial statements of Newell Retirement Apartments, as described in our report on GGYC's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered GGYC'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of GGYC's internal control. Accordingly, we do not express an opinion on the effectiveness of the GGYC'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether GGYC's consolidated 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 GGYC'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 GGYC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Callahan & Co., P.C.

January 23, 2015

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

To the Board of Directors of
George Gervin Youth Center, Inc.

Report on Compliance for Each Major Federal Program

We have audited George Gervin Youth Center, Inc.'s (GGYC) 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 GGYC's major federal programs for the year ended August 31, 2014. GGYC'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 GGYC'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 GGYC'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 GGYC's compliance.

Opinion on Each Major Federal Program

In our opinion, GGYC 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 August 31, 2014.

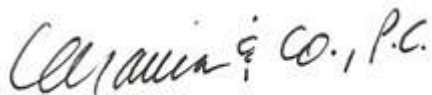
Report on Internal Control Over Compliance

Management of GGYC 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 GGYC'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 GGYC'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.

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.

A handwritten signature in black ink that reads "Callahan & Co., P.C." The signature is written in a cursive, slightly slanted style.

January 23, 2015

GEORGE GERVIN YOUTH CENTER, INC.
Schedule of Findings and Questioned Costs
For the year ended August 31, 2014

Section I – Summary of Auditors’ Results

Financial Statements:

Type of report issued	Unqualified
Material weaknesses identified	None
Significant Deficiency identified that are not considered to be material weaknesses	None
Noncompliance material to financial statements	None

Federal Awards:

Internal control over major programs:	None
Material weakness identified	None
Significant Deficiency identified that are not considered to be material weakness	None
Type of auditors’ report issued on compliance for major programs	Unqualified
Audit finding disclosed that are required to be reported in accordance with section 510(a) of Circular A-133	None
Dollar threshold considered between Type A and Type B federal programs	\$300,000
High Risk Auditee Statements	George Gervin Youth Center, Inc was classified as a High risk auditee in the context of OMB Circular A-133
Major federal program(s)	CFDA# 84.010, Title I Grants to Local Educational Agencies CFDA# 10.553, 10.555 Child Nutrition Cluster

GEORGE GERVIN YOUTH CENTER, INC.
Schedule of Findings and Questioned Costs
For the year ended August 31, 2014

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None.

GEORGE GERVIN YOUTH CENTER, INC.

Schedule of Status of Prior Year Findings

For the year ended August 31, 2014

ALL FINANCIAL STATEMENT

2013 -X1: Material Adjustments

QUESTIONED COSTS

Corrective action taken.

ALL FEDERAL PROGRAMS

None.

QUESTIONED COSTS

None