

**LYNCHBURG COMMUNITY ACTION GROUP, INC**

**Financial Statements and Supplementary Data**

**DECEMBER 31, 2013**

**(WITH INDEPENDENT AUDITORS' REPORT)**

**LYNCHBURG COMMUNITY ACTION GROUP, INC**

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# Wesley Fughesley Jr.

& Associates  
CERTIFIED PUBLIC ACCOUNTANT

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Lynchburg Community Action Group, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Lynchburg Community Action Group, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, 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 financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Lynchburg Community Action Group, Inc. as of December 31, 2013, 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.

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*Other Matters*

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 March 6, 2014, on our consideration of Lynchburg Community Action Group, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lynchburg Community Action Group, Inc.'s internal control over financial reporting and compliance.



N. Wesley Pughsley, Jr. & Associates CPA

Roanoke, VA

March 6, 2014

**LYNCHBURG COMMUNITY ACTION GROUP, INC  
COMBINED STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2013**

**ASSETS**

**CURRENT ASSETS**

Cash in bank	\$ 266,369
Grants receivable	342,732
Inventory	22,118
Prepaid expenses and other assets	<u>25,896</u>

**Total Current Assets** 657,115

**PROPERTY AND EQUIPMENT**

Land	159,200
Building	710,800
Building improvements	93,908
Less: Accumulated Depreciation	<u>(242,775)</u>

**Net Property and Equipment** 721,133

**TOTAL ASSETS** 1,378,248

**LIABILITIES AND STOCKHOLDERS' EQUITY**

**CURRENT LIABILITIES**

Accounts payable	54,366
Accrued annual leave	81,808
Advances	14,350
Deferred revenue	359,922
Current portion of debt	<u>22,788</u>

**Total Current Liabilities** 533,234

**LONG-TERM LIABILITIES**

Notes payable	<u>613,698</u>
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**Total Long-Term Liabilities** 613,698

**Total Liabilities** 1,146,932

**NET ASSETS**

Unrestricted	<u>231,316</u>
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**Total Net assets** 231,316

**TOTAL LIABILITIES AND NET ASSETS** \$ 1,378,248

See accompanying notes to financial statements

LYNCHBURG COMMUNITY ACTION GROUP, INC

COMBINED STATEMENT OF ACTIVITIES  
AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL AGENCY</u>
<b><u>SUPPORT AND REVENUE</u></b>			
Grant funds	\$ 49,323	4,867,935	4,917,258
Interest income	-	8	8
Rental income	84,163	(1)	84,162
Contributions	10,600	1,054	11,654
Program income	120,780	237,877	358,657
In-kind revenue	-	980,096	980,096
Net assets released from restrictions	<u>6,090,383</u>	<u>(6,090,383)</u>	<u>-</u>
<b>Total support and revenue</b>	<u>6,355,249</u>	<u>(3,414)</u>	<u>6,351,835</u>
<b><u>EXPENDITURES</u></b>			
Personnel	2,249,037	-	2,249,037
Fringe benefits	764,623	-	764,623
Contractual	675,997	-	675,997
Travel	38,311	-	38,311
Space	369,748	-	369,748
Telephone	49,121	-	49,121
Vehicle maintenance	125,492	-	125,492
Insurance	55,854	-	55,854
Consumable supplies	67,050	-	67,050
Cost of materials	50,630	-	50,630
Food cost	243,961	-	243,961
Rental, lease, or purchase of equipment	35,157	-	35,157
Other direct cost	393,807	-	393,807
Interest expense	36,842	-	36,842
Indirect costs	267,635	-	267,635
Depreciation expense	27,752	-	27,752
In-kind expense	<u>980,096</u>	<u>-</u>	<u>980,096</u>
<b>Total expenditures</b>	<u>6,431,113</u>	<u>-</u>	<u>6,431,113</u>
<b>Changes in net assets</b>	(75,864)	(3,414)	(79,278)
<b>Net assets, beginning</b>	<u>307,180</u>	<u>3,414</u>	<u>310,594</u>
<b>Net asset, ending</b>	<u>\$ 231,316</u>	<u>-</u>	<u>231,316</u>

See accompanying notes to financial statements

**LYNCHBURG COMMUNITY ACTION GROUP, INC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Changes in Net Assets	<u>\$ (79,278)</u>
Adjustments to reconcile Net Income (Loss) to net cash provided by operating activities	
<b>Decrease (Increase) in Assets:</b>	
Depreciation	27,752
Grants receivable	166,356
Accounts receivable	2,541
Inventory	5,865
Prepaid expenses	(2,210)
<b>Increase (Decrease) in Liabilities:</b>	
Accounts Payable	51,960
Advances	(18,768)
Deferred Revenue	62,766
Accrued liabilities	<u>(44,290)</u>
Total Adjustments	<u>251,972</u>
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>172,694</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Net Cash Provided By (Used In) Investing Activities	<u>-</u>
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**CASH FLOWS FROM FINANCING ACTIVITIES**

Principle payments on debt	<u>(111,502)</u>
<b>Net Cash Provided By (Used In) Financing Activities</b>	<b><u>(111,502)</u></b>

<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	61,192
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>205,177</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b><u>\$ 266,369</u></b>

Supplemental Cash Flow Information

Cash paid for interest during the year ended December 31, 2013 was \$36,842.

For purposes of the Statement of Cash Flows, LYN-CAG considers all cash on hand, checking, savings and certificate of deposit accounts to be cash or cash equivalents.

Noncash Activities

For the year ended December 31, 2013, LYN-CAG had depreciation expense in the amount of \$27,752.

See accompanying notes to financial statements

**LYNCHBURG COMMUNITY ACTION GROUP, INC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**1. Summary of Significant Policies**

- (a) Organization** - Lynchburg Community Action Group, Inc. (LYN-CAG) is a non-profit corporation organized to carry out community action programs which are generally funded by revenue from agency programs and grants from local, state and federal agencies. Such grants usually requires compliance with prescribed grant conditions and other special requirements, including the furnishing of certain amounts of cash or noncash contributions.
- (b) Income Tax** - LYN-CAG is a non-profit corporation exempt from federal income tax under the provisions of section 501 (c) 3 of the Internal Revenue Code; it had no unrelated business income subject to federal income tax under Section 511 of the Internal Revenue Code.
- (c) Basis of Accounting** - LYN-CAG follows the modified accrual basis of accounting during the year and the accrual basis of accounting for financial statement presentation.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB). Under FASB, LYN-CAG is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily and permanently restricted net assets.

\*The Current Unrestricted Fund is used to account for all resources over which the Board of Directors has discretionary control, except those unrestricted assets invested in land, building and equipment.

\*Temporarily Restricted Funds are used to account for amounts restricted by donors for operating purposes and include income from endowments restricted by donors for such purposes.

- (d) Transfers Between Funds** - Transfers are made between the Indirect Cost Plan and various grants administered by LYN-CAG for payroll and administrative expenses.
- (e) Inventory** - Inventory is valued at the lower of cost (first in, first out basis) or market.
- (f) Recording of Grant Revenue** - LYN-CAG recognizes support from its cost reimbursement grants as costs are incurred
- (g) In-kind Contributions and Expenditures** - Donated services are valued at rates consistent with those regular rates paid for similar work within the agency. Donated contractual services are valued at the contractors' normal rates. Donated materials are valued at their estimated fair market value at the date of receipt. Donated space is valued at the fair rental value of comparable space in the area.
- (h) Depreciation Allowance** - As per OMB Circular A-122, Attachment B, Paragraphs 9(e)

**(Continued)**

**LYNCHBURG COMMUNITY ACTION GROUP, INC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

and 42(c), LYN-CAG may not charge rent to federal programs in excess of depreciation expense. Depreciation is based on the cost of the building purchased at 926 Commerce St. For space use allowance purposes, the estimated useful life of the building is ten (10) years. LYN-CAG was in compliance with the above paragraphs of the circular at December 31, 2013.

- (i) **Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- (j) **Net assets released from restrictions** - Net assets released from restrictions is the mechanism used to decrease temporarily restricted net assets, when restrictions are met, and increase unrestricted net assets. For report purposes, all grant revenue received with restrictions are shown as temporarily restricted regardless if the restrictions are met. If the restrictions are met during the audit period, net assets released from restrictions is decreased for temporarily restricted net assets and unrestricted net assets is increased. This is a truer picture as to the flow of temporarily restricted net assets from restricted to unrestricted.

2. **Protection of Deposits** - At year-end, all of the agency's bank deposits were with banks with federal depository insurance. None of the individual bank balances were over the coverage limits.

3. **Line of Credit** - LYN-CAG has a \$100,000 line of credit with SunTrust Bank. At December 31, 2013 the balance on the line of credit was \$0. LYN-CAG has \$100,000 credit available for use.

4. **Long Term Debt** - 4.36% note payable to SunTrust Bank , dated August 14, 2012. Monthly payments of \$4,180 of principal and interest are due through July 14, 2017. A final payment equal to unpaid principal and interest and any other amounts is due on August 14, 2017. Secured by deed of trust on office buildings located in Lynchburg, Virginia.

	\$ 636,486
Less current portion	(22,788)
Long-term debt	\$ 613,698

The aggregate principal payments follows:

<u>YEAR</u>	<u>PRINCIPAL PAYMENT</u>
2014	\$ 22,788
2015	23,801
2016	24,860
2017	565,037
Total	\$ 636,486

(Continued)

**LYNCHBURG COMMUNITY ACTION GROUP, INC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**5. Grants Receivable** - Grants receivable consists of the following:

Head Start	51,386
Housing Counseling Grant	30,000
Project Discovery	38,473
City of Lynchburg	31,760
USDA	49,663
CHDO	7,832
TANF	788
SHARE HIP	21,078
VACARES	10,477
VDHCD - Weatherization	10,981
Gateway	20,518
Family Living Center	14,845
HOPWA	2,515
Emergency Home Repair	1,000
LIHEAP	43,211
Foreclosure Mitigation	1,781
Other	6,424
	342,732
Total	<u><u>\$ 342,732</u></u>

**6. Fixed Assets** - Fixed assets purchased with grant funds are recorded as expense at the time of purchase as required for reporting to the funding agencies. Fixed assets purchased with agency funds are depreciated over their estimated useful lives.

**7. Pension Plan** - LYN-CAG has a 401(K) plan for employees over age eighteen who have at least one year of service and 1,000 hours of service with the corporation. LYN-CAG contributes 6% of gross salaries to the plan for its employees. The trustee of the plan is the American Funds located in Norfolk, Virginia. LYN-CAG's contribution on behalf of its employees amounted to \$114,555 for the year ended December 31, 2013.

**8. Deferred Revenue** - Deferred revenue consists of the following:

Walmart Foundation	\$ 49,027
Tax Preparation Grant	10,447
Indoor Plumbing Grant	37,715
United Way	54,411
CHDO Rollover	83,057
Housing Counseling Grant	11,250
Employment Services Program	83,320
VA Reach Grant	22,634
Responsible Rides Program	4,181
Other	3,880
	359,922
Total	<u><u>\$ 359,922</u></u>

(Continued)

**LYNCHBURG COMMUNITY ACTION GROUP, INC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**9. Lease Agreements** - LYN-CAG entered into a lease agreement with the City of Lynchburg to use the White Rock School Property for the Head Start Program. The lease is a year to year lease which requires LYN-CAG to pay one dollar each year for use of the facility.

**10. Other Costs** - Other costs consist of the following:

Advertising, Printing, Publications and Subscriptions	\$	5,485
Licenses and Permits		2,633
Parent Activities & Field Trips		13,898
Client Assistance - All Programs		261,098
Dues		9,960
Memberships		3,518
Child Care		12,165
Head Start Component Expenses (ie Education, Social, Nutrition etc.)		32,594
Recording Cost		244
Meeting Expense		2,013
Fiscal Management		417
Technical Assistance		4,750
Student Activities		4,496
Property Acquisitions		40,525
Other		<u>11</u>
 Total	 \$	 <u><u>393,807</u></u>

**11. Cost Allocation** - The following is a summary of significant cost allocation policies and results used in the preparation of the audited financial statements. Cost allocation operates in accordance with an Indirect Cost Proposal developed annually and approved by the Department of Health and Human Services (DHHS). The Proposal identifies shared costs and the financial bases for cost-sharing. The concepts in the Proposal were used by the accounting system and produced the following actual results for the fiscal year.

**a. Indirect Cost** - Indirect costs consist of salaries and fringe benefits of the central organization personnel who perform management and administrative functions necessary and beneficial to all activities. Also included are joint or common costs supporting all programs, or the central administrative portions of these costs. The classification of costs conforms to the organization's Indirect Cost Proposal for the year in which a 11.9% (.119) Provisional Indirect Cost Rate was negotiated for budget purposes.

<u>ACCOUNT DESCRIPTION</u>	<u>INDIRECT COSTS</u>
Management and Administrative Salaries	\$ 165,290
Fringe Benefits	65,267
Contractual	17,909
Office equipment and furniture	1,637

(Continued)

**LYNCHBURG COMMUNITY ACTION GROUP, INC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**

**11. Cost Allocation - (Continued)**

Equipment rental	157	
Office supplies	1,271	
Postage	400	
Rent and space cost	21,943	
Vehicle expense	496	
Software	1,095	
Travel	2,759	
Other costs	<u>654</u>	
<b>Total Indirect Costs</b>	<u>278,878</u>	
Less-Indirect costs above amount allowed	<u>(11,243)</u>	
<b>Total Allocated to Programs</b>	<u><u>\$ 267,635</u></u>	

**ALLOCATION BASE:**

\$ 2,249,037 Direct Salary Base

Indirect Costs were accumulated in an organization pool and distributed to activities/programs based on year-to-date direct salaries in conformance with the organization's Indirect Cost Proposal. Actual Indirect Costs and the final rate for the year ended December 31, 2013 are as follows:

**Indirect Cost Rate (Final):**

<b>Indirect Cost</b>	<u>\$ 267,635</u>	
<b>Base</b>	<u>\$ 2,249,037</u>	0.119

**12. Contingent Liabilities** - Grant funds are subject to audit by the funding agencies to determine compliance with various grant requirements. Should any expenditures be disallowed, they must be refunded to the granting agency.

**13. Concentration of Grants** - Approximately 59% of the Agency's funding is provided by grants from the Department of Health and Human Services's Head Start Program. The Agency's ability to continue operating in its current state in the absence of the Head Start Program has not been determined.

**14. Subsequent Events** - In preparing the financial statements, the Agency has evaluated all subsequent events, for potential recognition or disclosure, through April 8, 2014 the date the financial statements were available to be issued.

**(Continued)**

**SUPPLEMENTARY DATA**

**LYNCHBURG COMMUNITY ACTION GROUP, INC**

**SCHEDULE 1**

**SCHEDULE OF FEDERAL AWARDS**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

<u>FEDERAL GRANT/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>EXPENDITURES</u>
<b><u>MAJOR PROGRAMS</u></b>		
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (DHHS)</b>		
Head Start	93.600	2,977,493
<b><u>OTHER FEDERAL ASSISTANCE</u></b>		
<b>Passed Through the Virginia Department of Social Services</b>		
Community Services Block Grant	93.667	407,328
Temporary Assistance for Needy Families (TANF)	93.558	21,966
<b>Passed Through the Virginia Department of Housing &amp; Community Development</b>		
Weatherization Assistance for Low-Income Persons	81.042	88,748
Low Income Home Energy Assistance Program (LIHEAP)	93.568	194,054
<b>DEPARTMENT OF AGRICULTURE</b>		
USDA Reimbursement (Child Care Food Program)	10.558	222,193
<b>DEPARTMENT OF HOMELAND SECURITY</b>		
FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)	97.024	10,626
<b>Passed Through the City of Lynchburg</b>		
Community Development Block Grant	14.218	84,060
Home Investment Partnership Program (HOME)	14.239	100,415
<b>Passed Through the Virginia Department of Housing &amp; Community Development</b>		
Indoor Plumbing Rehabilitation Loan Program	14.218	51,285
Housing Opportunities for Persons with Aids (HOPWA)	14.241	57,457
<b>Passed Through the Virginia Housing Development Authority</b>		
Housing Counseling Assistance Program	14.169	37,317
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>		
Supportive Housing Grant (Family Living Center)	14.235	<u>41,465</u>
<b>TOTAL FEDERAL ASSISTANCE</b>		<u>\$ 4,294,407</u>

**LYNCHBURG COMMUNITY ACTION GROUP, INC**

**SCHEDULE 1**

**SCHEDULE OF FEDERAL AWARDS**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

**NOTE A -- BASIS OF PRESENTATION**

The schedule of expenditures of federal awards includes the federal grant activity of LYN-CAG 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".

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

**LYNCHBURG COMMUNITY ACTION GROUP, INC**  
**FOR THE DEPARTMENT OF HEALTH AND HUMAN SERVICES**  
**HEAD START**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

**FOR THE ELEVEN MONTHS ENDED**  
**NOVEMBER 30, 2013**

	<b><u>PART</u></b>		<b><u>ELEVEN</u></b>
	<b><u>DAY/</u></b>		<b><u>MONTHS</u></b>
	<b><u>DISABLED</u></b>	<b><u>TRAINING</u></b>	<b><u>TOTAL</u></b>
<b><u>SUPPORT AND REVENUE</u></b>			
Grant funds	\$ 2,576,761	41,023	2,617,784
Program income	11,300	-	11,300
Interest income	6	-	6
Contributions	176	-	176
In-kind revenue	<u>898,403</u>	<u>-</u>	<u>898,403</u>
<b>Total support and revenue</b>	<u>3,486,646</u>	<u>41,023</u>	<u>3,527,669</u>
<b><u>EXPENDITURES</u></b>			
Personnel	1,506,430	-	1,506,430
Fringe benefits	490,310	-	490,310
Contractual	90,847	68	90,915
Travel	3,154	2,607	5,761
Space	170,733	977	171,710
Telephone	26,184	-	26,184
Vehicle maintenance	(2,175)	1,893	(282)
Insurance	28,249	-	28,249
Consumable supplies	31,298	692	31,990
Food cost	31,952	-	31,952
Rental, lease, or purchase of equipment	12,312	4,622	16,934
Other direct cost	19,684	30,164	49,848
Indirect costs	179,265	-	179,265
In-kind expense	<u>898,403</u>	<u>-</u>	<u>898,403</u>
<b>Total expenditures</b>	<u>3,486,646</u>	<u>41,023</u>	<u>3,527,669</u>
<b>Changes in net assets</b>	-	-	-
<b>Net assets, beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net asset, ending</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>

SCHEDULE 2

FOR THE ONE MONTH ENDED  
DECEMBER 31, 2013

<u>PART DAY/ DISABLED</u>	<u>TRAINING</u>	<u>ONE MONTH TOTAL</u>	<u>TOTAL (MEMO ONLY)</u>
352,704	7,005	359,709	2,977,493
-	-	-	11,300
2	-	2	8
-	-	-	176
<u>81,694</u>	<u>-</u>	<u>81,694</u>	<u>980,097</u>
<u>434,400</u>	<u>7,005</u>	<u>441,405</u>	<u>3,969,074</u>
142,263	-	142,263	1,648,693
49,074	-	49,074	539,384
37,816	-	37,816	128,731
-	-	-	5,761
27,374	-	27,374	199,084
5,195	-	5,195	31,379
56,414	-	56,414	56,132
5,650	-	5,650	33,899
6,451	-	6,451	38,441
3,750	-	3,750	35,702
1,394	-	1,394	18,328
396	7,005	7,401	57,249
16,929	-	16,929	196,194
<u>81,694</u>	<u>-</u>	<u>81,694</u>	<u>980,097</u>
<u>434,400</u>	<u>7,005</u>	<u>441,405</u>	<u>3,969,074</u>
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 3

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

CHILD CARE FOOD PROGRAM (USDA)

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>GRANT YEAR ENDING</u>		<u>TOTAL</u>
	<u>SEPTEMBER 30,</u>	<u>SEPTEMBER 30,</u>	<u>(MEMO</u>
	<u>2013</u>	<u>2014</u>	<u>ONLY)</u>
<b><u>SUPPORT AND REVENUE</u></b>			
Grant funds	\$ 98,453	123,740	222,193
<b>Total support and revenue</b>	<u>98,453</u>	<u>123,740</u>	<u>222,193</u>
<b><u>EXPENDITURES</u></b>			
Personnel	2,432	1,475	3,907
Fringe benefits	1,003	540	1,543
Contractual	70	820	890
Space	2,213	1,625	3,838
Consumable supplies	3,460	2,580	6,040
Food costs	88,986	116,524	205,510
Indirect cost	<u>289</u>	<u>176</u>	<u>465</u>
<b>Total expenditures</b>	<u>98,453</u>	<u>123,740</u>	<u>222,193</u>
<b>Changes in net assets</b>	-	-	-
<b>Net assets, beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net asset, ending</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 4

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE VIRGINIA DEPARTMENT OF SOCIAL SERVICES

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>CSBG</u>		
	<u>GRANT YEAR ENDING</u>		
	<u>JUNE 30,</u>	<u>JUNE 30,</u>	<u>TOTAL</u>
	<u>2013</u>	<u>2014</u>	<u>(MEMO</u>
			<u>ONLY)</u>
<b><u>SUPPORT AND REVENUE</u></b>			
Grant funds	\$ 212,988	194,340	407,328
<b>Total support and revenue</b>	<u>212,988</u>	<u>194,340</u>	<u>407,328</u>
<b><u>EXPENDITURES</u></b>			
Personnel	56,802	65,060	121,862
Fringe benefits	21,985	25,702	47,687
Contractual	68,517	17,680	86,197
Travel	5,157	2,389	7,546
Space	18,684	32,930	51,614
Telephone	(2,502)	14,778	12,276
Vehicle maintenance	3,970	2,073	6,043
Insurance	12,808	8,551	21,359
Consumable supplies	2,937	1,394	4,331
Cost of materials	161	258	419
Rental, lease or purchase of equipment	4,459	2,624	7,083
Other direct cost	13,251	13,159	26,410
Indirect cost	<u>6,759</u>	<u>7,742</u>	<u>14,501</u>
<b>Total expenditures</b>	<u>212,988</u>	<u>194,340</u>	<u>407,328</u>
<b>Changes in net assets</b>	-	-	-
<b>Net assets, beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net asset, ending</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 5

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE VIRGINIA DEPARTMENT OF SOCIAL SERVICES  
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>GRANT YEAR ENDING</u>		<u>TOTAL</u>
	<u>JUNE 30,</u>	<u>JUNE 30,</u>	<u>TANF</u>
	<u>2013</u>	<u>2014</u>	
<b><u>SUPPORT AND REVENUE</u></b>			
Grant funds	\$ -	21,966	21,966
<b>Total support and revenue</b>	<u>-</u>	<u>21,966</u>	<u>21,966</u>
<b><u>EXPENDITURES</u></b>			
Personnel	-	13,614	13,614
Fringe benefits	-	5,369	5,369
Rental, lease or purchase			
Other direct cost	-	1,363	1,363
Indirect cost	-	1,620	1,620
<b>Total expenditures</b>	<u>-</u>	<u>21,966</u>	<u>21,966</u>
<b>Changes in net assets</b>	-	-	-
<b>Net assets, beginning</b>	-	-	-
<b>Transfers</b>	-	-	-
<b>Net asset, ending</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC  
 STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
 CITY OF LYNCHBURG

SCHEDULE 6

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>HOUSING 2011-2012</u>	<u>2012 HOUSING TIMBRIDGE HILL</u>	<u>2013 HOUSING TIMBRIDGE HILL</u>	<u>TOTAL (MEMO ONLY)</u>
<b><u>SUPPORT AND REVENUE</u></b>				
Grant funds	\$ 9,800	14,351	59,909	84,060
<b>Total support and revenue</b>	<u>9,800</u>	<u>14,351</u>	<u>59,909</u>	<u>84,060</u>
<b><u>EXPENDITURES</u></b>				
Contractual	<u>9,800</u>	<u>14,351</u>	<u>59,909</u>	<u>84,060</u>
<b>Total expenditures</b>	<u>9,800</u>	<u>14,351</u>	<u>59,909</u>	<u>84,060</u>
<b>Changes in net assets</b>	-	-	-	-
<b>Net assets, beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net asset, ending</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

SCHEDULE 7

CITY OF LYNCHBURG

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>HOME GRANT 2012</u>	<u>HOME GRANT 2013</u>	<b>TOTAL (MEMO ONLY)</b>
<b><u>SUPPORT AND REVENUE</u></b>			
Grant funds	\$ 100,415	-	100,415
<b>Total support and revenue</b>	<u>100,415</u>	<u>-</u>	<u>100,415</u>
<b><u>EXPENDITURES</u></b>			
Contractual	100,025	-	100,025
Rental, lease or purchase of equipment	187	-	187
Other direct cost	<u>203</u>	<u>-</u>	<u>203</u>
<b>Total expenditures</b>	<u>100,415</u>	<u>-</u>	<u>100,415</u>
<b>Changes in net assets</b>	-	-	-
<b>Net assets, beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net asset, ending</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>

**LYNCHBURG COMMUNITY ACTION GROUP, INC**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**CITY OF LYNCHBURG**  
**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

**SCHEDULE 8**

	<b>CHDO</b> <b><u>2013</u></b>
<b><u>SUPPORT AND REVENUE</u></b>	
Grant funds	\$ 81,632
Program income	<u>21</u>
<b>Total support and revenue</b>	<b><u>81,653</u></b>
<b><u>EXPENDITURES</u></b>	
Contractual	39,874
Space	1,084
Other direct cost	<u>40,695</u>
<b>Total expenditures</b>	<b><u>81,653</u></b>
<b>Changes in net assets</b>	-
<b>Net assets, beginning</b>	<u>-</u>
<b>Net asset, ending</b>	<b><u>\$ -</u></b>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 10

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

VIRGINIA CARES GRANT

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>GRANT YEAR ENDING</u>		<u>TOTAL</u>
	<u>JUNE 30,</u>	<u>JUNE 30,</u>	<u>(MEMO</u>
	<u>2013</u>	<u>2014</u>	<u>ONLY)</u>
<b><u>SUPPORT AND REVENUE</u></b>			
Grant funds	\$ 38,116	51,920	90,036
<b>Total support and revenue</b>	<u>38,116</u>	<u>51,920</u>	<u>90,036</u>
<b><u>EXPENDITURES</u></b>			
Personnel	23,043	23,235	46,278
Fringe benefits	9,099	9,175	18,274
Contractual	1,765	225	1,990
Travel	-	217	217
Space	(4,326)	12,143	7,817
Telephone	34	0	34
Vehicle maintenance	1,444	530	1,974
Consumable supplies	1,067	556	1,623
Cost of materials	34	-	34
Rental, lease or purchase of equipment	1,252	-	1,252
Other direct cost	1,962	3,074	5,036
Indirect cost	<u>2,742</u>	<u>2,765</u>	<u>5,507</u>
<b>Total expenditures</b>	<u>38,116</u>	<u>51,920</u>	<u>90,036</u>
<b>Changes in net assets</b>	-	-	-
<b>Net assets, beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net asset, ending</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 9

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

CHDO ROLLOVER PROJECTS

FOR THE YEAR ENDED DECEMBER 31, 2013

**SUPPORT AND REVENUE**

Program income	<u>25,634</u>
<b>Total support and revenue</b>	<u>25,634</u>

**EXPENDITURES**

Contractual	24,851
Travel	<u>783</u>
<b>Total expenditures</b>	<u>25,634</u>
<b>Changes in net assets</b>	-
<b>Net assets, beginning</b>	<u>-</u>
<b>Net asset, ending</b>	<u><u>\$ -</u></u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 11

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

HOPWA GRANT

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>GRANT YEAR ENDING</u>		<u>TOTAL</u>
	<u>JUNE 30,</u>	<u>JUNE 30,</u>	<u>(MEMO</u>
	<u>2013</u>	<u>2014</u>	<u>ONLY)</u>
<b><u>SUPPORT AND REVENUE</u></b>			
Grant funds	\$ 26,637	30,820	57,457
<b>Total support and revenue</b>	<u>26,637</u>	<u>30,820</u>	<u>57,457</u>
<b><u>EXPENDITURES</u></b>			
Personnel	5,713	5,515	11,228
Fringe benefits	2,436	1,998	4,434
Vehicle maintenance	334	-	334
Consumable supplies	(28)	466	438
Other direct cost	17,502	22,185	39,687
Indirect cost	680	656	1,336
<b>Total expenditures</b>	<u>26,637</u>	<u>30,820</u>	<u>57,457</u>
<b>Changes in net assets</b>	-	-	-
<b>Net assets, beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net asset, ending</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 12

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

STATE SHELTER GRANT

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>GRANT YEAR ENDING</u>		CHILDCARE FOR HOMELESS CHILDREN <u>GRANT</u>	<u>TOTAL (MEMO ONLY)</u>
	<u>JUNE 30, 2013</u>	<u>JUNE 30, 2014</u>		
<b><u>SUPPORT AND REVENUE</u></b>				
Grant funds	\$ 41,794	106,977	1,179	149,950
Contributions	-	129	-	129
<b>Total support and revenue</b>	<b>41,794</b>	<b>107,106</b>	<b>1,179</b>	<b>150,079</b>
<b><u>EXPENDITURES</u></b>				
Personnel	33,823	43,653	-	77,476
Fringe benefits	12,001	13,207	-	25,208
Contractual	2,767	1,573	-	4,340
Space	(2,524)	4,617	-	2,093
Telephone	13	13	-	26
Vehicle maintenance	554	285	-	839
Consumable supplies	1,212	2,353	-	3,565
Cost of materials	107	1,670	-	1,777
Food costs	-	497	-	497
Other direct cost	(10,184)	34,043	1,179	25,038
Rental, lease or purchase				
Indirect cost	4,025	5,195	-	9,220
<b>Total expenditures</b>	<b>41,794</b>	<b>107,106</b>	<b>1,179</b>	<b>150,079</b>
<b>Changes in net assets</b>	-	-	-	-
<b>Net assets, beginning</b>	-	-	-	-
<b>Transfer</b>	-	-	-	-
<b>Net asset, ending</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 13

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FAMILY LIVING CENTER

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>GRANT YEAR ENDING</u>		<u>TOTAL</u>
	<u>JUNE 30,</u>	<u>JUNE 30,</u>	<u>(MEMO</u>
	<u>2012</u>	<u>2013</u>	<u>ONLY)</u>
<b><u>SUPPORT AND REVENUE</u></b>			
Grant funds	\$ 35	41,430	41,465
<b>Total support and revenue</b>	<u>35</u>	<u>41,430</u>	<u>41,465</u>
<b><u>EXPENDITURES</u></b>			
Personnel	-	11,229	11,229
Fringe benefits	-	3,168	3,168
Contractual	-	13,178	13,178
Space	-	8,116	8,116
Telephone	-	1,292	1,292
Vehicle maintenance	-	148	148
Consumable supplies	-	2,462	2,462
Cost of materials	-	160	160
Other direct cost	35	341	376
Rental, lease or purchase	-	-	-
Indirect cost	-	1,336	1,336
<b>Total expenditures</b>	<u>35</u>	<u>41,430</u>	<u>41,465</u>
<b>Changes in net assets</b>	-	-	-
<b>Net assets, beginning</b>	-	-	-
<b>Transfer</b>	-	-	-
<b>Net asset, ending</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 14

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE VIRGINIA DEPARTMENT OF HOUSING  
WEATHERIZATION PROGRAMS

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>LIHEAP 2013</u>	<u>LIHEAP 2014</u>	<u>DOE GRANT</u>	<u>TOTAL WEATHER- IZATION</u>
<b><u>SUPPORT AND REVENUE</u></b>				
Grant funds	\$ 125,163	68,891	88,748	282,802
<b>Total support and revenue</b>	<u>125,163</u>	<u>68,891</u>	<u>88,748</u>	<u>282,802</u>
<b><u>EXPENDITURES</u></b>				
Personnel	61,698	30,899	53,700	146,297
Fringe benefits	26,340	13,219	23,053	62,612
Contractual	8,051	173	1,523	9,747
Travel	1,282	282	1,741	3,305
Space	4,157	464	1,067	5,688
Telephone	720	388	412	1,520
Vehicle maintenance	6,824	3,126	40	9,990
Consumable supplies	706	26	682	1,414
Cost of materials	3,110	16,287	90	19,487
Rental, lease or purchase of equipment	4,500	-	-	4,500
Other direct cost	433	350	50	833
Indirect cost	<u>7,342</u>	<u>3,677</u>	<u>6,390</u>	<u>17,409</u>
<b>Total expenditures</b>	<u>125,163</u>	<u>68,891</u>	<u>88,748</u>	<u>282,802</u>
<b>Changes in net assets</b>	-	-	-	-
<b>Net assets, beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net asset, ending</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 15

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
HUD HOUSING COUNSELING GRANTS

FOR THE YEAR ENDED DECEMBER 31, 2013

	NATIONAL FORECLOSURE COUNSELING <u>2012</u>	NATIONAL FORECLOSURE COUNSELING <u>2013</u>	NATIONAL FORECLOSURE COUNSELING <u>2014</u>	HUD COUNSELING GRANT <u>2012</u>	HUD COUNSELING GRANT <u>2013</u>	TOTAL (MEMO ONLY)
<b><u>SUPPORT AND</u></b>						
Grant funds	\$ 2,249	4,584	10,440	7,317	30,000	54,590
<b>Total support and revenue</b>	<u>2,249</u>	<u>4,584</u>	<u>10,440</u>	<u>7,317</u>	<u>30,000</u>	<u>54,590</u>
<b><u>EXPENDITURES</u></b>						
Personnel	1,486	1,088	4,803	3,575	10,162	21,114
Fringe benefits	586	429	1,897	1,410	3,970	8,292
Contractual	-	339	626	-	747	1,712
Travel	-	-	-	855	7,025	7,880
Space	-	60	668	-	-	728
Telephone	-	-	138	-	417	555
Vehicle maintenance	-	-	281	-	1,264	1,545
Consumable supplies	-	1,113	25	-	-	1,138
Rental, lease or purchase of equipment	-	-	-	-	90	90
Other direct cost	-	1,426	1,430	1,052	5,116	9,024
Indirect cost	177	129	572	425	1,209	2,512
<b>Total expenditures</b>	<u>2,249</u>	<u>4,584</u>	<u>10,440</u>	<u>7,317</u>	<u>30,000</u>	<u>54,590</u>
<b>Changes in net assets</b>	-	-	-	-	-	-
<b>Net assets, beginning</b>	-	-	-	-	-	-
<b>Transfer</b>	-	-	-	-	-	-
<b>Net asset, ending</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 16

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
 VHDA HOUSING COUNSELING GRANTS

FOR THE YEAR ENDED DECEMBER 31, 2013

	VIRGINIA REACH GRANT <u>2013</u>	VIRGINIA REACH GRANT <u>2014</u>	REACH FORECLOSURE PREVENTION <u>2014</u>	TOTAL (MEMO ONLY) <u></u>
<b><u>SUPPORT AND REVENUE</u></b>				
Grant funds	\$ 14,066	28,813	7,612	50,491
<b>Total support and revenue</b>	<u>14,066</u>	<u>28,813</u>	<u>7,612</u>	<u>50,491</u>
<b><u>EXPENDITURES</u></b>				
Personnel	7,444	17,146	4,622	29,212
Fringe benefits	3,006	6,698	1,826	11,530
Contractual	-	68	-	68
Travel	310	2,614	-	2,924
Space	20	-	-	20
Telephone	406	-	287	693
Vehicle maintenance	1,939	61	-	2,000
Consumable supplies	55	88	327	470
Rental, lease or purchase				
Other direct cost	-	98	-	98
Indirect cost	886	2,040	550	3,476
<b>Total expenditures</b>	<u>14,066</u>	<u>28,813</u>	<u>7,612</u>	<u>50,491</u>
<b>Changes in net assets</b>	-	-	-	-
<b>Net assets, beginning</b>	-	-	-	-
<b>Transfer</b>	-	-	-	-
<b>Net asset, ending</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 17

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

PROJECT DISCOVERY

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>GRANT YEAR ENDING</u>		<u>TOTAL</u>
	<u>JUNE 30,</u>	<u>JUNE 30,</u>	<u>(MEMO</u>
	<u>2013</u>	<u>2014</u>	<u>ONLY)</u>
<b><u>SUPPORT AND REVENUE</u></b>			
Grant funds	\$ 9,388	3,851	13,239
<b>Total support and revenue</b>	<u>9,388</u>	<u>3,851</u>	<u>13,239</u>
<b><u>EXPENDITURES</u></b>			
Personnel	4,988	2,075	7,063
Fringe benefits	1,975	882	2,857
Travel	-	327	327
Space	135	75	210
Vehicle maintenance	323	165	488
Cost of materials	17	-	17
Rental, lease or purchase			
Other direct cost	1,356	80	1,436
Indirect cost	594	247	841
<b>Total expenditures</b>	<u>9,388</u>	<u>3,851</u>	<u>13,239</u>
<b>Changes in net assets</b>	-	-	-
<b>Net assets, beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net asset, ending</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 18

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

HOMELESS PREVENTION PROGRAM

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>FOR THE GRANT YEAR ENDING</u>		<u>TOTAL</u>
	<u>JUNE 30,</u>	<u>JUNE 30,</u>	<u>(MEMO</u>
	<u>2013</u>	<u>2014</u>	<u>ONLY)</u>
<b><u>SUPPORT AND REVENUE</u></b>			
Grant funds	\$ 32,725	72,072	104,797
<b>Total support and revenue</b>	<u>32,725</u>	<u>72,072</u>	<u>104,797</u>
<b><u>EXPENDITURES</u></b>			
Personnel	11,595	6,011	17,606
Fringe benefits	4,578	2,375	6,953
Contractual	2,487	25	2,512
Travel	165	-	165
Space	6,792	17,465	24,257
Telephone	34	-	34
Vehicle maintenance	1,040	40	1,080
Consumable supplies	841	74	915
Cost of materials	17	-	17
Rental, lease, or purchase of equipment	1,252	-	1,252
Other direct cost	2,544	45,367	47,911
Indirect cost	1,380	715	2,095
<b>Total expenditures</b>	<u>32,725</u>	<u>72,072</u>	<u>104,797</u>
<b>Changes in net assets</b>	-	-	-
<b>Net assets, beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net asset, ending</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 19

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

UNITED WAY GRANT

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>GRANT YEAR ENDING</u>		<u>TOTAL</u>
	<u>JUNE 30,</u>	<u>JUNE 30,</u>	<u>(MEMO</u>
	<u>2013</u>	<u>2014</u>	<u>ONLY)</u>
<b><u>SUPPORT AND REVENUE</u></b>			
Grant funds	\$ 12,586	9,324	21,910
<b>Total support and revenue</b>	<u>12,586</u>	<u>9,324</u>	<u>21,910</u>
<b><u>EXPENDITURES</u></b>			
Personnel	2,513	-	2,513
Fringe benefits	533	-	533
Contractual	1,933	-	1,933
Travel	-	334	334
Space	1,681	1,201	2,882
Insurance	-	597	597
Consumable supplies	48	-	48
Rental, lease or purchase			
Other direct cost	3,548	5,652	9,200
Interest expense	2,031	1,540	3,571
Indirect cost	299	-	299
<b>Total expenditures</b>	<u>12,586</u>	<u>9,324</u>	<u>21,910</u>
<b>Changes in net assets</b>	-	-	-
<b>Net assets, beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net asset, ending</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 20

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE VIRGINIA DEPARTMENT OF HOUSING  
AND COMMUNITY DEVELOPMENT GRANTS  
(INDOOR PLUMBING REHABILITATION LOAN PROGRAM)

FOR THE YEAR ENDED DECEMBER 31, 2013

**SUPPORT AND REVENUE**

Grant funds	\$ 51,285
Program income	<u>19,389</u>
<b>Total support and revenue</b>	<u>70,674</u>

**EXPENDITURES**

Contractual	70,075
Consumable supplies	239
Other direct cost	348
Interest expense	<u>12</u>
<b>Total expenditures</b>	<u>70,674</u>
<b>Changes in net assets</b>	-
<b>Net assets, beginning</b>	<u>-</u>
<b>Net asset, ending</b>	<u><u>\$ -</u></u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 21

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
 FOR THE VIRGINIA DEPARTMENT OF HOUSING  
 EMERGENCY HOME REPAIR GRANT  
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>EHR 2013</u>	<u>EHR 2014</u>	<u>TOTAL (MEMO ONLY)</u>
<b><u>SUPPORT AND REVENUE</u></b>			
Grant funds	\$ 3,209	2,381	5,590
<b>Total support and revenue</b>	<u>3,209</u>	<u>2,381</u>	<u>5,590</u>
<b><u>EXPENDITURES</u></b>			
Contractual	2,444	1,885	4,329
Space	-	496	496
Cost of materials	365	-	365
Rental, lease or purchase			
Other direct cost	<u>400</u>	<u>-</u>	<u>400</u>
<b>Total expenditures</b>	<u>3,209</u>	<u>2,381</u>	<u>5,590</u>
<b>Changes in net assets</b>	-	-	-
<b>Net assets, beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net asset, ending</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>

**LYNCHBURG COMMUNITY ACTION GROUP, INC**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

**SCHEDULE 22**

**EMERGENCY FOOD AND SHELTER**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

**SUPPORT AND REVENUE**

Grant funds	\$ 10,626
<b>Total support and revenue</b>	<u>10,626</u>

**EXPENDITURES**

Food costs	1,050
Other direct cost	<u>9,576</u>
<b>Total expenditures</b>	<u>10,626</u>
<b>Changes in net assets</b>	-
<b>Net assets, beginning</b>	<u>-</u>
<b>Net asset, ending</b>	<u><u>\$ -</u></u>

LYNCHBURG COMMUNITY ACTION GROUP, INC

SCHEDULE 23

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

CNA TRAINING GRANTS

FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 WALMART FOUNDATION GRANT	2014 WALMART FOUNDATION GRANT	WELLS FARGO FOUNDATION GRANT	WORKFORCE INVESTMENT GRANT	TOTAL (MEMO ONLY)
<b><u>SUPPORT AND REVENUE</u></b>					
Grant funds	\$ -	-	-	3,032	3,032
Program income	<u>5,623</u>	<u>973</u>	<u>16,400</u>	<u>-</u>	<u>22,996</u>
<b>Total support and revenue</b>	<u>5,623</u>	<u>973</u>	<u>16,400</u>	<u>3,032</u>	<u>26,028</u>
<b><u>EXPENDITURES</u></b>					
Personnel	4,043	84	1,230	-	5,357
Fringe benefits	625	33	283	-	941
Space	30	-	75	-	105
Consumable supplies	120	-	77	-	197
Other direct cost	324	846	14,589	3,032	18,791
Indirect cost	<u>481</u>	<u>10</u>	<u>146</u>	<u>-</u>	<u>637</u>
<b>Total expenditures</b>	<u>5,623</u>	<u>973</u>	<u>16,400</u>	<u>3,032</u>	<u>26,028</u>
<b>Changes in net assets</b>	-	-	-	-	-
<b>Net assets, beginning</b>	-	-	-	-	-
<b>Transfer</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net asset, ending</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

LYNCHBURG COMMUNITY ACTION GROUP, INC  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

SCHEDULE 24

GATEWAY FUNDING  
FOR THE YEAR ENDED DECEMBER 31, 2013

**SUPPORT AND REVENUE**

Grant funds	\$ 29,579
Program income	<u>44,838</u>
<b>Total support and revenue</b>	<u>74,417</u>

**EXPENDITURES**

Personnel	53,384
Fringe benefits	13,862
Contractual	727
Vehicle maintenance	91
Indirect cost	<u>6,353</u>

<b>Total expenditures</b>	<u>74,417</u>
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<b>Changes in net assets</b>	-
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<b>Net assets, beginning</b>	<u>-</u>
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<b>Net asset, ending</b>	<u><u>\$ -</u></u>
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**LYNCHBURG COMMUNITY ACTION GROUP, INC**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**OTHER PROGRAMS**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<b><u>GLTC HOMELESS SHELTER GRANT</u></b>	<b><u>GENERAL FUND</u></b>	<b><u>LYNCHBURG EMPLOYMENT SERVICES PROGRAM</u></b>	<b><u>TAX PREPARATION GRANT</u></b>	<b><u>LIVING HEALTHY GRANT</u></b>
<b><u>SUPPORT AND REVENUE</u></b>					
Grant funds	\$ 6,000	49,323	-	-	-
Rental income	-	84,163	-	-	-
Contributions	-	10,600	600	50	-
Program income	<u>-</u>	<u>120,780</u>	<u>97,924</u>	<u>6,193</u>	<u>1,000</u>
<b>Total support and revenue</b>	<u>6,000</u>	<u>264,866</u>	<u>98,524</u>	<u>6,243</u>	<u>1,000</u>
<b><u>EXPENDITURES</u></b>					
Personnel	-	5,465	21,953	4,578	-
Fringe benefits	-	7,262	3,740	948	-
Contractual	650	85,964	13,969	(604)	-
Travel	-	7,132	1,772	-	-
Space	1,027	32,566	28,127	-	-
Telephone	-	-	686	-	-
Vehicle maintenance	65	42,736	1,976	52	-
Consumable supplies	1,349	177	3,287	310	-
Cost of materials	219	28,102	34	-	-
Food costs	-	55	-	-	-
Rental, lease, or purchase of equipment	-	1,214	1,252	-	-
Other direct cost	2,690	68,423	19,116	414	1,000
Interest expense	-	33,259	-	-	-
Depreciation expense	-	27,752	-	-	-
Indirect costs	<u>-</u>	<u>650</u>	<u>2,612</u>	<u>545</u>	<u>-</u>
<b>Total expenditures</b>	<u>6,000</u>	<u>340,757</u>	<u>98,524</u>	<u>6,243</u>	<u>1,000</u>
<b>Changes in net assets</b>	-	(75,891)	-	-	-
<b>Net assets, beginning</b>	<u>-</u>	<u>307,180</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net asset, ending</b>	<u>\$ -</u>	<u>231,289</u>	<u>-</u>	<u>-</u>	<u>-</u>

SCHEDULE 25

<u>SUNTRUST HOUSING COUNSELING 2013</u>	<u>SUNTRUST HOUSING COUNSELING 2014</u>	<u>SCHOLARSHIP FUND</u>	<u>GLTC CHILDCARE PROGRAM</u>	<u>CHILDCARE RETAIL MERCHANTS FOUNDATION</u>	<u>RESPONSIBLE RIDES</u>	<u>TOTAL (MEMO ONLY)</u>
-	-	-	-	-	-	55,323
-	-	-	-	-	-	84,163
-	-	100	-	-	-	11,350
<u>561</u>	<u>1,750</u>	<u>-</u>	<u>4,000</u>	<u>1,500</u>	<u>772</u>	<u>234,480</u>
<u>561</u>	<u>1,750</u>	<u>100</u>	<u>4,000</u>	<u>1,500</u>	<u>772</u>	<u>385,316</u>
-	-	-	-	-	209	32,205
-	-	-	-	-	28	11,978
-	269	-	-	-	510	100,758
167	-	-	-	-	-	9,071
-	-	-	-	-	-	61,720
393	234	-	-	-	-	1,313
-	-	-	-	-	-	44,829
-	99	509	-	-	-	5,731
-	-	-	-	-	-	28,355
-	1,148	-	-	-	-	1,203
-	-	-	-	-	-	2,466
-	-	2,994	4,000	1,500	-	100,137
-	-	-	-	-	-	33,259
-	-	-	-	-	-	27,752
-	-	-	-	-	25	3,832
<u>560</u>	<u>1,750</u>	<u>3,503</u>	<u>4,000</u>	<u>1,500</u>	<u>772</u>	<u>464,609</u>
1	-	(3,403)	-	-	-	(79,293)
<u>-</u>	<u>-</u>	<u>3,414</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>310,594</u>
<u>1</u>	<u>-</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>231,301</u>

**INDEPENDENT AUDIT REPORTS**

**on Internal Control  
and  
Reports on Compliance**

# Wesley Fughesley Jr.

& Associates  
CERTIFIED PUBLIC ACCOUNTANT

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  
Lynchburg Community Action Group, Inc.

We have audited the financial statements of Lynchburg Community Action Group, Inc. (a nonprofit organization) as of and for the year ended December 31, 2013, and have issued our report thereon dated March 6, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### Internal Control over Financial Reporting

Management of Lynchburg Community Action Group, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Lynchburg Community Action Group, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lynchburg Community Action Group, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lynchburg Community Action Group, Inc.'s financial statements are free of 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*.

This report is intended solely for the information and use of management, others within the entity, the Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

N. Wesley Pughsley, Jr. & Associates, CPA \_\_\_\_\_



Roanoke, VA

March 6, 2014

# Wesley Fughesley Jr.

& Associates

CERTIFIED PUBLIC ACCOUNTANT

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors of  
Lynchburg Community Action Group, Inc.

### Compliance

We have audited Lynchburg Community Action Group, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Lynchburg Community Action Group, Inc.'s major federal programs for the year ended December 31, 2013. Lynchburg Community Action Group, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Lynchburg Community Action Group, Inc.'s management. Our responsibility is to express an opinion on Lynchburg Community Action Group, Inc.'s compliance based on our audit.

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 Lynchburg Community Action Group, Inc.'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. Our audit does not provide a legal determination of Lynchburg Community Action Group, Inc.'s compliance with those requirements.

In our opinion, Lynchburg Community Action Group, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

### Internal Control Over Compliance

Management of Lynchburg Community Action Group, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Lynchburg Community Action Group, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 Lynchburg Community Action Group, Inc.'s internal control over compliance.

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American Institute of CPAs

*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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Lynchburg Community Action Group, Inc.'s responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Lynchburg Community Action Group, Inc.'s responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the Audit Committee, others within the entity, the Board of Directors, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

N. Wesley Pughsley, Jr. & Associates CPA



Roanoke, VA  
March 6, 2014

**LYNCHBURG COMMUNITY ACTION GROUP, INC  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting? \_ yes X no

Material weakness(es) identified? \_ yes X no

Reportable condition(s) identified not considered to be material to weakness(es)? \_ yes X no

Noncompliance material to financial statements noted? \_ yes X no

**Federal Awards**

Internal control over major programs? \_ yes X no

Material weakness(es) identified? \_ yes X no

Reportable condition(s) identified? \_ yes X no

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)? X yes \_\_\_ no

**Identification of major programs:**

CFDA Number(s)	Name of Program or Cluster
----------------	----------------------------

93.600	Head Start
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Dollar threshold used to distinguish between Type A and B programs: \$300,000

Did the auditee qualify as a low-risk auditee? X yes \_\_\_ no

**Section II - Financial Statement Findings**

**None**

**Section III - Major Federal Award Program Findings**

**None**

## **PRIOR YEAR FOLLOW-UP**

**There were no management letter comments noted in the prior year.**

# Wesley Fughesley Jr.

& Associates  
CERTIFIED PUBLIC ACCOUNTANT

March 6, 2014

To the Audit Committee of  
Lynchburg Community Action Group, Inc.

We have audited the financial statements of Lynchburg Community Action Group, Inc. for the year ended December 31, 2013, and have issued our report thereon dated March 6, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 11, 2014. Professional standards also require that we communicate to you the following information related to our audit.

## Significant Audit Findings

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Lynchburg Community Action Group, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during year. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements was (were):

Management's estimate of the value of In-kind Contributions and Expenditures in Note 1(g) is based on market values which fluctuate daily. We evaluated the key factors and assumptions used to record In-kind Contributions and Expenditures and determined that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements was (were):

The disclosure of Economic Dependency in Note 9 is sensitive to the financial statements because of its significance.

The financial statement disclosures are neutral, consistent, and clear.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.



*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated March 6, 2014.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

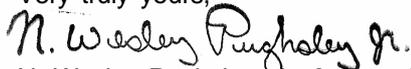
As discussed in previous years, with funding cuts occurring at the federal, state and local levels and with the Unrestricted Fund incurring a loss this audit period, it is imperative that the agency look for other funding. Unrestricted funding from local governments may be an area the agency wants to pursue.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of Audit Committee, management and funding sources of Lynchburg Community Action Group, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



N. Wesley Pughsley, Jr. & Associates, CPA