

# LONG BEACH COMMUNITY ACTION PARTNERSHIP

## FINANCIAL STATEMENTS

December 31, 2013  
with Summary Comparative Information for 2012

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Long Beach Community Action Partnership:

### Report on the Financial Statements

We have audited the accompanying financial statements of Long Beach Community Action Partnership 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.

### *Auditors' 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 contain in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of 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 Long Beach Community Action Partnership 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.

## **Report on Summarized Comparative Information**

We have previously audited the Long Beach Community Action Partnership's 2012 financial statements, and our report dated September 30, 2013 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012 is consistent, in all material respects, with the audited consolidated financial statements from which it was derived.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as whole. The supplemental statements of revenue and expenditures (supplementary schedules) are presented for purposes of additional analysis and are 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 September 25, 2014, on our consideration of Long Beach Community Action Partnership'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 Long Beach Community Action Partnership's internal control over financial reporting and compliance.



Long Beach, California  
September 25, 2014

**LONG BEACH COMMUNITY ACTION PARTNERSHIP**

**STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2013  
WITH COMPARATIVE TOTALS FOR 2012**

**ASSETS**

	<u>December 31,</u>	
	<u>2013</u>	<u>2012</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 429,702	\$ 1,992,219
Investments (Note 3)	101,205	100,799
Grants and contracts receivable (Note 4)	1,142,286	1,486,971
Work-in-process	167,533	167,904
Inventory	71,479	20,012
Prepaid expenses	79,696	300,241
	<u>1,991,901</u>	<u>4,068,146</u>
<b>PROPERTY AND EQUIPMENT, NET (Note 5)</b>	1,104,443	829,315
<b>DEPOSITS</b>	<u>22,082</u>	<u>16,576</u>
<b>TOTAL ASSETS</b>	<u>\$ 3,118,426</u>	<u>\$ 4,914,037</u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 214,644	\$ 1,099,900
Accrued expenses	258,067	215,773
Refundable contract advances (Note 6)	1,117,643	3,097,428
	<u>1,590,354</u>	<u>4,413,101</u>
<b>COMMITMENTS AND CONTINGENCIES (Note 8)</b>		
<b>NET ASSETS</b>		
Unrestricted		
Operating fund	314,818	373,877
Net investment in capital assets	1,104,443	43,219
	<u>1,419,261</u>	<u>417,096</u>
Temporarily restricted (Note 7)	108,811	83,840
	<u>1,528,072</u>	<u>500,936</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 3,118,426</u>	<u>\$ 4,914,037</u>

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

**LONG BEACH COMMUNITY ACTION PARTNERSHIP**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013  
WITH COMPARATIVE TOTALS FOR 2012**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>	
			<b>2013</b>	<b>2012</b>
<b>OPERATING SUPPORT AND REVENUE</b>				
Grants and contracts	\$ 8,109,993		\$ 8,109,993	\$ 8,265,945
Contributions	106,833	\$ 310,500	417,333	375,888
Investment income	1,288		1,288	2,714
Other	151,922		151,922	45,867
Net assets released from restrictions:				
Satisfaction of program requirements	285,529	( 285,529)		
	<u>8,655,565</u>	<u>24,971</u>	<u>8,680,536</u>	<u>8,690,414</u>
<b>OPERATING EXPENSES</b>				
Program services				
Energy assistance	5,821,515		5,898,289	6,067,305
Youth programs	1,365,433		1,365,433	1,348,457
Community advocacy and family	436,618		436,618	400,762
Public access digital network	275,259		275,259	186,982
Supporting services				
Fundraising	86,855		86,855	74,624
Management and general	728,944		728,944	738,644
	<u>8,714,624</u>		<u>8,714,624</u>	<u>8,827,885</u>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	( 59,059)	24,971	( 34,088)	( 126,360)
<b>CAPITAL SUPPORT AND EXPENSES</b>				
Grant and contract support for capital equipment purchases	1,294,306		1,294,306	
Depreciation expense	( 233,082)		( 233,082)	( 11,111)
	<u>1,061,224</u>		<u>1,061,224</u>	<u>( 11,111)</u>
<b>CHANGE IN NET ASSETS</b>	1,002,165	24,971	1,027,136	( 137,471)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>417,096</u>	<u>83,840</u>	<u>500,936</u>	<u>638,407</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 1,419,261</u>	<u>\$ 108,811</u>	<u>\$ 1,528,072</u>	<u>\$ 500,936</u>

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

**LONG BEACH COMMUNITY ACTION PARTNERSHIP**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2013  
WITH COMPARATIVE TOTALS FOR 2012**

	<b>For the Year Ended December 31,</b>	
	<b>2013</b>	<b>2012</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from grants and contracts	\$ 9,031,920	\$ 8,667,174
Cash paid to employees and vendors	( 9,232,851)	( 5,480,580)
Cash paid to subcontractors	( 1,271,591)	( 2,088,865)
Cash received from contributors	417,333	375,888
Interest and dividends received	1,288	2,714
Net Cash (Used In) Provided By Operating Activities	( 1,053,901)	1,476,331
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments		89,497
Purchase of investments	( 406)	
Purchase of property and equipment	( 508,210)	( 816,849)
Net Cash Used In Investing Activities	( 508,616)	( 727,352)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	( 1,562,517)	748,979
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	1,992,219	1,243,240
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	\$ 429,702	\$ 1,992,219
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,027,136	(\$ 137,471)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	233,082	11,111
(Increase) decrease in:		
Grants and contracts receivable	344,685	401,229
Prepaid expenses	220,545	( 213,539)
Other current assets	( 51,096)	( 178,480)
Deposits	( 5,506)	( 4,300)
Increase (decrease) in:		
Accounts payable	( 885,256)	856,085
Accrued expenses	42,294	( 465,070)
Refundable contract advances	( 1,979,785)	1,206,766
Net Cash (Used In) Provided By Operating Activities	(\$ 1,053,901)	\$ 1,476,331

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

# LONG BEACH COMMUNITY ACTION PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

### NOTE 1 – Organization

Long Beach Community Services Development Corporation was incorporated in the state of California on August 6, 1979. Effective June 2012, the Corporation's name was amended with the state of California to be Long Beach Community Action Partnership (the Organization).

The Organization is a not-for-profit organization exempt from US federal and state of California income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and Section 23701(d) of the California Revenue and Taxation Code, respectively. The Organization has been designated as an organization that is not a private foundation. Accordingly, no provision for income taxes is included in the accompanying financial statements.

The mission of the Organization is to provide dynamic pathways to self-sustainability for low-income individuals and families by focusing on three core areas: Advocacy, Education, and Energy Assistance.

#### *Description of Major Programs*

##### *Energy Assistance*

For low-income households, the Organization offers assistance with utility bill payments and weatherization services to improve energy efficiency as well as critical heating and cooling services to vulnerable populations during severe weather emergencies.

##### *Youth Programs*

The Organization offers a variety of educational opportunities, job training, skill enhancement classes, and support systems to eligible participants so that they can acquire the necessary job readiness skills to obtain and retain employment, as well as the necessary money management skills to build a savings plan or apply investment strategies. The Organization also offers youth programs to provide academic assistance, career development, and personal enrichment.



**LONG BEACH COMMUNITY ACTION PARTNERSHIP**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2013 AND 2012**

**NOTE 1 – Organization (Continued)**

*Description of Major Programs (Continued)*

*Community Advocacy and Family Services*

Through its collaborative efforts with other organizations and partner agencies, the Organization provides a gateway for individuals and families to have convenient access to a coordinated continuum of comprehensive programs and services designed to help them achieve self-sufficiency.

*Public Access Digital Network (PADNET)*

The Organization provides production classes, equipment, facilities, and low-cost production services to the community in support of locally produced news, information and entertainment cablecasts.

**NOTE 2 – Summary of Significant Accounting Policies**

*Basis of Presentation*

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with US Generally Accepted Accounting Principles (GAAP).

*Classification of Net Assets*

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

*Unrestricted net assets* – includes unrestricted funds for general operations, support used in operations after meeting initial grantor or donor restrictions, and unrestricted net assets.

*Temporarily restricted net assets* – includes funds whose use by the Organization is limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those specifications.

## LONG BEACH COMMUNITY ACTION PARTNERSHIP

### NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

#### NOTE 2 – Summary of Significant Accounting Policies (Continued)

##### *Use of Estimates*

The Organization uses estimates and assumptions in preparing these financial statements in accordance with GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingencies at the date of the financial statements, the reported amounts of revenues and other support, and expenses during the reporting period. Actual results could vary from those estimates.

##### *Recognition of Revenue*

Contributions received, including unconditional promises to give, are recognized as increases in net assets in the period received at their fair values. Contributions of cash and other assets are reported as restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, that is when a stipulation of time restriction ends or a purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Similarly, grants used in community health activities are recognized initially as restricted support and are reclassified to unrestricted net assets once the restrictions are satisfied. Contributions that are received shortly after the fiscal year-end that are dated and designated by donors for that fiscal year are accrued as contributions receivable.

During the years ended December 31, 2013 and 2012, the Organization facilitated the distribution of approximately \$10,217,000 and \$8,627,000, respectively, of utility payments from the state of California for the benefit of eligible energy program participants. Although the Organization was an integral part of distributing the state-directed donations by coordinating, arranging, and monitoring their distribution, the Organization has neither taken custody of these funds nor processed these payments. Therefore, in accordance with ASC 958-605-15, *Accounting for Contributions Received and Contributions Made*, these transactions were considered agency transactions and are not included in revenue and expenses on the statement of activities. However, the Organization is a recipient of funding from the state to offset the administrative expenses incurred from these agency transactions.

The Organization's grants received from government agencies are considered conditional contributions; however, they are not recognized as revenue until the conditions have been substantially met or the chance of not meeting the conditions is remote.

**LONG BEACH COMMUNITY ACTION PARTNERSHIP**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2013 AND 2012**

**NOTE 2 – Summary of Significant Accounting Policies (Continued)**

*Cash and Cash Equivalents*

The Organization considers cash on hand, deposits in banks, and short-term marketable securities with an original maturity of less than 90 days to be cash and cash equivalents for purposes of the statement of cash flows.

*Property and Equipment*

All assets purchased or received by donation that cost \$5,000 or more individually are capitalized. Assets purchased or received by donation that cost less than \$5,000 individually are expensed in the year purchased or received. All repairs and improvements to property or leasehold improvements that cost \$5,000 or more are also capitalized. The Organization provides for depreciation and amortization using the straight-line method over the estimated useful lives of the applicable assets, which are 10 to 25 years for leasehold improvements, 3 to 15 years for vehicles and equipment, and 7 to 10 years for capitalized software. Leasehold improvements are amortized on the straight-line basis using the shorter of the estimated useful lives of the assets or terms of the lease.

*Donated Materials, Services, and Facilities*

Donated materials and other noncash contributions when received, are reflected in the accompanying statements at their estimated market values at date of receipt. Contributions of services are recognized if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Other volunteer services that do not meet these criteria are not recognized in the financial statements. A number of volunteers donate their time to the Organization. The volunteer services received by the Organization did not meet the above criteria and, therefore, are not reflected in the accompanying financial statements.

**LONG BEACH COMMUNITY ACTION PARTNERSHIP**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2013 AND 2012**

**NOTE 2 – Summary of Significant Accounting Policies (Continued)**

*Fair Value Measurements*

Fair value is the price that the Organization would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market of the investment. Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs, and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the assets or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on best information available. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

- Level 1 – quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities;
- Level 2 – observable prices that are based on inputs not quoted in active markets, but corroborated by market data; and
- Level 3 – unobservable inputs are used when little or no market data is available.

## LONG BEACH COMMUNITY ACTION PARTNERSHIP

### NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

#### NOTE 2 – Summary of Significant Accounting Policies (Continued)

##### *Contributions*

Contributions, including unconditional promises to give, are recognized as revenues in the period received by the Organization. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Transfers of assets under conditional promises, which are received by the Organization prior to fulfilling these conditions, are recorded as a liability until the conditions are substantially met.

Contributions of assets other than cash are recorded at their estimated fair value at the date the gift was received. Contributions to be received after one year are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using Federal funds (risk-free) interest rates. Amortization of the discount is recorded as additional contribution revenue and used in accordance with any donor-imposed restrictions on the contributions. Contributions which are received and whose restrictions are met in the same period are recognized as temporarily restricted contribution revenue. When the donor restriction on these contributions is met and/or the implied time restriction has expired, the net assets are released from restriction in the statement of activities. Allowance is made for uncollectible contributions based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience, and other relevant factors.

##### *Donated Assets*

Donated marketable securities and other noncash donations are recorded as contributions at their fair values at the date of donation. The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. The donor restrictions are considered met over the life of the long-lived asset and temporarily restricted net assets are released and reclassified to unrestricted net assets over the life of the long-lived asset in an amount equal to the depreciation expense on the long-lived asset.

**LONG BEACH COMMUNITY ACTION PARTNERSHIP**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012**

**NOTE 2 – Summary of Significant Accounting Policies (Continued)**

***Concentrations of Credit Risk***

The Organization maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization's management believes that it is not exposed to any significant credit risk of cash or cash equivalents maintained in US financial institutions.

***Income Taxes***

The Organization has received tax-exempt status from the Internal Revenue Service and California Franchise Tax Board under Section 501(c)(3) of the Internal Revenue Code, and Section 23701(d) of the Revenue and Taxation Code, respectively.

The Organization recognizes the financial statement benefit of tax positions, such as filing status of tax-exempt, only after determining that the relevant tax authority would more likely than not sustain the position following an audit. The Organization is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal and California state purposes is generally three and four years, respectively.

***Comparative Totals***

The financial statements include certain prior-year summarized financial information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such financial information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2012, from which the summarized financial information was derived.

***Reclassification***

Certain amounts in the summarized December 31, 2012 financial information have been reclassified to conform to the 2013 financial statement presentation.

**LONG BEACH COMMUNITY ACTION PARTNERSHIP**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012**

**NOTE 3 – Investments**

The following table summarizes the Organization’s investments in certificates of deposit in accordance with the fair value hierarchy:

<u>Bank</u>	<u>Maturity Date</u>	<u>Annual Percent Yield</u>	<u>Fair Value</u>	<u>Quoted Price in Active Markets for Identical Assets Level 1</u>	<u>Significant Other Observable Inputs Level 2</u>	<u>Significant Unobservable Inputs Level 3</u>
<i>At December 31, 2013:</i>						
International City Bank	6/24/14	0.40%	\$ 101,205	None	\$ 101,205	None
<i>At December 31, 2012:</i>						
International City Bank	6/24/13	0.60%	\$ 100,799	None	\$ 100,799	None

**NOTE 4 – Grants and Contracts Receivable**

Grants and contracts receivable represent amounts accrued for work completed under grants and contracts. All amounts are due within the fiscal year and, therefore, are recorded at face value without discounting. No valuation allowance has been recorded against grants and contracts receivable as they are deemed by management to be fully collectible. At December 31, 2013, approximately 85% of grants and contracts receivable are due from the State of California.

**LONG BEACH COMMUNITY ACTION PARTNERSHIP**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012**

**NOTE 5 – Property and Equipment**

Property and equipment is summarized as follows:

	<u>December 31,</u>	
	<u>2013</u>	<u>2012</u>
Equipment	\$ 1,357,104	\$ 615,134
Accumulated depreciation	( 252,661)	( 20,023)
	1,104,443	595,111
Construction in progress		<u>234,204</u>
Property and equipment, net	<u>\$ 1,104,443</u>	<u>\$ 829,315</u>

Depreciation of \$233,082 and \$11,111 for the years ended December 31, 2013 and 2012, respectively, is included in the statement of activities. Construction in progress includes deposits made for the acquisition of energy assistance program service vehicles, which were placed into service during the year ended December 31, 2013.

Property and equipment acquired is owned by the Organization while used in the program for which it was purchased or in other future authorized programs. However, the funding sources have a reversionary interest in the property and equipment purchased with grant funds; its disposition, as well as the ownership of any proceeds there from, is subject to funding source regulations. At December 31, 2013, the net book value of property and equipment subject to reversionary interests approximates \$1,000,000.

**NOTE 6 – Refundable Contract Advances**

Refundable contract advances represents monies received by the Organization from government agencies under existing contracts, which have not been earned as of year-end. At December 31, 2013, advances on contracts amounted to \$1,117,643.

Refundable advances are recognized as revenue as the Organization meets the conditions as stipulated in the contract between the Organization and the agencies providing the funding.



**LONG BEACH COMMUNITY ACTION PARTNERSHIP**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012**

**NOTE 7 – Temporarily Restricted Net Assets**

Temporarily restricted net assets at December 31, 2013 and 2012 were available for the following purposes:

	<u>December 31,</u>	
	<u>2013</u>	<u>2012</u>
Leadership Academy Mentoring Program		\$ 20,636
Self-Sufficiency Calculator	\$ 20,423	25,423
Individual development account	20,379	20,379
Fathers First program	9,213	9,213
Re-Thinking program	3,789	3,789
African-American Convening Committee	42,965	4,400
Men Making A Change	<u>12,042</u>	
Total	<u>\$ 108,811</u>	<u>\$ 83,840</u>

**NOTE 8 – Commitments and Contingencies**

***Commitments***

The Organization has a facilities lease agreement with The Salvation Army for 11,446 square feet of office and training space at 3012 Long Beach Boulevard. The lease is scheduled to terminate December 2014. The Organization leases additional field offices under agreements expiring in 2014. Future minimum commitments for these leases expiring in 2014 are expected to approximate \$200,000.

Rent expenses for facilities and equipment for the years ended December 31, 2013 and 2012 totaled \$288,375 and \$239,101, respectively, and are included in the statement of activities.

**LONG BEACH COMMUNITY ACTION PARTNERSHIP**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012**

**NOTE 8 – Commitments and Contingencies (Continued)**

*Government Contract Contingencies and Economic Dependency*

The Organization is dependent on continued funding provided by governmental agencies. The Department of Community Services and Development of the State of California (CSD) is the Organization's primary funding agency for Community Service Block Grant (CSBG), Low Income Home Energy Assistance Program (LIHEAP), and Department of Energy (DOE) programs. These programs are subject to change by an act of Congress or administrative changes mandated by the U.S. Department of Health and Human Services.

Current grant agreements with government agencies generally expire and renew annually, however, there can be no assurances that the Organization will be able to obtain future grant agreements from government agencies. Contracts from CSD are in place for CSBG LIHEAP and DOE through 2014.

During the years ended December 31, 2013 and 2012, approximately 83% and 85%, respectively, of the Organization's total support and revenue was provided by CSD.

Support and revenue from government grants are subject to government audit. The ultimate determination of amounts received under these programs is generally based upon allowable costs reported to and audited by the government. Until any such audit has been completed and a final settlement reached, there exists a contingent liability to refund any amount received in excess of allowable costs.

*Legal Contingency*

The Organization is exposed to various asserted and unasserted potential claims encountered in the normal course of business. In the opinion of management, the resolution of these matters will not have a material effect on the Organization's financial position or results of operations.

**LONG BEACH COMMUNITY ACTION PARTNERSHIP**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012**

**NOTE 9 – Employee Benefit Plan**

On January 1, 2009, the Organization adopted the Long Beach Community Services Development Corporation 401(k) Plan (the Plan) to provide retirement benefits for its employees. The Plan provides tax-deferred salary deductions for substantially all employees as allowed under Section 401(k) of the Internal Revenue Code. Employees may contribute a portion of their annual compensation to the Plan, limited to a maximum annual amount as set periodically by the Internal Revenue Service. The Organization can also elect to make a contribution to the plan at its discretion. Employees vest in employer contributions ratably over a five year period. The Organization's discretionary contributions to the Plan were \$25,563 and \$23,546 for the years ended December 31, 2013 and 2012, respectively.

**NOTE 10 – Subsequent Events**

Subsequent events were evaluated through September 25, 2014, which is the date the audited financial statements were available to be issued.

**LONG BEACH COMMUNITY ACTION PARTNERSHIP**

**SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES  
CSD CONTRACT NO. 12F-4420  
FOR THE PERIOD JANUARY 1, 2012 THROUGH JANUARY 31, 2013**

	<b>January 1, 2012 through December 31, 2012</b>	<b>January 1, 2013 through January 31, 2013</b>	<b>Total Audited Costs</b>	<b>Total Reported Expenses</b>	<b>Total Budget</b>
<b>REVENUE</b>					
Grant revenue	\$ 777,082	\$ 167,793	\$ 944,875		\$ 944,875
<b>EXPENDITURES</b>					
Administration					
Salaries and wages	67,362	18,350	85,712	\$ 85,712	85,712
Fringe benefits	27,231	7,054	34,285	34,285	34,285
Operating expenses	<u>49,590</u>	<u>19,388</u>	<u>68,978</u>	<u>68,978</u>	<u>68,978</u>
Total Administration Costs	<u>144,183</u>	<u>44,792</u>	<u>188,975</u>	<u>188,975</u>	<u>188,975</u>
Program					
Salaries and wages	137,124	22,985	160,109	208,155	142,567
Fringe benefits	37,621	6,331	43,952	65,740	42,770
Operating expenses	266,871	45,884	312,755	299,249	328,398
Out-of-state travel	3,166		3,166	3,166	3,166
Subcontractor services	<u>188,117</u>	<u>47,801</u>	<u>235,918</u>	<u>179,590</u>	<u>238,999</u>
Total Program Costs	<u>632,899</u>	<u>123,001</u>	<u>755,900</u>	<u>755,900</u>	<u>755,900</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 777,082</u>	<u>\$ 167,793</u>	<u>\$ 944,875</u>	<u>\$ 944,875</u>	<u>\$ 944,875</u>
Federal expenditures	\$ 777,082	\$ 167,793	\$ 944,875		
Non-federal expenditures	<u>                    </u>	<u>                    </u>	<u>                    </u>		
<b>TOTAL EXPENDITURES</b>	<u>\$ 777,082</u>	<u>\$ 167,793</u>	<u>\$ 944,875</u>		

**LONG BEACH COMMUNITY ACTION PARTNERSHIP**

**SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES  
CSD CONTRACT NO. 13F-3020  
FOR THE PERIOD JANUARY 1, 2013 THROUGH DECEMBER 31, 2013**

	<b>January 1, 2013 through December 31, 2013</b>	<b>Total Audited Costs</b>	<b>Total Reported Expenses</b>	<b>Total Budget</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUE</b>				
Grant revenue	\$ 722,334	\$ 722,334		\$ 722,334
<b>EXPENDITURES</b>				
Administration				
Salaries and wages	72,043	72,043	\$ 72,043	72,043
Fringe benefits	28,097	28,097	28,097	28,097
Operating expenses	43,006	43,006	43,006	43,006
Out-of-state travel	1,300	1,300	1,300	1,300
Total Administration Costs	<u>144,446</u>	<u>144,446</u>	<u>144,446</u>	<u>144,446</u>
Program				
Salaries and wages	149,409	149,409	129,287	129,287
Fringe benefits	68,150	68,150	50,422	50,422
Operating expenses	141,363	141,363	200,980	200,980
Out-of-state travel	1,755	1,755	5,200	5,200
Subcontractor services	218,160	218,160	191,999	191,988
Total Program Costs	<u>578,837</u>	<u>578,837</u>	<u>577,888</u>	<u>577,888</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 723,283</u>	<u>\$ 723,283</u>	<u>\$ 722,334</u>	<u>\$ 722,334</u>
Federal expenditures	\$ 722,334	\$ 722,334		
Non-federal expenditures	<u>949</u>	<u>949</u>		
<b>TOTAL EXPENDITURES</b>	<u>\$ 723,283</u>	<u>\$ 723,283</u>		

**LONG BEACH COMMUNITY ACTION PARTNERSHIP**

**SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES  
CSD CONTRACT NO. 13F-3106  
FOR THE PERIOD JANUARY 1, 2013 THROUGH DECEMBER 31, 2013**

	<b>January 1, 2013 through December 31, 2013</b>	<b>Total Audited Costs</b>	<b>Total Reported Expenses</b>	<b>Total Budget</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>REVENUE</b>				
Grant revenue	\$ 51,290	\$ 51,290		\$ 95,000
<b>EXPENDITURES</b>				
Administration				
Salaries and wages	2,102	2,102	2,102	5,443
Fringe benefits	1,194	1,194	1,194	2,311
Operating expenses	<u>1,356</u>	<u>1,356</u>	<u>1,356</u>	<u>3,646</u>
Total Administration Costs	<u>4,652</u>	<u>4,652</u>	<u>4,652</u>	<u>11,400</u>
Program				
Salaries and wages	19,067	19,067	19,067	35,360
Fringe benefits	5,241	5,241	5,241	13,790
Operating expenses	13,342	13,342	5,950	5,950
Out-of-state travel	102	102		
Subcontractor services	<u>8,988</u>	<u>8,988</u>	<u>16,380</u>	<u>28,500</u>
Total Program Costs	<u>46,740</u>	<u>46,740</u>	<u>46,638</u>	<u>83,600</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 51,392</u>	<u>\$ 51,392</u>	<u>\$ 51,290</u>	<u>\$ 95,000</u>
Federal expenditures	\$ 51,290	\$ 51,290		
Non-federal expenditures	<u>102</u>	<u>102</u>		
<b>TOTAL EXPENDITURES</b>	<u>\$ 51,392</u>	<u>\$ 51,392</u>		

**LONG BEACH COMMUNITY ACTION PARTNERSHIP**

**SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES  
CSD CONTRACT NO. 11B-5720, EHA-16  
FOR THE PERIOD JANUARY 1, 2011 THROUGH APRIL 30, 2013**

	<u>January 1, 2011 through December 31, 2011</u>	<u>January 1, 2012 through December 31, 2012</u>	<u>January 1, 2013 through April 30, 2013</u>	<u>Total Audited Costs</u>	<u>Total Reported Expenses</u>	<u>Total Budget</u>
<b>REVENUE</b>						
Grant revenue	\$ 287,621	\$ 1,051,469	\$ 187,365	\$ 1,526,455		\$ 1,630,247
<b>EXPENDITURES</b>						
Administration						
Administrative costs	<u>31,638</u>	<u>143,470</u>	<u>205,500</u>	<u>380,608</u>	\$ 380,608	<u>403,878</u>
Program						
Assurance 16 activities	62,798	106,691	68,667	238,156	238,156	283,595
Intake	99,061	86,280	( 11,485)	173,856	173,856	173,856
Outreach	89,129	166,047	93,975	349,151	349,151	434,639
Training and technical assistance	4,995			4,995	4,995	173,113
ECIP/HEAP cooling		89,200		89,200	89,200	53,475
ECIP/HEAP heating		181,643	7,865	189,508	189,508	53,474
ECIP/HEAP water heater repair/replacement		107,203	2,900	110,103	110,103	53,474
ECIP/HEAP other		78	782	860	743	743
Workers' Compensation			1,663	1,663		
Total Program Costs	<u>255,983</u>	<u>737,142</u>	<u>164,367</u>	<u>1,157,492</u>	<u>1,155,711</u>	<u>1,226,369</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 287,621</u>	<u>\$ 880,612</u>	<u>\$ 369,867</u>	<u>\$ 1,538,100</u>	<u>\$ 1,536,320</u>	<u>\$ 1,630,247</u>
Federal expenditures	\$ 287,621	\$ 880,612	\$ 358,222	\$ 1,526,455		
Non-federal expenditures			11,645	11,645		
<b>TOTAL EXPENDITURES</b>	<u>\$ 287,621</u>	<u>\$ 880,612</u>	<u>\$ 369,867</u>	<u>\$ 1,538,100</u>		

**LONG BEACH COMMUNITY ACTION PARTNERSHIP**

**SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES  
CSD CONTRACT NO. 11B-5720 WEATHERIZATION  
FOR THE PERIOD JANUARY 1, 2012 THROUGH APRIL 30, 2013**

	<u>January 1, 2012 through December 31, 2012</u>	<u>January 1, 2013 through April 30, 2013</u>	<u>Total Audited Costs</u>	<u>Total Reported Expenses</u>	<u>Total Budget</u>
<b>REVENUE</b>					
Grant revenue	\$ 3,723,430	\$ 177,703	\$ 3,901,133		\$ 4,023,028
<b>EXPENDITURES</b>					
Administration					
Administrative costs	<u>411,763</u>	<u>( 66,132)</u>	<u>345,631</u>	\$ 311,580	<u>321,332</u>
Program					
Intake	7,182	38,033	45,215	45,216	80,334
Outreach	12,075	95,310	107,385	107,385	200,509
Training and technical assistance	32,111	95,692	127,803	127,803	200,833
Direct program activities	3,599,867	<u>( 295,927)</u>	3,303,940	3,303,940	3,219,696
Workers' compensation	<u>4,360</u>	<u>849</u>	<u>5,209</u>	<u>5,209</u>	<u>324</u>
Total Program Costs	<u>3,655,595</u>	<u>( 66,043)</u>	<u>3,589,552</u>	<u>3,589,553</u>	<u>3,701,696</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 4,067,358</u>	<u>(\$ 132,175)</u>	<u>\$ 3,935,183</u>	<u>\$ 3,901,133</u>	<u>\$ 4,023,028</u>
Federal expenditures	\$ 3,723,430	\$ 177,703	\$ 3,901,133		
Contractual adjustment	309,878	<u>( 309,878)</u>			
Non-federal expenditures	<u>34,050</u>	<u>                    </u>	<u>34,050</u>		
<b>TOTAL EXPENDITURES</b>	<u>\$ 4,067,358</u>	<u>(\$ 132,175)</u>	<u>\$ 3,935,183</u>		



**LONG BEACH COMMUNITY ACTION PARTNERSHIP**

**SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES  
CSD CONTRACT NO. 12B-5819, EHA-16  
FOR THE PERIOD JANUARY 1, 2012 THROUGH JUNE 30, 2013**

	<u>January 1, 2012 through December 31, 2012</u>	<u>January 1, 2013 through June 30, 2013</u>	<u>Total Audited Costs</u>	<u>Total Reported Expenses</u>	<u>Total Budget</u>
<b>REVENUE</b>					
Grant revenue	\$ 374,241	\$ 634,364	\$ 1,008,605		\$ 2,048,235
<b>EXPENDITURES</b>					
Administration					
Administrative costs	<u>38,280</u>	<u>151,373</u>	<u>189,653</u>	\$ 189,653	<u>396,156</u>
Program					
Assurance 16 activities	104,286	156,205	260,491	263,374	488,389
Intake	69,620	64,787	134,407	134,407	418,099
Outreach	158,663	126,317	284,980	284,980	418,099
Training and technical assistance					167,239
ECIP/HEAP cooling		1,486	1,486	1,486	20,887
ECIP/HEAP heating		31,695	31,695	31,695	20,887
ECIP/HEAP water heater repair/replacement		9,431	9,431	9,431	15,000
ECIP/HEAP other		2,102	2,102	2,102	3,000
Vehicle and equipment*		50,479	50,479	50,479	50,479
Workers' Compensation		2,881	2,881		
Automation supplemental*		41,000	41,000	41,000	50,000
Total Program Costs	<u>332,569</u>	<u>486,383</u>	<u>818,952</u>	<u>818,952</u>	<u>1,652,079</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 370,849</u>	<u>\$ 637,756</u>	<u>\$ 1,008,605</u>	<u>\$ 1,008,605</u>	<u>\$ 2,048,235</u>
Federal expenditures	\$ 370,849	\$ 637,756	\$ 1,008,605		
Non-federal expenditures	<u>                    </u>	<u>                    </u>	<u>                    </u>		
<b>TOTAL EXPENDITURES</b>	<u>\$ 370,849</u>	<u>\$ 637,756</u>	<u>\$ 1,008,605</u>		

\*Capitalized and depreciated over the estimated useful life for financial statement reporting under U.S. GAAP.

**LONG BEACH COMMUNITY ACTION PARTNERSHIP**

**SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES  
CSD CONTRACT NO. 12B-5819 WEATHERIZATION  
FOR THE PERIOD JANUARY 1, 2012 THROUGH JUNE 30, 2013**

	<u>January 1, 2012 through December 31, 2012</u>	<u>January 1, 2013 through June 30, 2013</u>	<u>Total Audited Costs</u>	<u>Total Reported Expenses</u>	<u>Total Budget</u>
<b>REVENUE</b>					
Grant revenue	\$ 15,263	\$ 2,072,790	\$ 2,088,053		\$ 2,747,215
<b>EXPENDITURES</b>					
Administration					
Administrative costs	<u>1,525</u>	<u>165,519</u>	<u>167,044</u>	\$ 167,044	<u>219,778</u>
Program					
Intake		2,767	2,767	2,767	38,642
Outreach		19,077	19,077	19,077	38,642
Training and technical assistance		35,635	35,635	35,635	38,641
Direct program activities	13,738	1,553,637	1,567,375	1,567,375	2,115,357
Vehicle and equipment acquisition costs*		296,155	296,155	296,155	296,155
Total Program Costs	<u>13,738</u>	<u>1,907,271</u>	<u>1,921,009</u>	<u>1,921,009</u>	<u>2,527,437</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 15,263</u>	<u>\$ 2,072,790</u>	<u>\$ 2,088,053</u>	<u>\$ 2,088,053</u>	<u>\$ 2,747,215</u>
Federal expenditures	\$ 15,263	\$ 2,072,790	\$ 2,088,053		
Non-federal expenditures	<u>                    </u>	<u>                    </u>	<u>                    </u>		
<b>TOTAL EXPENDITURES</b>	<u>\$ 15,263</u>	<u>\$ 2,072,790</u>	<u>\$ 2,088,053</u>		

\*Capitalized and depreciated over the estimated useful life for financial statement reporting under U.S. GAAP.

**LONG BEACH COMMUNITY ACTION PARTNERSHIP**

**SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES  
CSD CONTRACT NO. 11C-1819  
FOR THE PERIOD JANUARY 1, 2012 THROUGH DECEMBER 31, 2013**

	<u>January 1, 2012 through December 31, 2012</u>	<u>January 1, 2013 through December, 2013</u>	<u>Total Audited Costs</u>	<u>Total Reported Expenses</u>	<u>Total Budget</u>
<b>REVENUE</b>					
Grant revenue	\$ 916	\$ 909,428	\$ 910,344		\$ 1,000,121
<b>EXPENDITURES</b>					
Administration					
Administrative costs	<u>96</u>	<u>92,287</u>	<u>92,383</u>	\$ 42,932	<u>44,967</u>
Program					
Training and technical assistance	800	2,584	3,384	3,384	4,250
Liability insurance		482	482	482	575
Vehicle insurance		4,348	4,348	4,348	5,250
Intake		5,530	5,530	5,530	6,850
Outreach	32	21,173	21,205	21,205	23,800
Workers' compensation		4,878	4,878	4,878	5,500
General/operating expenditures		81,802	81,802	32,457	97,275
Direct program activities		600,496	600,496	600,496	630,499
Health and safety activities		<u>143,715</u>	<u>143,715</u>	<u>143,713</u>	<u>181,155</u>
Total Program Costs	<u>832</u>	<u>865,008</u>	<u>865,840</u>	<u>816,493</u>	<u>955,154</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 928</u>	<u>\$ 957,295</u>	<u>\$ 958,223</u>	<u>\$ 859,425</u>	<u>\$ 1,000,121</u>
Federal expenditures	\$ 916	\$ 909,428	\$ 910,344		
Non-federal expenditures	<u>12</u>	<u>47,867</u>	<u>47,879</u>		
<b>TOTAL EXPENDITURES</b>	<u>\$ 928</u>	<u>\$ 957,295</u>	<u>\$ 958,223</u>		

**LONG BEACH COMMUNITY ACTION PARTNERSHIP**

**SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES  
CSD CONTRACT NO. 13B-5019, EHA-16  
FOR THE PERIOD JANUARY 1, 2013 THROUGH DECEMBER 31, 2013**

	<u>January 1, 2013 through December 31, 2013</u>	<u>Total Audited Costs</u>	<u>Total Reported Expenses</u>	<u>Total Budget</u>
<b>REVENUE</b>				
Grant revenue	\$ 960,633	\$ 960,633		\$ 1,452,847
<b>EXPENDITURES</b>				
Administration				
Administrative costs	<u>137,258</u>	<u>137,258</u>	<u>\$ 137,258</u>	<u>332,757</u>
Program				
Assurance 16 Activities	316,995	316,995	316,995	390,000
Intake	69,863	69,863	69,863	89,500
Outreach	166,535	166,535	166,535	216,000
Training and technical assistance	28,830	28,830	28,830	37,500
ECIP/HEAP diagnostics	105	105	105	446
ECIP/HEAP cooling	601	601	601	601
ECIP/HEAP heating				1,088
ECIP/HEAP water heater repair/replacement	5,399	5,399	5,399	23,216
ECIP/HEAP other				6,908
SWEATS	1,581	1,581	1,581	1,581
Liability insurance	4,611	4,611	4,611	6,500
Workers' Compensation	9,508	9,508	9,508	11,750
General operating expenditures	219,347	219,347	219,347	325,000
Automation supplemental				10,000
Total Program Costs	<u>823,375</u>	<u>823,375</u>	<u>823,375</u>	<u>1,120,090</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 960,633</u>	<u>\$ 960,633</u>	<u>\$ 960,633</u>	<u>\$ 1,452,847</u>
Federal expenditures	\$ 960,633	\$ 960,633		
Non-federal expenditures	<u>                    </u>	<u>                    </u>		
<b>TOTAL EXPENDITURES</b>	<u>\$ 960,633</u>	<u>\$ 960,633</u>		

**LONG BEACH COMMUNITY ACTION PARTNERSHIP**

**SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES  
CSD CONTRACT NO. 13B-5019, WEATHERIZATION  
FOR THE PERIOD JANUARY 1, 2013 THROUGH DECEMBER 31, 2013**

	<b>January 1, 2013 through December 31, 2013</b>	<b>Total Audited Costs</b>	<b>Total Reported Expenses</b>	<b>Total Budget</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>REVENUE</b>				
Grant revenue	\$ 1,974,050	\$ 1,974,050		\$ 2,662,190
<b>EXPENDITURES</b>				
Administration				
Administrative costs	<u>157,923</u>	<u>157,923</u>	\$ 157,923	<u>212,976</u>
Program				
Intake	25,225	25,225	25,225	37,250
Outreach	64,065	64,065	64,065	110,750
Training and technical assistance	9,448	9,448	9,448	34,250
Direct program activities	1,558,519	1,558,519	1,558,519	2,017,714
Liability insurance	10,695	10,695	10,695	9,750
Major vehicle and field equipment (> \$5,000)*	69,713	69,713	69,713	116,250
Minor vehicle and field equipment (< \$5,000)	15,940	15,940	15,940	12,750
Workers' Compensation	8,344	8,344	8,344	11,750
General operating expenditures	<u>54,178</u>	<u>54,178</u>	<u>54,178</u>	<u>98,750</u>
Total Program Costs	<u>1,816,127</u>	<u>1,816,127</u>	<u>1,816,127</u>	<u>2,449,214</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,974,050</u>	<u>\$ 1,974,050</u>	<u>\$ 1,974,050</u>	<u>\$ 2,662,190</u>
Federal expenditures	\$ 1,974,050	\$ 1,974,050		
Non-federal expenditures	<u>                    </u>	<u>                    </u>		
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,974,050</u>	<u>\$ 1,974,050</u>		

\*Capitalized and depreciated over the estimated useful life for financial statement reporting under U.S. GAAP.