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Virginia M. Barry, Ph.D.
Commissioner of Education
Tel. 603-271-3144

Paul Leather
Deputy Commissioner of Education
Tel. 603-271-3801

STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
101 Pleasant Street
Concord, N.H. 03301
FAX 603-271-1953
Citizens Services Line 1-800-339-9900

May 15, 2013

100% Federal Funds

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, NH 03301

REQUESTED ACTION

Authorize the Department of Education to grant funds to the Dover Housing Authority, Dover, NH (Vendor Code 159988), to offer extended day programming for youth and their families pending legislative approval of the next biennial budget. This grant will be in effect upon Governor and Council approval from July 1, 2013 through June 30, 2014. Further authorize unencumbered payment of said grant with internal accounting control within the Department of Education. This grant will not exceed \$89,125.00. 100% Federal Funds.

Funding for this request is available from:

	<u>FY 14</u>
06-56-56-562010-32770000-072-500577	\$89,125.00
Department of Education, Division of Instruction, 21st Century Community Learning Center Program	

Subject to Governor and Council approval, authorize the Department of Education to exercise a renewal option on this grant for up to four additional fiscal years.

Explanation

The United States Department of Education legislation allows for five year 21st Century Community Learning Center grants to serve youth and their families during the out of school time hours. Grants are annually pending the receipt of an Annual Performance Report that indicates sufficient progress and the availability of federal funds.

New Hampshire anticipates a FY 2014 grant award in the amount of \$5,348,665.00 from the United States Department of Education under the 21st Century Community Learning Center program. This program provides grants to inner city and rural schools, community based organizations, youth development agencies and other educational agencies to provide

Her Excellency, Governor Margaret Wood Hassan
and The Honorable Council

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May 15, 2013

expanded learning opportunities outside of regular school hours for children in a safe environment. The programs will offer students a broad array of additional services, programs, and activities such as tutorial services, youth development activities, drug and violence prevention, counseling programs, art, music, recreation programs, and technology education. These programs and services are designed to reinforce and complement the regular academic program of the participating students.

The program services provided by the grant cited above will be coordinated by Dover Housing Authority in collaboration with the Dover School District. This collaborative approach will serve elementary Dover School District youth and their families.

Funding for this grant is provided by the 21st Century Community Learning Center program under Part B of Title IV of the Elementary and Secondary Education Act (ESEA) of 1965, as amended. In January 2013 the New Hampshire Department of Education issued a Request for Proposals (RFP) soliciting proposals for these funds. School Districts, Community Based Organizations, and Extended Day Programs were notified through e-mail about the Bidders' Conference and publication of the online RFP. The projects funded demonstrated that partnerships between school districts and community based organizations have promise to help youth improve academic achievement. Sixteen proposals were received and eleven were funded based on a peer review process. Peer Reviewers worked in teams of three to rate proposals based on the RFP's matrix criteria. Each team had an experienced 21st Century Community Learning Center member to help steer the review and two other experienced professionals to create well-balanced teams. The nine peer reviewers were represented by experienced 21st Century Community Learning Center and school day professionals, higher education, the Department of Health and Human Services, and community based organizations. A list of reviewers is included in this packet.

Dover Housing Authority, in collaboration with the Dover School District, was one of eleven proposals selected for funding through a competitive process using standard state procedures. We request a renewal option for four additional fiscal years since those selected for funding are eligible for five years of funding based on previous successful progress.

This is the first year of a five year grant. In the event Federal Funds are no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Virginia M. Barry, Ph.D.
Commissioner

VMB:SB
Enclosures

**21st Century Community Learning Center Program
2013 Competition Results**

21st Century Community Learning Center Applicant	Complete Application (5)	Priority Points (5)	Need (10)	Program Design (25)	Resources (15)	Management (15)	Evaluation (15)	Budget (15)	TOTAL (105)	Reader Recommendation	Award Amount
Hinsdale	5.00	5.00	9.00	23.33	15.00	15.00	14.00	14.33	100.67	Yes	\$ 157,800.00
Newfound	4.00	5.00	7.00	24.33	13.67	13.67	14.33	14.33	96.33	Yes	\$ 247,139.00
Haverhill	5.00	5.00	7.67	22.33	13.67	14.00	13.00	13.33	94.00	Yes	\$ 57,950.00
Dover	5.00	5.00	10.00	22.33	13.67	14.00	12.00	12.00	94.00	Yes	\$ 86,125.00
Nashua	4.00	5.00	10.00	20.67	13.33	13.33	13.00	13.33	92.67	Yes	\$ 393,460.60
Monadnock-Emerson	4.00	5.00	7.33	22.00	14.33	13.33	12.00	13.67	91.67	Yes	\$ 110,000.00
Portsmouth	5.00	5.00	8.33	21.33	12.33	13.00	13.00	12.67	90.67	Yes	\$ 130,000.00
Monadnock-Middle School	4.00	5.00	7.33	21.00	14.00	13.67	11.33	14.00	90.33	Yes	\$ 94,500.00
Farmington	5.00	5.00	9.33	22.00	12.67	13.33	9.67	12.33	89.33	Yes	\$ 255,025.00
Conway	5.00	5.00	7.67	20.33	10.67	13.33	12.00	15.00	89.00	Yes	\$ 141,341.46
Governor Wentworth	4.00	5.00	7.00	19.67	11.67	12.33	12.00	13.00	84.67	Yes	\$ 86,125.00
Franklin	5.00	5.00	8.33	17.67	14.67	14.00	12.33	12.33	89.33	No	
Pittsfield	4.00	5.00	7.33	16.67	13.33	13.67	12.33	12.33	84.67	No	
Monadnock-Troy	4.00	5.00	4.67	18.33	12.33	10.00	8.67	10.33	73.33	No	
Plymouth	4.00	5.00	7.00	14.67	10.67	11.00	9.33	11.33	73.00	No	
Milton	4.00	5.00	7.67	14.33	10.00	10.00	7.33	10.00	68.33	No	

**New Hampshire Department of Education
21st Century Community Learning Center Program (CCLC)
2013 Competition Reviewers**

Gretchen Berger-Wabuti	Volunteer New Hampshire, Director
Jan Caron	Manchester Community College, Education Department Chair
Janine Lesser	DHHS, Division of Family Assistance, TANF Program Specialist
Victor Maloney	Seacoast Youth Services, Director
Holly Morehouse	Vermont Afterschool Network, Director
Rick Nannicelli	Marlborough Elementary School, Principal
Barbara Russ	Winooski School District, VT, 21 st CCLC Director
Cathy Paradis	Family School Connections Childcare Resource and Referral, Director
Meredith Stidham	Granite State United Way, Community Impact Southern Region, Director

PROJECT APPLICATION BUDGET AND DESIGNATION OF APPLICATION MANAGER/ PROJECT MANAGER

PROJECT # 136277
 CHANGE # Original
 PAGE 1 of 2

Federal/State Program Title: SOCC Afterschool Program

FROM: Seymour Osman Community Center
 c/o Dover Housing Authority
 62 Whittier Street
 Dover, NH 03820
 SAU/RA: #11

TO: Suzanne Birdsall
 NH Department of Education
 State Office Park South
 101 Pleasant Street
 Concord, New Hampshire 03301-3860

TYPE OF CHANGE	
X	BUDGET
	FUND AUTH
	FISCAL AGENT
	OTHER

Proposed Project Title: SOCC Afterschool Program

Project Period: July 1, 2013 to: June 30, 2014

The following information is required for all projects

PROJECT MANAGER: NAME: Thad Mandsager
 ADDRESS: 62 Whittier Street, Dover, NH 03820
 E-MAIL ADDRESS: thad@doverhousingauthority.org

TITLE: Director of Family Services
 TELEPHONE: 603-749-6692
 FAX: 603-742-2493

FINANCIAL CONTACT: NAME: Wendy M. Tenney
 E-MAIL ADDRESS: wendy@doverhousingauthority.org

TELEPHONE: 603-742-5804
 FAX: 603-742-6911

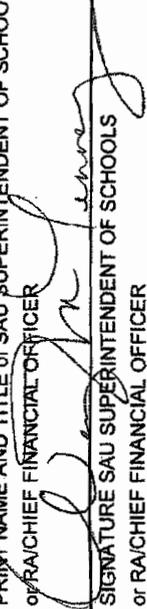
The above named person is designated as Project Manager. I hold the Project Manager responsible for implementing the project in accordance with the approved project, for remaining within the budget limitations, for ensuring that only authorized items required to implement the project are charged to the project, and for initiating request to amend the approved project. No services or supplies will be ordered or charged to the project without written approval of the Project Manager.

THE APPLICANT AGENCY AGREES AND CERTIFIES THAT:

- This grant will be administered in accordance with the applicable provisions of the following federal laws and regulations:
 - Education Department General Administrative Regulations (EDGAR) in Title 34 Code of Federal Regulations (CFR), Parts 74, 75, 76, 77, 79, 80, 82, 85, 86; Civil Rights Regulations in 34 CFR, Parts 100 through 106, and specific program laws and regulations.
 - Any amendments in effect on the date of this grant award or to become effective during the project period are incorporated.
- Grant accounting and financial reporting will be in accordance with New Hampshire Department of Education "Federal Funds Financial Management Manual".
- Authorized funds will be obligated and expended only for the purpose described in the approved project proposal and budget.
- Audits will be in compliance with the Single Audit Act Amendments of 1996 (P.L. 104-156) and U.S. Office of Management and Budget (OMB) Circulars.
- Project approval, if given, will be on the condition that full funding of the Approved Budget and payment by the grantor are contingent upon the availability of a Federal Grant and Appropriation Authority approved by the General Court of New Hampshire or the Governor and Council of this State for this purpose. Neither the State nor the Department of Education shall be liable for payments under this grant except from such funds.

FISCAL AGENT - MAKE CHECKS PAYABLE TO:
 Seymour Osman Community Center
 c/o Dover Housing Authority
 62 Whittier Street
 Dover, NH 03820

APPROVED INDIRECT COST RATE: 0 %

Wendy M. Tenney, Finance Director
 PRINT NAME AND TITLE OF SAU SUPERINTENDENT OF SCHOOLS
 or RA/CHIEF FINANCIAL OFFICER

 SIGNATURE SAU SUPERINTENDENT OF SCHOOLS
 or RA/CHIEF FINANCIAL OFFICER

16-May-13
 DATE

State of New Hampshire Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that THE SEYMOUR OSMAN COMMUNITY CENTER AND YOUTH SAFE HAVEN is a New Hampshire nonprofit corporation formed April 29, 2002. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 10th day of May A.D. 2013

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State



CERTIFICATE OF COVERAGE

The New Hampshire Public Risk Management Exchange (Primex³) is organized under the New Hampshire Revised Statutes Annotated, Chapter 5-B, Pooled Risk Management Programs. In accordance with those statutes, its Trust Agreement and bylaws, Primex³ is authorized to provide pooled risk management programs established for the benefit of political subdivisions in the State of New Hampshire.

Each member of Primex³ is entitled to the categories of coverage set forth below. In addition, Primex³ may extend the same coverage to non-members. However, any coverage extended to a non-member is subject to all of the terms, conditions, exclusions, amendments, rules, policies and procedures that are applicable to the members of Primex³, including but not limited to the final and binding resolution of all claims and coverage disputes before the Primex³ Board of Trustees. The Additional Covered Party's per occurrence limit shall be deemed included in the Member's per occurrence limit, and therefore shall reduce the Member's limit of liability as set forth by the Coverage Documents and Declarations. The limit shown may have been reduced by claims paid on behalf of the member. General Liability coverage is limited to Coverage A (Personal Injury Liability) and Coverage B (Property Damage Liability) only, Coverage's C (Public Officials Errors and Omissions), D (Unfair Employment Practices), E (Employee Benefit Liability) and F (Educator's Legal Liability Claims-Made Coverage) are excluded from this provision of coverage.

The below named entity is a member in good standing of the New Hampshire Public Risk Management Exchange. The coverage provided may, however, be revised at any time by the actions of Primex³. As of the date this certificate is issued, the information set out below accurately reflects the categories of coverage established for the current coverage year.

This Certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend, or alter the coverage afforded by the coverage categories listed below.

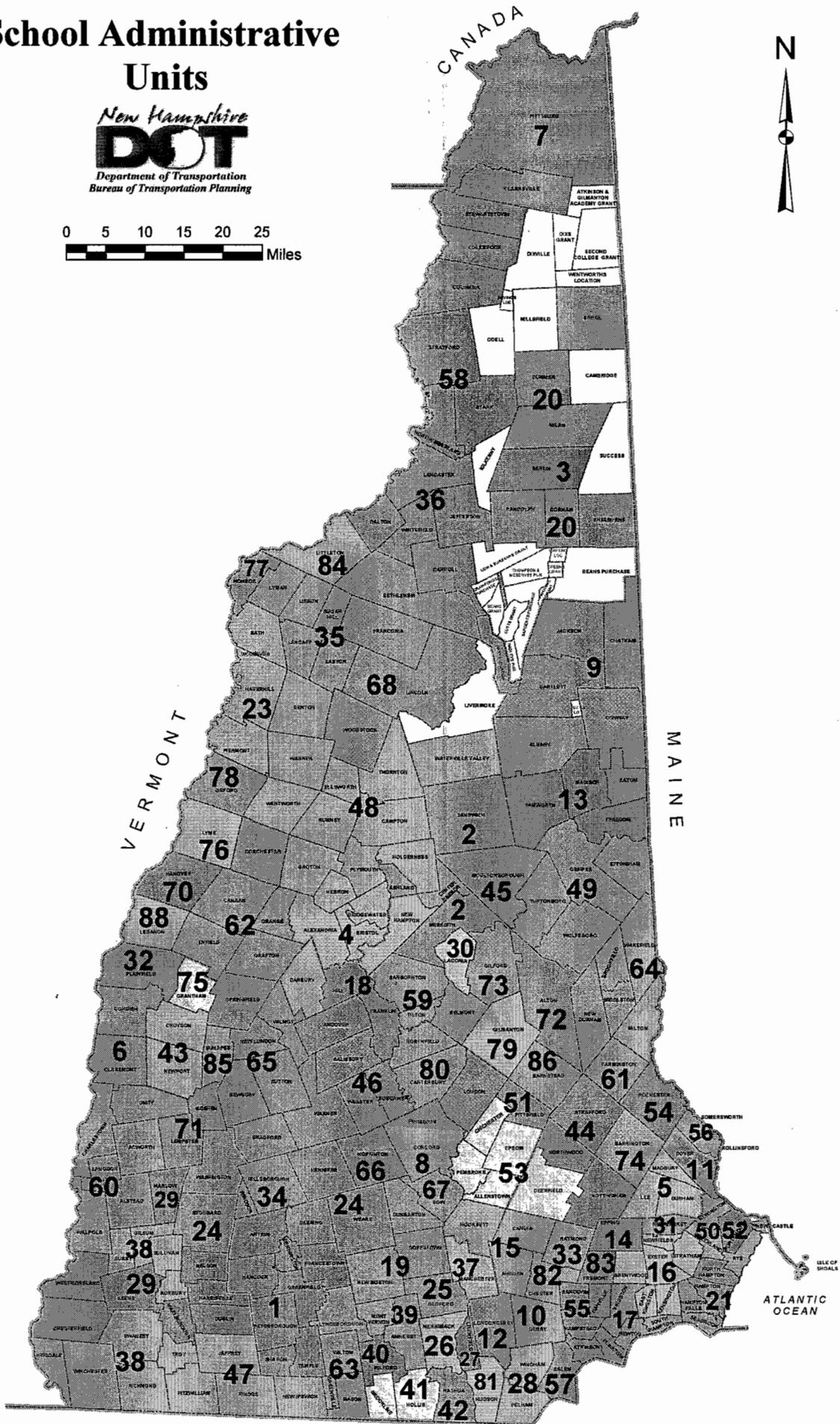
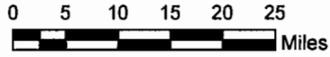
<i>Participating Member:</i>	<i>Member Number:</i>	<i>Company Affording Coverage:</i>
Dover School District SAU #11 McConnell Center 61 Locust Street, Suite 409 Dover, NH 03820	900	NH Public Risk Management Exchange - Primex ³ Bow Brook Place 46 Donovan Street Concord, NH 03301-2624

Type of Coverage	Effective Date (mm/dd/yyyy)	Expiration Date (mm/dd/yyyy)	Limits - NH Statutory Limits May Apply	
<input checked="" type="checkbox"/> General Liability (Occurrence Form) Professional Liability (describe) <input type="checkbox"/> Claims Made <input type="checkbox"/> Occurrence	7/1/2012	7/1/2013	Each Occurrence	\$ 275,000
			General Aggregate	\$ 275,000
			Fire Damage (Any one fire)	\$
			Med Exp (Any one person)	\$
<input type="checkbox"/> Automobile Liability Deductible Comp and Coll: \$1,000 <input type="checkbox"/> Any auto			Combined Single Limit (Each Accident)	\$
<input type="checkbox"/> Workers' Compensation & Employers' Liability			Statutory	
			Each Accident	\$
			Disease – Each Employee	\$
			Disease – Policy Limit	\$
<input type="checkbox"/> Property (Special Risk includes Fire and Theft)			Blanket Limit, Replacement Cost (unless otherwise stated)	

Description: Use of facilities by the Dover School District for after school math tutoring program. The certificate holder is named as Additional Covered Party, but only to the extent liability is based solely on the negligence or wrongful acts of the member, its employees, agents, officials or volunteers. This coverage does not extend to others. Any liability resulting from the negligence or wrongful acts of the Additional Covered Party, or their employees, agents, contractors, members, officers, directors or affiliates is not covered.

CERTIFICATE HOLDER:	X	Additional Covered Party	Loss Payee	Primex³ – NH Public Risk Management Exchange
Dover Housing Authority Attn: Thad Mandsager 40 Hampshire Circle Dover, NH 03820				By: <i>Tammy Denver</i>
				Date: 3/12/2013 tdenver@nhprimex.org Please direct inquires to: Primex³ Claims/Coverage Services 603-225-2841 phone 603-228-3833 fax

School Administrative Units



MISSION

The Seymour Osman Community Center and Youth Safe Haven is a 501(c)(3) non-profit organization affiliated with the Dover Housing Authority. We provide academic support, life skills training, and recreational opportunities for local youth.

Seymour Osman Community Center and Youth Safe Haven
List of Officers and Directors

<i>First</i>	<i>Last</i>	<i>Employer/Affiliation</i>	<i>Address</i>	<i>City</i>	<i>State</i>	<i>Zip</i>	<i>Director/Officer</i>
John	McCooney	Owner, Emergency Response System	P.O. Box 201	Dover	NH	03820	Director/President
Barbara	Caron	Retired, Small Business Owner	46 Cushing Street	Dover	NH	03820	Director/Vice President
Marjorie	Briand	Owner, Briand Employment	335 Washington St.	Dover	NH	03820	Director
Mark	Moeller	Attorney	680 Central Avenue, Suite# 103	Dover	NH	03820	Director
Tim	Granfield	Liberty Mutual	4 Dean Dr.	Dover	NH	03820	Director
Allan	Krans	Attorney, City of Dover	288 Central Ave.	Dover	NH	03820	Director

Board members are non-salaried.



DOVER HOUSING AUTHORITY

SEYMOUR OSMAN COMMUNITY CENTER & YOUTH SAFE HAVEN

POSITIONS AND SALARIES

Director of Family Services (Thad Mandsager)

Salary \$43,882.00
Benefits \$19,675.90

25% of salary paid out of 21st Century = \$10,970.50
25% of benefits paid out of 21st Century = \$4,918.97

21st Century Project Coordinator (Brandy Barshaw)

Salary \$31,301.00
Benefits \$35,183.37

60% of salary paid out of 21st Century = \$18,780.60
60% of benefits paid out of 21st Century = \$21,110.02

Homework Lab Leader II (To be hired by Sept. 1)

7 hours/week at \$19.00/hour for 39 weeks

Salary \$ 5,187.00
Benefits \$ 487.44

Homework Lab Leader II (To be hired by Sept. 1)

7 hours/week at \$19.00/hour for 39 weeks

Salary \$ 5,187.00
Benefits \$ 487.44

Youth Development Coordinator (To be hired)**

Salary \$ 2,700.00
Benefits \$ 284.60

Youth Development Coordinator (To be hired)**

Salary \$ 2,700.00
Benefits \$ 284.60

*****These two positions, paid out of 21st Century, are part-time positions (15 hours/week at \$9.00/hour for 20 weeks) to be filled by December 15. Responsibilities include tutoring in homework lab and cofacilitating enrichment programs during periods when UNH interns and work-study employees are on break.***

SEYMOUR OSMAN COMMUNITY CENTER
& YOUTH SAFE HAVEN

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2012

SEYMOUR OSMAN COMMUNITY CENTER & YOUTH SAFE HAVEN

FINANCIAL STATEMENTS

JUNE 30, 2012

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OUELLETTE & ASSOCIATES, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

Keith H. Allen, C.P.A., M.S.T.
Mark R. Carrier, C.P.A., C.V.A.
Roger P. Provencher, Jr., C.P.A.

George A. Roberge, C.P.A.
Gary A. Wigant, C.P.A.
C. Joseph Wolverson, C.P.A., C.V.A.

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To The Board of Directors
Seymour Osman Community Center & Youth Safe Haven
Dover, New Hampshire

We have reviewed the accompanying statement of financial position of Seymour Osman Community Center & Youth Safe Haven (a nonprofit organization) as of June 30, 2012, and the related statements of activities, functional expenses and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, with the exception of the matter described in the following paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note 2 to the financial statements, accounting principles generally accepted in the United States of America require the consolidation of financially related non-profit organizations. Management has informed us that the Organization's accounts have not been consolidated with the Dover Housing Authority (DHA). The effect of this departure on the Organizations financial position, activities, and cash flows has not been determined.

Ouellette & Associates, P.A.
Certified Public Accountants

November 30, 2012
Lewiston, Maine

SEYMOUR OSMAN COMMUNITY CENTER & YOUTH SAFE HAVEN

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2012

<i>ASSETS</i>	
ASSETS	
Cash	\$ 8,021
Grants Receivable	<u>16,215</u>
TOTAL ASSETS	<u>\$ 24,236</u>
<i>LIABILITIES AND NET ASSETS</i>	
LIABILITIES	
Accounts Payable	\$ 902
Due to Dover Housing Authority	42,846
Refundable Advances	<u>1,302</u>
Total Liabilities	<u>45,050</u>
NET ASSETS	
Unrestricted	<u>(20,814)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 24,236</u>

See Independent Accountant's Review Report and Accompanying Notes to the Financial Statements.

SEYMOUR OSMAN COMMUNITY CENTER & YOUTH SAFE HAVEN

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2012

SUPPORT AND REVENUE

Contributions:

Dover Housing Authority - Monetary Funding	\$ 150,000
Dover Housing Authority - Donated Facility	87,198
Dover Housing Authority - Donated Overhead Costs	29,326
Other Miscellaneous Contributions	3,595

Grant Revenue:

21st Century Community Learning Center Grant	83,278
JC Penney/UNH Cooperative Extension	5,925
Women's Fund of New Hampshire	3,969
Macy's Grant	2,500
Service Fees	12,712
Fundraising	7,509
Other Income	4,463
Interest Income	25

TOTAL SUPPORT AND REVENUE 390,500

EXPENSES

Program Expenses	402,604
Management and General	<u>19,842</u>

TOTAL EXPENSES 422,446

CHANGE IN UNRESTRICTED NET ASSETS (31,946)

UNRESTRICTED NET ASSETS, BEGINNING OF YEAR 11,132

UNRESTRICTED NET ASSETS, END OF YEAR \$ (20,814)

See Independent Accountant's Review Report and Accompanying Notes to the Financial Statements.

SEYMOUR OSMAN COMMUNITY CENTER & YOUTH SAFE HAVEN

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2012

	<i>Program Expenses</i>	<i>Management and General</i>	<i>Total</i>
Salaries and Wages	\$ 169,723	\$ -	\$ 169,723
Payroll Taxes and Benefits	76,820	-	76,820
Total Personnel Expenses	246,543	-	246,543
Rental Expense	78,478	8,720	87,198
Direct Program Expenses - Contracted Services	16,458	-	16,458
Direct Program Expenses - Other	26,138	-	26,138
Utilities	12,355	1,373	13,728
Supplies and Materials	3,229	-	3,229
Professional Fees	4,450	-	4,450
Computer Support	210	-	210
Maintenance	5,849	650	6,499
Telephone and Internet	2,243	-	2,243
Insurance	3,481	-	3,481
Training	496	-	496
Travel and Conferences	663	-	663
Printing and Copying	1,641	-	1,641
Postage	320	-	320
Fundraising	50	-	50
Bookkeeping	-	9,099	9,099
TOTAL EXPENSES	\$ 402,604	\$ 19,842	\$ 422,446

See Independent Accountant's Review Report and Accompanying Notes to the Financial Statements.

SEYMOUR OSMAN COMMUNITY CENTER & YOUTH SAFE HAVEN

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ (31,946)
<i>Adjustments to Reconcile Change in Net Assets to</i>	
<i>Net Cash Used by Operating Activities:</i>	
<i>(Increase) Decrease in Operating Assets:</i>	
Grants Receivable	1,563
<i>Increase (Decrease) in Operating Liabilities:</i>	
Accounts Payable	423
Refundable Advances	<u>(3,143)</u>
NET CASH USED IN OPERATING ACTIVITIES	(33,103)
CASH FLOWS FROM FINANCING ACTIVITIES	
Net Advances from Dover Housing Authority	<u>11,237</u>
DECREASE IN CASH	(21,866)
CASH AT BEGINNING OF YEAR	<u>29,887</u>
CASH AT END OF YEAR	<u>\$ 8,021</u>

See Independent Accountant's Review Report and Accompanying Notes to the Financial Statements.

SEYMOUR OSMAN COMMUNITY CENTER & YOUTH SAFE HAVEN

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

NOTE 1: ORGANIZATION AND NATURE OF ACTIVITIES

Seymour Osman Community Center & Youth Safe Haven (SOCC) is a private nonprofit organization affiliated with the Dover Housing Authority (DHA). SOCC was formed by DHA and both organizations share many of the same board members. In addition, DHA is currently the primary supporter of SOCC. The SOCC's mission is to provide positive youth development programs, family support and education about drugs and alcohol.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The accompanying financial statements are those of only SOCC and do not include the accounts of Dover Housing Authority. Management has indicated that the Organization is financially related to the Dover Housing Authority (DHA). DHA has a controlling financial interest through its voting interest in the Board of the Organization and DHA has an economic interest by providing significant support to the Organization. As a result, the financial statements of the Organization should be consolidated with DHA under generally accepted accounting principles.

Accounting Method

The accounts of the Organization are maintained in accordance with accounting principles generally accepted in the United States of America on an accrual basis.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that limit the use of the donated funds. When the time restriction ends or when the purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

At June 30, 2012, the Organization has only Unrestricted Net Assets.

SEYMOUR OSMAN COMMUNITY CENTER & YOUTH SAFE HAVEN

NOTES TO FINANCIAL STATEMENTS
(Continued)

JUNE 30, 2012

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Grants Receivable

Grants receivable consist primarily of state and local community grants. Management believes that balances carried are fully collectible. Accordingly, no allowance for doubtful accounts is required. When management determines accounts are uncollectible, they will be directly charged to operations. Management believes such amounts would be immaterial.

Equipment

It is the Organization's policy to capitalize equipment with a cost of over \$5,000 if purchased, and a fair value of \$5,000 or more if the equipment is donated. Donated equipment is reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire equipment are reported as restricted contributions. Equipment is depreciated using the straight-line method over the estimated useful lives of the assets. All of the Organization's equipment was fully depreciated at June 30, 2012.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and did not conduct unrelated business activities. Therefore, no provision has been made for federal income taxes in the accompanying financial statements. Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties and interest as a result of such challenge. Generally, the Organization's tax returns remain subject to examination for three years after they were filed.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

SEYMOUR OSMAN COMMUNITY CENTER & YOUTH SAFE HAVEN

NOTES TO FINANCIAL STATEMENTS
(Continued)

JUNE 30, 2012

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Organization had no cash equivalents at June 30, 2012.

Subsequent Events

Events that occur after the statement of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. Subsequent events that provide evidence about conditions that existed at the statement of financial position date are required to be recognized in the accompanying financial statements. Subsequent events that provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of the Organization through November 30, 2012, the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

NOTE 3: GRANTS RECEIVABLE

The Organization has been awarded several grants to further its goal of providing youth programs, family support and drug and alcohol education. These grants are considered exchange transactions. Accordingly, revenue is earned as the program service is provided and expenses are recognized as incurred. Grants Receivables are due in less than one year and consist of the following at June 30, 2012:

21 st Century Community Learning Center Grant	<u>\$ 16,215</u>
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NOTE 4: REFUNDABLE ADVANCES

The Organization records grant awards accounted for as exchange transactions as refundable advances until related services are performed, at which time they are recognized as revenue. The activity in the refundable advance account is reported as follows:

Refundable Advances, Beginning of Year	\$ 4,445
Grant Awards Received	91,331
Grant Expenditures	<u>(94,474)</u>
Refundable Advances, End of Year	<u>\$ 1,302</u>

SEYMOUR OSMAN COMMUNITY CENTER & YOUTH SAFE HAVEN

NOTES TO FINANCIAL STATEMENTS
(Continued)

JUNE 30, 2012

NOTE 5: RELATED PARTY TRANSACTIONS

Common Control

SOCC and DHA share many of the same board members.

Donated Facilities

The DHA has donated the use of the facility occupied by SOCC without any stipulation as to the occupancy period. For this reason the Organization recognized, at fair value, a contribution and rental expense in the amount of \$87,198 for the value of the rent during the year.

Donated Overhead Costs

The DHA has funded certain other overhead costs on behalf of the SOCC. These costs are treated as donations as DHA does not require the Organization to reimburse these costs. Overhead costs funded by DHA are as follows:

Utilities	\$13,728
Bookkeeping	9,099
Maintenance	<u>6,499</u>
	<u>\$29,326</u>

Personnel Expenses

The Organization is staffed by employees of DHA. The costs associated with these employees are reimbursed to DHA and are reported as Salaries and Wages and Payroll Taxes and Benefits for financial statement reporting purposes. For the year ended June 30, 2012, SOCC paid DHA \$197,645 for personnel costs. At June 30, 2012, SOCC owed DHA \$42,846 for June 2012 personnel costs.

Community Center Funding

During the year ended June 30, 2012, DHA provided funding towards the community centers operations. SOCC utilized funding totaling \$150,000 towards the support of its community center programs.

Financial Support

Presently, DHA has agreed to provide funding to SOCC on an as needed basis. For the year ended June 30, 2012, DHA provided approximately 69% of the Organization's total funding.

NOTE 6: CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balances with one financial institution. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization's cash balances were fully insured at June 30, 2012.

SEYMOUR OSMAN COMMUNITY CENTER & YOUTH SAFE HAVEN

NOTES TO FINANCIAL STATEMENTS
(Continued)

JUNE 30, 2012

NOTE 7: CONTINGENCIES – GOING CONCERN

As indicated in the accompanying financial statements, the Organization showed a decrease in net assets of \$31,946 during the year ended June 30, 2012. As of that date, the Organization's current liabilities exceeded its total assets by \$20,814. Those factors, as well as the uncertain conditions that the Organization faces regarding its funding sources, create an uncertainty about the Organization's ability to continue as a going concern. Management of the Organization is developing a plan to reduce its operating expenses and Dover Housing Authority has committed to monetary funding of \$100,000 for the upcoming year. The ability of the Organization to continue as a going concern is dependent upon the plan's success and future funding from Dover Housing Authority. The financial statements do not include any adjustments that might be necessary if the Organization is unable to continue as a going concern.