VACAMAS PROGRAMS FOR YOUTH

COMBINED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2014 AND 2013

AND

INDEPENDENT AUDITORS' REPORT

VACAMAS PROGRAMS FOR YOUTH

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of Vacamas Programs for Youth

We have audited the accompanying combined financial statements of Vacamas Programs for Youth ("the Organization") (a nonprofit organization) which comprise the combined statements of financial position as of September 30, 2014 and 2013, and the related combined statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined financial statements based on our audits. We conducted our audits 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 combined financial statements are free from material misstatement.

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

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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 Vacamas Programs for Youth as of September 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 15 is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined 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.

The 2013 summarized information shown on page 15 has been derived from the Organization's 2013 schedule of functional expenses. Such schedule of functional expenses was subject to the audit procedures applied in the 2013 audit of the basic financial statements and our report on such information stated that it was fairly stated in all material respects in relation to the 2013 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 February 4, 2015, on our consideration of the Organization'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 *Governmental Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Friedman LLP

February 4, 2015

VACAMAS PROGRAMS FOR YOUTH

COMBINED STATEMENTS OF FINANCIAL POSITION

	September 30, 2014	September 30, 2013
ASSETS		
Current assets		
Cash and cash equivalents	$ 85,121	$ 210,447
Accounts receivable	721,786	424,000
Marketable securities	1,137,869	1,673,861
Total current assets	1,944,776	2,308,308
Property and equipment - at cost, less accumulated depreciation	2,336,722	2,367,238
Other assets	94,142	78,527
	$ 4,375,640	$ 4,754,073
LIABILITIES AND NET ASSETS		
Current liabilities		
Bank line of credit	$ 145,330	$ -
Accounts payable and accrued expenses	642,162	648,885
Deferred revenue	97,892	71,354
Total current liabilities	885,384	720,239
Commitments and contingency		
Net assets		
Unrestricted	3,458,470	4,015,139
Temporarily restricted	31,786	18,695
	3,490,256	4,033,834
	$ 4,375,640	$ 4,754,073

See notes to combined financial statements.

VACAMAS PROGRAMS FOR YOUTH

COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	Year Ended September 30, 2014	2013
UNRESTRICTED NET ASSETS		
Public Support		
Contributions	$ 230,361	$ 383,339
Special events, net of direct donor benefits of $11,783 in 2014 and $16,113 in 2013	121,564	1,176
In-kind donations	111,872	60,470
	463,797	444,985
Revenue		
Contracts	435,974	357,412
Food program	138,355	283,791
Program service revenue	1,326,384	1,531,252
Facility fees	271,652	284,053
Investment income, net	164,749	203,494
Other income	45,806	89,089
	2,382,920	2,749,091
Net assets released from restrictions	12,397	9,200
	2,859,114	3,203,276
Expenses		
Program services	3,062,814	3,081,812
Management and general	223,306	167,274
Fundraising expenses	110,441	112,889
	3,396,561	3,361,975
Severance expense	19,222	277,143
	3,415,783	3,639,118
Decrease in unrestricted net assets	(556,669)	(435,842)
TEMPORARILY RESTRICTED NET ASSETS		
Contributions - restricted	25,488	18,695
Net assets released from restrictions	(12,397)	(9,200)
Increase in temporarily restricted net assets	13,091	9,495
Decrease in net assets	(543,578)	(426,347)
Net assets at the beginning of the year	4,033,834	4,460,181
Net assets at the end of the year	$ 3,490,256	$ 4,033,834

See notes to combined financial statements.

VACAMAS PROGRAMS FOR YOUTH

COMBINED STATEMENTS OF CASH FLOWS

	Year Ended September 30,	
	2014	2013
Cash flows from operating activities		
Change in net assets	$ (543,578)	$ (426,347)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Decrease in allowance for doubtful accounts	-	(50,000)
Depreciation	173,925	170,763
Realized gain on marketable securities	(117,647)	(112,374)
Unrealized gain on marketable securities	(43,252)	(84,679)
Changes in assets and liabilities		
Accounts receivable	(297,786)	373,798
Other assets	(15,615)	(33,453)
Accounts payable and accrued expenses	22,499	209,633
Deferred revenue	26,538	55,354
Net cash (used in) provided by operating activities	(794,916)	102,695
Cash flows from investing activities		
Acquisition of property and equipment	(172,631)	(69,325)
Reinvested dividends	(3,844)	(6,418)
Proceeds from sale of investments	700,735	225,000
Net cash provided by investing activities	524,260	149,257
Cash flows from financing activities		
Proceeds (repayment) of bank line of credit	145,330	(244,957)
Net (decrease) increase in cash and cash equivalents	(125,326)	6,995
Cash and cash equivalents, beginning of year	210,447	203,452
Cash and cash equivalents, end of year	$ 85,121	$ 210,447
Supplemental cash flow disclosures		
Interest paid	$ 6,062	$ 8,467

See notes to combined financial statements.

VACAMAS PROGRAMS FOR YOUTH

NOTES TO COMBINED FINANCIAL STATEMENTS

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities
Vacamas Programs for Youth is comprised of affiliates Vacamas Programs for Youth of New York, Inc. and Vacamas Programs for Youth of New Jersey, Inc. (the "Organization"), which are not-for-profit corporations. The Organization maintains camping facilities in New Jersey and New York, the primary purpose of which is to provide recreation and counseling to disadvantaged youths. The corporations are organized under the laws of the States of New York and New Jersey.

Vacamas Programs for Youth of New York, Inc. is a day and overnight camp using New York State Park facilities and drop out preventive programs on site in New York City public schools.

Vacamas Programs for Youth of New Jersey, Inc. is a summer camp in New Jersey with year-round alternative school and environmental education programs and afterschool programs on site in New Jersey public schools.

Principles of Combination
The accompanying combined financial statements include the accounts of Vacamas Programs for Youth of New York, Inc. and its affiliate, Vacamas Programs for Youth of New Jersey, Inc. both of which are under common control. All material inter-company balances and transactions have been eliminated in combination.

Basis of Accounting and Presentation
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with United States generally accepted accounting principles ("GAAP"). Net assets, support and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Unrestricted net assets consist of assets, public support and revenues which are available and used for operations and programs. Contributions are considered available for unrestricted use unless specifically restricted by the donor.

Temporarily restricted net assets includes funds with donor-imposed restrictions which permit the Organization to expend the assets as specified and are satisfied either by the passage of time or by actions of the Organization.

Designated Net Assets
The Board of Directors has designated $300,000 of unrestricted net assets towards the construction of a new administrative facility.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates
Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents
Cash balances in banks are insured by the Federal Deposit Insurance Corporation subject to certain limitations. For purposes of the statement of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable
Accounts receivable are stated at the amount management expects to collect. An allowance for doubtful accounts is recorded based on a combination of historical experience, aging analysis and information on specific accounts. Account balances are written off against the allowance after the potential for recovery is considered remote. Management has determined that no allowance is required as of September 30, 2014.

Investment Valuation
GAAP requires certain financial assets and liabilities to be measured at fair value. GAAP defines fair value, provides guidance for measuring fair value, requires certain disclosures and discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow) and the cost approach (cost to replace the service capacity of an asset or replacement cost). GAAP also provides for a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3: Unobservable inputs that reflect management's own assumptions.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments
The following is a description of the valuation methodology used for the investments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

The Organization's investments consist of managed pool funds with the Jewish Community Foundation of MetroWest NJ. The fair value is determined based on the fair values of the underlying securities within the fund which represents the net asset value of the shares owned by the Organization at year end. These investments are classified as Level 3.

Depreciation
Depreciation is computed using the straight line method over the estimated useful lives, as follows:

	Life
Buildings	30 years
Improvements	10-30 years
Transportation equipment	5-10 years
Equipment, furniture and fixtures	5-10 years
Water and sewer system	30 years

It is the Organization's policy to capitalize property and equipment over $2,500. Lesser amounts are expensed. Donations of property and equipment are recorded at fair market value upon receipt. Maintenance, repairs and minor renewals are expensed as incurred.

Functional Allocation of Expenses
The costs of providing the various programs and other activities of the Organization have been summarized on a functional basis in the statement of activities and include certain costs that have been allocated among the programs and supporting services benefited.

Revenue Recognition
All contributions are generally available for unrestricted use in the year received unless specifically restricted by the donor. Restricted contracts and contributions whose restrictions are met in the same reporting period are shown as unrestricted.

Contributions of cash and other assets are reported as temporarily restricted support if they are received with donor-imposed restrictions that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or 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.

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)
Revenues from government contracts are recognized when reimbursable expenses are incurred under the terms of the contract. Restricted grants received and expended in the same fiscal year are reflected as unrestricted revenues. Such revenues are subject to audit by the agencies. No provision for any disallowances is reflected in the financial statements, since management does not anticipate any material adjustments.

Deferred Revenue
Deferred revenue represents revenues collected but not earned as of September 30, 2014. This is primarily composed of payments received for services to be provided in fiscal year 2015. If a program is conducted over a fiscal year end, deferred revenue is recorded for all revenue related to programs predominately conducted in the next fiscal year.

Advertising Costs
Advertising costs are expensed as incurred and totaled approximately $7,000 and $6,000 for the years ended September 30, 2014 and 2013, respectively.

Donated Materials, Facilities, and Services
Donated materials, facilities and services are reflected as in-kind donation revenue and expense at their estimated fair values upon the date of receipt.

Income Taxes
The Organization is exempt from Federal and state income taxes under Internal Revenue Code Section 501(c)(3), and is classified as a publicly supported organization as described in Section 509(a). Federal income tax returns for years prior to fiscal year 2011 are no longer subject to examination by tax authorities.

Reclassifications
Certain amounts in the 2013 financial statements have been reclassified to conform to the 2014 presentation.

Subsequent Events
These financial statements were approved by management and available for issuance on February 4, 2015. Management has evaluated subsequent events through this date.

2 - MARKETABLE SECURITIES

The following reconciliation is for level 3 investment assets at fair value:

	September 30,	
	2014	2013
Balance beginning of the year	$ 1,673,861	$ 1,695,390
Realized gain	117,647	112,374
Unrealized gain	43,252	84,679
Reinvested earnings, net of fees	3,844	6,418
Withdrawals	(700,735)	(225,000)
	$ 1,137,869	$ 1,673,861

The level 3 investment assets are invested in the Jewish Community Foundation of MetroWest managed pool fund (the "fund"). The fair value is based on the net asset value ("NAV") per share as provided by the fund. Quarterly redemptions are permitted, limited annually to 25% of the unit shares invested.

Investment income (loss) is summarized as follows:

	September 30,	
	2014	2013
Interest	$ 16,602	$ 19,792
Realized gain on investments	117,647	112,374
Unrealized gain on investments	43,252	84,679
Investment fund fees	(12,752)	(13,351)
	$ 164,749	$ 203,494

Fair values of investments in marketable securities are as follows:

	September 30,	
	2014	2013
Fair value	$ 1,137,869	$ 1,673,861
Cost	1,077,898	1,620,293
	$ 59,971	$ 53,568

3 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	September 30, 2014	September 30, 2013
Land	$ 35,571	$ 35,571
Land improvements	58,133	48,799
Buildings and improvements	4,211,452	4,162,741
Construction in progress	117,521	84,970
Transportation equipment	312,945	361,548
Equipment, furniture and fixtures	813,668	731,631
Water and sewer system	781,702	781,702
	6,330,992	6,206,962
Less - Accumulated depreciation	3,994,270	3,839,724
	$ 2,336,722	$ 2,367,238

In accordance with the termination agreement (see note 9), the Organization removed the vehicle distributed to the executive director from their books:

Cost basis of vehicle distributed	$ 48,601
Accumulated depreciation	(19,379)
Net basis of vehicle distributed	$ 29,222

4 - BANK LINE OF CREDIT

The Organization has a $250,000 line of credit with Lakeland Bank. Interest is payable at a variable interest rate based upon the Wall Street Journal Prime Rate (the "index") plus 1%, resulting in an initial rate of 4.25% per annum. Monthly repayments of principal and interest are required. The line is secured by the Organization's property. The line of credit matures September 15, 2017. As of September 30, 2014 the line of credit had a balance of approximately $145,000. The balance was paid off on October 6, 2014.

5 - CONCENTRATIONS

Support and revenue from one customer was approximately 17% and 18% of total support and revenue for the years ended September 30, 2014 and 2013 respectively. Accounts receivable from this customer was approximately 38% of total accounts receivable at September 30, 2014. This customer did not have an accounts receivable concentration at September 30, 2013.

5 - CONCENTRATIONS (Continued)

An amount due from one other customer was 11% of total accounts receivable at September 30, 2014. Amounts due from three other customers were 18%, 12%, and 11% of total accounts receivable at September 30, 2013

6 - IN-KIND DONATIONS

The fair value of donated materials and supplies included as contributions in the financial statements total approximately $47,000 and $60,000 for the years ended September 30, 2014 and 2013, respectively.

Donated services are recognized as in-kind donations if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The value of donated marketing services included as contributions in the financial statements total approximately $60,000 for the year ended September 30, 2014.

The Organization receives donated services from volunteers and Board members to support management and general and program efforts. No amounts have been recognized in the statement of activities for these services as they do not meet the criteria for recognition.

7 - RELATED PARTIES

Insurance was provided to the Organization by an insurance agency of which a member of the Board of Directors is employed as an Executive Vice President. Insurance premiums totaled approximately $162,000 and $175,000 for the years ended September 30, 2014 and 2013, respectively.

8 - COMMITMENTS AND CONTINGENCY

Commitments

The Organization executed a five year lease for administrative offices for its New York programs under an operating lease commencing April 1, 2011 that expires March 2016. Rent expense for the years ended September 30, 2014 and 2013 totaled approximately $39,000 and $26,000, respectively. Rent expense was reflected net of 50% of amounts reimbursed for shared facilities with an unrelated organization. During the second half of the fiscal year this unrelated organization no longer shared the rent expense and the Organization paid the full amount.

8 - COMMITMENTS AND CONTINGENCY

Commitments (Continued)
The Organization leases certain campgrounds located in New York State for its Top of Pines programs under an operating lease that expires December 31, 2017. Rent expense for the years ended September 30, 2014 and 2013 totaled approximately $28,000 and $29,000, respectively.

Future minimum lease payments are as follows:

Year Ending September 30,	Office	Campgrounds	Total
2015	$ 52,133	$ 27,795	$ 79,928
2016	26,452	27,795	54,247
2017	-	27,795	27,795
2018	-	6,949	6,949
	$ 78,585	$ 90,334	$ 168,919

Additionally, the Organization has a month-to-month agreement with an unrelated organization to provide administrative and program support to their camps on an as needed basis.

Contingency
The dam on the camp's New Jersey property has been inspected by the State of New Jersey and the State has mandated that certain improvements be made to ensure that it meets current flood prevention guidelines. In December 2011, a fee proposal was submitted to design the construction plan for the dam rehabilitation. The dam improvements are expected to cost approximately $1,200,000. The Organization submitted a loan application to the State to finance the cost, which was approved on May 1, 2013. The dam rehab permit was issued July 2014; however, as of September 30, 2014 construction has not commenced.

9 - SEVERANCE EXPENSE

The Organization has accrued approximately $33,000 of severance expense in connection with an employee dispute regarding past wages and in accordance with the settlement agreement. This amount is shown net of an insurance claim of approximately $14,000.

The Board agreed to provide one-year's salary and two-years of medical benefits as a termination benefit to the former executive and assistant directors as of their retirement September 30, 2013 totaling approximately $280,000. The Organization funded approximately $196,000 of the severance expense paid-out during the year ended September 30, 2014.

The balance of severance expense included in accounts payable and accrued expenses is approximately $112,000 and $277,000 at September 30, 2014 and 2013 respectively.

10 - TEMPORARILY RESTRICTED NET ASSETS

The following summarizes the changes in temporarily restricted net assets for the years ended September 30, 2014 and 2013.

	Balance October 1, 2013	Contributions	Satisfaction of Program Restriction	Balance September 30, 2014
Program services	$ -	$ 20,000	$ (12,397)	$ 7,603
Emergency Dam repair	18,695	5,488	-	24,183
	$ 18,695	$ 25,488	$ (12,397)	$ 31,786

	Balance October 1, 2012	Contributions	Satisfaction of Program Restriction	Balance September 30, 2013
Program services	$ 9,200	$ -	$ (9,200)	$ -
Emergency Dam repair	-	18,695	-	18,695
	$ 9,200	$ 18,695	$ (9,200)	$ 18,695

COMBINED SUPPLEMENTARY INFORMATION

VACAMAS PROGRAMS FOR YOUTH

COMBINED SCHEDULES OF FUNCTIONAL EXPENSES

YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	Program Services	Management and General	Fundraising Costs	2014 Total	2013 Total (Summarized)
Salaries and staffing	$ 1,500,494	$ 100,033	$ 66,689	$ 1,667,216	$ 1,690,803
Payroll taxes and employee benefits	199,053	13,270	8,847	221,170	222,054
Insurance	146,084	9,739	6,493	162,316	174,787
Professional fees	46,623	63,108	2,072	111,803	68,454
Utilities	174,064	11,604	7,736	193,404	205,399
Rent	66,491	-	-	66,491	58,998
Office expense	16,352	1,090	727	18,169	16,517
Telephone	21,904	1,460	974	24,338	25,378
Printing and postage	5,349	357	238	5,944	14,629
Auto and transportation	103,490	6,899	4,600	114,989	107,532
Food costs	253,853	-	-	253,853	284,145
Repairs and maintenance	221,222	-	-	221,222	152,688
Program costs	84,038	-	-	84,038	90,749
Bank line of credit	22,778	1,519	1,012	25,309	32,534
Advertising	7,112	-	-	7,112	6,050
Interest and finance charges	5,456	364	242	6,062	9,017
Bad debt expense	-	1,300	-	1,300	1,329
Development and public relations	-	-	2,436	2,436	2,263
Bank and credit card fees	13,731	915	610	15,256	14,651
Miscellaneous	18,187	1,213	808	20,208	13,235
Depreciation	156,533	10,435	6,957	173,925	170,763
	$ 3,062,814	$ 223,306	$ 110,441	$ 3,396,561	$ 3,361,975

See independent auditors' report.

INDEPENDENT AUDITORS' 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 Vacamas Programs for Youth

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Vacamas Programs for Youth (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of September 30, 2014, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 4, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Friedman LLP

February 4, 2015

VACAMAS PROGRAMS FOR YOUTH

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED SEPTEMBER 30, 2014

I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ____ Yes _√_ No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ____ Yes _√_ No

Noncompliance material to financial statements noted: ____ yes _√_ No

II - SCHEDULE OF FINDINGS AND RESPONSES

None

III - STATUS OF PRIOR YEAR FINDINGS - SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

None