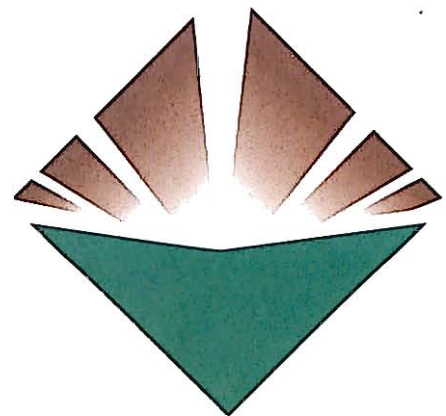




Godman Guild Association
Audited Financial Statements

As of and for the Eighteen Months Ended
December 31, 2009
And as of and for the Year Ended
June 30, 2008



Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

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Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

June 7, 2010

To the Board of Trustees
Godman Guild Association
Columbus, Ohio

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statements of financial position of the Godman Guild Association (the "Association") as of December 31, 2009 and June 30, 2008, and the related statements of activities, changes in net assets, functional expenses and cash flows for the eighteen months ended December 31, 2009 and the year ended June 30, 2008. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit as of and for the eighteen months ended December 31, 2009 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. We conducted our audit as of and for the year ended June 30, 2008 in accordance with auditing standards generally accepted in the United States of America. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Godman Guild Association as of December 31, 2009 and June 30, 2008, and the results of its operations and its cash flows for the eighteen months ended December 31, 2009 and the year ended June 30, 2008 in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 7, 2010, on our consideration of the Association's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Association taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Rea & Associates, Inc.

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GODMAN GUILD ASSOCIATION

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2009 AND JUNE 30, 2008

	<u>ASSETS</u>	
	2009	2008
CURRENT ASSETS:		
Cash and cash equivalents	\$ 46,454	\$ 192,747
Columbus Federation of Settlements	-	24,073
Grants receivable, net	262,758	235,095
Marketable securities	33,746	36,128
Prepaid expenses and other current assets	120,636	119,690
Total current assets	463,594	607,733
PROPERTY AND EQUIPMENT, net	2,483,501	2,711,969
Total assets	\$ 2,947,095	\$ 3,319,702
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 42,616	\$ 91,248
Line of credit	50,000	-
Columbus Federation of Settlements	-	24,073
Accrued expenses and other current liabilities	64,152	195,959
Deferred grant revenue	3,128	1,401
Current portion of deferred rent income	4,037	4,037
Current portion of notes payable	35,252	31,341
Total current liabilities	199,185	348,059
LONG-TERM LIABILITIES:		
Notes payable, net of current portion	323,828	376,179
Deferred rent income, net of current portion	29,164	35,220
Total long-term liabilities	352,992	411,399
Total liabilities	552,177	759,458
NET ASSETS:		
Unrestricted	2,262,997	2,465,681
Temporarily restricted	131,921	94,563
Total net assets	2,394,918	2,560,244
Total liabilities and net assets	\$ 2,947,095	\$ 3,319,702

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

GODMAN GUILD ASSOCIATION

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE EIGHTEEN MONTHS ENDED DECEMBER 31, 2009

	Unrestricted	Temporarily Restricted	Total 2009
REVENUES, GAINS AND SUPPORT:			
Government grants	\$ 1,799,281	\$ -	\$ 1,799,281
United Way support	1,211,617	-	1,211,617
Contributions	302,503	93,281	395,784
Fees for services	372,122	-	372,122
Rent income	158,585	-	158,585
Interest and dividends	14,425	-	14,425
Unrealized losses on marketable securities	(3,808)	-	(3,808)
Other revenues, gains and support	164,651	-	164,651
Net assets released from restriction	55,923	(55,923)	-
	4,075,299	37,358	4,112,657
PROGRAM EXPENSES:			
Workforce development	1,115,788	-	1,115,788
Youth and family services	1,952,844	-	1,952,844
Leadership and challenge/Camp Mary Orton	710,691	-	710,691
	3,779,323	-	3,779,323
SUPPORTIVE SERVICES:			
Management and general	442,711	-	442,711
Fundraising	55,949	-	55,949
	498,660	-	498,660
Total expenses	4,277,983	-	4,277,983
Changes in net assets	(202,684)	37,358	(165,326)
NET ASSETS, beginning of the period	2,465,681	94,563	2,560,244
NET ASSETS, end of the period	\$ 2,262,997	\$ 131,921	\$ 2,394,918

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

GODMAN GUILD ASSOCIATION

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS AND SUPPORT:			
Government grants	\$ 1,397,345	\$ -	\$ 1,397,345
United Way support	873,457	-	873,457
Contributions	323,664	54,348	378,012
Fees for services	255,337	-	255,337
Rent income	119,630	-	119,630
Interest and dividends	7,104	-	7,104
Unrealized losses on marketable securities	(19,336)	-	(19,336)
Other revenues, gains and support	51,495	-	51,495
Net assets released from restriction	145,612	(145,612)	-
	3,154,308	(91,264)	3,063,044
PROGRAM EXPENSES:			
Workforce development	715,177	-	715,177
Youth and family services	1,468,601	-	1,468,601
Leadership and challenge/Camp Mary Orton	494,689	-	494,689
	2,678,467	-	2,678,467
SUPPORTIVE SERVICES:			
Management and general	339,377	-	339,377
Fundraising	72,224	-	72,224
	411,601	-	411,601
Total expenses	3,090,068	-	3,090,068
Changes in net assets	64,240	(91,264)	(27,024)
NET ASSETS, beginning of the year	2,401,441	185,827	2,587,268
NET ASSETS, end of the year	\$ 2,465,681	\$ 94,563	\$ 2,560,244

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

GODMAN GUILD ASSOCIATION

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE EIGHTEEN MONTHS ENDED DECEMBER 31, 2009

	Workforce Development	Youth and Family Services	Leadership and Challenge/ Camp Mary Orton	Total Program Expenses	Management and General	Fundraising	Total Expenses
Gross salaries	\$ 568,135	\$ 1,056,977	\$ 385,596	\$ 2,010,708	\$ 150,547	\$ 39,718	\$ 2,200,973
Employee benefits	70,902	131,908	48,121	250,931	18,788	4,957	274,676
Payroll taxes	61,310	117,573	42,662	221,545	16,530	4,199	242,274
Professional fees	212,411	36,058	5,373	253,842	149,832	212	403,886
Supplies	34,160	79,490	50,466	164,116	12,248	1,014	177,378
Telephone	5,085	15,569	3,493	24,147	1,456	-	25,603
Postage	1,389	2,048	1,223	4,660	509	261	5,430
Occupancy costs	55,513	91,435	77,329	224,277	14,304	-	238,581
Printing	4,858	15,691	9,090	29,639	1,706	5,365	36,710
Local travel	9,528	75,130	8,043	92,701	2,148	-	94,849
Training and development	815	2,209	3,266	6,290	22,071	103	28,464
Stipends	14,555	99,017	3,220	116,792	-	-	116,792
Depreciation	63,867	92,252	56,770	212,889	23,654	-	236,543
Interest	-	41,598	-	41,598	24,202	-	65,800
Other	13,260	95,889	16,039	125,188	4,716	120	130,024
Total expenses	<u>\$ 1,115,788</u>	<u>\$ 1,952,844</u>	<u>\$ 710,691</u>	<u>\$ 3,779,323</u>	<u>\$ 442,711</u>	<u>\$ 55,949</u>	<u>\$ 4,277,983</u>

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

GODMAN GUILD ASSOCIATION

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2008

	Workforce Development	Youth and Family Services	Leadership and Challenge/ Camp Mary Orton	Total Program Expenses	Management and General	Fundraising	Total Expenses
Gross salaries	\$ 431,962	\$ 687,608	\$ 287,198	\$ 1,406,768	\$ 106,581	\$ 44,863	\$ 1,558,212
Employee benefits	65,675	104,864	42,883	213,422	16,171	6,806	236,399
Payroll taxes	51,322	88,157	27,663	167,142	12,662	5,330	185,134
Professional fees	37,507	15,146	5,598	58,251	142,474	12,218	212,943
Supplies	19,014	86,358	24,289	129,661	12,700	1,410	143,771
Telephone	3,002	11,915	2,669	17,586	1,112	-	18,698
Postage	1,200	1,719	1,037	3,956	432	200	4,588
Occupancy costs	36,153	71,343	45,259	152,755	8,852	-	161,607
Printing	5,393	15,818	6,456	27,667	1,127	1,089	29,883
Local travel	9,222	52,209	7,452	68,883	2,729	-	71,612
Training and development	1,221	3,807	670	5,698	19,312	242	25,252
Stipends	5,890	240,615	1,608	248,113	-	-	248,113
Depreciation	31,475	45,463	27,978	104,916	11,658	-	116,574
Interest	-	25,975	-	25,975	-	-	25,975
Other	16,141	17,604	13,929	47,674	3,567	66	51,307
Total expenses	<u>\$ 715,177</u>	<u>\$ 1,468,601</u>	<u>\$ 494,689</u>	<u>\$ 2,678,467</u>	<u>\$ 339,377</u>	<u>\$ 72,224</u>	<u>\$ 3,090,068</u>

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

GODMAN GUILD ASSOCIATION

STATEMENTS OF CASH FLOWS
FOR THE EIGHTEEN MONTHS ENDED DECEMBER 31, 2009 AND THE
YEAR ENDED JUNE 30, 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ (165,326)	\$ (27,024)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	236,543	116,574
Unrealized losses on marketable securities	3,808	19,336
(Increase) decrease in operating assets:		
Grants receivable	(27,663)	17,613
Pledges receivable	-	24,728
Prepaid expenses and other current assets	(946)	(27,810)
Increase (decrease) in operating liabilities:		
Accounts payable	(48,632)	65,176
Accrued expenses and other current liabilities	(131,807)	14,395
Deferred grant revenue	1,727	-
Deferred rent income	(6,056)	(13,108)
Total adjustments	26,974	216,904
Net cash provided by (used in) operating activities	(138,352)	189,880
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of marketable securities and reinvested dividends	(1,426)	(752)
Payments for the purchase of property and equipment	(8,075)	(178,114)
Net cash used in investing activities	(9,501)	(178,866)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net borrowing on line of credit	50,000	-
Principal payments on notes payable	(48,440)	(64,607)
Net cash provided by (used in) financing activities	1,560	(64,607)
Net decrease in cash and cash equivalents	(146,293)	(53,593)
CASH AND CASH EQUIVALENTS, beginning of the period	192,747	246,340
CASH AND CASH EQUIVALENTS, end of the period	\$ 46,454	\$ 192,747
SUPPLEMENTAL CASH FLOW DISCLOSURES:		
Cash paid for interest, net of amounts capitalized	\$ 55,605	\$ 25,975

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

GODMAN GUILD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION AND PURPOSE

The Godman Guild Association (the "Association") is an Ohio not-for-profit corporation, whose mission is to promote strong families and strong communities in Columbus, Ohio, primarily focusing on the near north side. Established in 1898, the Association is the oldest of seven settlement houses serving Columbus, and an active member of the Columbus Federation of Settlements, Inc. The Association's programs are designed to be comprehensive, providing a full range of services for both youths and adults, with the ultimate goal of making families strong and self-sufficient. The Association offers services in the following 3 program activities:

A - Workforce Development

Job Success

Job Success is a 30-hour course designed to assist adults in finding and maintaining employment. Classes focus on career exploration, skills to obtain and retain employment (such as resume and cover letter writing, computer skills, interviewing, teamwork, conflict resolution, and financial management), and networking with employers. Graduates are eligible for job placement and job retention services.

Employment Workshops

Employment workshops are two hours in length and are designed to address specific topics such as creating personal marketing materials, interview skills, employer expectations and job search.

Ready! Set! Go to Work!

Ready! Set! Go to Work! is a 15-hour work readiness course which provides training in essential work readiness content areas and is designed to be a compliment to workshops offered by the Central Ohio Workforce Investment Corporation. Adults who complete this course will be equipped to transition into advanced training, on-the-job training, career exploration training and permanent employment.

Springboard

Springboard is a summer internship program for adults ranging from 18 to 24 years old. It includes career exploration, basic work readiness instruction, a paid internship and job coaching to reinforce skills learned and assist with resolving job related issues. Completers are eligible for job placement and job retention services

Hiring Events

Hiring events are offered periodically and are tailored to meet the employment needs of a specific company with multiple job openings for area job seekers.

GED/Adult Basic and Literacy Education ("ABLE")

GED/ABLE classes are designed to help individuals reach their goals to improve their basic skills, obtain a GED and transition into employment and/or post-secondary education. Classes are offered at no cost and all learning supplies are provided. Instruction includes individual tutoring, small group, large group and computer based lessons.

Combined GED/ABLE and employment classes are 8 weeks in length and are designed to prepare adults to earn a GED and obtain employment. Math, reading and writing skills are taught within the context of the workplace. This course includes all the material covered in the Job Success program. Those who complete these classes are eligible for job placement and job retention services.

GODMAN GUILD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION AND PURPOSE (Continued)

ED/Adult Basic and Literacy Education ("ABLE") (Continued)

GED Practice Testing is a free service offered on a monthly basis. Those who pass are provided registration assistance and if they meet specific qualifications they are also eligible to earn a fee waiver to cover the registration fee for the official GED test.

Godman Guild/OSU Extension Learning Center

The Godman Guild/OSU Extension Learning Center is a state-of-the-art computer lab assisting adults in meeting their education and employment goals through:

- *Open Lab* to practice keyboarding skills, check email, type a cover letter, conduct online job searches, take online classes, and more.
- *Computer Classes* range from basic keyboarding, Internet/Email, Windows XP and Office XP to IC and MOUS Certification Courses.
- *Volunteer Income Tax Assistance Program* promotes the Earned Income Tax Credit and provides free tax preparation and financial management resources for low-income taxpayers.
- *College Goal Sunday* provides financial aid information and assistance for college bound adults.

Transitions Program

The Transitions program is designed to prepare adults who are close to getting a GED or who have a high school diploma/GED to enter college, vocational training or apprenticeship program, complete their degree/certification and obtain living wage employment. This program is 18 to 30 months in duration and bridges the gap between GED or high school and higher education. It includes a rigorous 12 week course to prepare adults personally, academically, and financially for higher education, Career Coaching and mentoring, job placement assistance in your field of study and \$550 to \$950 in financial incentives for achieving specific outcomes.

Career Coaching

Career Coaching is a free service that provides career counseling, crisis intervention, goal setting, linkages to community resources, support, and education to adults in Workforce Development programs to ensure continued participation, successful transition to higher education and living wage employment.

Family Advocacy

Family Advocacy at the OSU Schoenbaum Family Center at Weinland Park provides crisis intervention support to parents and staff and assists parents with identifying strengths and goals and developing plans to achieve goals in areas such as: basic needs, employment, education, asset building, health care, childcare, and transportation. The family advocate provides guidance and moral support and links parents with community resources. The family advocate also manages the center's enrollment process.

Wee Positive Learning Alternatives for Youth ("Wee P.L.A.Y")

Wee P.L.A.Y. is a free childcare service for the children of Workforce Development participants. These services are available during the hours the adult is engaged in Job Success, GED/ABLE, combined GED/ABLE and Employment and Transitions classes.

GODMAN GUILD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION AND PURPOSE (Continued)

B – Youth and Family Services

After School Program Through Community Leaders, Educators, and Students (“A.C.E.S.”)

A.C.E.S. is an after school program that serves kindergarten through 5th grade students who attend Weinland Park Elementary School. This award winning after school program focuses on academic support in math, science and reading using interactive and engaging activities to make learning fun and hands on for students. This program also provides tutoring and homework help led by the Association’s staff and supported by volunteer tutors and work-study students. A.C.E.S. operates five days a week and on Friday offers students three special interest clubs; gardening, health & fitness, and art & music activities. These clubs allow students to pursue individual interests and develop new talent that they may not have the opportunity to do in the classroom or at home. Special guests and field trips round out the A.C.E.S. experience.

Teen Education and Employment Network (“T.E.E.N.”)

T.E.E.N. is a program designed for teens with input from teens. T.E.E.N. helps to prepare older youth for adulthood by providing activities that center on academic enrichment, career exploration and development, leadership development and personal/social skill development. During the school year, each teen is matched with a personal advocate who works with him or her to set and achieve personal and program goals. It is through this process that teens choose which of the following activities they will participate in:

- Career Exploration and Employment: Youth on this track learn basic work readiness skill and embark on a detailed exploration of personal and career interests.
- Enrichment Classes: These classes include financial literacy, avoiding risky behaviors, family planning and leadership development.
- Edge Tutoring: Educating, Developing, Graduating, and Experiencing (“EDGE”) focuses on skills instruction in reading, writing, math, homework help, test taking strategies, and Ohio Graduation Test preparation

Summer Youth Empowerment Program (“S.Y.E.P.”)

S.Y.E.P. provides age appropriate activities during the summer that allow young people to engaged and build skill upon skill in order to become productive adults who are positively engaged in their communities. SYEP has 4 main components: Summertime Safari, P.R.I.D.E., Jr. Staff (leadership intern) Program and S.T.E.P.

P.R.I.D.E. Program

The P.R.I.D.E program focuses on traditions and emphasizes cooperation over competition to create a sense of belonging and ownership. Children are encouraged and challenged to try new things, look at old problems in new ways, and work out problems appropriately. All of this takes place in a safe environment that allows each youth to make friends, share experiences and learn about each other’s differences.

Summertime Safari’s Educational Literacy Days

Summertime Safari’s Educational Literacy Days add educational enhancement activities designed to increase math, reading, and science literacy. Children rotate through the Counting Cave, Science Swamp, and Reading Rainforest where they are immersed in a hands-on and creative environment designed to enable learning to fullest degree. They also work in the Weinland Park Community Garden where they have the opportunity to learn about gardening, growing healthy foods, and most importantly becoming ecologically aware.

GODMAN GUILD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION AND PURPOSE (Continued)

Summertime Safari's Educational Literacy Days (Continued)

Children that attend the S.Y.E.P. day camp spend time in supervised recreational activities like swimming and nature hikes. Children 13 and over are offered the Jr. Staff Program.

Jr. Staff Program

The Jr. Staff program offers veteran campers the opportunity to develop job readiness skills. Designed for youth ages 13 to 18 years old, Jr. Staff program trains them in all areas of employment including job training, supervision, evaluation of progress, leadership development and financial literacy. Youth in the Jr. Staff program receive a modest stipend at the completion of the program.

Summer Teen Employment Program ("S.T.E.P.")

S.T.E.P. is a competitive career exploration and development program that exposes youth ages 14 to 21 years old to high growth, high demand job opportunities in the Central Ohio market. Each youth has the opportunity to attend an internship fair where they meet and talk with employers and explore a variety of internships available during the summer. Internships can be obtained in many fields including education, business and technology, health care, the arts, green industry, engineering and entrepreneurship. Dozens of area employers provide youth with paid internships that last from 6 to 8 weeks.

C – Leadership and Challenge/Camp Mary Orton ("CMO")

Situated on 167 acres, CMO focuses on promoting personal and team change and growth through adventure based activities. Programs include:

Wilderness Bond

Wilderness Bond program serves youth and adults in Franklin County with an emphasis on at-risk populations. Activities combine experiential, adventure-based elements such as high ropes activities with social work intervention to help participants develop positive coping mechanisms, gain self-awareness and learn to solve problems collaboratively.

Leadership and Challenge Center

Leadership and Challenge Center serves both youths and adults. Activities focus on developing team work and collaboration among participants in groups led by a trained facilitator and held either on the ground or on a high ropes course.

Adventure Academy

The Adventure Academy serves youth ages 7 to 14 years old with week-long day camp sessions that include activities such as hiking, swimming, and structured educational and social activities.

Host site for S.Y.E.P. and Summertime Safari

CMO is the host site for the Association's summer camp programs designed to provide structure and continued development between school years for children in the Association's service area.

GODMAN GUILD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fiscal Periods

Subsequent to the year ended June 30, 2008, the Association's fiscal year changed to December 31. Therefore, the statements of activities, functional expenses and cash flows for the period ended December 31, 2009 include eighteen months. All references to years relate to these fiscal periods.

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Management Estimates

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

Financial Statement Presentation

The Association reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations, even though their use may be limited in other respects, such as by contract or by board designation. Donor-restricted contributions whose restrictions are met in the same year as the contributions are recorded as unrestricted net assets.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Association or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restriction. See Note 9 for the schedule of temporarily restricted net assets.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Association. As of December 31, 2009 and June 30, 2008, there were no permanently restricted net assets.

Revenue Recognition

The Association's revenue recognition policies are as follows:

Government Grants and United Way Support

The Association receives grants from the United Way and various Federal, state and local governmental agencies. Grant receipts are deferred and recognized as revenue when earned, which occurs when qualifying expenditures are incurred.

GODMAN GUILD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Fees for Services

Fees for services revenue is recognized in the period in which the services are provided.

Rent Income

The Association rents some of its facilities on a short-term basis. Rent income is recognized as revenue in the period in which the facilities are rented.

Other Revenues, Gains and Support

Other revenues, gains and support as shown on the statements of activities represent increases in net assets that do not meet the criteria for inclusion in any of the other categories of revenues, gains and support.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Association considers all unrestricted, highly-liquid investments with an initial maturity of three months or less to be cash equivalents.

Grants Receivable

Grants receivable primarily represent amounts due to the Association under government grants or fund-raising organizations. The balances are presented net of estimated allowances for doubtful accounts of \$3,100 as of December 31, 2009 and June 30, 2008. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Amounts are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded as income when received.

Marketable Securities

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value within the statements of financial position. Net realized and unrealized gains and losses are reported within the statement of activities as increases or decreases in unrestricted net assets, unless their use is temporarily or permanently restricted by explicit donor stipulations. Aggregate fair values of the Association's marketable securities consisted of mutual funds in the amounts of \$33,746 and \$36,128 as of December 31, 2009 and June 30, 2008.

Fair Value Measurements

The Financial Accounting Standards Board ("FASB") has established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under this framework are described below:

GODMAN GUILD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2009 and June 30, 2008.

Mutual funds: Valued at the net asset value ("NAV") of shares held by the Association at year end.

All of the Association's financial instruments measured at fair value consist of assets which are valued using Level 1 inputs as of December 31, 2009 and June 30, 2008.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. Depreciation is provided on the straight-line method over the estimated useful lives of the underlying assets. Maintenance and repairs are charged to operations when incurred. Renewals and betterments of a nature considered to materially extend the useful lives of the assets are capitalized. When assets are retired or otherwise disposed of, the asset and related accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in the statement of activities.

Deferred Rent Income

The Association has entered into contracts to lease space for a cellular phone tower on its property. The contracts provided for advance payments of \$92,800 with five additional annual payments of \$5,000 beginning in 2020. The advance payments have been deferred and revenue is recognized on the straight-line basis over the corresponding lease period.

Allocation of Joint Costs

The Association allocates joint costs to program, management and general and fundraising. Cost allocation occurs whenever costs are associated with more than one activity, and are attributed to each activity specifically.

GODMAN GUILD ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Association is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, certain business activities may be subject to Federal income taxes. No provision for such taxes was necessary for the eighteen months ended December 31, 2009 and the year ended June 30, 2008.

Recent Accounting Pronouncements

The following is a summary of recently issued, but not yet effective, accounting pronouncements:

Accounting for Uncertainty in Income Taxes

The FASB has issued an accounting pronouncement, *Effective Date of ASC 740-10 for Certain Nonpublic Enterprises*. This pronouncement defers the effective date of a previous pronouncement, *Accounting for Uncertainty in Income Taxes*, for certain nonpublic enterprises, including nonpublic not-for-profit organizations, until annual financial statements for fiscal years beginning after December 15, 2008. The deferred effective date is intended to give the FASB additional time to amend the disclosure requirements of the pronouncement for nonpublic enterprises and not-for-profit organizations to develop guidance its application. The Association has elected to defer adoption of the pronouncement until the fiscal year beginning January 1, 2010. Management is currently assessing the impact of its adoption.

The Association treats tax positions taken using the more-likely-than-not recognition threshold. Tax positions are measured in the year that the Association believes that the position is more-likely-than-not to be sustained. Any positions that are not expected to be sustained will be recorded as a liability. The Association believes that none of the tax positions taken would be material to the financial statements.

Subsequent Events

The Association has evaluated subsequent events through June 7, 2010, the date on which the financial statements were available to be issued. Management determined that there were no transactions or events that required disclosure through the evaluation date.

NOTE 3: RISKS AND UNCERTAINTIES

Uninsured Risk – Cash Deposits

The Association maintains its cash balances in various financial institutions located in central Ohio. These balances are insured by the Federal Deposit Insurance Corporation (“FDIC”), up to a coverage limit. In October 2008, the limit on federal deposit insurance coverage was temporarily increased from \$100,000 to \$250,000, through December 31, 2009. In May 2009, the FDIC further extended this coverage limit through December 31, 2013. The FDIC also announced in October 2008 that it would provide an unlimited guarantee on deposits held in non-interest bearing transaction accounts at U.S. banks through the same period. The Association’s cash and cash equivalent balances are in financial institutions that are participating in the extended guarantee programs. However, the Association has both interest and non-interest bearing accounts. Therefore, from time to time, the Association may have balances that exceed the insured limit.

GODMAN GUILD ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: RISKS AND UNCERTAINTIES (Continued)

Market Risk – Marketable Securities

The financial statements include investments in mutual funds. The underlying investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the inherent level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the financial statements.

Concentration Risk – Revenues, Gains, and Other Support

The Association derived approximately 29% and 28% of its total support from the United Way during the eighteen months ended December 31, 2009 and the year ended June 30, 2008, respectively. The Association derived approximately 44% and 46% of its total support from state, local and county grants during the eighteen months ended December 31, 2009 and the year ended June 30, 2008, respectively.

NOTE 4: CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following as of December 31, 2009 and June 30, 2008:

	2009	2008
Cash	\$ 3,558	\$ 77,682
Money market funds	42,896	139,138
Total	\$ 46,454	\$ 216,820

NOTE 5: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31, 2009 and June 30, 2008:

	2009	2008
Land	\$ 69,500	\$ 69,500
Building improvements	2,111,779	2,107,333
Furniture, fixtures and equipment	160,918	168,674
Park and camp improvements	1,187,944	1,233,127
Vehicles	100,001	101,801
Property and equipment, at cost	3,630,142	3,680,435
Less: accumulated depreciation	(1,146,641)	(968,466)
Property and equipment, net	\$ 2,483,501	\$ 2,711,969

NOTE 6: LINE OF CREDIT

The Association has a line of credit agreement with a bank, expiring upon demand, which allows the Association to borrow up to \$150,000. The agreement requires monthly interest payments calculated at the bank's prime rate. The agreement is secured by substantially all of the Association's business assets and equipment. The outstanding balance as of December 31, 2009 was \$50,000. There was no outstanding balance due as of June 30, 2008.

GODMAN GUILD ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 7: NOTES PAYABLE

Notes payable consisted of the following as of December 31, 2009 and June 30, 2008:

	2009	2008
Note payable due to a bank. The note requires monthly payments of principal and interest through August 2017. The interest rate is variable based on the five year swap rate plus 3.81% as adjusted at each five year anniversary. The current interest rate is 7.75% through September 2012. The monthly payment is adjusted every five years based on the new interest rate and a fifteen year amortization of the original principal balance. The note is secured by a first mortgage on real estate.	\$ 359,080	\$ 407,520
Less: current portion of notes payable	(35,252)	(31,341)
Notes payable, net of current portion	\$ 323,828	\$ 376,179

Estimated maturities of notes payable for each of the next five years and in the aggregate as of December 31, 2009 are as follows:

Year Ended December 31	Amount
2010	\$ 35,252
2011	38,124
2012	40,892
2013	43,948
2014	47,889
Thereafter	152,975
Total	\$ 359,080

NOTE 8: OPERATING LEASE OBLIGATIONS

The Association leases office equipment under non-cancelable operating lease agreements expiring at various times through October 2012. Rent expense related to operating leases for the eighteen months ended December 31, 2009 and the year ended June 30, 2008 was \$31,272 and \$13,381, respectively.

The following schedule summarizes the minimum payments due under non-cancelable operating lease agreements with original or remaining terms in excess of one year for each of the remaining years subsequent to December 31, 2009 and in the aggregate:

Year Ended December 31,	Amount
2010	\$ 14,273
2011	14,273
2012	6,435
	\$ 34,981

GODMAN GUILD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9: TEMPORARILY RESTRICTED NET ASSETS

The Association's temporarily restricted net assets are contributions with donor-imposed stipulations. These stipulations are removed when the Association utilizes the donated funds for the purpose specified. These restrictions consist of the following as of December 31, 2009:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Camp Mary Orton Bathrooms Scholarships – Summer Youth Empowerment Program	\$ 40,215	\$ -	\$ (1,575)	\$ 38,640
	<u>54,348</u>	<u>93,281</u>	<u>(54,348)</u>	<u>93,281</u>
Total temporarily restricted	<u>\$ 94,563</u>	<u>\$ 93,281</u>	<u>\$ (55,923)</u>	<u>\$ 131,921</u>

The restrictions consisted of the following as of June 30, 2008:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Camp Mary Orton Bathrooms Scholarships – Summer Youth Empowerment Program	\$ 40,215	\$ -	\$ -	\$ 40,215
	<u>73,912</u>	<u>54,348</u>	<u>(73,912)</u>	<u>54,348</u>
Camp Road – Nationwide	<u>71,700</u>	<u>-</u>	<u>(71,700)</u>	<u>-</u>
Total temporarily restricted	<u>\$ 185,827</u>	<u>\$ 54,348</u>	<u>\$ (145,612)</u>	<u>\$ 94,563</u>

NOTE 10: DEFINED BENEFIT PENSION PLAN

The Association sponsors a defined benefit pension plan which covered substantially all individuals working for the Association prior to a 1994 amendment. The Association amended the defined benefit plan effective for plan year ended December 31, 1994, freezing benefits as of that date and changing the funding method for tax and ERISA purposes from the aggregate cost method to the unit credit cost method. Management does not expect to make any contributions to the plan in the next fiscal year.

Following are reconciliations of the pension benefit obligation and the value of the plan assets for the years ended June 30, 2009 and 2008. Note that June 30, 2009 represents the most recent information available and management believes that the amounts have not materially changed as of December 31, 2009:

<u>Change in Pension Benefit Obligation:</u>	<u>2009</u>	<u>2008</u>
Benefit obligation at beginning of year	\$ 508,388	\$ 492,331
Interest cost	30,287	28,940
Actuarial (gain) loss	12,020	(2,785)
Benefits paid	<u>(26,272)</u>	<u>(10,098)</u>
Benefit obligation at end of year	<u>\$ 524,423</u>	<u>\$ 508,388</u>
 <u>Change in Value of Plan Assets:</u>		
Fair value of plan assets at beginning of year	\$ 424,622	\$ 461,254
Actual return on plan assets	(52,858)	(26,534)
Employer contributions	14,113	-
Benefits paid	<u>(26,272)</u>	<u>(10,098)</u>
Balance at end of year	<u>\$ 359,605</u>	<u>\$ 424,622</u>

GODMAN GUILD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10: DEFINED BENEFIT PENSION PLAN (Continued)

The following table sets forth the defined benefit plan's funded status as of June 30, 2009 and 2008:

	2009	2008
Plan assets, at fair value	\$ 359,605	\$ 424,622
Accumulated benefit obligation	(524,423)	(508,388)
Excess (deficiency) of plan assets over accumulated benefit obligation	(164,818)	(83,766)
Unrecognized net transition asset	(1,213)	(2,489)
Unrecognized prior service cost	134	264
Unrecognized net loss	248,104	160,508
Prepaid benefit cost included in prepaid expenses and other assets	\$ 82,207	\$ 74,517

Under governmental regulations, in the event of plan termination or employer withdrawal, the Association may be liable for the plan's unfunded vested benefits. The Association has not received information from the plans' administrator to determine its share of unfunded vested benefits. The Association has considered termination of this plan, but at this time there has been no action taken to initiate termination.

The net periodic benefit cost recognized consists of the following for the years ended June 30, 2009 and 2008:

	2009	2008
Interest cost	\$ 30,287	\$ 28,940
Expected return on plan assets	(29,170)	(32,512)
Amortization of unrecognized net transition asset	(1,276)	(1,276)
Amortization of unrecognized prior service cost	130	130
Amortization of unrecognized net loss	6,452	4,795
Net periodic pension cost	\$ 6,423	\$ 77

For the years ended June 30, 2009 and 2008, the weighted-average discount rate was 6.0% for both years, and the expected long-term rate of return on the defined benefit plan's assets was 7.0% for both years. The rate of increase in future compensation levels was not applicable.

The expected future benefit payments for each of the next five years and in the aggregate as of December 31, 2009 are as follows:

Year Ended December 31,	Amount
2010	\$ 29,168
2011	28,966
2012	29,544
2013	30,078
2014	29,575
Total	\$ 147,331

GODMAN GUILD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11: DEFINED CONTRIBUTION PENSION PLAN

The Association sponsors a defined contribution plan covering all individuals working for the Association with greater than one year of service and at least 21 years of age. Employees may elect to defer a portion of their salary subject to certain limitations. The Association may elect to make an annual contribution at the discretion of its Board of Trustees. The Association recognized discretionary contributions of \$9,410 and \$45,274 for the eighteen months ended December 31, 2009 and the year ended June 30, 2008, respectively.

NOTE 12: COLUMBUS FEDERATION OF SETTLEMENTS

During 2007, the Governing Committee of the Columbus Foundation approved a \$100,000 grant to the Association, as the fiscal agent, to support the first-year implementation of the three-year strategic plan to increase the collaboration of the seven settlement homes in central Ohio to build their capacity.

The seven settlement houses; Central Community House, Community Resources Center, Gladden Community House, Godman Guild Association, Neighborhood House, St. Stephens Community House, and South Side Settlement serve over 54,000 central Ohio residents in seven different at-risk neighborhoods each year. Services include after-school programming for youth, senior services, food pantry and Thanksgiving meal distributions, and varied models of community outreach and organization.

The Association acts as the agent for the grant given to the Columbus Federation of Settlement Houses by the Columbus Foundation. The grant has no effect on the operations of the Association. When funds are received, including dues from the settlement houses, the funds are credited to a liability account. When funds are disbursed the liability is decreased.

The grant and strategic plan ended during the eighteen months ended December 31, 2009. The following summarizes the activity for the eighteen months ended December 31, 2009 and the year ended June 30, 2008:

	2009	2008
Beginning balance	\$ 24,073	\$ 40,398
Member investment fees	-	49,268
Columbus Foundation	-	-
Total funds available	24,073	89,666
Expenses:		
Project management	24,073	30,975
Consulting fees	-	32,350
Other expenses	-	2,268
Total expenses	24,073	65,593
Ending balance	\$ -	\$ 24,073

NOTE 13: IN-KIND DONATIONS

A substantial number of unpaid volunteers have made significant contributions of their time to the Association. However, an amount representing this support may not be recognized in the statements of activities since the criteria for recognition under generally accepted accounting principles has not been satisfied.

GODMAN GUILD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13: IN-KIND DONATIONS (Continued)

Contributions of supplies and professional services are recognized if the supplies and professional services received create or enhance non-financial assets, and would typically need to be purchased if not provided through contributions. In-kind donations of supplies recognized as revenue and offset by the same amount in expense were \$31,030 and \$17,267 for the eighteen months ended December 31, 2009 and the year ended June 30, 2008, respectively. In-kind contributions for legal services were \$390 and \$4,811 for the eighteen months ended December 31, 2009 and the year ended June 30, 2008, respectively.

GODMAN GUILD ASSOCIATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE EIGHTEEN MONTHS ENDED DECEMBER 31, 2009

Federal Grantor/Pass-Through Grantor/Program Title	Grant Number	CFDA Number	Total Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Pass Through Franklin County Department of Job and Family Services:			
Temporary Assistance for Needy Families (TANF)	25-09-6177	93.558	\$ 310,210
U.S. DEPARTMENT OF EDUCATION			
Pass Through Ohio Department of Education:			
Adult Basic and Literacy Education	121814-AB-S1-2009	84.002	264,840
U.S. DEPARTMENT OF LABOR			
Pass Through Central Ohio Workforce Investment Corporation:			
WIA Youth Services	08-ISY-06-GGA	17.259	91,330
Total Federal awards			<u>\$ 666,380</u>

NOTE A - BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes the federal grant activities of Godman Guild Association, and is presented on the accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.



Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

Focused on Your Future.

June 7, 2010

To the Board of Trustees
Godman Guild Association
Columbus, Ohio

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

We have audited the financial statements of the Godman Guild Association (the "Association") as of and for the eighteen months ended December 31, 2009, and have issued our report thereon dated June 7, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Association's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential, will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

Compliance and Other Matters

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

This report is intended solely for the information and use of the Board of Trustees, management, specific legislative or regulatory bodies, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Rea & Associates, Inc.

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ACCOUNTANTS AND BUSINESS CONSULTANTS

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June 7, 2010

To the Board of Trustees
Godman Guild Association
Columbus, Ohio

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Compliance

We have audited the compliance of the Godman Guild Association (the "Association") with the types of compliance requirements described in the U. S. Office of Management and Budget ("OMB") *Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the eighteen months ended December 31, 2009. The Association's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Association's management. Our responsibility is to express an opinion on the Association's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Association's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Association's compliance with those requirements.

In our opinion, the Association complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the eighteen months ended December 31, 2009.

Internal Control Over Compliance

The Association's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Association's internal control over compliance with requirements, that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by any entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal controls over compliance that we consider to be material weaknesses, as defined above. However, we noted certain instances of internal control over compliance reported to management in a separate letter dated June 7, 2010.

This report is intended solely for the information and use of the Board of Trustees, management, specific legislative or regulatory bodies, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Rea & Associates, Inc.

Rea & Associates, Inc.

GODMAN GUILD ASSOCIATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE EIGHTEEN MONTHS ENDED DECEMBER 31, 2009

1. SUMMARY OF AUDITORS' RESULTS

(d) (1) (i)	Type of Financial Statement Opinion	Unqualified
(d) (1) (ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any other significant deficiency conditions reported at the financial statement level (GAGAS)?	No
(d) (1) (iii)	Were there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d) (1) (iv)	Were there any other significant deficiencies reported for major federal programs?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unqualified
(d) (1) (vi)	Are there any reportable findings under Section .510?	No
(d) (1) (vii)	Major Programs (list):	17.259 – WIA Youth Services 93.558 – Temporary Assistance for Needy Families
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	No

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None were noted.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None were noted.