

SUPPLEMENTARY INFORMATION

ACTION MINISTRIES, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2013

CFDA Number	Awarding Agency	Program Name	Grant Award Number	Federal Expenditures
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)</b>				
Direct payments				
14.235	HUD	Supportive Housing Program	GA0084B4B011104	\$ 186,769
14.235	HUD	Supportive Housing Program	GA0179B4B011000	76,538
14.235	HUD	Supportive Housing Program	GA006B4B0011104	48,677
14.235	HUD	Supportive Housing Program	GA0210B4B011100	55,581
14.235	HUD	Supportive Housing Program	GA0212B4B041100	129,134
14.235	HUD	Supportive Housing Program	GA00084LB011205	226,902
14.236	HUD	Supportive Housing Program	GA0179L4B011201	34,313
14.237	HUD	Supportive Housing Program	GA0006L4B001205	9,617
14.235	HUD	Supportive Housing Program	GA0021L4B011201	22,132
Total Supportive Housing - direct payments from HUD				<u>789,663</u>
<i>Passed through the Georgia Department of Community Affairs (DCA)</i>				
14.238	HUD - DCA	Shelter Care Plus	2011 11S SPC 11C347	24,468
14.238	HUD - DCA	Shelter Care Plus	2012 12S SPC 12C283	69,702
14.241	HUD - DCA	Housing Opportunities for People with Aids	2012 12H HOPWA 12C009	61,634
14.241	HUD - DCA	Housing Opportunities for People with Aids	2013 13H HOPWA 13C008	26,400
Total Grants passed through Georgia Department of Community Affairs				<u>182,204</u>
Other Emergency Shelter Grants passed through				
14.231	City of Augusta, Georgia	Emergency Solutions Grant	E121/E121R	1,244
Total Emergency Shelter Grants				<u>183,448</u>
<b>Other Grants passed through:</b>				
14.218	City of Dalton, Georgia	Community Development Block Grant		5,283
14.218	City of Augusta, Georgia	Community Development Block Grant		5,241
Total Community Development Block Grants				<u>10,524</u>
<i>Passed through the Georgia Department of Community Affairs (DCA)</i>				
<b>TOTAL - U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				<u>983,635</u>
<b>U.S. DEPARTMENT OF VETERANS AFFAIRS</b>				
64.033	Department of Veterans Affairs	Supportive Services for for Veteran Families	12-GA-544	786,191
64.033	Department of Veterans Affairs	Supportive Services for for Veteran Families	13-GA-101	227,093
<b>TOTAL - U.S. DEPARTMENT OF VETERANS AFFAIRS</b>				<u>1,013,284</u>
<b>Total Expenditure of Federal Awards</b>				<b>\$ <u>1,996,919</u></b>

ACTION MINISTRIES, INC.  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2013

**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Action Ministries, Inc., and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

# Reed, Quinn & McClure, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S 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  
Action Ministries, Inc.

We have audited, 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, the financial statements of Action Ministries, Inc., ("Action"), which comprise the statement of financial position as of December 31, 2013 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial and have issued our report thereon dated May 9, 2014.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Action'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 Action's internal control. Accordingly, we do not express an opinion on the effectiveness of Action'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of Action's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention to those charged with governance.

Our consideration of the 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 limitation 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 an Action'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*.

INDEPENDENT AUDITOR'S 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  
(Continued)

**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 Action's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Action's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Read, Quinn & McClure, LLC*

Lawrenceville, Georgia  
May 9, 2014

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM, AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors  
Action Ministries, Inc.

**Report on Compliance for Each Major Program**

We have audited Action Ministries, Inc. ("Action") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Action's major federal programs for the year ended December 31, 2013. Action's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Action's major federal programs based on our audit of the types of compliance referred to above. 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 Action'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. However, our audit does not provide a legal determination of Action's compliance.

**Opinion on Each Major Federal Program**

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

**Report on Internal Control over Compliance**

Management of Action is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Action's internal control over compliance with types of requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM, AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133

(Continued)

major federal program and to test and report on the internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion of the effectiveness of Action's internal control over compliance.

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

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

This reported on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Read, Quinn & McClure, LLC*

Lawrenceville, Georgia  
May 9, 2014

ACTION MINISTRIES, INC.  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED DECEMBER 31, 2013

**SECTION 1 - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of report issued:	Unqualified
Internal control over financial reporting:	
Any significant deficiencies identified?	No
Any significant deficiencies considered to be material weakness?	N/A
Any noncompliance material to the financial statements noted?	No

**Federal Awards**

Type of report issued:	Unqualified
Internal control over major programs:	
Any significant deficiencies identified?	No
Any significant deficiencies considered to be material weaknesses?	N/A
Any audit finding noted that is required to be reported in accordance with Circular A-133, Section .510(a)?	No

**Identification of major programs:**

<u>CFDA Number</u>	<u>Name of Federal Program</u>
64.033	Supportive Services for Veterans Families (Type A)

The audit threshold between Type A and Type B programs was \$300,000.  
 Action Ministries, Inc. is a low risk auditee.

**SECTION 2 - FINANCIAL STATEMENT FINDINGS:**

NONE NOTED

**SECTION 3 - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

NONE NOTED



ACTION MINISTRIES, INC.  
 SCHEDULE OF EXPENDITURES - STATE OF GEORGIA AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 2013

CFDA Number	Awarding Agency	Program Name	State Grant Number	Federal Expenditures
Georgia Department of Community Affairs - pass through from HUD				
14.238	HUD - DCA	Shelter Care Plus	2011 11S SPC 11C347	24,468
14.238	HUD - DCA	Shelter Care Plus	2012 12S SPC 12C283	69,702
14.241	HUD - DCA	Housing Opportunities for People with Aids	2012 12H HOPWA 12C009	61,634
14.241	HUD - DCA	Housing Opportunities for People with Aids	2013 13H HOPWA 13C008	26,400
<i>Total State of Georgia Grant Expenditures</i>				\$ 182,204