

SABATHANI COMMUNITY CENTER, INC.
AUDITED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

PREPARED BY
BWK ROGERS PC
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

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BWK Rogers PC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS
Minneapolis, Minnesota

O. Barry Rogers, CPA
Wendy S. Warfield, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Sabathani Community Center, Inc.

We have audited the accompanying financial statements of Sabathani Community Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. .

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sabathani Community Center, Inc. as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Sabathani Community Center, Inc.'s 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 29, 2014. In our opinion, the summarized comparative information presented herein as of and for the year

ended December 31, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

March 25, 2015

Berk Rogers PC

SABATHANI COMMUNITY CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2014 AND 2013

ASSETS	<u>2014</u>	<u>2013</u>
Current Assets		
Cash and Cash Equivalents	\$ 453,208	\$ 667,315
Accounts Receivable, Net of Allowance	227,022	123,665
Grants Receivable	6,100	6,000
Accrued Interest Receivable	-	3,309
Prepaid Expenses	<u>2,462</u>	<u>11,163</u>
Total Current Assets	688,792	811,452
Investments	834,946	825,725
Property and Equipment, Net of Accumulated Depreciation of \$5,550,667 and \$5,479,831 and in 2014 and 2013, respectively	<u>767,847</u>	<u>748,005</u>
Total Assets	<u>\$ 2,291,585</u>	<u>\$ 2,385,182</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 37,688	\$ 119,826
Accrued Expenses	<u>80,565</u>	95,068
Total Current Liabilities	118,253	214,894
Security Deposits	<u>34,519</u>	<u>32,044</u>
Total Liabilities	152,772	246,938
Net Assets		
Unrestricted		
Undesignated	1,023,042	952,385
Board Designated	<u>718,575</u>	<u>718,575</u>
Total Unrestricted Net Assets	1,741,617	1,670,960
Temporarily Restricted	<u>397,196</u>	<u>467,284</u>
Total Net Assets	<u>2,138,813</u>	<u>2,138,244</u>
Total Liabilities and Net Assets	<u>\$ 2,291,585</u>	<u>\$ 2,385,182</u>

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

SABATHANI COMMUNITY CENTER, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2014
WITH COMPARATIVE TOTALS FOR 2013

	2014			<u>2013</u>
	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>	
SUPPORT AND REVENUE				
Contributions	\$ 378,794	\$ -	\$ 378,794	\$ 446,347
United Way	411,093	-	411,093	416,424
Government Contracts	152,349	-	152,349	305,567
Rental Income	1,062,183	-	1,062,183	782,314
Program Service Fees	10,936	-	10,936	5,643
Investment Income	9,575	-	9,575	5,134
Special Events (net)	498	-	498	1,365
Miscellaneous Income	9,671	-	9,671	9,342
Net Assets Released from Restrictions	<u>70,088</u>	<u>(70,088)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	2,105,187	(70,088)	2,035,099	1,972,136
EXPENSES				
Program Services:				
Family Resource Services	382,997	-	382,997	339,311
Horizons Youth	225,462	-	225,462	215,399
Health and Wellness	182,172	-	182,172	169,114
Senior Center	152,735	-	152,735	132,588
Building Operations	<u>745,606</u>	<u>-</u>	<u>745,606</u>	<u>683,575</u>
Total Program Services	1,688,972	-	1,688,972	1,539,987
Supporting Services:				
Management and General	381,263	-	381,263	485,056
Fundraising	<u>28,152</u>	<u>-</u>	<u>28,152</u>	<u>35,670</u>
Total Supporting Services	409,415	-	409,415	520,726
Total Expenses	<u>2,098,387</u>	<u>-</u>	<u>2,098,387</u>	<u>2,060,713</u>
CHANGE IN NET ASSETS Before Extraordinary Item	6,800	(70,088)	(63,288)	(88,577)
Restatement of accumulated depreciation	<u>63,857</u>	<u>-</u>	<u>63,857</u>	<u>-</u>
CHANGE IN NET ASSETS	70,657	(70,088)	569	(88,577)
Net Assets, Beginning of Year	<u>1,670,960</u>	<u>467,284</u>	<u>2,138,244</u>	<u>2,226,821</u>
Net Assets, End of Year	<u>\$ 1,741,617</u>	<u>\$ 397,196</u>	<u>\$ 2,138,813</u>	<u>\$ 2,138,244</u>

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

SABATHANI COMMUNITY CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2014
WITH COMPARATIVE TOTALS FOR 2013

2014

	Program Services					Supporting Services			Total 2014	2013
	Family Resource Services	Horizons Youth	Senior Center	Health & Wellness	Building Operations	Total	Management & General	Fundraising		
SALARIES AND RELATED EXPENSES										
Salaries	\$ 143,570	\$ 107,342	\$ 79,306	\$ 91,769	\$ 148,175	\$ 570,162	\$ 115,800	\$ 20,435	\$ 136,235	\$ 774,246
Payroll Taxes	10,145	7,721	5,664	6,585	10,183	40,298	10,854	1,915	12,769	43,683
Benefits	22,241	15,217	9,364	12,876	23,411	83,109	31,606	2,341	33,947	106,909
Total Personnel Costs	175,956	130,280	94,334	111,230	181,769	693,569	158,260	24,691	182,951	924,838
OTHER EXPENSES										
Staff Development	3,360	3,570	1,260	5,250	-	13,440	7,560	-	7,560	21,000
Occupancy	70,751	40,805	27,745	10,310	322,971	472,582	22,728	-	22,728	495,310
Program Supplies	52,513	17,917	11,216	23,313	1,510	106,469	3,319	-	3,319	109,788
Professional Fees	44,351	15,500	1,115	27,553	17,036	105,555	120,794	-	120,794	226,349
Office Expense	3,194	2,455	2,141	461	8,267	16,518	16,097	2,841	18,938	35,456
Insurance	4,088	3,578	3,463	737	6,902	18,768	3,582	-	3,582	32,243
Furniture & Equipment	1,369	-	60	100	4,092	5,621	13,590	-	13,590	19,211
Transportation	8,023	7	2,511	499	1,376	12,416	60	-	60	12,476
Miscellaneous	-	-	-	-	-	-	2,100	-	2,100	1,999
Dues, Licenses & Subscriptions	199	-	144	-	19,192	19,535	1,059	-	1,059	26,197
Public Relations & Marketing	-	575	664	-	90	1,329	3,512	620	4,132	5,461
Bad Debts	-	-	-	-	94,851	94,851	20	-	20	94,871
Seminars, Conferences & Travel	336	-	-	25	-	361	1,909	-	1,909	2,270
Payroll Processing and Credit Card Fees	-	-	-	-	-	-	19,938	-	19,938	19,938
Depreciation	18,857	10,775	8,082	2,694	87,550	127,958	6,735	-	6,735	171,400
Total Expenses	\$ 382,997	\$ 225,462	\$ 152,735	\$ 182,172	\$ 745,606	\$ 1,688,972	\$ 381,263	\$ 28,152	\$ 409,415	\$ 2,098,387
										\$ 2,060,713

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

SABATHANI COMMUNITY CENTER, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 569	\$ (88,577)
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation	134,693	171,400
Unrealized (Gain) Loss on Investments	(15,296)	13,000
Security Deposits	2,475	-
Bad Debt Expense	(94,871)	(42,608)
(Increase) in Accounts Receivable	(8,486)	(2,481)
Decrease in Accrued Interest Receivable	3,309	1
(Increase) Decrease in Grants Receivable	(100)	106,049
Decrease (Increase) in Prepaid Expenses	8,701	(1,505)
(Decrease) Increase in Accounts Payable	(82,138)	13,474
(Decrease) Increase in Accrued Expenses	(14,503)	10,790
(Decrease) in Deferred Rent Revenue	<u>-</u>	<u>(4,461)</u>
Net Cash (Used) Provided by Operating Activities	(65,647)	175,082
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(154,534)	(228,902)
(Purchase) Sale of Investments	<u>6,074</u>	<u>(14,377)</u>
Net Cash (Used) by Investing Activities	<u>(148,460)</u>	<u>(243,279)</u>
Net (Decrease) in Cash and Cash Equivalents	(214,107)	(68,197)
Cash and Cash Equivalents, Beginning of Year	<u>667,315</u>	<u>735,512</u>
Cash and Cash Equivalents, End of Year	<u>\$ 453,208</u>	<u>\$ 667,315</u>

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

**SABATHANI COMMUNITY CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 1. ORGANIZATION

Sabathani Community Center, Inc. (Sabathani) is a multi-purpose social service center committed to making a difference in people's lives by providing access to quality programs and human services. The programs presently conducted by Sabathani include the following:

Family Resource Services – Meets basic needs with counseling, resource education, food and clothing shelves, housing information and referrals, advocacy and case follow-up.

Horizons Youth – An after-school program that assists children and youth in overcoming barriers to social, emotional and educational development. The program features a focus on math and reading, plus opportunities to learn computer skills.

Health & Wellness – An integrated health and wellness initiative focused on preventative care and health education. The program features a pediatric clinic, health and wellness classes, and a programs designed to encourage healthy lifestyle choices.

Senior Center – Provides a supporting social environment for the elderly. Activities include medical and legal clinics, hot meal programs, field trips, workshops, daily open lounge, information and referral and advocacy for seniors.

Building Operations – The purpose of the Building Operations is to provide office and program space to nonprofit organizations and small businesses. The land and buildings formerly known as the Bryant Junior High School were renovated for this purpose. The Building Operations is operated as an independent component of the Community Center. As such, the Sabathani community service programs are considered tenants of the Building Operations with rent paid under an annual lease. Rent paid during 2014 and 2013 was \$152,575 and \$210,187, respectively. The rental income and expense have been eliminated and appropriate occupancy costs allocated to the community service programs.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

**SABATHANI COMMUNITY CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets Classifications

The Organization reports information regarding its financial position and activities according to three classes of net assets:

- Unrestricted net assets are not subject to donor-imposed restrictions and represent funds that are fully available, at the discretion of management and the Board of Directors, for the Organization to utilize for any of its programs or supporting services.
- Temporarily restricted net assets are comprised of funds that are restricted by donors for specific purposes or time periods.
- Permanently restricted net assets are subject to a donor-imposed restriction that they be maintained permanently by the Organization. At December 31, 2014 and 2013, the Organization had no permanently restricted net assets.

Cash and Cash Equivalents

For purposes of the statements of cash flows, Sabathani considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

Sabathani extends credit to its customers on terms it establishes for individual customers. Receivables are recorded at amounts billed and are generally due when billed. Amounts outstanding for more than 30 days are considered delinquent. Accounts receivable are generally uncollateralized and the Organization does not charge interest on accounts receivable balances. The Organization reviews accounts receivable balances on a periodic basis and writes off delinquent receivable when they are considered uncollectible. The Organization provides an allowance for doubtful accounts based on historical experience and management's evaluation of outstanding accounts receivable at the end of each year. An allowance of \$47,867 and \$-0- was recorded for the years ended December 31, 2014 and 2013, respectively.

Property and Equipment

All major expenditures for furniture, equipment, and building improvements are capitalized at cost. Contributed items are recorded at fair market value at date of donation. Depreciation is provided through the use of the straight-line method over the useful life of the asset, ranging from three to thirty-five years. When the Organization commits to the disposal or abandonment of equipment, the assets are written off or down to the net realizable value. The cost of maintenance and repairs is charged to expense as incurred. Significant renewals or betterments are capitalized.

SABATHANI COMMUNITY CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Revenues and public support are reported as an increase in unrestricted net assets unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as an increase or a decrease in unrestricted net assets unless their use is restricted by explicit donor stipulations. Expirations of temporary restrictions on net assets are reported as net assets released from restrictions.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Donor restricted contributions, the restriction of which are met in the same year as the contributions is made, are reported as unrestricted contributions.

Government Grants and Contracts

Government grants and contract funds are considered exchange contracts and are recorded as revenue when earned. Revenue is earned when eligible expenditures, as defined in each grant or contract, are made. Funds received but not yet earned are shown as refundable advances. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, Sabathani Community Center, Inc. will record such disallowance at the time the final assessment is made.

Donated Material and Services

Contributed services are recorded as contributions, at fair value, when the service creates or enhances a non-financial asset or donation. Some unpaid volunteers have made contributions of their time to the Organization's programs. The value of this contributed time is not reflected in these statements since it does not meet the requirements for recognition in the financial statements.

Promises to Give (Grants Receivable)

Unconditional promises to give are recognized in the period the promises are made. Conditional promises to give are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional.

Risks and Uncertainties

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.

**SABATHANI COMMUNITY CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Expenses

The majority of expenses are directly identified with the program or supporting services to which they relate. Expenses not directly identifiable by function are allocated to program and supporting services on the basis of salaries, space occupied, and other bases determined by management.

Tax Exempt Status

Sabathani Community Center, Inc. has been recognized by the Internal Revenue Services (IRS) as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (the Code) and, accordingly, is generally not subject to income taxes, except for taxes pertaining to unrelated business income. The Organization is exempt from state taxes under Minnesota Statute 290.05. Therefore, there is no provision for income taxes, and unrelated income subject to tax is considered to be insignificant.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Ultimate results could differ from those estimates.

Advertising

Advertising and promotion costs are expensed as incurred. Advertising and promotion costs were \$5,461 and \$10,412 for the years ended December 31, 2014 and 2013, respectively.

Concentrations of Risk

Sabathani Community Center, Inc. provides services within the Twin Cities area. The amounts due for services provided are from local institutions. Grants receivable are from local governments and institutions.

The Organization maintains its cash in deposit accounts at a financial institution where balances, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts.

**SABATHANI COMMUNITY CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2013, from which the summarized information was derived.

NOTE 3. INVESTMENTS

Sabathani Community Center, Inc. held the following investments as of December 31:

	2014		2013	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Marketable Debt Securities	\$340,963	\$355,898	\$353,152	\$360,724
Money Market Funds	465,000	479,047	431,881	465,000
	<u>\$805,963</u>	<u>\$834,945</u>	<u>\$785,033</u>	<u>\$825,724</u>

Sabathani had interest and dividends of \$9,575 and \$5,134, and unrealized gain of \$15,296 and \$(13,000) for the years ended December 31, 2014 and 2013, respectively.

NOTE 4. FAIR VALUE

Sabathani Community Center, Inc. adopted Financial Accounting Standards Board Accounting Standards Codification Topic 820 Fair Value Measurements and Disclosures ("ASC 820"). In accordance with ASC 820, "fair value" is defined as the price that an organization would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. Various inputs are used in determining the value of investments. ASC 820 established a three-tier hierarchy of inputs to establish a classification of fair value measurements for disclosure purposes. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

- Level 1 – Quoted prices in active markets for identical investments.
- Level 2 – Other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – Significant unobservable inputs.

**SABATHANI COMMUNITY CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 4. FAIR VALUE (CONTINUED)

The following is a summary of the inputs used to determine the fair value of the investments at December 31, 2014:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market Funds	\$479,047	\$ ---	\$ ---	\$479,047
Marketable Debt Securities	355,898	---	---	355,898
Grants Receivable	---	6,100	---	6,100
Total	<u>\$834,945</u>	<u>\$6,100</u>	<u>\$ ---</u>	<u>\$841,045</u>

NOTE 5. PROPERTY AND EQUIPMENT

Sabathani Community Center, Inc. owned the following at December 31:

	<u>2014</u>	<u>2013</u>
Land, Buildings and Improvements	\$5,837,945	\$5,797,579
Furniture and Equipment	404,325	354,013
Vehicles	<u>76,244</u>	<u>76,244</u>
	6,318,514	6,227,836
Less: Accumulated Depreciation	<u>(5,550,667)</u>	<u>(5,479,831)</u>
Net Property and Equipment	<u>\$ 767,847</u>	<u>\$ 748,005</u>

Depreciation expense of \$134,693 and \$171,400 was recorded for the years ended December 31, 2014 and 2013, respectively.

NOTE 6. RETIREMENT PLAN

Sabathani Community Center, Inc. maintains a 401(k) defined contribution pension plan covering substantially all of its employees. This plan provides benefits to employees based on the individual account balance each employee has accumulated in the plan at retirement. Sabathani did not match any employee contributions for the years ended December 31, 2014 and 2013.

NOTE 7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following as of December 31:

	<u>2014</u>	<u>2013</u>
Future Years Program Support	\$ 16,923	\$ 67,923
Building Improvements and Renovation	<u>380,273</u>	<u>399,361</u>
Total Temporarily Restricted Net Assets	<u>\$397,196</u>	<u>\$467,284</u>

**SABATHANI COMMUNITY CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

NOTE 8. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from restrictions consisted of the following as of December 31:

	<u>2014</u>	<u>2013</u>
Program Support	\$36,000	\$283,657
Expiration of Time Restriction	15,000	15,000
Building Improvements and Renovation	<u>19,088</u>	<u>---</u>
Total Net Assets Released from Restrictions	<u>\$70,088</u>	<u>\$298,657</u>

NOTE 9. BOARD DESIGNATED NET ASSETS

The Board of Directors has designated unrestricted net assets as follows as of December 31, 2014, and 2013:

Sabathani Fund	\$334,657
Building Operations/Capital Reserve	<u>383,918</u>
Total Board Designated Net Assets	<u>\$718,575</u>

NOTE 10. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through the date the financial statements were issued, March 25, 2015. There are no subsequent events required to be disclosed in accordance with accounting standards.

NOTE 11. INCOME TAX UNCERTAINTIES

The Organization follows the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The guidance clarifies the accounting for the uncertainty in income taxes recognized in the entity's financial statements. The guidance further prescribes recognition and measurement of tax provisions taken or expected to be taken on a tax return that are not certain to be realized. The application of this standard has no impact on the Organization's financial statements.

The Organization's tax returns are subject to review and examination by federal, state and local authorities. The tax returns for the years 2010 to 2014 are open to examination by federal, state, and local authorities.