

HABITAT FOR SAFE SENIORS

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2008

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
Habitat for Safe Seniors

We have audited the accompanying statement of financial position of Habitat for Safe Seniors (a nonprofit organization) as of December 31, 2008, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 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 audit provides 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 Habitat for Safe Seniors as of December 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Ruben Jimenez & Associates, P.C.

San Antonio, Texas  
February 27, 2009

**HABITAT FOR SAFE SENIORS**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2008**

<b>Assets</b>		
Cash and cash equivalents		\$ 1,021
Inventories		56,811
Leasehold improvements and equipment, net		<u>201,122</u>
	<b>Total Assets</b>	<u><u>258,954</u></u>
<b>Liabilities and net assets</b>		
Liabilities:		
Other current liabilities		1,773
<b>Net assets</b>		
Unrestricted		117,380
Temporarily restricted		<u>139,801</u>
	<b>Total Net Assets</b>	257,181
	<b>Total Liabilities and Net Assets</b>	\$ <u><u>258,954</u></u>

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

**HABITAT FOR SAFE SENIORS**  
**STATEMENT OF ACTIVITIES**  
**For year ended December 31, 2008**

Changes in unrestricted net assets:	
Unrestricted revenues and gains	
Contributions	\$ 13,263
Donations-in-kind	425,194
Grants	34,360
Special events and bingo	7,927
Interest Income	<u>3</u>
Total unrestricted revenue and gains	480,747
Net assets released from restrictions	
Satisfaction of program restrictions	<u>62,634</u>
Total unrestricted revenue, gains, other support	543,381
Expenses	
General and administrative	18,211
Program services	434,218
Fund raising	<u>2,043</u>
Total expenses	454,472
Change in unrestricted net assets	<u>88,909</u>
Changes in temporarily restricted net assets	
Contributions	116,918
Net assets released from restrictions	<u>(62,634)</u>
Change in temporarily restricted net assets	54,284
Change in nets assets	143,193
Net assets at beginning of year	<u>113,988</u>
Net assets at end of year	<u>\$ 257,181</u>

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

**HABITAT FOR SAFE SENIORS**  
**STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2007**

Cash flows from operating activities	
(Decrease) in net assets	\$ 143,193
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
In-kind contributions for equipment	(80,496)
Depreciation and amortization	23,067
Contributions temporarily restricted	(116,918)
(Increase) decrease in operating assets	
Inventories	33,206
Increase in current liabilities	1,774
Net cash provided by operating activities	<u>3,826</u>
Cash flows from investing activities	
Purchase of equipment	(6,356)
Net cash used by investing activities	<u>(6,356)</u>
Net increase (decrease) in cash and cash equivalents	(2,530)
Beginning cash and cash equivalents	<u>3,551</u>
Ending cash and cash equivalents	<u>\$ 1,021</u>

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

**HABITAT FOR SAFE SENIORS**

**STATEMENT OF FUNCTIONAL EXPENSES**

**December 31, 2008**

	General and Administrative	Program Activities	Fund Raising	Total
Salaries	\$ 2,153	\$ 19,374	\$ -	\$ 21,527
Donated food expense	-	281,249	-	281,249
Ramp and home safety expenses	-	67,290	-	67,290
Other program services	-	25,523	-	25,523
Payroll taxes	162	1,461	-	1,623
Accounting and professional fees	5,308	-	-	5,308
Supplies	3,764	1,287	-	5,051
Telephone and utilities	439	3,514	439	4,392
Occupancy	1,200	9,600	1,200	12,000
Fund raising expenses	-	-	404	404
Fuel and vehicle maintenance	438	3,942	-	4,380
Membership dues, licenses and permits	498	-	-	498
Misc. expenses	748	-	-	748
Interest expense	67	-	-	67
Facilities maintenance	1,345	-	-	1,345
Depreciation expense	2,089	20,978	-	23,067
	<u>\$ 18,211</u>	<u>\$ 434,218</u>	<u>\$ 2,043</u>	<u>\$ 454,472</u>

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

**HABITAT FOR SAFE SENIORS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008**

**NOTE 1- SUMMARY OF ACCOUNTING POLICIES**

**Nature of Activities**

Habitat for Safe Seniors (HFSS) is a non-profit corporation chartered on February 26, 2004. HFSS is dedicated to improving the quality of life for seniors in the Canyon Lake and Comal County area. HFSS provides direct services to seniors and provides a social setting in which to mobilize volunteers to assist in its ramp, home repair, food delivery, and environmental clean up programs.

HFSS activities are supported by direct contributions, grants, in-kind contributions, and through partnering with other social service organizations.

**Financial Statement Presentation**

HFSS follows generally accepted accounting principles. The organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The organization has adopted the Statement of Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS NO. 117, the organization is required to report information regarding the financial position and activities according to three classifications of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor or grantor imposed restrictions. As of December 31, 2008, the organization had no permanently restricted net assets. HFSS reports its in-kind contributions for goods and services under SFAS No. 116, "Accounting for Contributions Received and Contributions Made", and SFAS No. 136, "Transfers of Assets to a Not-For-Profit Organization of Charitable Trust That Raises or Hold Contributions for Others."

**Use of Estimates**

Preparing the organization's financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates

**Cash and Cash Equivalents**

Cash equivalents include money market accounts, and certificates of deposit, all of which have maturities of three months or less. Cash equivalents are stated at cost plus accrued interest, which approximates market value.

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**Fixed Assets**

Property and equipment are recorded at cost. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method for financial statement purposes.

Furniture and equipment	5 years
Leasehold Improvements	20 years
Vehicle and trailers	5 years

**Contributions**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. 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, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Income Taxes**

HFSS is a not-for-profit organization that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

**Inventory**

Inventories are stated at the lower of cost (as determined by the donor) or market using the first-in, first out method. Such inventories consist of ramp materials held as temporarily restricted net assets to be used in program services. When installed, these materials are reported as net assets as released from restrictions.

**Note – 2 Fixed Assets**

Fixed assets consist of the following:

	<u>2008</u>
Leasehold improvements	\$15,872
Furniture and equipment	84,739
Vehicles and trailers	127,985
Less: accumulated depreciation	<u>( 27,474)</u>
Total	<u>\$201,122</u>

Depreciation expense for the year ending December 31, 2008 was \$23,067

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**Note – 3 In-Kind Contributions – Contributed Materials**

In-kind contributions are reflected as contributions at their estimated fair value at date of donation. The organization reports gifts of equipment, and other nonmonetary contributions as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. During the year ending December 31, 2008, the organization received \$81,788 in food items from surrounding donors in the Canyon Lake area. The organization acted in an agency capacity with the San Antonio Food Bank and distributed \$79,280 of food items to seniors in its Food Fair program. In partnership with the Food Bank the organization distributed 131,983 lbs of food to seniors valued at \$1.49 per lb.

**Note – 4 In-Kind Contributions – Contributed Services**

HFSS recognizes contributions of services received if such services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

HFSS received \$2,700 in contributed services in 2008 in its food distribution program.

In addition, the HFSS receives services from a large number of volunteers who give significant amounts of their time to the organization's programs and fundraising campaigns. No amounts have been reflected for these types of donated services, as they do not meet the criteria outlined above.

**Note – 5 Related Party Transactions**

HFSS recognized occupancy costs in the amount of \$12,000 based upon fair market estimates of like property in the area. The property is owned by a related party. The current lease period expires December 31, 2009 and the 2009 rent is \$12,000.

**Note – 6 Donated Equipment and Vehicles**

HFSS purchased equipment and vehicles from the Texas Facilities Commission. Vehicles valued at \$116,918 are restricted in use for an eighteen month period ending in January 2010.

**Note – 7 Inventories**

At year end the remaining restricted ramp inventory was \$27, 383. HFSS received previously installed ramps and these were returned to unrestricted inventory in the amount of \$29,428.

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**Note – 8 Comment and Contingencies**

The organization as of December 31, 2008 and the date of this report did not have property and personal injury insurance at its current location. Consequently, it is at risk and has exposure to litigation arising from possible personal injury or property damage claims from either volunteers or seniors.