

**Shelter Providers of Orange County, Inc.
DBA HomeAid Orange County, Inc.**

Financial Statements

For the Years Ended December 31, 2010 and 2009

Shelter Providers of Orange County, Inc.
DBA HomeAid Orange County, Inc.
Financial Statements
December 31, 2010 and 2009

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Report of Independent Auditors

To the Board of Directors
Shelter Providers of Orange County, Inc.
DBA HomeAid Orange County, Inc.

We have audited the accompanying statements of financial position of Shelter Providers of Orange County, Inc., DBA HomeAid Orange County, Inc. as of December 31, 2010 and 2009, and the related statements of activities and change in net assets, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States. 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 Shelter Providers of Orange County, Inc., DBA HomeAid Orange County, Inc. at December 31, 2010 and 2009, and the results of its activities and change in net assets, functional expenses and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.



Roger A. Warren, CPA of
Stafford & Warren, LLP
August 25, 2011

Shelter Providers of Orange County, Inc.
 DBA HomeAid Orange County, Inc.
 Statements of Financial Position
 December 31, 2010 and 2009

	2010	2009
Assets		
Current assets:		
Cash (Note 2)	\$ 614,856	\$ 392,978
Investments (Note 3)	-	305,930
Accounts receivable	2,910	253
Grant receivable	29,300	-
Due from HomeAid Inland Empire (Note 5)	6,530	5,427
Current portion of pledges receivable (Note 4)	29,416	14,455
Prepaid expenses and deposits	9,025	9,025
	692,037	728,068
Long-term portion of pledges receivable (Note 4)	-	3,337
Furniture and equipment, net of accumulated depreciation of \$61,206 and \$56,980, respectively (Note 2)	-	4,226
	692,037	735,631
Total Assets	\$ 692,037	\$ 735,631
 Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 41,547	\$ 37,112
Due to HomeAid Inland Empire (Note 5)	-	100
	41,547	37,212
Total liabilities	41,547	37,212
 Net Assets		
Net assets - unrestricted (Note 10)	624,750	673,998
Net assets - temporarily restricted (Note 10)	18,458	17,885
Net assets-permanently restricted (Note 10)	7,282	6,536
	650,490	698,419
Total net assets	650,490	698,419
Total Liabilities and Net Assets	\$ 692,037	\$ 735,631

Shelter Providers of Orange County, Inc.
 DBA HomeAid Orange County, Inc.
 Statements of Activities and Change in Net Assets
 For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
UNRESTRICTED NET ASSETS		
Support and Revenue		
Donated shelter program materials and services (Note 6)	\$ 458,954	\$ 262,621
Fundraising events (Note 6)	615,891	625,592
Donations (Note 6)	207,939	144,130
Grants	63,300	196,277
Service provider project fee	5,421	45,857
HomeAid Inland Empire Management fees	83,760	16,000
Interest income (Note 3)	3,067	7,316
Unrealized gain (loss) from investments (Note 3)	(2,367)	19,646
Net assets released from restrictions	<u>20,944</u>	<u>46,405</u>
Total support and revenue	1,456,909	1,363,844
Expenses		
Shelter development program costs	807,508	569,967
Fundraising expenses	517,784	709,506
Management and administrative	<u>180,865</u>	<u>227,611</u>
Total expenses	<u>1,506,157</u>	<u>1,507,084</u>
Increase (decrease) in unrestricted net assets	(49,248)	(143,240)
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	21,517	48,251
Net assets released from restrictions	<u>(20,944)</u>	<u>(46,405)</u>
Increase (decrease) in temporarily restricted net assets	573	1,846
PERMANENTLY RESTRICTED NET ASSETS		
Donations (Note 6)	-	1,000
Interest income (Note 3)	129	161
Unrealized gain (loss) from investments (Note 3)	736	1,191
Management fee on OCCF Endowment	<u>(119)</u>	<u>(115)</u>
Increase (decrease) in permanently restricted net assets	<u>746</u>	<u>2,237</u>
Decrease in net assets	(47,929)	(139,157)
Net assets - beginning of year	<u>698,419</u>	<u>837,576</u>
Net assets - end of year	<u>\$ 650,490</u>	<u>\$ 698,419</u>

Shelter Providers of Orange County, Inc.
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 Statements of Functional Expenses
 For the Years Ended December 31, 2010 and 2009

Supporting Activities

	<u>Shelter Development Program</u>	<u>Fundraising</u>	<u>Management and Administrative</u>	<u>2010 Total</u>	<u>2009 Total</u>
Donated materials and services	\$ 458,954	\$ 280,979	\$ 65,644	\$ 805,577	\$ 668,448
Shelter project cash expenditures	23,950	-	-	23,950	51,676
Salaries and related costs	282,779	122,830	72,636	478,245	526,013
Accounting	-	-	10,700	10,700	10,900
Administrative	558	9,904	985	11,447	7,567
Advertising	49	14,272	250	14,571	9,161
Auction expense	-	300	-	300	-
Audio and Visual	-	10,268	-	10,268	9,901
Automobile expenses	3,093	1,610	554	5,257	6,855
Awards and recognition	10,872	1,849	-	12,721	8,020
Bank and city fees	3	4,636	1,282	5,921	7,331
Chapter assessment	-	-	2,500	2,500	1,500
Computer expenses	-	-	5,637	5,637	6,758
Conferences and seminars	-	-	1,780	1,780	2,979
Depreciation	-	-	4,226	4,226	3,376
Direct mail expense	-	1,880	-	1,880	800
Insurance	-	-	1,914	1,914	-
Meals and entertainment	563	21,481	1,640	23,684	22,077
Office expenses	16,524	5,508	5,508	27,540	58,896
Office supplies	753	290	142	1,185	4,199
Outside services	-	5,950	-	5,950	2,462
Photography & P/R costs	843	1,318	-	2,161	1,831
Playhouse costs	-	5,795	-	5,795	28,008
Postage	59	1,119	529	1,707	2,353
Printing	3,546	10,606	147	14,299	25,382
Rentals	-	12,338	-	12,338	27,662
Storage facilities	-	-	3,966	3,966	3,458
Telephone	4,962	4,851	825	10,638	8,928
Other costs	-	-	-	-	543
	<u>\$ 807,508</u>	<u>\$ 517,784</u>	<u>\$ 180,865</u>	<u>\$ 1,506,157</u>	<u>\$ 1,507,084</u>

Shelter Providers of Orange County, Inc.
 DBA HomeAid Orange County, Inc.
 Statements of Cash Flows
 For the Years Ended December 31, 2010 and 2009

	2010	2009
Operating Activities		
Change in net assets	\$ (47,929)	\$ (139,157)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	4,226	3,376
Unrealized (gain) loss from investments	1,631	(20,837)
Changes in operating assets and liabilities		
Accounts receivable	(2,657)	(253)
Grants	(29,300)	-
Due from HomeAid Inland Empire	(1,103)	(5,427)
Pledges receivable - current	(14,961)	(6,477)
Pledges receivable - long term	3,337	3,334
Accounts payable and accrued liabilities	4,435	(5,472)
Due to HomeAid Inland Empire	(100)	100
	(82,421)	(170,813)
Investing Activities		
Proceeds from redemption of investments	-	282,885
Purchase of investments	(239,294)	(6,681)
	(239,294)	276,204
Net Increase (Decrease) In Cash	(321,715)	105,391
Cash - beginning of year	392,978	287,587
Cash - end of year	\$ 71,263	\$ 392,978
Supplemental Disclosure of Noncash Activities		
Donated materials and services	\$ 805,577	\$ 668,448

Shelter Providers of Orange County, Inc.
DBA HomeAid Orange County, Inc.
Notes to Financial Statements
December 31, 2010 and 2009

1. Organization and Operations

Organization

Shelter Providers of Orange County, Inc., DBA HomeAid Orange County, Inc. (the “Organization”) is an Internal Revenue Code Section 501(c)(3) charitable, public benefit, not-for-profit organization formed by the Building Industry Association and incorporated in 1989 for the purpose of building and renovating shelters for the transitionally homeless.

Operations

The Organization receives a substantial portion of its financial support from donated materials and services from third parties and fundraising events. The financial condition of the Organization depends significantly on its ability to raise funds from contributors. A significant reduction in the level of contributor support could affect the Organization’s programs and activities. Management of the Organization believes it will continue to have adequate funding sources to maintain its present level of operations.

The Organization’s revenue and support generally comes from six sources: donated materials and services, fundraising events, cash donations, grants, project fees from service providers, and providing consulting services to an affiliate. Fundraising income includes, among other things, opportunity drawings, auctions, event sponsorships, event ticket sales and registration fees. Grant income normally is generated from foundation grants for the building or renovation of shelter projects. Donations represent funds received by the Organization or unconditional promises from third parties.

2. Summary of Significant Accounting Policies

Basis of Accounting

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

Shelter Providers of Orange County, Inc.
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Notes to Financial Statements (continued)
December 31, 2010 and 2009

2. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of December 31, 2010 and 2009, and revenues and expenses for the years then ended. Actual results could materially differ from these estimates in the near term.

Cash Equivalents

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

Fixed Assets and Depreciation

Purchased furniture and equipment is recorded at cost. Furniture and equipment is depreciated on a straight-line basis over the estimated useful lives of the respective assets, generally five years. Fixed assets were fully depreciated as of December 31, 2010.

Revenues and Expenses

Revenues and expenses from donated materials and services are recorded in the period the materials are provided based on management and donors' estimates of the fair value of the materials and services provided. Revenues and expenses related to fund-raising events are recorded in the period in which the event takes place. Revenues from cash donations are recorded in the period in which an unconditional promise is given or the funds are received by the Organization. Grants are recorded when an award is approved by a foundation or a governmental agency. Other expenses are recorded when incurred.