

Door of Hope

AUDITED FINANCIAL STATEMENTS

For the year ended September 30, 2009



Independent Auditor's Report

The Board of Directors
Door of Hope
Pasadena, CA 91109

I have audited the accompanying statement of financial position of the Door of Hope, as of September 30, 2009 and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion of these financial statements based on our audit.

I conducted the 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 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 the Door of Hope, as of September 30, 2009, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Stanley G. Parkhurst
Certified Public Accountant
April 12, 2010

Door of Hope
Statement of Financial Position
September 30, 2009

Assets

Current assets

Cash	\$ 193,506
Accounts receivable	15,153

Total current assets	208,659

Non-current assets (Note 1)

Furniture & equipment	86,174
Automobile	35,300
Building & ground improvements	143,005
Building	462,665
Land	<u>147,770</u>
	874,914
Accumulated depreciation	<u>(243,699)</u>
Total non-current assets	631,215

Total assets	<u>\$839,874</u>
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Liabilities and Net Assets

Current liabilities

Accounts payable and accrued expenses	\$ 11,153
Other liabilities	<u>23,668</u>
Total current liabilities	\$ 34,821

Net assets

Unrestricted	<u>805,053</u>
Total net assets	\$ 805,053

Total liabilities and net assets	<u>\$ 839,874</u>
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The accompanying notes are an integral part of these financial statements.

Door of Hope
Statement of Activities
September 30, 2009

Changes in Unrestricted Net Assets

Unrestricted support	
Contributions	\$ 258,167
Foundation/Business Grants	211,817
Government Grants	64,889
Program Income	5,685
In-Kind income	109,412
Special event income – net	<u>38,649</u>
Total unrestricted support, net	688,619
Other unrestricted revenues	
Investment income dividends and interest	<u>1,577</u>
Total unrestricted revenues, net of direct benefits	690,196
Net assets released from restrictions	
Net assets released from restrictions	<u>0</u>
Total unrestricted revenues and support, net of direct benefits	<u>690,196</u>
Expenses	
Program expenses	530,275
Management and general	76,191
Fund-raising expenses	<u>76,196</u>
Total expenses	<u>682,662</u>
Increase in unrestricted net assets	7,534
Changes in Temporarily Restricted Net Assets	
Grant revenue	\$ 0
Net assets released from restrictions	<u>0</u>
Increase in temporarily restricted net assets	\$ 0
Increase in Net Assets	7,534
Net Assets at Beginning of Year	<u>797,519</u>
Net Assets at End of Year	<u>\$ 805,053</u>

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

Door of Hope
Statement of Cash Flows
Year Ended September 30, 2009

Cash Flows From Operating Activities

Increase in net assets	\$ 7,534
Adjustments to reconcile change in net assets to cash used by operating activities:	
Depreciation	30,381
Increase in accounts receivable	-5,153
Decrease in other assets	4,075
Increase in account payable and other liabilities	<u>6,788</u>
Net cash provided by operating activities	<u>43,625</u>

Cash Flows From Investing Activities

Furniture & equipment purchases - net	-6,095
Net cash used in investing activities	<u>-6,095</u>

Cash Flows From Financing Activities

Loans	<u>0</u>
Net cash provided from financing activities	0

Net Increase in Cash and Cash Equivalents	37,530
Cash and Cash Equivalents at Beginning of Year	<u>155,976</u>
Cash and Cash Equivalents at End of Year	<u>\$ 193,506</u>

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

Door of Hope

Statement of Functional Expenses

Year Ended September 30, 2009

	<u>Supporting Services</u>			
	Program	Management & General	Fund- raising	Total
Salaries	\$ 234,951	\$37,119	\$ 43,393	\$ 315,463
Payroll taxes	22,105	3,148	4,031	29,284
Employee benefits	14,841	2,264	2,707	19,812
Insurance	23,700	1,988	2,312	28,000
In-kind expense	109,412	0	0	109,412
Rapid housing prog exp	33,474	0	0	33,474
Resident housing & food	36,441	0	0	36,441
Resident expenses	5,356	0	0	5,356
Outside services	8,112	10,368	6,759	25,239
Supplies, postage, print	0	3,000	9,103	12,103
Depreciation expense	26,127	2,734	1,520	30,381
Other expenses	<u>15,756</u>	<u>15,570</u>	<u>6,371</u>	<u>37,697</u>
Total	<u>\$ 530,275</u>	<u>\$ 76,191</u>	<u>\$ 76,196</u>	<u>\$ 682,662</u>

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

Door of Hope

Notes to Financial Statements

Year Ended September 30, 2009

Note 1: Nature of Organization and Significant Accounting Policies

The Door of Hope, "the Organization" is a non-profit organization dedicated to provide housing, food, clothing, and training for homeless families to prepare them for transitioning back into the workplace and society. The Organization is located in Pasadena, CA where it maintains housing facilities for homeless families. The Organization also operates another facility in Glendale, CA the provides transitional housing and case management services for homeless single women with children.

Support and Expenses. Contributions received and unconditional promises to give are measured at their fair market values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor 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 activity as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

The Organization reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those log-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Expenses are recorded when incurred in accordance with the actual basis of accounting.

Donated Services, Goods and Facilities. Donated professional services (which include accounting and legal services) are reflected in the statement of activities at their fair value. Materials and other assets received as donations are recorded and reflected in the accompanying financial statements at their fair values at the date of receipt.

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 and disclosure of contingent assets and liabilities at that date of the financial statements and the reported amounts of revenues and experiences during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents. Cash and cash equivalents consist of cash held in checking and money market accounts and certificates of deposit with maturities of less than 90 days except if those instruments are used to temporarily invest endowment funds until appropriate investments are identified. At year-end and throughout the year, the Organization's cash balances were deposited in bank and money market funds. Management believes the Organization is not exposed to any significant credit risk on cash and cash equivalents.

Door of Hope

Notes to Financial Statements

Year Ended September 30, 2009

Investments. Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position. Investment income or loss (including gains and losses on investments, interest, and dividends) is included in the statement of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law.

Concentrations of Credit and Market Risk. Financial instruments that potentially expose the Organization to concentrations of credit and market risk consists primarily of cash equivalents and investments. Cash equivalents are maintained at high-quality financial institutions and credit exposure is limited to any one institution. The Organization has not experienced any losses on its cash equivalents. The Organization's investments do not represent significant concentrations of market risk inasmuch as the Organization's investment portfolio is adequately diversified among issuers.

Accounts Receivable. Accounts receivable represent contributions and grants pledged for 2008-2009 and collectable in 2009-2010.

Office Furniture and Equipment. Office furniture equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful lives of the assets and computed on the straight-line method.

Income Taxes. The Organization is a non-profit corporation whose revenue is derived from contributions and other fund-raising activities and is not subject to federal or state income taxes.

Note 2 – Functional Allocation of Expenses

The costs of providing the various programs, fund-raising and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and the fund-raising activities benefited.

Note 3 – Commitments & Contingencies

The Organization has no legal commitments or contingencies.