

**A PLACE CALLED HOME**

**BOARD OF DIRECTORS  
FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
YEAR ENDED JUNE 30, 2009**

**A PLACE CALLED HOME**  
**(A California Non-Profit Corporation)**  
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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
A Place Called Home (APCH)  
(A California Non-Profit Corporation)  
Los Angeles, California

We have audited the accompanying statement of financial position of A Place Called Home (APCH) (A California Non-Profit Corporation) as of June 30, 2009, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of A Place Called Home's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from A Place Called Home financial statements and, in our report dated February 5, 2009, we expressed an unqualified opinion on those financial statements.

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 A Place Called Home as of June 30, 2009, 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.

*Vasin, Heyn + Co.*

April 6, 2010

**A PLACE CALLED HOME**  
**(A California Non-Profit Corporation)**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2009**  
**(WITH COMPARATIVE TOTALS FOR 2008)**

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 874,128	\$ 471,481
Pledges receivable	65,000	175,000
Other receivables	29,508	18,225
Deposits and prepaid expenses	23,968	13,971
Property and equipment, net	<u>2,182,408</u>	<u>2,256,693</u>
 Total assets	 <u>\$3,175,012</u>	 <u>\$2,935,370</u>
 <b>LIABILITIES</b>		
Accounts payable	\$ 10,286	\$ 6,923
Accrued expenses	72,344	67,895
Accrued payroll and related liabilities	<u>141,661</u>	<u>161,394</u>
 Total liabilities	 <u>224,291</u>	 <u>236,212</u>
 <b>COMMITMENTS AND CONTINGENCIES</b>		
 <b>NET ASSETS</b>		
Unrestricted	2,945,971	2,599,158
Temporarily restricted	<u>4,750</u>	<u>100,000</u>
	<u>2,950,721</u>	<u>2,699,158</u>
 Total liabilities and net assets	 <u>\$3,175,012</u>	 <u>\$2,935,370</u>

See accompanying auditors' report and  
notes to financial statements.

**A PLACE CALLED HOME**  
**(A California Non-Profit Corporation)**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2009**  
**(WITH COMPARATIVE TOTALS FOR 2008)**

	2009			<u>2008</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	
<b>REVENUE AND SUPPORT</b>				
Contributions and grants	\$ 1,340,634	\$ 228,206	\$ 1,568,840	\$1,795,146
In-kind revenue	1,023,050	-	1,023,050	28,061
Rental revenue	94,440	-	94,440	93,340
Interest income	4,291	-	4,291	14,892
Other income	788	-	788	4,145
Gain (loss) on sale of assets	400	-	400	-
Fundraising events:				
Gross revenue	1,373,569	-	1,373,569	1,024,305
Less: Direct costs	<u>(301,508)</u>	<u>-</u>	<u>(301,508)</u>	<u>(383,572)</u>
Fundraising events, net	1,072,061	-	1,072,061	640,733
Restrictions released	<u>323,456</u>	<u>(323,456)</u>	<u>-</u>	<u>-</u>
Total support, revenue and restrictions released	3,859,120	(95,250)	3,763,870	2,576,317
<b>EXPENSES</b>				
Program services	2,841,551	-	2,841,551	2,060,307
Support services	478,879	-	478,879	612,962
Fundraising	<u>191,877</u>	<u>-</u>	<u>191,877</u>	<u>-</u>
	<u>3,512,307</u>	<u>-</u>	<u>3,512,307</u>	<u>2,673,269</u>
<b>CHANGE IN NET ASSETS</b>	346,813	(95,250)	251,563	(96,952)
<b>NET ASSETS - beginning of year</b>	<u>2,599,158</u>	<u>100,000</u>	<u>2,699,158</u>	<u>2,796,110</u>
<b>NET ASSETS - end of year</b>	<u>\$ 2,945,971</u>	<u>\$ 4,750</u>	<u>\$ 2,950,721</u>	<u>\$ 2,699,158</u>

See accompanying auditors' report and  
notes to financial statements.

**A PLACE CALLED HOME**  
**(A California Non-Profit Corporation)**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2009**  
**(WITH COMPARATIVE TOTALS FOR 2008)**

	Program	Support	Fundraising	2009 Total	2008 Total
	<u>Expenses</u>	<u>Services</u>	<u>Expenses</u>	<u>Expenses</u>	<u>Expenses</u>
<b>Salaries and related expenses</b>					
Salaries and wages	\$ 851,883	\$ 210,039	\$ 94,143	\$ 1,156,065	\$ 1,317,688
Payroll taxes	90,932	23,117	7,281	121,330	127,064
Employee benefits	97,994	17,543	6,722	122,259	123,992
	<u>1,040,809</u>	<u>250,699</u>	<u>108,146</u>	<u>1,399,654</u>	<u>1,568,744</u>
<b>Other expenses</b>					
Accounting	-	60,000	-	60,000	56,942
Advertising	-	150	-	150	2,542
Auto expense	14,753	175	8	14,936	16,147
Bank charges	-	16,062	-	16,062	17,273
Conferences	-	-	-	-	12,979
Dues and subscriptions	1,529	103	-	1,632	3,609
Education and training	2,893	-	-	2,893	4,219
Equipment rental and maintenance	-	-	15,792	15,792	12,657
Food costs	42,145	1,296	-	43,441	19,312
In-kind goods and services	1,018,050	-	-	1,018,050	20,161
Insurance	24,810	803	3,769	29,382	48,867
Office expenses	33,948	9,018	-	42,966	48,464
Outside services	175,001	67,236	10,001	252,238	294,251
Postage	45	-	15,271	15,316	6,783
Printing	-	9,011	-	9,011	6,555
Professional fees	-	55,500	35,125	90,625	46,978
Program related expenses	14,531	-	-	14,531	36,349
Repairs and maintenance	16,558	368	-	16,926	41,408
Scholarships	201,737	-	-	201,737	145,889
Small equipment	-	-	-	-	3,367
Stipends	29,276	-	-	29,276	29,892
Supplies	22,428	-	-	22,428	57,809
Taxes and licenses	24,751	591	3,681	29,023	31,406
Telephone	7,931	950	-	8,881	13,390
Travel	8,626	-	-	8,626	5,178
Utilities	70,905	4,343	-	75,248	32,406
Website development	6,042	569	-	6,611	2,989
	<u>2,756,768</u>	<u>476,874</u>	<u>191,793</u>	<u>3,425,435</u>	<u>2,586,566</u>
Depreciation	<u>84,783</u>	<u>2,005</u>	<u>84</u>	<u>86,872</u>	<u>86,703</u>
	<u>\$ 2,841,551</u>	<u>\$ 478,879</u>	<u>\$ 191,877</u>	<u>\$ 3,512,307</u>	<u>\$ 2,673,269</u>

See accompanying auditors' report and  
notes to financial statements.

**A PLACE CALLED HOME**  
**(A California Non-Profit Corporation)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2009**  
**(WITH COMPARATIVE TOTALS FOR 2008)**

	<u>2009</u>	<u>2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 251,563	\$ (96,952)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	86,872	86,703
(Gain) loss on sale of fixed assets	(500)	-
(Increase) decrease in:		
Pledges receivable	110,000	197,795
Other receivables	(11,283)	(13,455)
Deposits and prepaid expenses	(9,997)	88,462
Increase (decrease) in:		
Accounts payable	3,364	(52,152)
Accrued expenses	4,449	14,532
Accrued payroll and related liabilities	<u>(19,734)</u>	<u>(21,321)</u>
Total adjustments	<u>163,171</u>	<u>300,564</u>
 Net Cash Provided (Used) by Operating Activities	 414,734	 203,612
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of fixed assets	500	-
Purchases of property and equipment	<u>(12,587)</u>	<u>(184,940)</u>
 Net Cash Provided (Used) by Investing Activities	 <u>(12,087)</u>	 <u>(184,940)</u>
 <b>NET INCREASE (DECREASE) IN CASH</b>	 402,647	 18,672
 <b>CASH AT BEGINNING OF YEAR</b>	 <u>471,481</u>	 <u>452,809</u>
 <b>CASH AT END OF YEAR</b>	 <u>\$ 874,128</u>	 <u>\$ 471,481</u>

See accompanying auditors' report and notes to financial statements.

**A PLACE CALLED HOME**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**1. ORGANIZATION AND ACTIVITIES**

A Place Called Home (APCH) is a not-for-profit organization incorporated in 1993 under the laws of the State of California. APCH's mission is to provide services "to enable inner-city, multi-ethnic youth to find their dreams and lead a more self-reliant life." APCH operates a community youth center in South Central Los Angeles providing educational, vocational, and social support services to children and young adults.

APCH receives its funding from grants and contributions by private foundations, corporations, and individuals.

**2. SIGNIFICANT ACCOUNTING POLICIES**

*Cash and Cash Equivalents*

Cash and cash equivalents are all unrestricted highly liquid investments with original maturities of three months or less.

*Credit Risk*

Financial instruments that potentially subject APCH to concentrations of credit risk consist principally of contributions receivable (Note 3) and uninsured cash balances. APCH places its cash with high credit quality financial institutions. At times, balances in the APCH's cash and investment accounts exceed the Federal Deposit Insurance Corporation (FDIC) or Securities Investors Protection Corporation (SIPC). APCH has not experienced any losses in such accounts and contributions receivable.

*Contributions*

APCH records contributions according to SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions, including unconditional promises to give, are recorded in the period made. All contributions are available for unrestricted use, unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in the subsequent years are reported at the present value of their net realizable value, using risk free interest rates applicable to the years in which the promises are to be received. An estimate for uncollectible contributions is recorded against contributions. APCH has determined that no allowance against the contribution receivable is required as of June 30, 2009.

APCH follows the recommendation of SFAS No. 117 *Financial Statements of Not-for Profit Organizations*. Under SFAS No. 117, APCH is required to report information regarding its net assets under three classes: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. APCH has no permanently restricted net assets.

*Property and Equipment*

Acquisitions of property and equipment in excess of \$500 are capitalized. Property and equipment is carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed over the estimated useful lives of the assets ranging from five to thirty-nine years, using the straight-line method.



**A PLACE CALLED HOME**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**2. SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Recognition of Donor-Restricted Contributions*

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. 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, temporarily restricted net assets are reclassified to unrestricted net assets.

*Designation of Unrestricted Net Assets*

It is the policy of the Board of Directors of APCH to review its plans for future property improvements and acquisitions from time to time and to designate appropriate sums of unrestricted net assets to assure adequate financing of such improvements and acquisitions. The Board of Directors has not set aside any designated funds as of June 30, 2009.

*In-Kind Contributions*

In-Kind contributions of goods and services are recognized in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. The value of donated services is not reflected in the financial statements since volunteer time does not meet the criteria for recognition under SFAS No. 116.

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the 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.

*Income Taxes*

APCH is a nonprofit organization that has been approved for exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from California income taxes under similar provisions of the Revenue and Taxation Code.

*Functional Allocation of Expenses*

The costs of providing APCH's programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services and supporting services on the basis of benefits received.

**A PLACE CALLED HOME**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**2. SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Reclassifications*

Certain amounts in the 2008 financial statement totals were reclassified to conform with the 2009 reporting format.

*Comparative Totals*

The financial statements include certain prior-year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the APCH's financial statements for the year ended June 30, 2008, from which the summarized information was derived.

*Subsequent Events*

Subsequent events have been evaluated through the date of issuance of APCH's financial statements, April 6, 2010.

**3. PLEDGES RECEIVABLE**

Pledges receivable at June 30, 2009 are composed of the following:

Receivable in less than one year	\$ 65,000
Receivable in one to five years	<u>-</u>
Contributions receivable at June 30, 2009	<u>\$ 65,000</u>

**4. PROPERTY AND EQUIPMENT**

Property and equipment is comprised of the following at June 30, 2009:

Building	\$ 643,000
Building Improvements	800,549
Computer Equipment	230,521
Equipment	153,343
Furniture	58,533
Land	1,000,865
Recording Studio Equipment	136,769
Vehicles	<u>26,006</u>
	3,049,586
Less: Accumulated Depreciation	<u>(867,178)</u>
	<u>\$ 2,182,408</u>

**A PLACE CALLED HOME**  
**(A California Non-Profit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**  
**(CONTINUED)**

**5. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at June 30, 2009 consist of the following:

Scholarship America	\$ 4,750
	<u>\$ 4,750</u>

Restrictions released for the year ended June 30, 2009 were \$323,456.

APCH receives funds for specific purposes that are subject to reviews by the donors of the funds. Although such reviews could result in the disallowance of certain expenditures under the terms of the donations, APCH has not experienced disallowances of such expenditures.

**6. LEASE COMMITMENTS**

APCH leases office equipment under a non-cancelable operating lease. Rental equipment expenses for the year ended June 30, 2009 amounted to \$15,792. In addition, APCH also subleases a portion of their facility to an unrelated third party. Rental income for the year ended June 30, 2009 amounted to \$94,440.

As of June 30, 2009, the total remaining minimum lease payments required are as follows:

2010	\$ 3,278
2011	1,866
2012	1,711
2013	-
2014	-
	<u>\$ 6,855</u>

**7. RETIREMENT PLAN**

APCH has adopted a qualified deferred compensation arrangement (401(k) plan), which enables eligible employees to set aside a portion of their salaries as a contribution to the plan. APCH has agreed to match 50% of each eligible employee's contribution to the extent that such contributions do not exceed 2% of each employee's eligible compensation. APCH's contributions are subject to a vesting schedule that requires the employee to complete 6 years of service to become fully vested in APCH's contribution. APCH contributed \$24,002 to the plan for the year ended June 30, 2009.

**8. DIRECTORS CONTRIBUTIONS**

During the year, APCH received approximately \$185,776 in contributions from directors of the organization.