

THE CARPENTER'S HELPER
(A NON PROFIT ORGANIZATION)
FINANCIAL STATEMENTS
DECEMBER 31, 2007

THE CARPENTER'S HELPER
(A NON PROFIT ORGANIZATION)

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INDEPENDENT AUDITORS' REPORT

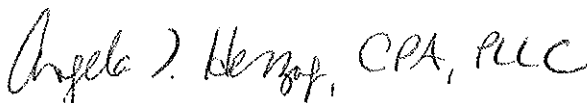
July 1, 2008

Board of Directors
The Carpenter's Helper
Hattiesburg, Mississippi

We have audited the accompanying statement of financial position of The Carpenter's Helper, (a nonprofit organization) as of December 31, 2007, and the related statement of activities, functional expenses, 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 the 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 The Carpenter's Helper, as of December 31, 2007, 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.



Angela T. Herzog
Certified Public Accountant

THE CARPENTER'S HELPER
(A NON PROFIT ORGANIZATION)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2007

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 49,244
Certificates of deposit	62,834
Accounts receivable	7,752
Accounts receivable -- GHHBA	5,000
Accounts receivable -- United Way	<u>6,293</u>
Total current assets	<u>131,123</u>
OTHER ASSETS	
Accounts receivable --GHHBA less current portion	<u>5,000</u>
TOTAL ASSETS	<u>\$ 136,123</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 1,967
Total current liabilities	<u>1,967</u>
TOTAL LIABILITIES	<u>1,967</u>
NET ASSETS	
Temporarily restricted	16,293
Unrestricted	<u>117,863</u>
Total net assets	<u>134,156</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 136,123</u>

See accompanying notes to financial statements.

THE CARPENTER'S HELPER
(A NON PROFIT ORGANIZATION)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

	Unrestricted	Temporarily Restricted	Total
REVENUE AND OTHER SUPPORT			
Grants and contracts	\$ 24,110	\$ 98,489	\$ 122,599
Donations	11,322	-	11,322
Interest income	2,074	-	2,074
Net assets released from restrictions	<u>144,048</u>	<u>(144,048)</u>	<u>-</u>
Total revenue and other support	<u>181,554</u>	<u>(45,559)</u>	<u>135,995</u>
EXPENSES			
Program services	94,832	-	94,832
Supporting services	<u>28,180</u>	<u>-</u>	<u>28,180</u>
Total expenses	<u>123,012</u>	<u>-</u>	<u>123,012</u>
CHANGE IN NET ASSETS	58,542	(45,559)	12,983
NET ASSETS - BEGINNING OF YEAR	<u>59,321</u>	<u>61,852</u>	<u>121,173</u>
NET ASSETS - END OF YEAR	<u>\$ 117,863</u>	<u>\$ 16,293</u>	<u>\$ 134,156</u>

See accompanying notes to financial statements.

THE CARPENTER'S HELPER
(A NON PROFIT ORGANIZATION)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 12,983
Adjustments to reconcile change in net assets to net cash used in operating activities	
Decrease in certificates of deposit	18,066
Decrease in accounts receivable	10,247
Decrease in prepaid expenses	4,328
Decrease in accrued interest	485
Decrease in accounts payable	(27,069)
Decrease in payroll liabilities	<u>(3,306)</u>
Net cash provided by operating activities	<u>15,734</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	15,734
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>33,510</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 49,244</u>

See accompanying notes to financial statements.

THE CARPENTER'S HELPER
 (A NON PROFIT ORGANIZATION)
 STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Program services</u>	<u>Supporting services</u>	
	Individual specific assistance	Management and general	<u>Total</u>
Client assistance	\$ 44,274	\$ -	\$ 44,274
Insurance	-	6,098	6,098
Payroll taxes	2,773	308	3,081
Professional fees		15,524	15,524
Organizational expense		113	113
Fundraising expense	179		179
Salary	47,606	5,290	52,896
Supplies and other	-	400	400
Telephone	-	447	447
	<u>\$ 94,832</u>	<u>\$ 28,180</u>	<u>\$ 123,012</u>

See accompanying notes to financial statements.

THE CARPENTER'S HELPER
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of The Carpenter's Helper (the Organization) have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Organization

The Carpenter's Helper was incorporated in the State of Mississippi in April 2004. The Organization is a private non-profit, non-stock corporation created to correct deficient housing conditions for persons in the immediate area who lack the resources or abilities to correct the problem themselves. The Organization seeks to serve the elderly, the disabled, and the disadvantaged.

Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, The Carpenter's Helper is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. A description of the three net asset categories follows:

Unrestricted – Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted – Net assets whose use by The Carpenter's Helper is subject to donor-imposed restrictions that can be fulfilled by actions of The Carpenter's Helper pursuant to those restrictions or that expire by the passage of time.

Permanently Restricted – Net assets subject to donor-imposed restrictions that they be maintained permanently by The Carpenter's Helper. No permanently restricted assets were held during 2007, accordingly, these financials do not reflect any activity related to this class of net assets.

THE CARPENTER'S HELPER
NOTES TO FINANCIAL STATEMENTS

Income Taxes

The Organization has been granted exempt status under Section 501(c)(3) of the Internal Revenue Code.

Property and Equipment and Depreciation

Property and equipment are recorded at cost, or if contributed, at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such restrictions, contributions of property and equipment are recorded as unrestricted support. Maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful life of the asset. This method approximates the methods used under generally accepted accounting principles.

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in conformity with generally accepted accounting principles. 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. Actual results could differ from those estimates.

Cash and Cash Equivalents

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

NOTE 2 – CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash balances at one financial institution. Cash balances at this financial institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. The Organization had no uninsured balances at December 31, 2007.

THE CARPENTER'S HELPER
NOTES TO FINANCIAL STATEMENTS

NOTE 3 – REVENUE

The Carpenter's Helper recognizes contract revenue (up to the contract ceiling) from its contracts either on a pro-rata basis over a 12-month period, which represents the service period for certain contracts, or to the extent of receipts. Revenue recognition depends on the contract and they are not required to maintain separate bank accounts for receiving revenue.

Any of the funding sources may, at its discretion, request reimbursement for expenses or return of funds, or both, as a result on non-compliance by The Carpenter's Helper with the terms of the grants or contracts.

NOTE 4 – CONTINGENCIES

The Organization receives a substantial amount of its support from grants and contracts. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's programs and activities.

NOTE 5 – RELATED PARTY TRANSACTIONS

The Organization's president of the board is the majority owner of Larry T. Johnson Construction. The Organization contracts Larry T. Johnson Construction to perform client assistance duties for reimbursement of actual expenses including subcontract labor, materials, insurance, and a service fee not to exceed the lesser of 5% or \$125 per project. For the year ended December 31, 2007, the Organization paid Larry T. Johnson Construction \$78,176.

NOTE 6 – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs above have been allocated among the programs and supporting services benefited.

NOTE 7 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of grants or contracts received from National Association for Home Builders and United Way's project. These funds are to be used specifically for home repairs for individuals impacted by Hurricane Katrina.

THE CARPENTER'S HELPER
NOTES TO FINANCIAL STATEMENTS

The temporarily restricted net asset balance contains the following at December 31, 2007:

Accounts receivable – GHHBA	\$ 10,000
Accounts receivable – United Way	<u>6,293</u>
Total	<u>\$ 16,293</u>