

**Audited Financial Statements**

**Rooftop Foundation**

**December 31, 2006**

**ROOFTOP FOUNDATION**  
**Audited Financial Statements**  
**December 31, 2006**

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**CERTIFIED PUBLIC ACCOUNTANTS**

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**Independent Auditors' Report**

To the Board of Directors  
Rooftop Foundation

We have audited the accompanying statement of financial position of Rooftop Foundation as of December 31, 2006, and the related statements of activity, functional expenses and cash flows for the period from April 19, 2006 (inception) through December 31, 2006. These financial statements are the responsibility of 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 Rooftop Foundation as of December 31, 2006, and the changes in its net assets and its cash flows for the period from April 19, 2006 (inception) through December 31, 2006, in conformity with accounting principles generally accepted in the United States of America.

*Rayburn, Bates & Fitzgerald, P.C.*

May 8, 2007

**ROOFTOP FOUNDATION**  
**Statement of Financial Position**  
**December 31, 2006**

**Assets**

Current assets:

Cash and cash equivalents	\$ 26,441
Pledges receivable (note 2)	<u>17,500</u>
Total current assets	<u>43,941</u>
	<u><u>\$ 43,941</u></u>

**Net Assets**

Net assets:

Unrestricted net assets	\$ <u>43,941</u>
Total net assets	<u><u>\$ 43,941</u></u>

See accompanying notes to financial statements.

# ROOFTOP FOUNDATION

## Statement of Activities

For the Period from April 19, 2006 (inception) through December 31, 2006

Revenue - contributions	\$ <u>136,790</u>
Expenses:	
Rental assistance	80,684
Management and general	<u>12,165</u>
Total expenses	<u>92,849</u>
Change in net assets	43,941
Unrestricted net assets, April 19, 2006	<u>-</u>
Unrestricted net assets, December 31, 2006	\$ <u><u>43,941</u></u>

See accompanying notes to financial statements.

# ROOFTOP FOUNDATION

## Statement of Functional Expenses

For the Period from April 19, 2006 (inception) through December 31, 2006

	<u>Program Services</u>	<u>Supporting Services</u>	
	<u>Rental Assistance</u>	<u>Management and General</u>	<u>Total</u>
Assistance payments	\$ 80,684	-	80,684
Salary expense	-	5,745	5,745
Legal and government	-	5,550	5,550
Telephone	-	470	470
Miscellaneous expense	-	400	400
	<u>          </u>	<u>          </u>	<u>          </u>
Total expenses	\$ <u>80,684</u>	<u>12,165</u>	<u>92,849</u>

See accompanying notes to financial statements.

## ROOFTOP FOUNDATION

### Statement of Cash Flows

For the Period from April 19, 2006 (inception) through December 31, 2006

Cash flows from operating activities:	
Change in net assets	\$ 43,941
Adjustments to reconcile the change in net assets to net cash provided by operating activities:	
Increase in accounts receivable	<u>(17,500)</u>
Net cash provided by operating activities	<u>26,441</u>
Net increase in cash and cash equivalents	26,441
Cash and cash equivalents at beginning of period	<u>-</u>
Cash and cash equivalents at end of period	<u>\$ 26,441</u>

See accompanying notes to financial statements.

# ROOFTOP FOUNDATION

## Notes to Financial Statements

December 31, 2006

(1) Nature of Organization and Summary of Significant Accounting Policies

Nature of Organization

Rooftop Foundation (the Foundation) is a nonprofit organization composed of faith-based congregations in Metropolitan Nashville. The Foundation provides rental assistance to individuals and families in need of emergency financial help in order to maintain stability in their housing and to prevent homelessness.

Summary of Significant Accounting Policies

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. The significant accounting policies followed are described below:

Basis of Accounting

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

Revenue Recognition

Contributions are recognized when received or unconditionally pledged and are recorded as an increase in unrestricted net assets.

Pledge Contributions

The Foundation recognizes pledge contributions when an unconditional promise to give is received. Pledge contributions are recorded at net realizable value.

Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

Income Taxes

Income taxes are not provided for in the financial statements, since the Foundation is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted 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 reported period. Actual results could differ from those estimates.



## ROOFTOP FOUNDATION

### Notes to Financial Statements, (Continued)

December 31, 2006

- (1) Nature of Organization and Summary of Significant Accounting Policies, (Continued)

Summary of Significant Accounting Policies, (Continued)

Donated Materials and Services

Donated materials, property or equipment, when received, are reflected as contributions in the accompanying statements at their estimated fair market values at the date of receipt. During the nine months ended December 31, 2006 the value of contributed services meeting the requirements for recognition in the financial statements was \$5,000 for donated legal services. No other amounts have been reflected in the financial statements for donated services of volunteers in as much as no objective basis is available to measure the value of such services. However, a number of volunteers have donated their time to the Foundation's program services.

- (2) Pledges Receivable

All pledges receivable, totaling \$17,500, are expected to be received within one year.