

**NASHVILLE SAFE HAVEN
FAMILY SHELTER, INC.**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2009

NASHVILLE SAFE HAVEN FAMILY SHELTER, INC.

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BELLENFANT + MILES, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Nashville Safe Haven Family Shelter, Inc
Nashville, Tennessee

We have audited the accompanying statement of financial position of Nashville Safe Haven Family Shelter, Inc. as of December 31, 2009, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the management of Nashville Safe Haven Family Shelter, Inc. 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 Nashville Safe Haven Family Shelter, Inc. as of December 31, 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.

Bellenfant & Miles, PLLC

July 30, 2010

NASHVILLE SAFE HAVEN FAMILY SHELTER, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 208,326
Prepaid expenses	<u>8,101</u>

Total current assets 216,427

PROPERTY AND EQUIPMENT, NET 470,900

TOTAL ASSETS \$ 687,327

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable and accrued expenses	\$ 17,007
Note Payable - current	<u>32,186</u>

Total current liabilities 49,193

Note Payable - long term 36,149

TOTAL LIABILITIES 85,342

NET ASSETS:

Unrestricted	<u>601,985</u>
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TOTAL LIABILITIES AND NET ASSETS \$ 687,327

NASHVILLE SAFE HAVEN FAMILY SHELTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

REVENUES:

Contributions	457,846
United Way	28,183
Fundraising events	147,096
In-kind contributions	62,450
Grants	101,174
Interest	98
Loss on disposal	<u>(3,197)</u>
 Total revenues	 <u>793,650</u>

EXPENSES:

Program services	<u>560,649</u>
Supporting services:	
Management and general	58,976
Fundraising	<u>33,678</u>
 Total supporting services	 <u>92,654</u>
 Total expenses	 <u>653,303</u>

CHANGE IN NET ASSETS	140,347
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Net Assets, January 1, 2009	<u>461,638</u>
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Net Assets, December 31, 2009	<u><u>\$ 601,985</u></u>
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NASHVILLE SAFE HAVEN FAMILY SHELTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009

	Supporting Services				
	Program Services	Management and General	Fund Raising	Total Supporting Services	Total
Salaries	\$ 182,490	\$ 15,084	\$ 14,871	29,955	\$ 212,445
Payroll taxes	16,855	958	1,341	2,299	19,154
In-kind labor	35,445	-	-	-	35,445
Employee benefits	41,054	1,324	1,766	3,090	44,144
 Total salaries and related expenses	 275,844	 17,366	 17,978	 35,344	 311,188
 Program supplies (including in-kind of \$27,005)	 29,142	 88	 -	 88	 29,230
HPRP Program Services	1,717	-	-	-	1,717
Professional fees	21,193	13,594	70	13,664	34,857
Building maintenance and general liability insurance	48,962	-	-	-	48,962
Utilities	38,625	5,267	-	5,267	43,892
Contract labor	40,131	-	-	-	40,131
Individual family assistance	4,381	-	-	-	4,381
Vehicle maintenance	6,278	-	-	-	6,278
Office supplies	12,848	2,447	-	2,447	15,295
Public relations	9,610	-	506	506	10,116
Employee travel and mileage	1,870	-	-	-	1,870
Bank fees and other	2,378	364	56	420	2,798
Dues, memberships and training	2,184	243	-	243	2,427
Equipment rental	15,167	-	-	-	15,167
General fundraising expense	-	-	14,708	14,708	14,708
Other	4,804	-	-	-	4,804
Newsletter	9,888	-	-	-	9,888
Bad Debts	-	8,843	-	8,843	8,843
Interest expense	-	6,759	-	6,759	6,759
 Total other expenses	 249,178	 37,605	 15,340	 52,945	 302,123
 Total expenses before depreciation	 525,022	 54,971	 33,318	 88,289	 613,311
 Depreciation	 35,627	 4,005	 360	 4,365	 39,992
 Total expenses	 \$ 560,649	 \$ 58,976	 \$ 33,678	 \$ 92,654	 \$ 653,303

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

NASHVILLE SAFE HAVEN FAMILY SHELTER, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 140,347
Adjustments to reconcile to net cash provided by operations	
Depreciation	39,992
(Increase) Decrease in current assets:	
Prepaid expenses	(2,077)
Other assets	8,095
Increase (Decrease) in current liabilities:	
Accounts payable and accrued expenses	<u>(1,534)</u>
Net cash provided by operating activities	<u>184,823</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	(33,003)
Disposal of Equipment	<u>3,197</u>
Net cash used by investing activities	<u>(29,806)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on Note Payable	<u>(29,741)</u>
Net cash used in financing activities	<u>(29,741)</u>
NET INCREASE IN CASH	125,276
Cash and cash equivalents, January 1, 2009	<u>83,050</u>
Cash and cash equivalents, December 31, 2009	<u><u>\$ 208,326</u></u>

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

NASHVILLE SAFE HAVEN FAMILY SHELTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

Nature of Activities:

Nashville Safe Haven Family Shelter, Inc. (the "Organization") is a nonprofit corporation located in Nashville, Tennessee. The Organization provides shelter, training, counseling, spiritual guidance, and education to homeless families in a faith-based setting in and around Middle Tennessee. The primary goal of the Organization is to help families overcome homelessness and achieve social and economic independence.

Financial Statement Presentation:

Financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Presentation of Financial Statements of Not-for-Profit Organizations. Under FASB Accounting Standards Codification the Organization is required to report information regarding its financial position net assets, and permanently restricted net assets. As of December 31, 2009, the Organization had no permanently restricted net assets.

Contributions:

Contributions are recognized when a donor makes an unconditional promise to give to the Organization. As of December 31, 2009, there were no outstanding unconditional promises to give. Therefore, all contributions were received and recognized during 2009.

Cash and Cash Equivalents:

Cash represents amounts on deposit with financial institutions that are federally insured.

The Organization considers all investment instrument purchased with a maturity of three months or less to be cash equivalents.

Concentration of Credit Risks:

The Organization maintains cash deposits at a financial institution located in the United States. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2009, the cash deposits were fully insured.

Fair Value of Financial Instruments

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

Cash, prepaid expenses: The carrying amounts reported in the statements of financial position approximate fair values because of the short maturities of those instruments.

Notes Payable: Based on current interest rates, the carrying value approximates the fair values of the notes payable at December 31, 2009.

NASHVILLE SAFE HAVEN FAMILY SHELTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)

Property and Equipment:

The Organization generally capitalizes an asset if its life is estimated to be one year or greater and the cost is \$200 or greater. Property and equipment are recorded at cost or at fair value as of the date contributed. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets, which range from 5 to 31.5 years.

Income Taxes:

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income taxes has been made.

The Organization has evaluated its tax positions in accordance with the Codification Standard relating to Accounting for Uncertainty in Income Taxes. The Organization believes that it has taken no uncertain tax positions.

In-Kind Contributions:

The Organization records various types of in-kind contributions including meals and volunteer services. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by the individuals possessing those skills, and would typically need to be purchased if not provided by the donation. The amounts reflected in the accompanying financial statements as in-kind donations are offset by corresponding amounts included in expenses.

Donated Property and Equipment:

Donated meals are reflected as contributions in the accompanying statements at their estimated fair values at date of receipt. Volunteer services are recorded at \$7 per hour.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses:

Costs of providing the Organization's programs and services are summarized and reported on a functional basis. Program expenses include costs directly associated with the program and other indirect costs determined to benefit that program. These costs have been allocated between program and supporting services based on estimates made by management.

NASHVILLE SAFE HAVEN FAMILY SHELTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

2. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2009:

Land	\$ 62,438
Buildings	698,713
Equipment	45,364
Furnishings	8,530
Software	6,753
Building improvements	45,515
	<u>867,313</u>
Less: accumulated depreciation	<u>(396,413)</u>
Property and equipment, net	<u><u>\$ 470,900</u></u>

3. LONG-TERM DEBT

In May 2007, the Organization established a \$150,000 installment note (the "Note Payable") with Pinnacle National Bank. The Note Payable bears interest at a rate of 7.65%. As of December 31, 2009, the Note Payable is scheduled to be repaid in monthly installments including an interest component through 2012. The Organization has and may continue to make additional principal payments on the Note Payable throughout the year.

\$ 68,335

As of December 31, 2009, the Organization had no amounts outstanding under its line of credit and had \$100,000 available for borrowing.

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Total Note Payable	\$ 68,335
Less current portion	<u>(32,186)</u>
Long-term portion	<u><u>\$ 36,149</u></u>

Future maturities of the Note Payable at December 31 are as follows for the years indicated:

2010	32,186
2011	34,736
2012	1,413
	<u><u>\$ 68,335</u></u>

NASHVILLE SAFE HAVEN FAMILY SHELTER
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

4. OPERATING LEASES

The Organization has non-cancelable operating leases for office equipment. Future minimum lease payments are as follows:

<u>Year</u>	<u>Office Equipment</u>
2010	\$ 9,662
2011	8,052
	<u>\$ 17,714</u>

5. IN-KIND CONTRIBUTIONS AND EXPENSES

During the year ended December 31, 2009, the Organization received in-kind contributions of food and meal service supplies valued at \$27,005. Additionally, the Organization received in-kind contributions of volunteer hours valued at \$35,445. Total valuation of in-kind donations was \$62,450.

6. SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 30, 2010, which is the date the financial statements were available to be issued.