

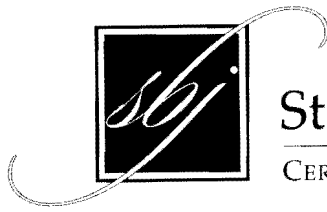
**FAMILY PROMISE – SALT LAKE
(A Non-Profit Organization)**

**Independent Auditors' Report
and Financial Statements**

June 30, 2011 and 2010

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Stayner Bates & Jensen P.C.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Family Promise – Salt Lake
Salt Lake City, Utah

We have audited the accompanying statements of financial position of Family Promise – Salt Lake (a nonprofit organization) as of June 30, 2011 and 2010, and the related statements of activities, functional expenses, and cash flows for the years 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 audits.

We conducted our audits 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Family Promise – Salt Lake as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Stayner, Bates & Jensen, P.C.

Stayner, Bates & Jensen, PC
Salt Lake City, Utah
September 26, 2011

FAMILY PROMISE - SALT LAKE
(A Non-Profit Organization)
Statements of Financial Position

	June 30,	
	2011	2010
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents (Note 1)	\$ 138,970	\$ 108,804
Grants receivable (Note 1)	11,546	14,964
Total Current Assets	150,516	123,768
PROPERTY AND EQUIPMENT, NET (Notes 1 and 2)	366,211	366,126
OTHER ASSETS		
UCRC reserve	9,500	9,500
TOTAL ASSETS	\$ 526,227	\$ 499,394
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 7,392	\$ 8,524
Accrued liabilities	8,811	10,693
Current portion of long-term debt (Note 3)	12,422	12,202
Total Current Liabilities	28,625	31,419
LONG-TERM DEBT, NET OF CURRENT PORTION (Note 3)	254,899	267,321
Total Liabilities	283,524	298,740
NET ASSETS	242,703	200,654
TOTAL LIABILITIES AND NET ASSETS	\$ 526,227	\$ 499,394

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

FAMILY PROMISE - SALT LAKE
(A Non-Profit Organization)
 Statements of Activities

	For the Years Ended June 30,	
	2011	2010
PUBLIC SUPPORT AND REVENUE		
General donations and special events	\$ 101,403	\$ 128,472
Grants - government	97,621	99,298
Grants - other	180,874	130,124
Rent income	17,805	18,137
In-kind contributions	109,202	113,681
Miscellaneous	2,358	987
Interest and dividend income	129	619
	<u>509,392</u>	<u>491,318</u>
OPERATING EXPENSES		
Program Services:		
Program expenses	<u>415,915</u>	<u>435,775</u>
Supporting Services:		
Management and general	35,831	32,092
Fundraising	15,597	11,781
	<u>51,428</u>	<u>43,873</u>
Total Supporting Services	<u>51,428</u>	<u>43,873</u>
Total Operating Expenses	<u>467,343</u>	<u>479,648</u>
OTHER INCOME (EXPENSE)		
Realized gain on marketable securities (Note 1)	-	3,566
Gain on apartment fire (Note 2)	-	7,082
	<u>-</u>	<u>10,648</u>
Total Other Income (Expense)	<u>-</u>	<u>10,648</u>
Change in Net Assets	42,049	22,318
Net Assets at Beginning of Year	<u>200,654</u>	<u>178,336</u>
Net Assets at End of Year	<u>\$ 242,703</u>	<u>\$ 200,654</u>

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

FAMILY PROMISE - SALT LAKE
(A Non-Profit Organization)
Statement of Functional Expenses
For the Year Ended June 30, 2011

	PROGRAM SERVICES	SUPPORTING SERVICES		Total Functional Expenses
		Management and General	Fund Raising	
Salaries, wages, and related expenses	\$ 189,705	\$ 20,935	\$ 4,295	\$ 214,935
In-kind shelter	49,815	-	-	49,815
In-kind food	47,765	-	-	47,765
Mortgage interest	16,763	882	-	17,645
Telephone and utilities	16,665	877	-	17,542
Family support	28,767	-	-	28,767
Program supplies	8,711	-	-	8,711
In-kind professional fees	3,943	1,600	-	5,543
Insurance	7,557	840	-	8,397
Program communication	2,546	-	-	2,546
Licenses, dues, and fees	4,549	1,516	-	6,065
Repairs and maintenance	14,721	-	-	14,721
Professional services	1,362	6,050	-	7,412
Staff development and training	4,549	-	-	4,549
Promotion and events	-	-	11,302	11,302
Travel and automobile	3,025	-	-	3,025
Miscellaneous	-	2,316	-	2,316
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Functional Expenses Before Depreciation	400,443	35,016	15,597	451,056
Depreciation	15,473	814	-	16,287
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Functional Expenses	<u>\$ 415,915</u>	<u>\$ 35,831</u>	<u>\$ 15,597</u>	<u>\$ 467,343</u>

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

FAMILY PROMISE - SALT LAKE
(A Non-Profit Organization)
Statement of Functional Expenses
For the Year Ended June 30, 2010

	PROGRAM SERVICES	SUPPORTING SERVICES		Total Functional Expenses
		Management and General	Fund Raising	
Salaries, wages, and related expenses	\$ 189,269	\$ 20,437	\$ 4,046	\$ 213,752
In-kind shelter	56,920	-	-	56,920
In-kind food	43,155	-	-	43,155
Mortgage interest	19,523	1,028	-	20,551
Telephone and utilities	13,742	723	-	14,465
Family support	33,242	-	-	33,242
Program supplies	8,567	-	-	8,567
In-kind professional fees	11,502	1,600	-	13,102
Insurance	8,302	922	-	9,224
Program communication	3,029	-	-	3,029
Licenses, dues, and fees	4,047	1,349	-	5,396
Repairs and maintenance	13,432	-	-	13,432
Professional services	3,100	5,150	-	8,250
Staff development and training	9,762	-	-	9,762
Promotion and events	-	-	7,735	7,735
Travel and automobile	2,492	-	-	2,492
Miscellaneous	-	57	-	57
	<u>-</u>	<u>57</u>	<u>-</u>	<u>57</u>
 Total Functional Expenses Before Depreciation	 420,084	 31,266	 11,781	 463,131
Depreciation	15,691	826	-	16,517
 Total Functional Expenses	 <u>\$ 435,775</u>	 <u>\$ 32,092</u>	 <u>\$ 11,781</u>	 <u>\$ 479,648</u>

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

FAMILY PROMISE - SALT LAKE
(A Non-Profit Organization)
Statements of Cash Flows

	For the Years Ended June 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 42,049	\$ 22,318
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	16,287	16,517
Donated marketable securities	(6,080)	(5,870)
Realized gain on marketable securities	-	(3,566)
(Increase) decrease in operating assets:		
Grants receivable	3,418	(3,156)
Other current assets	-	3,679
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(3,014)	(3,543)
Net Cash Provided by Operating Activities	52,660	26,379
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(16,372)	(505)
Proceeds from sale of marketable securities	6,080	13,029
Net Cash Provided by (Used in) Investing Activities	(10,292)	12,524
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt	(12,202)	(12,250)
Net Cash Used in Financing Activities	(12,202)	(12,250)
NET INCREASE IN CASH AND CASH EQUIVALENTS	30,166	26,653
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	108,804	82,151
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 138,970	\$ 108,804
CASH PAID FOR:		
Interest	\$ 17,645	\$ 20,551
Income taxes	\$ -	\$ -

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

FAMILY PROMISE – SALT LAKE
(A Non-Profit Organization)
Notes to the Financial Statements
June 30, 2011 and 2010

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization

Family Promise – Salt Lake (the “Organization”) was incorporated on September 19, 1995, as a Utah non-profit corporation under the name Salt Lake Interfaith Hospitality Network. In 2007, the Organization changed its name to Family Promise – Salt Lake to parallel that of its national office. The Organization is dedicated to supporting families during transitional times in order to ease the individual family and community concerns and challenges of homelessness. The Organization identifies qualifying families and provides program services to assist these families during this transitional period. Program services include assistance with skill training, securing of employment, securing of permanent housing and working with other social service agencies. The Organization also enlists the cooperation of a network of local area churches, synagogues (representing 10 faiths) and community organizations to accomplish this task without duplication of available services including providing food and shelter.

b. Basis of Accounting

The financial statements of the Organization are prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

The Organization has adopted the provisions of Accounting Standards Codification 958, *Not-For-Profit Entities* (ASC 958), and Accounting Standards Codification 720-25, *Contributions Made* (ASC 720-25). Under these ASC's, the Organization is required to report and record its financial position, activities and contributions received under three classes: permanently restricted, temporarily restricted and unrestricted. These classes are determined by the donor's restrictions for the use of the funds or the lack thereof. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. When a donor's restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and are shown in the statement of activities as net assets released from restriction. Temporary restrictions expire when a time restriction is met, or the purpose of the restricted funds has been accomplished. The Organization has no assets that are temporarily or permanently restricted.

c. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Where specific costs can be identified with a particular function, such costs are charged directly to that function. Certain costs that could not be identified with a particular program have been allocated across programs based upon an analysis of personnel time spent in each of those programs.

FAMILY PROMISE – SALT LAKE
(A Non-Profit Organization)
Notes to the Financial Statements
June 30, 2011 and 2010

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

d. 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, including functional allocations during the reporting period. Actual results could differ from those estimates. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances in making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. While actual results could differ from those estimates, management believes that the estimates are reasonable.

e. Cash and Cash Equivalents

Cash and cash equivalents are defined as cash on hand, checking and savings accounts and highly liquid investments with original maturities of three months or less.

f. Concentration of Credit Risk

The Organization's bank deposits are held in a financial institution which is insured by the Federal Deposit Insurance Corporation ("FDIC") to certain levels. During November 2010, the FDIC Board of Directors issued a final rule to provide temporary unlimited deposit insurance coverage for non-interest bearing transaction accounts at all FDIC-insured depository institutions. This additional temporary coverage is effective December 31, 2010 through December 31, 2012. In addition, the FDIC currently provides \$250,000 of insurance coverage on interest bearing transaction accounts through December 31, 2013. The Organization has not experienced any losses in such accounts or lack of access to its cash, and believes it is not exposed to significant risk of loss with respect to cash. However, no assurance can be provided that access to the Organization's cash will not be impacted by adverse economic conditions in the financial markets. As of June 30, 2011 and 2010, the Organization did not have any cash accounts that exceeded the federally insured limits.

g. Property and Equipment

Property and equipment are stated at cost or, if received as contributions, at appraised value as of the date of contribution. Significant replacements and betterments in excess of \$1,000 are capitalized, while maintenance and repairs are charged to expense when incurred. Depreciation is provided using the straight-line method over estimated useful lives of the assets, ranging from 5 to 39 years.

FAMILY PROMISE – SALT LAKE
(A Non-Profit Organization)
Notes to the Financial Statements
June 30, 2011 and 2010

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

h. Marketable Securities

Marketable securities are stated at market value and are classified and disclosed as trading securities under the requirements of Accounting Standards Codification 320, *Investments – Debt and Equity Securities* (ASC 320). Realized and unrealized gains and losses upon the sales of marketable securities, or the increase or decrease in market value during the period are recognized as increases or decreases in the net assets of the Organization. For the years ending June 30, 2011 and 2010, the Organization has recorded realized gains on the sale of marketable securities of \$-0- and \$3,566, respectively. For the years ending June 30, 2011 and 2010, the Organization did not record any unrealized gains or losses on marketable securities.

i. Income Taxes

As a non-profit organization, the Organization claims exemption from Federal and State income taxes under section 501(c)(3) of the Internal Revenue Code and State law. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

j. Government Funding

Funding from all government sources is considered to be unrestricted as long as it is expended under contract guidelines and is expended in the period for which it is contracted.

k. Donated Services

The Organization receives a significant amount of donated services from unpaid volunteers who assist with families and special projects. The related value of such services has not been recognized in the statement of activities because the criteria for recognition under ASC 720 have not been met. A number of professional organizations and individuals donate their time to the efforts of the Organization. These in-kind donated services have been recognized in the financial statements at the fair value of the services performed.

l. Fair Value of Financial Instruments

The Organization's financial instruments include cash, grants receivable, accounts payable, accrued expenses, and long-term debt. The carrying amounts of cash, grants receivable, accounts payable, and accrued expenses approximate fair values because of the short-term nature of these instruments. The aggregate carrying amounts of the notes payable obligations approximate fair value as they bear interest at market interest rates based on their terms and maturities.

FAMILY PROMISE – SALT LAKE
(A Non-Profit Organization)

Notes to the Financial Statements
June 30, 2011 and 2010

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

m. Donated Meals and Shelter

Religious congregations provide shelter and meals to transitional families identified by the Organization and for whom the Organization provides program services. The Organization directs to whom the meals and shelter are provided. The in-kind value of these meals and shelter has been reflected as contributions and corresponding costs of program services provided based on the relative market value of the meals and shelter provided. For the year ended June 30, 2011, the total value of meals and food was determined to be \$47,765 based on a total of 4,899 individual shelter days at \$9.75 per day. The total value of shelter provided for the same period was determined to be \$49,815 based on a total of 1,215 family shelter days at \$41.00 per day.

For the year ended June 30, 2010, the total value of meals and food was determined to be \$43,155 based on a total of 4,110 individual shelter days at \$10.50 per day. The total value of shelter provided for the same period was determined to be \$56,920 based on a total of 1,423 family shelter days at \$40.00 per day.

n. Grants Receivable

Grants receivable are deemed by management to be fully collectible.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment and the related accumulated depreciation are summarized as follows:

	June 30,	
	2011	2010
Buildings	\$ 447,520	\$ 447,520
Building improvements	61,041	44,669
Equipment and office furniture	9,246	9,246
Vehicles	6,790	6,790
Total property and equipment	524,597	508,225
Less: accumulated depreciation	(158,386)	(142,099)
Property and equipment, net	\$ 366,211	\$ 366,126

Depreciation expense for the years ended June 30, 2011 and 2010 totaled \$16,287 and \$16,517, respectively.

FAMILY PROMISE – SALT LAKE
(A Non-Profit Organization)
Notes to the Financial Statements
June 30, 2011 and 2010

NOTE 2 - PROPERTY AND EQUIPMENT (Continued)

During the year ended June 30, 2010, the Organization had a fire in one of its apartment units that it rents to a family as part of its program services. The Organization received insurance proceeds of \$26,420 to defray the costs of repairing the damage. The Organization incurred costs totaling \$19,338 to repair the damage done by the fire. Consequently, the Organization recorded a gain of \$7,082 for the year ended June 30, 2010, as a result of the excess insurance proceeds received.

NOTE 3 - LONG-TERM DEBT

Long-term debt consisted of the following:

	June 30,	
	2011	2010
Mortgage payable to an individual due in monthly interest-only installments of \$499 with an interest rate of 6.65%, with an annual principal payment of \$9,000 due 90 days after the Organization's fiscal year end, maturing February 1, 2016	\$ 45,000	\$ 54,000
Mortgage payable to a corporation, due in monthly installments of principal and interest of \$1,509 based on a 30-year amortization, with an interest rate of 6.65%, maturing February 1, 2016 with a balloon payment due for the remaining unpaid amount	<u>222,321</u>	<u>225,523</u>
Total long-term debt	267,321	279,523
Less: current portion	<u>(12,422)</u>	<u>(12,202)</u>
Long-term debt, net of current portion	<u>\$ 254,899</u>	<u>\$ 267,321</u>

Interest expense paid during the years ended June 30, 2011 and 2010 related to this debt totaled \$17,645 and \$20,551, respectively.

Annual maturities of debt, based on the current interest rate, are as follows:

<u>Year Ending June 30:</u>	
2012	\$ 12,422
2013	12,656
2014	12,907
2015	13,175
2016	<u>216,161</u>
Total	<u>\$ 267,321</u>

FAMILY PROMISE – SALT LAKE
(A Non-Profit Organization)
Notes to the Financial Statements
June 30, 2011 and 2010

NOTE 4 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through September 26, 2011, the date which the financial statements were available to be issued, and noted no material subsequent events that would require disclosure in these financial statements as of June 30, 2011.