

CARPENTER'S SHELTER, INC.  
(a not-for-profit organization)

REPORT ON AUDIT OF FINANCIAL STATEMENTS

for the year ended June 30, 2011

Renner  
&  
Company  
Certified  
Public  
Accountants

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INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Carpenter's Shelter, Inc.  
Alexandria, Virginia

We have audited the accompanying statement of financial position of the Carpenter's Shelter, Inc. (the Shelter) (a nonprofit organization) as of June 30, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Carpenter's Shelter, Inc.'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 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 Shelter, Inc.'s as of June 30, 2011, 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.

*Renner and Company, CPA, P.C.*

September 21, 2011

CARPENTER'S SHELTER, INC.

STATEMENT OF FINANCIAL POSITION  
June 30, 2011

ASSETS

	<u>Unrestricted</u>			
	<u>Operating</u>	<u>Board Designated</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>CURRENT ASSETS</u>				
Cash and cash equivalents	\$ 75,311	\$ -	\$ 34,780	\$ 110,091
Resident cash escrow	25,212	-	-	25,212
Investments	6,684	-	-	6,684
Receivables, net	53,686	-	-	53,686
Prepaid expense	13,751	-	-	13,751
<u>TOTAL CURRENT ASSETS</u>	<u>\$ 174,644</u>	<u>\$ -</u>	<u>\$ 34,780</u>	<u>\$ 209,424</u>
<u>PROPERTY, net</u>	<u>\$ 1,477,682</u>	<u>\$ 1,214,416</u>	<u>\$ -</u>	<u>\$ 2,692,098</u>
<u>OTHER ASSETS</u>				
Cash and cash equivalents - designated	\$ -	\$ 891,484	\$ -	\$ 891,484
Investments - reserve and designated	276,139	367,646	-	643,785
Investment in Lynhaven Apartments - net of accumulated debt cancellation of \$82,367	167,633	-	-	167,633
<u>TOTAL OTHER ASSETS</u>	<u>\$ 443,772</u>	<u>\$ 1,259,130</u>	<u>\$ -</u>	<u>\$ 1,702,902</u>
<u>TOTAL ASSETS</u>	<u>\$ 2,096,098</u>	<u>\$ 2,473,546</u>	<u>\$ 34,780</u>	<u>\$ 4,604,424</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES</u>				
Accounts payable	\$ 17,675	\$ -	\$ -	\$ 17,675
Accrued salaries and benefits	63,865	-	-	63,865
Resident cash escrow	25,212	-	-	25,212
Grant advance	83,333	-	-	83,333
Security deposits	2,759	-	-	2,759
<u>TOTAL CURRENT LIABILITIES</u>	<u>\$ 192,844</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,844</u>
<u>NET ASSETS</u>	<u>\$ 1,903,254</u>	<u>\$ 2,473,546</u>	<u>\$ 34,780</u>	<u>\$ 4,411,580</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 2,096,098</u>	<u>\$ 2,473,546</u>	<u>\$ 34,780</u>	<u>\$ 4,604,424</u>

The accompanying Independent Auditors' Report and Notes are an integral part of the financial statements.

CARPENTER'S SHELTER, INC.

STATEMENT OF ACTIVITIES  
for the year ended June 30, 2011

	Unrestricted		Temporarily	
	Operating	Board Designated	Restricted	Total
<u>SUPPORT AND REVENUE</u>				
Grants				
City of Alexandria	\$ 180,400	\$ -	\$ -	\$ 180,400
State shelter support	109,407	-	-	109,407
CSCG Grant	6,944	-	-	6,944
Federal shelter support	138,469	-	-	138,469
Other	365,505	-	-	365,505
Contributions	527,858	-	6,000	533,858
United Way contributions	81,026	-	-	81,026
Special events	178,791	-	-	178,791
Donated services and meals	394,483	-	-	394,483
Investment income	70,515	4,345	-	74,860
Other income	20,828	-	-	20,828
Net assets released from restrictions	33,773	-	(33,773)	-
<u>TOTAL SUPPORT AND REVENUE</u>	<u>\$ 2,107,999</u>	<u>\$ 4,345</u>	<u>\$ (27,773)</u>	<u>\$ 2,084,571</u>
<u>EXPENSES</u>				
Program	\$ 1,832,275	\$ -	\$ -	\$ 1,832,275
Management and general	153,953	-	-	153,953
Fundraising	287,188	-	-	287,188
<u>TOTAL EXPENSES</u>	<u>\$ 2,273,416</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,273,416</u>
<u>CHANGE IN NET ASSETS</u>	<u>\$ (165,417)</u>	<u>\$ 4,345</u>	<u>\$ (27,773)</u>	<u>\$ (188,845)</u>
<u>NET ASSETS</u> , beginning of year	2,007,350	2,530,522	62,553	4,600,425
<u>TRANSFERS</u>	61,321	(61,321)	-	-
<u>NET ASSETS</u> , end of year	<u>\$ 1,903,254</u>	<u>\$ 2,473,546</u>	<u>\$ 34,780</u>	<u>\$ 4,411,580</u>

The accompanying Independent Auditors' Report and Notes are an integral part of the financial statements.

CARPENTER'S SHELTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
for the year ended June 30, 2011

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel	\$ 1,093,701	\$ 123,974	\$ 119,815	\$ 1,337,490
Depreciation and amortization	78,995	8,954	8,645	96,594
Utilities	50,489	2,529	2,442	55,460
Telephone	14,735	255	496	15,486
Repairs and maintenance	45,689	2,295	2,216	50,200
Insurance	15,843	1,796	1,734	19,373
Donated services	108,669	6,064	5,854	120,587
Donated food	185,095	-	-	185,095
Donated event expenses	-	-	88,802	88,802
Food	6,945	53	3,409	10,407
Transportation	7,387	410	44	7,841
Resident supplies	51,621	-	-	51,621
Resident activities	28,470	-	-	28,470
Transitional housing	27,311	-	-	27,311
Dues and subscriptions	4,086	357	1,048	5,491
Office supplies	7,989	414	1,510	9,913
Professional and other fees	23,530	358	3,797	27,685
Accounting fees	10,386	1,177	1,137	12,700
Postage	4,418	216	10,557	15,191
Printing	908	52	13,810	14,770
Real estate taxes	33,441	3,791	3,659	40,891
Travel and entertainment	333	38	36	407
Conference and meetings	3,194	95	1,358	4,647
Fundraising supplies and expenses	-	-	15,557	15,557
Scholarship expense	14,040	-	-	14,040
Miscellaneous	15,000	1,125	1,262	17,387
Total expenses	\$ 1,832,275	\$ 153,953	\$ 287,188	\$ 2,273,416
Donated services and use of facilities	(108,669)	(6,064)	(46,854)	(161,587)
Expenses for special events	-	-	(63,359)	(63,359)
Loss on disposal of property	(3,454)	(391)	(378)	(4,223)
Total expenses per Federal Form 990	<u>\$ 1,720,152</u>	<u>\$ 147,498</u>	<u>\$ 176,597</u>	<u>\$ 2,044,247</u>
Percentage of total expenses	<u>84%</u>	<u>7%</u>	<u>9%</u>	<u>100%</u>

The accompanying Independent Auditors' Report and Notes are an integral part of the financial statements.

CARPENTER'S SHELTER, INC.

STATEMENT OF CASH FLOWS  
for the year ended June 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from operations	
Support and revenue	\$ 2,024,557
Interest and dividends	9,946
	<u>\$ 2,034,503</u>
Cash used in operations	
Payments to employees and suppliers	<u>\$ 2,203,898</u>

NET CASH USED BY OPERATING ACTIVITIES \$ (169,395)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property	\$ (111,815)
Purchase of investments	(105,272)
Proceeds from sale of investments	<u>435,129</u>

NET CASH PROVIDED BY INVESTING ACTIVITIES \$ 218,042

NET INCREASE IN CASH \$ 48,647

CASH AND CASH EQUIVALENTS, beginning of year 978,140

CASH AND CASH EQUIVALENTS, end of year \$ 1,026,787

CASH AND CASH EQUIVALENTS

Operating	\$ 75,311
Resident cash escrow	25,212
Temporarily restricted	34,780
Board designated	891,484
	<u><u>\$ 1,026,787</u></u>

The accompanying Independent Auditors' Report and Notes are an integral part of the financial statements.

CARPENTER'S SHELTER, INC.

STATEMENT OF CASH FLOWS  
for the year ended June 30, 2011

RECONCILIATION OF CHANGE IN NET ASSETS TO NET  
CASH USED BY OPERATING ACTIVITIES

<u>CHANGE IN NET ASSETS</u>	<u>\$ (188,845)</u>
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH USED BY <u>OPERATING ACTIVITIES</u>	
Depreciation and amortization	\$ 96,594
Loss on sale of property and equipment	4,223
Cancellation of debt on Lynhaven Apartments	11,133
In-kind stock donation	(10,587)
Realized and unrealized gains on investments	<u>(56,247)</u>
<u>NET ADJUSTMENTS</u>	<u>\$ 45,116</u>
CHANGES IN ASSETS AND LIABILITIES AFFECTING <u>OPERATIONS PROVIDING (USING) CASH</u>	
<u>ASSETS</u>	
Receivables	\$ 19,662
Prepaid expense	68
	<u>\$ 19,730</u>
<u>LIABILITIES</u>	
Accounts payable	\$ 9,504
Accrued salaries and benefits	(60,671)
Resident cash escrow	345
Deferred revenue	6,667
Security deposits	(1,241)
	<u>\$ (45,396)</u>
<u>NET CHANGES IN ASSETS AND LIABILITIES</u>	<u>\$ (25,666)</u>
<u>NET CASH USED BY OPERATING ACTIVITIES</u>	<u><u>\$ (169,395)</u></u>

The accompanying Independent Auditors' Report and Notes are an integral part of the financial statements.

CARPENTER'S SHELTER, INC.

NOTES TO FINANCIAL STATEMENTS  
for the year ended June 30, 2011

1. ORGANIZATION, PURPOSE AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

The Carpenter's Shelter, Inc. (Shelter) was established in 1988 as a temporary 24-hour shelter to respond to the growing need for emergency housing for homeless families and individuals primarily in the Alexandria, Virginia area. Since 1988, the Shelter has evolved into a safe haven where programs and services promote self-sufficiency for families and individuals in an environment of dignity and caring. The Shelter's major sources of revenue are grants and contributions.

Significant Accounting Policies

Basis of Accounting

The Shelter prepares its financial statements on the accrual basis of accounting. Revenues are recognized in the period in which they are earned; expenses are recognized in the period in which they are incurred.

Cash and Cash Equivalents

For the purpose of reporting on the statement of cash flows, the Shelter includes all cash accounts and any short-term instruments with an original maturity of three months or less as cash and cash equivalents.

Resident Cash Escrow

The Shelter maintains a separate cash account in which cash is held on behalf of residents. These funds are exclusively held for the residents and are not available to pay the Shelter's expenses. These amounts are reflected as both an asset and a liability of the Shelter on the statement of financial position. Deposits and withdrawals are made at the discretion of each participating resident.

Accounts Receivable

Accounts receivable are reported at the amount management expects to collect from balances outstanding at year-end. Annually, management determines if an allowance for doubtful accounts is necessary based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Accounts deemed uncollectible are charged off based on individual credit evaluation and specific circumstances of the parties involved. Management has determined that all significant receivables are collectible and, therefore, an allowance for doubtful accounts has not been established.

See Independent Auditors' Report.

CARPENTER'S SHELTER, INC.

NOTES TO FINANCIAL STATEMENTS  
for the year ended June 30, 2011

1. ORGANIZATION, PURPOSE AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Depreciation

Property is recorded at cost. Depreciation is computed using the straight line method over the estimated useful lives of the assets. The Shelter capitalizes all property, building, and equipment with a cost of \$500 or more. Significant renewals and betterments are capitalized. Maintenance and repairs are expensed as incurred.

Investments

Investments are stated at fair value based on quoted market prices. Unrealized gains and losses are included in investment income in the statement of activities.

The Shelter invests in a professionally managed portfolio that contains money market funds and mutual funds. Such investments are exposed to various risks such as market and credit risk. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

Grant Advance

Grant advance represents resources received in the current year that will be expended in accordance with the terms of the grant in future periods.

Classes of Assets

To ensure the observance of limitations and restrictions placed on the use of resources available to the Shelter, the Shelter has divided its resources available for various purposes into classes established according to their nature and purpose. Net assets of the Shelter are classified as follows:

Unrestricted Net Assets include operating net assets which are available for the general operations of the Shelter, as well as Board designated net assets set aside for the purpose of renovating and maintaining the shelter for the residents and offices of the Shelter, and providing new housing for the homeless, and for other programs and services as may be deemed appropriate for the Shelter.

Temporarily Restricted Net Assets include net assets which are subject to donor-imposed restrictions for support of a particular program activity. Currently temporarily restricted net assets consist of amounts contributed to a scholarship fund to provide educational support for shelter recipients.

See Independent Auditors' Report.

CARPENTER'S SHELTER, INC.

NOTES TO FINANCIAL STATEMENTS  
for the year ended June 30, 2011

1. ORGANIZATION, PURPOSE AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contribution and Revenue Recognition

Contributions are recognized as revenue at the earlier of the date of receipt of funds or the date of a formal, unconditional promise to give. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. If a restriction is fulfilled in the same time period in which the contribution is received, the Shelter reports the support as unrestricted.

In-Kind Support

Donated materials and services represent the estimated fair value of materials and services provided. The contributions of services are recognized if the services received create non-financial assets or require specialized skills provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Income Taxes

The Shelter is a nonprofit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except for unrelated business income. The Shelter had no unrelated business income for 2011.

The Shelter's Federal Exempt Organization Business Income Tax returns (Form 990) for 2007, 2008, and 2009 are subject to examination by the Internal Revenue Service (IRS), generally for three years after they are filed.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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.

The significant estimate affecting the financial statements include the estimate that there are no significant unallowable costs.

See Independent Auditors' Report.

CARPENTER'S SHELTER, INC.

NOTES TO FINANCIAL STATEMENTS  
for the year ended June 30, 2011

1. ORGANIZATION, PURPOSE AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expense Allocation

Expenses are charged directly to programs in general categories based on specific identification. Indirect expenses have been allocated to programs, general and administrative, and fundraising expenses based on level of effort.

2. CASH AND CASH EQUIVALENTS

Cash at June 30, 2011 consisted of the following:

Petty cash	\$ 500
Checking	90,308
Savings	102,356
Money market funds	833,623
	<u>\$ 1,026,787</u>

The above cash is presented on the financial statements as follows:

Operating	\$ 75,311
Resident cash escrow	25,212
Temporarily restricted	34,780
Board designated	891,484
	<u>\$ 1,026,787</u>

As of June 30, 2011, all checking and savings accounts were covered by FDIC. Money market funds and investments not insured by FDIC or SIPC were \$827,840.

3. RECEIVABLES

Receivables at June 30, 2011 consisted of the following:

Grants	
Virginia DHCD Emergency Shelter Grant - Residential Shelter Program	\$ 9,889
Virginia DHCD Emergency Shelter Grant - Transitional Housing Program	9,606
Other	3,233
	<u>\$ 22,728</u>
Individual pledges	29,375
Other	1,801
	<u>\$ 53,904</u>
Less: Discount on pledges	(218)
	<u>\$ 53,686</u>

See Independent Auditors' Report.

CARPENTER'S SHELTER, INC.

NOTES TO FINANCIAL STATEMENTS  
for the year ended June 30, 2011

4. PROPERTY AND EQUIPMENT

A summary of information related to property and depreciation for the year ended June 30, 2011 is as follows:

	Estimated useful life (years)	Cost	Accumulated depreciation	Depreciation expense
Land	-	\$ 895,000	\$ -	\$ -
Building	40	2,134,272	661,889	61,843
Furniture and equipment	5 - 10	328,038	288,085	12,029
Building improvements	3 - 15	329,418	44,656	22,722
		<u>\$ 3,686,728</u>	<u>\$ 994,630</u>	<u>\$ 96,594</u>

5. INVESTMENTS

Investments are recorded at market value as of June 30, 2011 as shown below:

	Cost	Market Value	Unrealized gain
Mutual funds	\$ 259,842	\$ 282,823	\$ 22,981
Money market funds	265,336	265,336	-
Certificates of deposit	102,310	102,310	-
	<u>\$ 627,488</u>	<u>\$ 650,469</u>	<u>\$ 22,981</u>

Investments are allocated to the following classes of net assets:

Unrestricted - operating	\$ 6,684
Unrestricted - Board designated	643,785
	<u>\$ 650,469</u>

Investment income and interest for the year ended June 30, 2011 consisted of the following:

Interest and dividends	\$ 9,946
Interest on investment in Lynhaven Apartments	8,667
Unrealized gain on market value of investments	56,247
	<u>\$ 74,860</u>

See Independent Auditors' Report.

CARPENTER'S SHELTER, INC.

NOTES TO FINANCIAL STATEMENTS  
for the year ended June 30, 2011

6. FAIR VALUE MEASUREMENTS

The Shelter records investments based on fair value on a recurring basis. Financial accounting and reporting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the measurement date. The standards emphasize that fair value is a market-based measurement, not an entity specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, the standards established a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent from the reporting entity (observable inputs that are classified within level 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within level 3 of the hierarchy).

Level 1 inputs utilize unadjusted quoted prices in active markets for identical assets or liabilities that the Shelter has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets or liabilities in active markets, as well as inputs that are observable for the assets or liabilities (other than quoted prices), such as interest rates, foreign exchange rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs for the assets or liabilities, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The determination of the fair value level within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Shelter's assessment of the significance of the particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the assets or liabilities.

The following summarizes investments, measured at fair value on a recurring basis, aggregated by the level in the fair value hierarchy within which those measurements fall, as of December 31, 2011 and 2010:

	June 30, 2011			
	Fair Value	Level 1	Level 2	Level 3
Money market funds	\$ 265,336	\$ 265,336	\$ -	\$ -
Mutual funds	282,823	282,823	-	-
Certificates of deposit	102,310	-	102,310	-
	<u>\$ 650,469</u>	<u>\$ 548,159</u>	<u>\$ 102,310</u>	<u>\$ -</u>

See Independent Auditors' Report.

CARPENTER'S SHELTER, INC.

NOTES TO FINANCIAL STATEMENTS  
for the year ended June 30, 2011

6. FAIR VALUE MEASUREMENTS, (Continued)

	June 30, 2010			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market funds	\$ 289,868	\$ 289,868	\$ -	\$ -
Mutual funds	221,751	221,751	-	-
Certificates of deposit	401,873	-	401,873	-
	<u>\$ 913,492</u>	<u>\$ 511,619</u>	<u>\$ 401,873</u>	<u>\$ -</u>

Investments are reported at fair values as provided by the investment managers or other third-party service providers utilizing various methods dependent upon the specific type of investment. Money market accounts are valued at current redemption value which, due to the short term nature of the accounts, approximates fair value. Certificates of deposit are valued at cash surrender values, as reported by the financial institutions, which are considered to be observable inputs. Mutual funds are based on quoted prices in active markets.

7. INVESTMENT IN LYNHAVEN APARTMENTS

In June 2002, the Shelter loaned \$250,000 at an interest rate of 5% per annum to Wesley Lynhaven Housing Corporation toward the acquisition and refurbishment of the 28-unit Lynhaven Apartments. The loan will be cancelled, provided there is no default on the other loans on the apartments, over 20 years. In the event of the sale or refinancing of the apartments, the Shelter would receive 50% of the net proceeds.

Future debt cancellation for years ending June 30 is as follows:

2012	\$ 19,799
2013	19,799
2014	19,799
2015	19,799
2016	19,799
2017 and beyond	118,792
Total payments	<u>\$ 217,787</u>
Less interest	(50,154)
Investment - net of cancellation	<u>\$ 167,633</u>

In exchange for the cancellation of the loan, the Shelter has the right to use four units to provide affordable housing for Shelter residents. The Shelter intends to sublease these four units to its residents as transitional housing. Units used by the Shelter are rented to residents at amounts based upon their ability to pay. For those units that it utilizes, the Shelter also pays \$400 per unit per month to Wesley Lynhaven housing to cover the pro-rata monthly portion of each unit's operating expenses and the pro-rata portion of each unit's replacement reserves. For units not rented, Wesley Lynhaven Housing pays the Shelter \$450 per unit per month. As of June 30, 2011, all four units were rented.

See Independent Auditors' Report.

CARPENTER'S SHELTER, INC.

NOTES TO FINANCIAL STATEMENTS  
for the year ended June 30, 2011

8. Unrestricted Board Designated Net Assets

Unrestricted Board designated net assets at June 30, 2011 consisted of the following:

	Balance at June 30, 2010	Revenue and Support	Transfers to (from) Operation	Balance at June 30, 2011
Hoffman fund	\$ 749,923	\$ 2,266	\$ -	\$ 752,189
Scholarships	248,047	78	-	248,125
Building reserve fund	285,721	2,001	(28,906)	258,816
Building	1,246,831	-	(32,415)	1,214,416
	<u>\$ 2,530,522</u>	<u>\$ 4,345</u>	<u>\$ (61,321)</u>	<u>\$ 2,473,546</u>

9. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available as of June 30, 2011 for the following purposes or time periods:

	Balance at June 30, 2010	Revenue and Support	Released	Balance at June 30, 2011
Hoffman education coordinator	\$ 19,733	\$ -	\$ (19,733)	\$ -
Scholarship fund	42,820	6,000	(14,040)	34,780
	<u>\$ 62,553</u>	<u>\$ 6,000</u>	<u>\$ (33,773)</u>	<u>\$ 34,780</u>

10. DONATED SERVICES AND MEALS

The Shelter receives donated resident support services from accountants, attorneys, cooks, doctors and nurses, and other professionals. The Shelter also receives donated food for meals for residents. These donated services and meals have been recorded in the financial statements at their estimated fair value under statement of activities and were \$394,483 for 2011.

During 2011, there were approximately 18,399 hours of volunteer time that are not recognized as contributions in the financial statements since the recognition criteria under accounting standards were not met.

11. RETIREMENT PLAN

The Shelter's management established a Salary Deferral Plan under Section 403(b) of the Internal Revenue Code effective January 1, 2000, covering employees who have completed one year of service and who are at least 21 years of age. This Plan is funded by voluntary contributions through salary reductions plus an employer match of up to 2%. The Plan also allows for a discretionary profit-sharing contribution. Contribution to the Plan was \$24,457 for 2011.

See Independent Auditors' Report.

CARPENTER'S SHELTER, INC.

NOTES TO FINANCIAL STATEMENTS  
for the year ended June 30, 2011

12. SUBSEQUENT EVENTS

In preparing these financial statements, the Shelter has evaluated events and transactions for potential recognition or disclosure through September 21, 2011, the date the financial statements were available to be issued.

See Independent Auditors' Report.