Financial Statements

Acts Community Development Corporation

December 31, 2008
Contents

Financial Statements

Independent Auditor’s Report ........................................................................................................1
Statement of Financial Position .....................................................................................................2
Statement of Activities and Expenses .............................................................................................3
Statement of Cash Flows ................................................................................................................4
Notes to Financial Statements .....................................................................................................5-7
Independent Auditor’s Report on Supplementary Information ......................................................8
Supplementary Information – Schedules in Support of Statement of Activities and Expenses 9-10
INDEPENDENT AUDITOR’S REPORT

To The Board of Directors of
Acts Community Development Corporation
Brooklyn, New York

I have audited the accompanying statement of financial position of Acts Community Development Corporation (a non-profit organization) as of December 31, 2008, and related statement of activities and expenses and statement of cash flows for the year then ended. These financial statements are the responsibility of the Organization’s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Acts Community Development Corporation as of December 31, 2008 and 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.

Sam J. Nole
Certified Public Accountant
New York, New York
June 24, 2009
## ACTS COMMUNITY DEVELOPMENT CORPORATION
### STATEMENT OF FINANCIAL POSITION
#### DECEMBER 31, 2008

### ASSETS

**CURRENT ASSETS**
- Cash and cash equivalents: $6,386
- Marketable securities: 7,307
- Grants receivable: 1,739
- Prepaid expense: 27
  - Total current assets: 15,459

**EQUIPMENT**
- 24,439
  - Less: Accumulated depreciation
    - (2,444)
    - 21,995

  - Total: $37,454

### LIABILITIES AND NET ASSETS

**CURRENT LIABILITIES**
- Accrued expenses: $2,901
- Loan payable - NJCC: 3,000
  - Total current liabilities: 5,901

**NET ASSETS**
- Unrestricted funds: 31,553

  - Total: $37,454

See Notes to Financial Statements
SUPPORT
  Direct public support – Schedule I $ 169,344
  Government grants 167,701
  Interest and dividends 1,511
  Total unrestricted support 338,556

EXPENSES
  Program services expenses – Schedule II 299,116
  General and administrative expenses – Schedule III 51,776
  Total Expenses 350,892

Increase (decrease) in net assets (12,336)

LESS: UNREALIZED INVESTMENT LOSSES (23,501)

ADJUSTED DECREASE IN NET ASSETS (35,837)

NET ASSETS –BEGINNING 67,390

NET ASSETS – ENDING $ 31,553

See Notes to Financial Statements
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES
Change in net assets
Net cash provided by (used by) operating activities: $ (35,837)
   Depreciation 2,444
   Decrease in prepaid expenses 131
   Decrease in accrued expenses (1,618)

CASH FLOWS FROM INVESTING ACTIVITIES
   Acquisition of marketable securities (7,307)
   Acquisition of program vehicle (24,439)
   Loan payable 3,000

   Net increase (decrease) in cash (63,626)

CASH – BEGINNING 70,012
CASH – ENDING $ 6,386

See Notes to Financial Statements
Note 1 - Significant Accounting Policies

(A) Nature of Organization

Acts Community Development Corporation is a charitable organization, and was incorporated on May 30, 2002. The goal is to provide shelter and assistance for shelter and social services to homeless pregnant women as well as section 8 housing and to provide a soup kitchen and food pantry to citizens of Brooklyn.

Acts Community Development Corporation is exempt from Federal Income Tax under the provisions of section 501 (c )(3) f the Internal Revenue Code of 1986, as amended. Contributions received are deductible by the donors in computing their taxable net income in the manner and to the extent provided by Section 170 (B)(1) and (2) of the Internal Revenue Code of 1986, as amended. In addition, there was no unrelated business income for the year ended December 31, 2008 that is subject to federal, state or local income taxes.

(B) Basis of Accounting

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

(C) Financial Statements Presentation

Under Statement of Financial Accounting Standards (“SFAS”) No. 117, entitled “Financial Statements for Not for Profit Organizations,” the Organization is required to report information regarding its financial position and activities according to three classes of net assets (unrestricted, temporarily restricted, and permanently restricted) based on the existence or absence of donor-imposed restrictions.

(D) Contributions and Contributions Receivable

In accordance with SFAS No. 116, entitled “Accounting for Contributions Received and Contributions Made,” contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts that are received that are designated for future periods or restricted by the donor for specific purposes are recorded as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Expenses as net assets released from restrictions. Contributions are recorded at their fair value on the date of receipt.
(E) Cash and Cash Equivalents

The Organization defines cash equivalents as short term, highly liquid investments which are readily converted into cash within ninety days of purchase. For the purposes of the Statement of Cash Flow, the Organization’s investment in a money market fund is considered to be a cash equivalent.

(F) Estimates

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

(G) Marketable Securities

Marketable Securities are reported at fair value. Under SFAS No. 124, entitled “Accounting for Certain Investments Held by Not for Profit Organizations,” these securities are carried at fair value with realized and unrealized gains and losses included in the Statement of Activities and Expenses. Gains and Losses are reflected as increases and decreases in the unrestricted class of net assets, unless the donor or relevant laws place temporary or permanent restrictions on the gains or losses. Investment income is reported as an increase in restricted net assets, unless the donor placed a restricted on the income’s use. If the income is restricted, it would be reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restrictions.

As of December 31, 2008 and for the year then ended, there were no donor restrictions or relevant laws requiring reporting as an increase or decrease in temporarily or permanently restricted net assets.

(H) Depreciation

Equipment is stated at cost. The various methods of depreciation and amortization used are as follows:

<table>
<thead>
<tr>
<th>Classification</th>
<th>Method</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment</td>
<td>Straight-line</td>
<td>5 years</td>
</tr>
</tbody>
</table>

For the year ended December 31, 2008, the Organization recorded depreciation expense of $2,444 on this asset.
Note 2 - Programs

Rachel’s Joy Maternity Home: Provides shelter for young homeless pregnant women; GED, ESL, Computer and Job preparedness. The Mother and Baby Wellness Center provides assistance for health and parenting issues with instruction, personal and group counseling, Kindermusik program, GED, ESL serves the community at large.

Coney Island Lighthouse Mission: Provides Sec. 8 and other similar government housing for families. A food pantry feeds over 1400 families, some 4,000 plus people per month. The “Soup Kitchen” feeds hot meals every week to more than 250 people. An afterschool program reaches more than 40 children per week. Drug/Alcohol counseling is also provided to the community as well as benefit screening to assist clients in accessing food stamps, medicaid, social security and other federal, state and local benefits offered to assist the needy. Last year, the organization assisted in obtaining over $200,000 in food stamps for its community members.

Many volunteers participate in the operations and functions of the organization. These services are not recorded as contributions as there is no measurable basis for determination even though they play a significant role in the operations of many of the programs.

Note 3 – Cash Concentration

The Organization maintains bank accounts at TD Bank, NA. At no time, did this bank account was in excess of FDIC insurance limits.

Note 4 - Marketable Securities

The Organization’s securities are carried at fair value, in accordance with Statement of Financial Accounting Standards (“SFAS”) No. 124.

The security held was as follows:

<table>
<thead>
<tr>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000 shares Cohen &amp; Steers Quality Income Fund</td>
</tr>
</tbody>
</table>

The amortized cost of this security approximates its fair value.

SAM J. NOLE, CPA
350 Fifth Avenue, Suite 7412
New York, NY 10116-7412
INDEPENDENT AUDITOR’S REPORT
ON SUPPLEMENTARY INFORMATION

To The Board of Directors of
Acts Community Development Corporation
New York, New York

My report on my audit of the basic financial statements of Acts Community Development Corporation for the year then ended December 31, 2008 appears on page 1. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. Supplementary information in the Supporting Schedules is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sam J. Nole
Certified Public Accountant
New York, New York
June 24, 2009
SCHEDULE I – DIRECT PUBLIC SUPPORT

Donations:
- Individuals, including fundraising $ 25,578
- Churches 9,152
- Corporations 25,500
- Foundations 109,114

$ 169,344

SCHEDULE II – PROGRAM SERVICES

- Advertising and promotion $ 1,215
- Bank service charges 156
- Bookkeeping 3,309
- Computer expenses 1,128
- Depreciation 2,444
- Donations 528
- Dues and subscriptions 152
- Insurance 3,752
- Lectures 600
- Occupancy including utilities 34,627
- Office equipment rental 3,285
- Payroll processing expenses 833
- Postage and delivery 42
- Program food delivery/soup kitchen 158,883
- Program supplies 10,609
- Repairs and maintenance 2,102
- Salaries, volunteers and payroll expense 62,317
- Telephone, internet and cable 4,078
- Training 50
- Travel, tolls and parking 4,673
- Vehicle rentals 4,333

$ 299,116

ACTS COMMUNITY DEVELOPMENT CORPORATION
SUPPLEMENTARY INFORMATION – SCHEDULES IN SUPPORT OF STATEMENT OF ACTIVITIES AND EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2008
<table>
<thead>
<tr>
<th>Expense</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising and promotion</td>
<td>$1,515</td>
</tr>
<tr>
<td>Bookkeeping</td>
<td>827</td>
</tr>
<tr>
<td>Computer expenses</td>
<td>125</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>450</td>
</tr>
<tr>
<td>Filing fees</td>
<td>75</td>
</tr>
<tr>
<td>Finance charges</td>
<td>108</td>
</tr>
<tr>
<td>Fundraising</td>
<td>5,012</td>
</tr>
<tr>
<td>Grant writing</td>
<td>6,500</td>
</tr>
<tr>
<td>Insurance</td>
<td>417</td>
</tr>
<tr>
<td>Legal and accounting</td>
<td>2,500</td>
</tr>
<tr>
<td>Occupancy</td>
<td>8,657</td>
</tr>
<tr>
<td>Office and equipment rental</td>
<td>821</td>
</tr>
<tr>
<td>Office expenses</td>
<td>159</td>
</tr>
<tr>
<td>Payroll processing expenses</td>
<td>719</td>
</tr>
<tr>
<td>Postage and delivery</td>
<td>666</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>413</td>
</tr>
<tr>
<td>Salaries, volunteers and payroll expenses</td>
<td>21,600</td>
</tr>
<tr>
<td>Telephone, cable and internet expenses</td>
<td>1,019</td>
</tr>
<tr>
<td>Travels, tolls and parking</td>
<td>193</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$51,776</strong></td>
</tr>
</tbody>
</table>