

MISSION GRANBURY, INC.

FINANCIAL REPORT

DECEMBER 31, 2007

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L.L.P.

CERTIFIED PUBLIC
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Mission Granbury, Inc.
Granbury, Texas

We have audited the accompanying statement of financial position of Mission Granbury, Inc. (the Organization) as of December 31, 2007, and the related statements of activities, functional expenses and cash flows for the year 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 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 Mission Granbury, Inc. as of December 31, 2007 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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
January 26, 2009

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**MISSION GRANBURY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2007**

ASSETS

Cash and cash equivalents	\$ 194,022
Investments	11,178
Grants and contracts receivable	76,143
Property and equipment, net	712,419
Other assets	2,150
	2,150

TOTAL ASSETS

\$ 995,912

LIABILITIES

Accounts payable and accrued expenses	\$ 17,854
Accrued vacation payable	9,662
	9,662

Total liabilities

27,516

NET ASSETS

Unrestricted- Undesignated	949,153
Unrestricted- Designated	19,243
Temporarily restricted	-
	-

Total net assets

968,396

TOTAL LIABILITIES AND NET ASSETS

\$ 995,912

**MISSION GRANBURY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2007**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT			
Grant and contract support	\$ 456,741	\$ -	\$ 456,741
Contributions	194,258	111,337	305,595
Donation of assets and services	12,981	-	12,981
Fundraising - Special Events	171,429	-	171,429
Investment and other income	5,958	-	5,958
Net assets released from restrictions	123,072	(123,072)	-
Total revenues and other support	964,439	(11,735)	952,704
EXPENSES			
Program services			
Family victims of crime	75,264	-	75,264
Family violence shelter center	232,590	-	232,590
CASA	53,301	-	53,301
Ruth's Place	2,106	-	2,106
Emergency assistance network	172,506	-	172,506
Stepping stones	2,802	-	2,802
Support services			
Fundraising	64,727	-	64,727
General and administrative	372,130	-	372,130
Total expenses	975,426	-	975,426
Change in net assets	(10,987)	(11,735)	(22,722)
NET ASSETS, beginning of year	979,383	11,735	991,118
NET ASSETS, end of year	\$ 968,396	\$ -	\$ 968,396

MISSION GRANBURY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2007

	Program Services			
	Family Victims of Crime	Family Violence Shelter	CASA	Ruth's Place
Salaries	\$ 18,663	\$ 113,413	\$ 27,327	\$ 1,774
Payroll taxes and fringe benefits	14,243	30,565	4,942	332
Dues, fees and subscriptions	-	2,035	100	-
Rents	9,007	21	7,434	-
Utilities	745	15,390	546	-
Repairs and maintenance	575	2,663	218	-
Program expenses	11,055	7,941	3	-
Special events programs	-	-	-	-
Board of Directors expense	-	-	-	-
Office expenses	1,165	22,949	2,713	-
Postage and other expenses	842	643	616	-
Equipment repair and lease	245	2,573	384	-
Telephone	751	5,871	607	-
Advertising	1,011	218	-	-
Conferences, meetings and travel	717	3,009	2,647	-
Volunteer recognition	-	-	-	-
Insurance	1,595	7,800	1,595	-
Taxes	-	-	-	-
Contract services	14,650	6,377	4,169	-
Miscellaneous	-	-	-	-
Bad debt expense	-	-	-	-
Depreciation	-	11,122	-	-
	<u>\$ 75,264</u>	<u>\$ 232,590</u>	<u>\$ 53,301</u>	<u>\$ 2,106</u>

<u>Emergency Assistance Network</u>	<u>Stepping Stones</u>	<u>Support Services</u>		<u>Total Program and Support Services</u>
		<u>Fund Raising Activities</u>	<u>General and Adminis- trative</u>	
\$ 14,998	\$ 1,667	\$ -	\$ 148,430	\$ 326,272
4,645	1,135	-	36,133	91,995
102	-	-	1,719	3,956
5,054	-	-	8,158	29,674
856	-	-	7,820	25,357
304	-	-	3,233	6,993
135,753	-	-	60,228	214,980
-	-	51,264	-	51,264
-	-	-	1,085	1,085
3,005	-	2,833	20,029	52,694
-	-	-	1,361	3,462
226	-	-	2,269	5,697
668	-	-	4,979	12,876
-	-	-	11,786	13,015
733	-	-	1,836	8,942
-	-	9,304	3,531	12,835
1,873	-	-	-	12,863
-	-	-	5,130	5,130
4,289	-	864	32,829	63,178
-	-	462	648	1,110
-	-	-	1,300	1,300
-	-	-	19,626	30,748
<u>\$ 172,506</u>	<u>\$ 2,802</u>	<u>\$ 64,727</u>	<u>\$ 372,130</u>	<u>\$ 975,426</u>

**MISSION GRANBURY, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2007**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (22,722)
Adjustments to reconcile change in net assets to net cash used in operating activities	
Depreciation	30,748
Donated securities	(2,155)
Gain on sale of investment	(1,366)
Gain on sale of property	(3,303)
Changes in assets and liabilities	
Pledges receivable	2,600
Grants and contracts receivable	(39,166)
Prepaid expenses	1,723
Accounts payable and accrued expenses	9,762
Accrued vacation payable	(7,007)
	(30,886)
 Net cash used in operating activities	
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(12,375)
Proceeds from sale of property	27,441
	15,066
 Net cash provided by investing activities	
 Net change in cash and cash equivalents	
	(15,820)
 CASH AND CASH EQUIVALENTS, beginning of year	 209,842
 CASH AND CASH EQUIVALENTS, end of year	 \$ 194,022

**MISSION GRANBURY, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Mission Granbury, Inc. (the Organization), a community-based non-profit organization, was founded to provide a community response to domestic violence and families in crisis for all Hood County Residents.

The major sources of funding of these activities are: (1) federal grant proceeds, (2) contributions received, and (3) net proceeds from special event programs.

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*. Under SFAS No. 117, the Agency is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents consist of cash in banks, certificates of deposit, and all highly liquid investments including restricted cash balances with original maturities of less than three months. Money market accounts held at brokers are considered investments.

Investments

Investments are stated at fair value as determined by quoted prices. All investments consists of money market accounts and equity securities whose fair value was \$11,178 at December 31, 2007.

Investment Income, Gains and Losses

All realized gains and losses arising from the sale, collection or other disposition of investments are accounted for in the net asset class that owned the asset. Unrealized gains and losses are reflected in the accompanying financial statements. Ordinary income from investments and other income producing assets is accounted for in the net asset class owning the asset.

**MISSION GRANBURY, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Grants and Contracts Receivable

The Organization has not provided an allowance for doubtful accounts for grants and contracts receivable based on a review of accounts and past experience. All amounts are due from governmental agencies under expense reimbursement grants. At December 31, 2007 approximately 55% of the receivables represent amounts due from one agency. In addition, approximately 63% of total grant revenue is from two agencies.

Property and Depreciation

Property acquired by Mission Granbury, Inc. is considered to be owned by the Organization. However, State funding sources may maintain equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The State has a reversionary interest in those assets purchased with its funds which have a cost of \$1,000 or more and an estimated useful life of at least two years.

Property is recorded at cost, except for contributed assets, which are recorded at their estimated fair value at the time of contribution. Disbursements for maintenance, repairs and improvements which do not extend the useful lives of the assets are charged to expense as incurred.

Depreciation is calculated using the straight-line method over the following estimated useful lives:

Buildings	30 years
Building improvements	10 years
Furniture, fixtures and equipment	5 years

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Pledges for contributions to support current operations are recorded as received. Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Contributions whose restrictions are met in the same reporting period are reported as unrestricted contributions.

MISSION GRANBURY, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Contributions – Continued

Non-cash contributions of assets are recorded at the appraised or estimated fair value at the date of contribution. Contributed services that create or enhance non-financial assets or would typically need to be purchased if not contributed, require specialized skills and are provided by individuals with those skills are recorded at fair value.

Donated Services

A substantial number of volunteers have donated significant amounts of time to the Organization's activities. However, the Organization only recognized donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Fund-raising Activities

The Organization conducts various fund-raising activities including an enchanted gala auction. The expenses incurred in conducting these activities with other fund-raising costs are shown in the financial statements under the caption "Fundraising."

Advertising

Advertising costs are expensed as incurred. Advertising costs for the year ended December 31, 2007 totaled \$13,015.

Income Taxes

The Organization is a nonprofit organization that is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and is not considered a private foundation.

Use of Estimates

The preparation of financial statements under 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, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of receipts and disbursements during the reporting period. Actual results could differ from those estimates.

MISSION GRANBURY, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Temporarily Restricted Net Assets

Temporarily restricted net assets represent contributions for which donors have imposed restrictions. These restrictions require the Organization to use such funds for various activities related to the Capital Campaign project. Net assets released from restrictions represent program restrictions that were fulfilled during the year, represented primarily by the release of funds used in the construction of the shelter.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 2. CONCENTRATIONS

The Organization maintains its cash in bank deposit and brokerage accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes that it is not exposed to significant credit risk on cash.

NOTE 3. PROPERTY AND EQUIPMENT

At December 31, 2007 property and equipment consists of the following:

Land	\$ 75,000
Buildings	595,222
Building improvements	43,583
Furniture, fixtures and equipment	51,538
Less accumulated depreciation	<u>(52,924)</u>
Net property and equipment	<u>\$ 712,419</u>

NOTE 4. COMPENSATED ABSENCES

The Organization has accrued \$9,662 in compensable absences as of December 31, 2007. The Organization's benefit plan allows for accrual of up to one year's benefit, which is payable to the employee upon termination provided that the employee gives at least two weeks written notice.

**MISSION GRANBURY, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE 5. OPERATING LEASES

The Organization leases its business offices and office equipment located in Granbury, Texas. Total rental expense for the year ended December 31, 2007 was \$29,674.

Annual minimum lease payments for the years ending December 31 are:

2008	\$ 25,596
2009	<u>6,399</u>
	<u>\$ 31,995</u>



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To the Board of Directors
Mission Granbury, Inc.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary schedules for the year ended December 31, 2007 on pages 13 and 14 are presented for purposes of additional analysis and are 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 our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
January 26, 2009

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MISSION GRANBURY, INC.
SCHEDULE OF TEXAS CASA RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2007

<u>Grantor/ Program Title</u>		<u>Program or Award Amount</u>	<u>Accrued Revenue 1/1/2007</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Accrued Revenue 12/31/2007</u>
Texas CASA						
2006-2007 Program	CVC-07-28	\$ 20,469	\$ (1,478)	\$ 16,322	\$ 14,844	\$ -
2007-2008 Program	CVC-08-28	21,634	-	2,620	6,949	4,329
			<u>\$ (1,478)</u>	<u>\$ 18,942</u>	<u>\$ 21,793</u>	<u>\$ 4,329</u>

MISSION GRANBURY, INC.
SCHEDULE OF VOCA - CASA RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2007

<u>Grantor/ Program Title</u>		<u>Program or Award Amount</u>	<u>Accrued Revenue 1/1/2007</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Accrued Revenue 12/31/2007</u>
VOCA - CASA						
2006-2007 Program	VA-06-V30 -13980-08	\$ 34,656	\$ (5,197)	\$ 24,462	\$ 19,265	\$ -
2007-2008 Program	VA-06-V30- -13980-09	36,074	-	6,896	10,990	4,094
			<u>\$ (5,197)</u>	<u>\$ 31,358</u>	<u>\$ 30,255</u>	<u>\$ 4,094</u>