

**JEFFCO ACTION CENTER,
INC.**

**Financial Statements with
Accompanying Independent
Auditor's Report**

June 30, 2008 and 2007

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Kristin L. Flewelling, CPA, PC

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Jeffco Action Center, Inc.
Lakewood, Colorado

I have audited the accompanying statement of financial position of Jeffco Action Center, Inc. as of June 30, 2008 and 2007, and the related statements of activities, functional expenses and cash flows for the years then ended. These 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 statement 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 Jeffco Action Center, Inc. as of June 30, 2008 and 2007 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.

Kristin L. Flewelling, CPA, PC

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JEFFCO ACTION CENTER, INC.

Statement of Financial Position
June 30, 2008 and 2007

ASSETS	<u>2008</u>	<u>2007</u>
Cash and cash equivalents	\$ 393,960	\$ 244,160
Investments in marketable securities	12,185	—
Grants and contributions receivable (less: allowance for doubtful accounts of \$0)	18,571	8,925
Prepaid expenses	37,413	12,207
Unconditional promises to give	509,892	529,771
Endowment investments	307,857	235,620
Property and equipment - net	<u>2,110,934</u>	<u>2,203,311</u>
Total Assets	<u>\$ 3,390,812</u>	<u>\$ 3,233,994</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable	\$ 34,911	\$ 8,409
Payroll taxes and benefits payable	29,827	31,157
Deferred revenue	—	2,102
Mortgage payable	<u>184,956</u>	<u>190,748</u>
Total Liabilities	<u>249,694</u>	<u>232,416</u>
Commitments and Contingencies	—	—
Net Assets		
Unrestricted net assets:		
Undesignated	2,283,653	2,168,048
Board-designated for endowment	<u>183,719</u>	<u>164,720</u>
Total Unrestricted Net Assets	2,467,372	2,332,768
Temporarily restricted net assets	549,608	597,910
Permanently restricted net assets	<u>124,138</u>	<u>70,900</u>
Total Net Assets	<u>3,141,118</u>	<u>3,001,578</u>
Total Liabilities and Net Assets	<u>\$ 3,390,812</u>	<u>\$ 3,233,994</u>

See accompanying *Notes to Financial Statements*

JEFFCO ACTION CENTER, INC.

Statement of Activities For the Years Ended June 30, 2008 and 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2008 Total</u>	<u>2007 Total</u>
Revenues, Gains and Other Support					
Contributions - promises to give	\$ —	\$ 237,463	\$ —	\$ 237,463	\$ 328,165
Contributions - other	1,352,042	39,716	53,238	1,444,996	1,004,502
In-kind contributions	3,607,600	—	—	3,607,600	3,080,262
Grant revenue	172,089	—	—	172,089	174,842
Special projects and events (less: costs of direct benefits to donors of \$25,062 and \$13,012, in 2008 and 2007, respectively)	53,835	—	—	53,835	59,937
Investment return (deficit)	(9,353)	—	—	(9,353)	29,559
Other revenue	24,999	—	—	24,999	22,970
Net assets released from restrictions	325,481	(325,481)	—	—	—
Total Revenues, Gains and Other Support	<u>5,526,693</u>	<u>(48,302)</u>	<u>53,238</u>	<u>5,531,629</u>	<u>4,700,237</u>
Expenses					
Programs:					
Client services	3,989,191	—	—	3,989,191	3,406,330
J-Help (home-delivered meals)	41,491	—	—	41,491	34,305
Tenant landlord counseling	60,301	—	—	60,301	66,374
Medical assistance	126,887	—	—	126,887	88,670
Shelter	462,545	—	—	462,545	407,626
Santa shop	255,992	—	—	255,992	165,296
Total Programs	<u>4,936,407</u>	<u>—</u>	<u>—</u>	<u>4,936,407</u>	<u>4,168,601</u>
Management and general	214,180	—	—	214,180	202,844
Fundraising	222,063	—	—	222,063	169,187
Total Expenses.....	<u>5,372,650</u>	<u>—</u>	<u>—</u>	<u>5,372,650</u>	<u>4,540,632</u>
Loss on disposal of property and equipment	19,439	—	—	19,439	—
Total Expenses and Losses	<u>5,392,089</u>	<u>—</u>	<u>—</u>	<u>5,392,089</u>	<u>4,540,632</u>
Increase (Decrease) in Net Assets	134,604	(48,302)	53,238	139,540	159,605
Net Assets at Beginning of Year	<u>2,332,768</u>	<u>597,910</u>	<u>70,900</u>	<u>3,001,578</u>	<u>2,841,973</u>
Net Assets at End of Year	<u>\$ 2,467,372</u>	<u>\$ 549,608</u>	<u>\$ 124,138</u>	<u>\$ 3,141,118</u>	<u>\$ 3,001,578</u>

See accompanying *Notes to Financial Statements*

JEFFCO ACTION CENTER, INC.
Statement of Functional Expenses
For the Years Ended June 30, 2008 and 2007

	Program Services						Supporting Services				
	<u>Client Services</u>	<u>J-Help</u>	<u>Tenant Landlord</u>	<u>Medical Assistance</u>	<u>Shelter</u>	<u>Santa Shop</u>	<u>Total Programs</u>	<u>Mgt and General</u>	<u>Fund-raising</u>	2008 Total	2007 Total
Salaries and labor	\$ 216,557	\$ 6,156	\$ 21,012	\$ 51,679	\$ 140,827	\$ 23,916	460,147	\$ 123,792	\$ 107,005	\$ 690,944	\$ 611,952
Donated services	70,178	—	26,591	9,100	—	—	105,869	5,291	—	111,160	114,976
Benefits and taxes	<u>48,557</u>	<u>1,487</u>	<u>4,570</u>	<u>13,531</u>	<u>32,632</u>	<u>4,461</u>	<u>105,238</u>	<u>25,124</u>	<u>20,600</u>	<u>150,962</u>	<u>115,888</u>
Total Personnel Services	<u>335,292</u>	<u>7,643</u>	<u>52,173</u>	<u>74,310</u>	<u>173,459</u>	<u>28,377</u>	<u>671,254</u>	<u>154,207</u>	<u>127,605</u>	<u>953,066</u>	<u>842,816</u>
Operating & facilities costs	121,271	2,647	5,605	25,939	67,349	38,664	261,475	45,431	42,887	349,793	253,771
Newsletter & information	4,534	94	187	655	1,914	374	7,758	1,165	2,155	11,078	16,066
Direct assistance:											
Meals	26,988	29,569	—	—	77	—	56,634	—	—	56,634	65,980
Housing	32,298	—	—	—	—	—	32,298	—	—	32,298	29,089
Transportation	12,250	—	—	—	5,250	—	17,500	—	—	17,500	21,712
Utilities	239,071	—	—	—	—	—	239,071	—	—	239,071	193,090
Employment assistance	6,314	—	—	—	2,867	—	9,181	—	—	9,181	6,483
Donated goods	3,091,125	—	—	3,479	189,370	151,855	3,435,829	—	—	3,435,829	2,959,217
Other	5,222	—	—	3,473	261	1,751	10,707	—	—	10,707	11,857
Medical	—	—	—	14,217	—	—	14,217	—	—	14,217	10,959
Helping Hearts & Hands	69,016	—	—	—	—	—	69,016	—	—	69,016	—
Gift cards	—	—	—	—	1,000	29,225	30,225	—	—	30,225	—
Other expenses	<u>3,324</u>	<u>47</u>	<u>100</u>	<u>342</u>	<u>952</u>	<u>196</u>	<u>4,961</u>	<u>706</u>	<u>38,236</u>	<u>43,903</u>	<u>33,886</u>
	<u>3,611,413</u>	<u>32,357</u>	<u>5,892</u>	<u>48,105</u>	<u>269,040</u>	<u>222,065</u>	<u>4,188,872</u>	<u>47,302</u>	<u>83,278</u>	<u>4,319,452</u>	<u>3,602,110</u>
Total expense before depreciation	3,946,705	40,000	58,065	122,415	442,499	250,442	4,860,126	201,509	210,883	5,272,518	4,444,926
Depreciation	<u>42,486</u>	<u>1,491</u>	<u>2,236</u>	<u>4,472</u>	<u>20,046</u>	<u>5,550</u>	<u>76,281</u>	<u>12,671</u>	<u>11,180</u>	<u>100,132</u>	<u>95,706</u>
Total Expenses	<u>\$ 3,989,191</u>	<u>\$ 41,491</u>	<u>\$ 60,301</u>	<u>\$ 126,887</u>	<u>\$ 462,545</u>	<u>\$ 255,992</u>	<u>\$ 4,936,407</u>	<u>\$ 214,180</u>	<u>\$ 222,063</u>	<u>\$ 5,372,650</u>	<u>\$ 4,540,632</u>

See accompanying *Notes to Financial Statements*

JEFFCO ACTION CENTER, INC.

Statement of Cash Flows
For the Years Ended June 30, 2008 and 2007

	2008	2007
Cash Flows from Operating Activities		
Increase (decrease) in net assets	\$ 139,540	\$ 159,605
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	100,132	95,706
Donated equipment	(4,500)	—
Loss on disposal of property and equipment	19,439	—
(Gain) loss on investments in marketable securities	727	—
(Gain) loss on endowment investments	25,612	(16,814)
Net changes in:		
Grants and contributions receivable	(9,646)	5,163
Prepaid expenses	(25,206)	(5,259)
Unconditional promises to give	19,879	(143,046)
Accounts payable	26,502	(10,612)
Accrued taxes and benefits	(1,330)	9,722
Deferred revenue	(2,102)	2,102
Net Cash Provided by Operating Activities	<u>289,047</u>	<u>96,567</u>
Cash Flows from Investing Activities		
Purchase of investments in marketable securities	(12,912)	—
Purchase of endowment investments	(97,849)	(21,816)
Purchase of property and equipment	(22,694)	(10,072)
Net Cash Used by Investing Activities	<u>(133,455)</u>	<u>(31,888)</u>
Cash Flows from Financing Activities		
Payments on debts	(5,792)	(5,612)
Net Cash Used by Financing Activities	<u>(5,792)</u>	<u>(5,612)</u>
Net Increase in Cash and Cash Equivalents	149,800	59,067
Cash and Cash Equivalents at Beginning of Year	<u>244,160</u>	<u>185,093</u>
Cash and Cash Equivalents at end of Year	\$ 393,960	\$ 244,160

See accompanying *Notes to Financial Statements*

JEFFCO ACTION CENTER, INC.

Notes to Financial Statements June 30, 2008 and 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose

The Jeffco Action Center, Inc. (the Organization) is a non-profit Colorado Charitable corporation exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. The Organization's mission is to provide an immediate response to basic human needs and to promote pathways to self-sufficiency. Jeffco Action Center, Inc. serves clients who reside or are homeless in Jefferson County, Colorado.

The Organization's major programs include:

Client Services: Services include emergency counseling and support, a food bank, clothing bank, and other programs to meet immediate, basic needs.

J-Help: Provides home-delivered meals to homebound individuals in Jefferson County.

Tenant-Landlord Counseling: Counseling services available to both tenants and landlords.

Medical Assistance: Provides medical and mental health clinics and services.

Shelter: Operates an emergency shelter for the homeless in Jefferson County.

Santa Shop: Collects, refurbishes and distributes new and used toys to needy children.

The primary funding source of the Organization is private contributions of cash and in-kind goods and services from individuals, churches, businesses and foundations. In addition, the Organization receives revenue from special events and government grants.

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting.

Basis of Presentation

The 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 Non-Profit Organizations*. Under SFAS No. 117, the Organization 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.

Use of Estimates

The preparation of financial statements in accordance with auditing standards generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contributions

The Organization accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence or nature of donor restrictions.

JEFFCO ACTION CENTER, INC.

**Notes to Financial Statements
June 30, 2008 and 2007**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restrictions. 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. If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted.

Cash and Cash Equivalents and Concentration of Credit Risk

The Organization considers all unrestricted, highly liquid investments with an initial maturity date of three months or fewer to be cash and cash equivalents. There are no limitations on the use of cash and cash equivalents at June 30, 2008 and 2007.

The Organization maintains its cash accounts in commercial banks located in Jefferson County, Colorado, and Maricopa County, Arizona. Accounts at each bank are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At June 30, 2008 and 2007, the Organization's cash deposits exceeded the FDIC limit by \$0 and \$25,196, respectively.

Functional Allocation of Expense

Expenses by function have been allocated among programs and supporting services classifications on the basis of square feet occupied, full-time employees' time, and on estimates made by the Organization's management.

Reclassifications

Certain reclassifications have been made to the 2007 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these classifications.

Donated Materials and Services

Materials:

The Organization received a substantial amount of donated materials which are in turn given to the Center's clients. These donations account for a large part of the program services that the Center provides. Donated materials for the year ended June 30, 2008 and 2007 include the following:

	2008	2007
Food	\$ 2,140,002	\$ 1,767,438
Clothing	611,870	501,375
Personal items	293,419	348,058
Household goods	106,740	77,000
Toys	151,855	124,575
School supplies	131,944	137,771
Gift certificates	56,110	6,069
Other	4,500	3,000
Distributed to Clients	\$ 3,496,440	\$ 2,965,286

The Organization records the estimated fair value of goods that are received and distributed to clients during the year as in-kind contributions revenue and donated goods expense.

JEFFCO ACTION CENTER, INC.

**Notes to Financial Statements
June 30, 2008 and 2007**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Materials and Services

Services:

The Organization recognized in-kind contribution revenue for certain services received at the estimated fair value of those services. Those services included the following:

	<u>2008</u>	<u>2007</u>
Legal services	\$ 890	\$ 6,596
Accounting and audit	2,289	4,244
Information technology services	3,002	2,812
Repairs and maintenance services	—	5,730
Client services - counselors	65,378	58,248
Tenant/landlord counseling	25,701	23,946
Facilities task force	—	9,000
Mental health counseling	9,100	4,400
Hair care services	4,800	—
Total Contributed Services	<u>\$ 111,160</u>	<u>\$ 114,976</u>

The Organization received additional contributed services which did not meet the requirements for recognition in the financial statements. These services were valued using the volunteer rates published by the Independent Sector of \$19.51 per hour, and include the following:

	<u>2008</u>	<u>2007</u>
Administrative services	\$ 10,441	\$ 1,548
Client services receptionist	76,714	72,180
Telephone receptionist	35,532	29,250
Computer services	53,457	83,808
Shelter assistants	7,550	8,100
Funds development	25,402	14,220
Warehouse management	4,878	—
Janitorial service	1,200	—
Total	<u>\$ 215,174</u>	<u>\$ 209,106</u>

In addition to the services noted previously, hundreds of other individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs, fund-raising events, and various committee assignments. Jeffco Action Center, Inc. received more than 33,705 and 33,251 additional volunteer hours from more than 1,100 volunteers during the years ended June 30, 2008 and 2007, respectively.

Fair Value of Financial Instruments

The Organization discloses fair value information about financial instruments when it is practicable to estimate that value. The carrying value of the Organization's cash, accounts receivable, prepaid expenses, accounts payable and accrued expenses approximate their estimated fair values due to their short-term maturities.

The fair value of investments in marketable equity and debt securities, including endowment investments, is based on quoted market prices. The fair value of unconditional promises to give is estimated by discounting the future cash flows using the long-term applicable Federal rate. The carrying amount reported for the mortgage payable approximates fair value because the Organization can obtain similar loans at the same terms.

JEFFCO ACTION CENTER, INC.

**Notes to Financial Statements
June 30, 2008 and 2007**

NOTE 2: INVESTMENTS IN MARKETABLE SECURITIES

Investments in marketable securities with readily determinable fair values and all investments in debt securities are measured at fair value in the Statement of Financial Position. In the absence of donor specification, income and gains on donated funds are not restricted, such income and gains are reported as unrestricted income. The Organization utilizes the specific identification method for determining cost in computing realized gain or loss on the sale of investments, which is included in investment income. Contributions of marketable securities are recorded at fair value on the date of the gift.

The Organization's investments consist primarily of taxable bonds. At June 30, 2008 and 2007, the fair market value of the investments was \$12,785 and \$0, respectively. During the years ending June 30, 2008 and 2007, the loss on these investments was \$727 and \$0, respectively, and was included in investment return on the Statement of Activities.

NOTE 3: PROMISES TO GIVE

Unconditional promises to give consists of the following:

	2008	2007
Unrestricted promises	\$ 582,094	\$ 594,136
Less: Allowance for uncollectible promises to give	(18,000)	(18,000)
Less: Discount to present value	(54,202)	(46,365)
Net Unconditional Promises to Give	\$ 509,892	\$ 529,771
Amounts due in:		
Less than one year	\$ 228,961	\$ 278,329
One to five years	280,931	251,442
Total Amounts Due.....	\$ 509,892	\$ 529,771

Unconditional promises to give in more than one year are reflected at the present value of estimated future cash flows, using a discount rate of 4.57% and 4.15% at June 30, 2008 and 2007, respectively.

NOTE 4: ENDOWMENT INVESTMENTS

Endowment investments are held with Wachovia Securities and Community First Foundation. The aggregate market value of endowment investments, as determined by quoted market prices, at June 30, 2008 and 2007, consists of the following:

	2008	2007
<i>Wachovia Securities:</i>		
Cash and cash equivalents held for long-term investments	\$ 15,592	\$ 7,178
Equity securities	172,128	161,542
<i>Community First Foundation Investments:</i>		
Money market	7,461	4,154
Fixed income	45,075	25,101
Equity securities	67,601	37,645
Total Endowment Investments	\$ 307,857	\$ 235,620

JEFFCO ACTION CENTER, INC.

**Notes to Financial Statements
June 30, 2008 and 2007**

NOTE 4: ENDOWMENT INVESTMENTS (continued)

The following schedule summarizes the return on cash and investments for the years ended June 30, 2008 and 2007. All of the income from investments is classified as unrestricted on the Statement of Activities:

	<u>2008</u>	<u>2007</u>
Interest income	\$ 16,259	\$ 12,745
Net realized and unrealized gains (losses)	<u>(25,612)</u>	<u>16,814</u>
Total Investment Return (Deficit)	<u><u>\$ (9,353)</u></u>	<u><u>\$ 29,559</u></u>

NOTE 5: PROPERTY AND EQUIPMENT

Property and equipment purchased for over \$2,500 with a useful life of at least one year are capitalized at cost. Donated capital assets are capitalized at their estimated fair value at the date of donation. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, ranging from 3-40 years.

Expenditures for maintenance and repairs are charged to the appropriate expense accounts as incurred. Expenditures for renewals or betterments which materially extend the useful lives of assets or increase their productivity are capitalized at cost. The costs and related allowances for depreciation of assets retired or otherwise disposed of are eliminated from the accounts. The resulting gains or losses are included in the determination of net income.

The following is a detail of property and equipment at June 30, 2008 and 2007:

	<u>2008</u>		<u>2007</u>	
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>
Land	\$ 116,082	\$ —	\$ 116,082	\$ —
Buildings	2,597,014	663,341	2,764,038	750,489
Building improvements	24,764	5,447	218,671	172,158
Furniture and fixtures	80,962	45,533	66,859	47,097
Vehicles	<u>29,935</u>	<u>23,502</u>	<u>25,435</u>	<u>18,030</u>
Total	<u><u>\$ 2,848,757</u></u>	<u><u>\$ 737,823</u></u>	<u><u>\$ 3,191,085</u></u>	<u><u>\$ 987,774</u></u>

NOTE 6: OPERATING LEASE COMMITMENTS

During the year ending June 30, 2008, the Organization entered into two new leases for warehouse space in Lakewood, Colorado with unrelated parties. The first lease calls for monthly rentals of \$1,133, increasing to \$1,178 per month on September 1, 2008, until the end of the lease term on August 31, 2009. The second lease calls for payments of \$800 per month until April 30, 2010. The Organization had rent expense on these facilities of \$14,061 and \$0 during the years ending June 30, 2008 and 2007, respectively. Future minimum lease payments are as follows:

Year ended June 30,	
2009	\$ 21,335
2010	8,000
Thereafter	<u>—</u>
	<u><u>\$ 29,335</u></u>

JEFFCO ACTION CENTER, INC.

**Notes to Financial Statements
June 30, 2008 and 2007**

NOTE 7: MORTGAGE PAYABLE

The Organization holds a mortgage payable which requires monthly installments of \$1,483 to First Bank of Colorado, dated October 11, 2005 and maturing October 10, 2015. Interest is fixed at 6.25% until October 10, 2010, at which time the rate would be based on the five-year U.S. Treasury Index plus 2.2%. The interest rate would change on October 10, 2010 and every five years thereafter. The loan is collateralized by a deed of trust on the building at 8755 W. 14th Avenue, Lakewood, Colorado. The balance of the mortgage at June 30, 2008 and 2007 was \$184,956 and \$190,748, respectively.

Maturities are as follows:

Year ended June 30,		
2009	\$	5,863
2010		6,504
2011		6,929
2012		7,352
2013		7,860
Thereafter		<u>150,448</u>
	\$	<u>184,956</u>

NOTE 8: EMPLOYEE RETIREMENT PLAN

The Organization adopted a 401(k) employee salary reduction savings plan in 2007. The plan provides participating employees a pre-tax contribution towards their retirement. All employees are eligible to enroll in the plan immediately after employment. The Organization does not contribute to the plan.

NOTE 9: RESTRICTIONS ON NET ASSETS

Temporarily Restricted Net Assets

Temporarily restricted net assets consisted of the following at June 30, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Unconditional promises to give in future years	\$ 509,892	\$ 529,771
Restricted for general operating support for FYE 6/30/09	—	50,000
Restricted for utility assistance	30,238	18,139
Restricted for J-Help program	5,793	—
Restricted for shelter	<u>3,685</u>	<u>—</u>
Total	<u>\$ 549,608</u>	<u>\$ 597,910</u>

Permanently Restricted Net Assets

Permanently restricted net assets at June 30, 2008 and 2007 are comprised of the following:

	<u>2008</u>	<u>2007</u>
Endowment held by Community First Foundation	\$ 120,138	\$ 66,900
Martha Edwards Donor Restricted Fund	<u>4,000</u>	<u>4,000</u>
Total	<u>\$ 124,138</u>	<u>\$ 70,900</u>

JEFFCO ACTION CENTER, INC.

Notes to Financial Statements June 30, 2008 and 2007

NOTE 10: COMMITMENTS AND CONTINGENCIES

Government Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the entity. The amount, if any, of expenses which may be disallowed by the grantor cannot be determined at this time, although in the opinion of the Organization, they would have no material effect on the entity's financial position.

NOTE 11: LINE OF CREDIT

The Organization has a line of credit with 1st Bank of Colorado with a limit of \$150,000. The line accrues interest at a fixed rate at 8.75% until November 1, 2007, at which time it may become variable at the rate of the Wall Street Journal prime rate plus 1%. It is secured by a deed of trust on the building at 8755 West 14th Avenue, Lakewood, Colorado. The line matures on October 14, 2008.

The balance due on the line of credit at June 30, 2008 and 2007 was \$0.

NOTE 12: JOINT VENTURES

Jeffco Action Center participates in two joint ventures, the Estes Street Community Clinic and J-Help. The Estes Street Community Clinic is a joint venture with MetroCommunity Providers Network (MCPN) and Exempla/Lutheran Hospital to provide a four exam room clinic. Jeffco Action Center's role in this collaboration is to provide physical space and case management services for all Jeffco Action Center patients seen at the clinic. MCPN is the medical services provider and operates the clinic under their medical standards and insurance requirements.

Exempla/Lutheran Hospital provides all lab and other diagnostic testing, as well as some financial assistance for operations.

J-Help is a collaborative venture with Volunteers of America (VOA) to extend VOA's Meals on Wheels program to clients under the age of 60. These clients are not eligible for the Meals on Wheels program because of their age, but have the same physical need for the service. Jeffco Action Center provides space and administrative and volunteer support for the program within its facility and raises funds to purchase the additional meals for the J-Help clients.

NOTE 13: CASH FLOW INFORMATION

Cash paid for interest during the year ended June 30, 2008 and 2007 was \$12,396 and \$12,673, respectively.

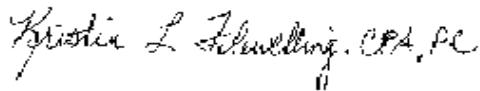
Noncash investing and financing activities consisted of donated equipment of \$4,500.

**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTAL INFORMATION**

To the Board of Directors
Jeffco Action Center, Inc.
Lakewood, Colorado

My report on my audit of the basic financial statements of Jeffco Action Center, Inc. For the years ended June 30, 2008 and 2007 appears on page 1. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Statement of Activities for Helping Hearts and Hands is presented for purposes 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.

Kristin L Flewelling, CPA, PC



September 18, 2008

JEFFCO ACTION CENTER, INC.

**Statement of Activities for Helping Hearts and Hands
For the Six Months Ended June 30, 2008**

Unrestricted Net Assets

Revenues, Gains and Other Support	
Contributions	\$ 140,064
Special projects and events	90
Investment return	105
Other revenue	<u>382</u>
Total Revenues, Gains and Other Support	<u>140,641</u>
Expenses	
Programs:	
Client services	<u>84,192</u>
Total Programs	84,192
Management and general	5,545
Fundraising	<u>1,089</u>
Total Expenses.....	<u>90,826</u>
Increase in Unrestricted Net Assets	49,815
Increase in Temporarily Restricted Net Assets	—
Increase in Permanently Restricted Net Assets	<u>—</u>
Increase in Net Assets	<u>\$ 49,815</u>

See Independent Auditor's Report on Supplemental Information

JEFFCO ACTION CENTER, INC.

**Notes to the Supplemental Information
June 30, 2008**

NOTE 1: HELPING HEARTS AND HANDS

On January 1, 2008, the Organization became the fiscal sponsor for Helping Hearts and Hands. Helping Hearts and Hands provides one-time financial assistance to needy individuals in Jefferson and Denver counties who have been unable to obtain benefits from other agencies. The revenues and expenses in the accompanying supplemental schedule are included in the Statement of Activities of the Organization on page 3.