

GREENSBORO URBAN MINISTRY

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

Years Ended June 30, 2010 and 2009

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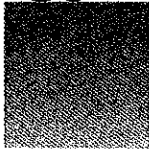
CONTENTS

	PAGES
INDEPENDENT AUDITORS' REPORT	1
STATEMENTS OF FINANCIAL POSITION	2
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	3
STATEMENTS OF FUNCTIONAL EXPENSES	4 - 7
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9 - 16

SUPPLEMENTAL INFORMATION

SCHEDULES OF OTHER INCOME	17
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COSTELLO HILL & COMPANY, L.L.P.



CERTIFIED PUBLIC
ACCOUNTANTS
GREENSBORO,
NORTH CAROLINA

LESTER F. HILL, CPA
JERRY L. WILLIAMS, CPA
W. GREGORY ASHLEY, CPA
SUSAN S. MOYE, CPA

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Greensboro Urban Ministry
Greensboro, North Carolina

We have audited the accompanying statements of financial position of Greensboro Urban Ministry as of June 30, 2010 and 2009, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of Greensboro Urban Ministry's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U. S. generally accepted auditing standards. 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 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 Greensboro Urban Ministry as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with U. S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules of other income 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.

Costello Hill & Company LLP
Certified Public Accountants

October 15, 2010

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GREENSBORO URBAN MINISTRY
Statements of Financial Position
June 30, 2010 and 2009

ASSETS

	<u>2010</u>	<u>2009</u>
Cash and cash equivalents	\$ 1,080,505	\$ 1,483,141
Investments	168,864	245,371
Beneficial interest in endowment and gift funds	3,303,412	2,680,225
Accounts receivable	18,645	25,763
Note receivable	125,000	125,000
Property held for sale	6,800	6,800
Prepaid expenses	25,801	23,561
Inventory and contributed goods	100,485	139,637
Investment in related entity	144,145	144,145
Property and equipment, net of depreciation	<u>4,608,017</u>	<u>4,720,792</u>
	<u>\$ 9,581,674</u>	<u>\$ 9,594,435</u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	\$ 45,625	\$ 37,622
Accrued expenses	18,853	19,933
Deferred revenue	<u>57,492</u>	<u>58,721</u>
Total Liabilities	<u>\$ 121,970</u>	<u>\$ 116,276</u>
Net Assets		
Unrestricted:		
Undesignated	\$ 2,708,357	\$ 2,646,859
Board designated for property and equipment	<u>4,608,017</u>	<u>4,720,792</u>
Total Unrestricted	<u>\$ 7,316,374</u>	<u>\$ 7,367,651</u>
Temporarily restricted	1,036,332	1,003,510
Permanently restricted	<u>1,106,998</u>	<u>1,106,998</u>
Total Net Assets	<u>\$ 9,459,704</u>	<u>\$ 9,478,159</u>
	<u>\$ 9,581,674</u>	<u>\$ 9,594,435</u>

See accompanying Notes to Financial Statements.

GREENSBORO URBAN MINISTRY

Statements of Activities and Changes in Net Assets

Years Ended June 30, 2010 and 2009

	2010				2009			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support								
Churches	\$ 218,237	\$ 43,242	\$ -	\$ 261,479	\$ 243,043	\$ 80,656	\$ -	\$ 323,699
Individuals	1,281,979	99,047	-	1,381,026	1,335,676	162,661	-	1,498,337
Bequests	43,200	-	-	43,200	40,352	-	-	40,352
Businesses	127,506	60,619	-	188,125	109,092	30,718	-	139,810
Foundations	53,892	511,129	-	565,021	52,595	611,831	-	664,426
Clubs and organizations	18,522	21,861	-	40,383	14,521	6,480	-	21,001
Government grants	252,094	-	-	252,094	405,086	-	-	405,086
Contributions - food bank	1,986,038	-	-	1,986,038	2,192,609	-	-	2,192,609
Crop Walk	-	48,274	-	48,274	-	52,688	-	52,688
Honor cards	230,271	-	-	230,271	240,058	-	-	240,058
Total Support	\$ 4,211,739	\$ 784,172	\$ -	\$ 4,995,911	\$ 4,633,032	\$ 945,034	\$ -	\$ 5,578,066
Other Income	204,692	254,423	-	459,115	195,191	(309,569)	-	(114,378)
Net Assets Released from Restrictions	1,005,773	(1,005,773)	-	-	628,895	(628,895)	-	-
Total Support and Revenue	\$ 5,422,204	\$ 32,822	\$ -	\$ 5,455,026	\$ 5,457,118	\$ 6,570	\$ -	\$ 5,463,688
Expenses								
Program services	\$ 4,897,495	\$ -	\$ -	\$ 4,897,495	\$ 5,163,287	\$ -	\$ -	\$ 5,163,287
Supporting services	575,986	-	-	575,986	491,882	-	-	491,882
Total Expenses	\$ 5,473,481	\$ -	\$ -	\$ 5,473,481	\$ 5,655,169	\$ -	\$ -	\$ 5,655,169
Changes in Net Assets	\$ (51,277)	\$ 32,822	\$ -	\$ (18,455)	\$ (198,051)	\$ 6,570	\$ -	\$ (191,481)
Net Assets at Beginning of Year	\$ 7,367,651	\$ 1,003,510	\$ 1,106,998	\$ 9,478,159	\$ 7,592,897	\$ 1,121,940	\$ 1,154,840	\$ 9,869,677
Prior Period Adjustments	-	-	-	-	(27,195)	(125,000)	(47,842)	(200,037)
Adjusted Beginning Basis	\$ 7,367,651	\$ 1,003,510	\$ 1,106,998	\$ 9,478,159	\$ 7,565,702	\$ 996,940	\$ 1,106,998	\$ 9,669,640
Net Assets at End of Year	<u>\$ 7,316,374</u>	<u>\$ 1,036,332</u>	<u>\$ 1,106,998</u>	<u>\$ 9,459,704</u>	<u>\$ 7,367,651</u>	<u>\$ 1,003,510</u>	<u>\$ 1,106,998</u>	<u>\$ 9,478,159</u>

See accompanying Notes to Financial Statements.

GREENSBORO URBAN MINISTRY
Statements of Functional Expenses
Year Ended June 30, 2010

	Emergency Assistance	Pathways/Beyond Pathways	Weaver House/Winter Emergency	Food Bank	Potters House	Chaplaincy	Partnership Village	Total Program Services	Management and General	Fund-raising	Total Supporting Services
Operating Fund											
Direct Assistance											
Food	\$ -	\$ -	\$ -	\$ 2,042,786	\$ 103,633	\$ -	\$ -	\$ 2,146,419	\$ -	\$ -	\$ -
Supplies	-	-	32,356	4,551	39,028	1,472	-	77,407	-	-	-
Utilities	7,175	-	-	-	-	-	-	7,175	-	-	-
Housing	123,545	-	-	-	-	-	-	123,545	-	-	-
Client assistance	-	45,066	110,176	-	-	-	111,750	266,992	-	-	-
Healthserve	-	-	-	-	-	-	-	-	98,580	-	98,580
Miscellaneous	-	1,100	-	-	-	-	-	1,100	161	-	161
	<u>\$ 130,720</u>	<u>\$ 46,166</u>	<u>\$ 142,532</u>	<u>\$ 2,047,337</u>	<u>\$ 142,661</u>	<u>\$ 1,472</u>	<u>\$ 111,750</u>	<u>\$ 2,622,638</u>	<u>\$ 98,741</u>	<u>\$ -</u>	<u>\$ 98,741</u>
Personnel											
Salaries	\$ 74,040	\$ 235,761	\$ 265,522	\$ 100,929	\$ 77,355	\$ -	\$ 106,214	\$ 859,821	\$ 361,143	\$ 19,616	\$ 380,759
Housing	-	-	-	-	-	-	-	-	25,000	-	25,000
Payroll taxes	5,598	17,581	20,137	7,863	5,951	-	8,001	65,131	23,048	1,482	24,530
Group insurance	11,376	28,990	18,255	16,268	12,957	-	15,723	103,569	45,341	-	45,341
Retirement	1,934	2,973	5,815	27	778	-	2,249	13,776	7,822	-	7,822
Casual labor	-	-	-	2,737	-	-	-	2,737	297	-	297
Insurance	-	-	-	-	-	-	-	-	29,927	217	30,144
Continuing education	-	-	-	-	-	-	-	-	1,298	-	1,298
Chaplain expenses	-	-	-	-	-	73,133	-	73,133	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	21,851	-	21,851
Allocation - personnel expenses	<u>66,395</u>	<u>66,395</u>	<u>66,395</u>	<u>66,395</u>	<u>66,395</u>	<u>1,200</u>	<u>66,395</u>	<u>399,570</u>	<u>(399,570)</u>	<u>-</u>	<u>(399,570)</u>
	<u>\$ 159,343</u>	<u>\$ 351,700</u>	<u>\$ 376,124</u>	<u>\$ 194,219</u>	<u>\$ 163,436</u>	<u>\$ 74,333</u>	<u>\$ 198,582</u>	<u>\$ 1,517,737</u>	<u>\$ 116,157</u>	<u>\$ 21,315</u>	<u>\$ 137,472</u>
Office											
Office supplies	\$ -	\$ 1,085	\$ -	\$ -	\$ -	\$ -	\$ 933	\$ 2,018	\$ 24,861	\$ -	\$ 24,861
Postage	-	-	-	-	-	-	-	-	10,431	17,248	27,679
Equipment rental	-	-	-	-	-	-	-	-	11,683	-	11,683
Equipment maintenance	-	3,912	-	-	-	-	4,848	8,760	28,059	947	29,006
Telephone	3,083	5,908	3,259	3,083	3,082	-	1,755	20,170	3,267	-	3,267
Legal and accounting	-	-	-	-	-	-	-	-	16,500	-	16,500
Printing and supplies	-	-	-	-	-	-	-	-	-	124,687	124,687
Piedmont information network	-	-	-	-	-	-	-	-	325	-	325
Miscellaneous	-	-	-	-	-	-	-	-	-	3,514	3,514
Allocation - office expenses	<u>15,133</u>	<u>15,133</u>	<u>15,133</u>	<u>15,130</u>	<u>15,108</u>	<u>1,200</u>	<u>15,133</u>	<u>91,970</u>	<u>(91,969)</u>	<u>-</u>	<u>(91,969)</u>
	<u>\$ 18,216</u>	<u>\$ 26,038</u>	<u>\$ 18,392</u>	<u>\$ 18,213</u>	<u>\$ 18,190</u>	<u>\$ 1,200</u>	<u>\$ 22,669</u>	<u>\$ 122,918</u>	<u>\$ 3,157</u>	<u>\$ 146,396</u>	<u>\$ 149,553</u>
Transportation											
Gas and oil	\$ -	\$ -	\$ 492	\$ 5,012	\$ -	\$ -	\$ -	\$ 5,504	\$ -	\$ -	\$ -
Insurance	-	-	709	6,386	-	-	-	7,095	-	-	-
Repairs and maintenance	-	-	828	6,221	-	-	-	7,049	-	-	-
Travel	-	-	-	-	-	-	-	-	1,217	-	1,217
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,029</u>	<u>\$ 17,619</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,648</u>	<u>\$ 1,217</u>	<u>\$ -</u>	<u>\$ 1,217</u>

See accompanying Notes to Financial Statements.

GREENSBORO URBAN MINISTRY
Statements of Functional Expenses
Year Ended June 30, 2010

	<u>Emergency Assistance</u>	<u>Pathways/ Beyond Pathways</u>	<u>Weaver House/ Winter Emergency</u>	<u>Food Bank</u>	<u>Potters House</u>	<u>Chaplaincy</u>	<u>Partnership Village</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fund-raising</u>	<u>Total Supporting Services</u>
Operating Fund (Concluded)											
Building											
Gas and oil	\$ -	\$ 12,796	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,796	\$ 20,231	\$ -	\$ 20,231
Water and sewer	-	10,289	-	-	-	-	-	10,289	25,225	-	25,225
Electricity	-	15,381	-	-	-	-	-	15,381	38,730	-	38,730
Janitorial and supplies	-	18,449	-	-	-	-	-	18,449	84,839	-	84,839
Building and grounds maintenance	-	9,445	-	-	-	-	-	9,445	41,494	-	41,494
Repairs/improvements	-	4,652	-	3,343	5,112	-	-	13,107	-	-	-
Insurance	3,459	6,626	9,072	3,560	3,127	-	1,919	27,763	3,096	-	3,096
Security	-	-	31,566	-	16,155	-	-	47,721	-	-	-
Allocation - building expenses	24,329	-	101,418	28,390	20,288	1,200	-	175,625	(175,625)	-	(175,625)
	<u>\$ 27,788</u>	<u>\$ 77,638</u>	<u>\$ 142,056</u>	<u>\$ 35,293</u>	<u>\$ 44,682</u>	<u>\$ 1,200</u>	<u>\$ 1,919</u>	<u>\$ 330,576</u>	<u>\$ 37,990</u>	<u>\$ -</u>	<u>\$ 37,990</u>
Total Operating Fund	<u>\$ 336,067</u>	<u>\$ 501,542</u>	<u>\$ 681,133</u>	<u>\$ 2,312,681</u>	<u>\$ 368,969</u>	<u>\$ 78,205</u>	<u>\$ 334,920</u>	<u>\$ 4,613,517</u>	<u>\$ 257,262</u>	<u>\$ 167,711</u>	<u>\$ 424,973</u>
Utility Assistance Fund											
Utility assistance	\$ 195,219	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 195,219	\$ -	\$ -	\$ -
Salaries and payroll taxes	2,622	-	-	-	-	-	-	2,622	-	-	-
Total Utility Assistance Fund	<u>\$ 197,841</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 197,841</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Land, Building and Equipment Fund											
Depreciation	\$ 1,325	\$ 76,174	\$ 1,288	\$ 2,771	\$ 4,228	\$ -	\$ 351	\$ 86,137	\$ 100,997	\$ -	\$ 100,997
Building Maintenance Fund											
Office expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150	\$ -	\$ 150
Repairs	-	-	-	-	-	-	-	-	49,866	-	49,866
Total Building Maintenance Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,016</u>	<u>\$ -</u>	<u>\$ 50,016</u>
Grand Totals	<u>\$ 535,233</u>	<u>\$ 577,716</u>	<u>\$ 682,421</u>	<u>\$ 2,315,452</u>	<u>\$ 373,197</u>	<u>\$ 78,205</u>	<u>\$ 335,271</u>	<u>\$ 4,897,495</u>	<u>\$ 408,275</u>	<u>\$ 167,711</u>	<u>\$ 575,986</u>

See accompanying Notes to Financial Statements.

GREENSBORO URBAN MINISTRY
Statements of Functional Expenses
Year Ended June 30, 2009

	Emergency Assistance	Pathways/Beyond Pathways	Weaver House/Winter Emergency	Food Bank	Potters House	Chaplaincy	Partnership Village	Total Program Services	Management and General	Fund-raising	Total Supporting Services
Operating Fund											
Direct Assistance											
Food	\$ -	\$ -	\$ 9,581	\$ 2,193,311	\$ 101,626	\$ -	\$ -	\$ 2,304,518	\$ -	\$ -	\$ -
Supplies	-	-	33,260	4,603	35,646	1,575	-	75,084	-	-	-
Utilities	12,681	-	-	-	-	-	-	12,681	-	-	-
Housing	141,886	-	-	-	-	-	-	141,886	-	-	-
Client assistance	-	21,479	9,627	-	-	-	118,734	149,840	-	-	-
Healthserve	-	-	-	-	-	-	-	-	98,580	-	98,580
Miscellaneous	-	2,077	-	-	-	-	-	2,077	1,018	-	1,018
	<u>\$ 154,567</u>	<u>\$ 23,556</u>	<u>\$ 52,468</u>	<u>\$ 2,197,914</u>	<u>\$ 137,272</u>	<u>\$ 1,575</u>	<u>\$ 118,734</u>	<u>\$ 2,686,086</u>	<u>\$ 99,598</u>	<u>\$ -</u>	<u>\$ 99,598</u>
Personnel											
Salaries	\$ 68,044	\$ 223,913	\$ 309,424	\$ 101,174	\$ 69,763	\$ -	\$ 103,854	\$ 876,172	\$ 352,964	\$ 4,727	\$ 357,691
Housing	-	-	-	-	-	-	-	-	25,000	-	25,000
Payroll taxes	5,115	16,447	19,755	7,653	5,244	-	7,678	61,892	22,200	296	22,496
Group insurance	11,423	28,009	21,232	15,127	14,104	-	17,266	107,161	47,258	-	47,258
Retirement	1,848	2,965	3,686	997	1,725	-	2,183	13,404	8,483	-	8,483
Casual labor	-	-	-	2,679	-	-	-	2,679	-	-	-
Insurance	-	-	-	-	-	-	-	-	22,089	-	22,089
Continuing education	-	-	-	-	-	-	-	-	1,717	-	1,717
Chaplain expenses	-	-	-	-	-	71,040	-	71,040	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	14,476	-	14,476
Allocation - personnel expenses	63,775	63,775	62,581	62,581	62,581	1,300	63,775	380,368	(380,368)	-	(380,368)
	<u>\$ 150,205</u>	<u>\$ 335,109</u>	<u>\$ 416,678</u>	<u>\$ 190,211</u>	<u>\$ 153,417</u>	<u>\$ 72,340</u>	<u>\$ 194,756</u>	<u>\$ 1,512,716</u>	<u>\$ 113,819</u>	<u>\$ 5,023</u>	<u>\$ 118,842</u>
Office											
Office supplies	\$ -	\$ 841	\$ -	\$ -	\$ -	\$ -	\$ 897	\$ 1,738	\$ 30,911	\$ -	\$ 30,911
Postage	-	-	-	-	-	-	88	88	11,098	12,073	23,171
Equipment rental	-	-	-	-	-	-	-	-	7,221	-	7,221
Equipment maintenance	-	3,765	-	-	-	-	4,490	8,255	27,893	868	28,761
Telephone	3,035	5,179	3,153	3,036	3,035	-	3,632	21,070	3,191	-	3,191
Legal and accounting	-	-	-	-	-	-	-	-	16,500	-	16,500
Printing and supplies	-	-	-	-	-	-	-	-	-	87,791	87,791
Piedmont information network	-	-	-	-	-	-	-	-	1,748	-	1,748
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-
Allocation - office expenses	14,210	14,210	14,828	14,828	14,828	1,200	14,210	88,314	(88,314)	-	(88,314)
	<u>\$ 17,245</u>	<u>\$ 23,995</u>	<u>\$ 17,981</u>	<u>\$ 17,864</u>	<u>\$ 17,863</u>	<u>\$ 1,200</u>	<u>\$ 23,317</u>	<u>\$ 119,465</u>	<u>\$ 10,248</u>	<u>\$ 100,732</u>	<u>\$ 110,980</u>
Transportation											
Gas and oil	\$ -	\$ -	\$ 799	\$ 6,719	\$ -	\$ -	\$ -	\$ 7,518	\$ -	\$ -	\$ -
Insurance	-	-	1,905	5,151	-	-	-	7,056	-	-	-
Repairs and maintenance	-	-	288	1,543	-	-	-	1,831	-	-	-
Travel	-	-	-	-	-	-	-	-	1,110	-	1,110
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,992</u>	<u>\$ 13,413</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,405</u>	<u>\$ 1,110</u>	<u>\$ -</u>	<u>\$ 1,110</u>

See accompanying Notes to Financial Statements.

GREENSBORO URBAN MINISTRY
Statements of Functional Expenses
Year Ended June 30, 2009

	<u>Emergency Assistance</u>	<u>Pathways/ Beyond Pathways</u>	<u>Weaver House/ Winter Emergency</u>	<u>Food Bank</u>	<u>Potters House</u>	<u>Chaplaincy</u>	<u>Partnership Village</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fund-raising</u>	<u>Total Supporting Services</u>
Operating Fund (Concluded)											
Building											
Gas and oil	\$ -	\$ 12,355	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,355	\$ 22,446	\$ -	\$ 22,446
Water and sewer	-	10,307	-	-	-	-	-	10,307	24,796	-	24,796
Electricity	-	12,993	-	-	-	-	-	12,993	38,394	-	38,394
Janitorial and supplies	-	27,697	-	-	-	-	-	27,697	91,418	-	91,418
Building and grounds maintenance	-	10,276	-	-	-	-	-	10,276	35,205	-	35,205
Repairs/improvements	-	4,106	-	6,490	18,085	-	-	28,681	-	-	-
Insurance	4,399	6,648	9,103	3,572	4,753	-	310	28,785	3,324	-	3,324
Security	-	-	32,780	-	16,823	-	-	49,603	-	-	-
Allocation - building expenses	<u>25,072</u>	<u>-</u>	<u>104,517</u>	<u>29,258</u>	<u>20,908</u>	<u>1,200</u>	<u>-</u>	<u>180,955</u>	<u>(180,955)</u>	<u>-</u>	<u>(180,955)</u>
	<u>\$ 29,471</u>	<u>\$ 84,382</u>	<u>\$ 146,400</u>	<u>\$ 39,320</u>	<u>\$ 60,569</u>	<u>\$ 1,200</u>	<u>\$ 310</u>	<u>\$ 361,652</u>	<u>\$ 34,628</u>	<u>\$ -</u>	<u>\$ 34,628</u>
Total Operating Fund	<u>\$ 351,488</u>	<u>\$ 467,042</u>	<u>\$ 636,519</u>	<u>\$ 2,458,722</u>	<u>\$ 369,121</u>	<u>\$ 76,315</u>	<u>\$ 337,117</u>	<u>\$ 4,696,324</u>	<u>\$ 259,403</u>	<u>\$ 105,755</u>	<u>\$ 365,158</u>
Utility Assistance Fund											
Utility assistance	\$ 356,088	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 356,088	\$ -	\$ -	\$ -
Salaries and payroll taxes	<u>9,417</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,417</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Utility Assistance Fund	<u>\$ 365,505</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 365,505</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Land, Building and Equipment Fund											
Depreciation	\$ 1,711	\$ 86,196	\$ 2,576	\$ 4,564	\$ 4,228	\$ -	\$ 2,183	\$ 101,458	\$ 97,838	\$ -	\$ 97,838
Building Maintenance Fund											
Office expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150	\$ -	\$ 150
Equipment lease	-	-	-	-	-	-	-	-	5,100	-	5,100
Repairs	-	-	-	-	-	-	-	-	23,636	-	23,636
Total Building Maintenance Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,886</u>	<u>\$ -</u>	<u>\$ 28,886</u>
Grand Totals	<u>\$ 718,704</u>	<u>\$ 553,238</u>	<u>\$ 639,095</u>	<u>\$ 2,463,286</u>	<u>\$ 373,349</u>	<u>\$ 76,315</u>	<u>\$ 339,300</u>	<u>\$ 5,163,287</u>	<u>\$ 386,127</u>	<u>\$ 105,755</u>	<u>\$ 491,882</u>

See accompanying Notes to Financial Statements.

GREENSBORO URBAN MINISTRY

Statements of Cash Flows

Years Ended June 30, 2010 and 2009

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	<u>2010</u>	<u>2009</u>
Cash Flows From Operating Activities		
Changes in net assets	\$(18,455)	\$(191,481)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	187,134	199,296
(Gain) loss on investments	83	(6,591)
Net change in value - beneficial interest in endowment and gift funds held in trust	(254,756)	306,144
Changes in other operating assets and liabilities		
Accounts receivable	7,118	50,296
Prepaid expenses	(2,240)	(23,136)
Inventory and contributed goods	39,152	(17,713)
Accounts payable	8,003	7,678
Accrued expenses	(1,080)	2,403
Deferred revenue	(1,229)	(239,353)
Net cash provided by (used in) operating activities	<u>\$(36,270)</u>	<u>\$ 87,543</u>
Cash Flows From Investing Activities		
Purchase of property and equipment	\$(74,359)	\$(49,016)
Net sale (purchase) of investments	76,425	203,558
Transfers to endowment funds	(557,911)	-
Distributions from endowment funds	<u>189,479</u>	<u>31,417</u>
Net cash provided by (used in) investing activities	<u>\$(366,366)</u>	<u>\$ 185,959</u>
Net Increase (Decrease) in Cash	\$(402,636)	\$ 273,502
Cash at Beginning of Year	<u>1,483,141</u>	<u>1,209,639</u>
Cash at End of Year	<u>\$ 1,080,505</u>	<u>\$ 1,483,141</u>

See accompanying Notes to Financial Statements.

GREENSBORO URBAN MINISTRY

Notes to Financial Statements

June 30, 2010 and 2009

NOTE A. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Greensboro Urban Ministry is a nonprofit organization providing service and care to individuals through the following programs:

- **Emergency Assistance**

Provides food, clothing and financial assistance to individuals and families in emergency and crisis situations.

- **Pathways Family Shelter**

Offers a temporary home to homeless families.

- **Beyond Pathways**

Diverts homeless families away from Pathways with supportive services and stable housing.

- **Winter Emergency**

Overflow emergency shelter at various sites for Weaver House homeless single adults.

- **Weaver House Night Shelter**

Offers year-round temporary shelter to homeless adults.

- **Food Bank**

Redistributes donated and surplus food from grocers, wholesalers, organizations and individuals.

- **Potters House**

Serves free, well-balanced meals each day to the needy.

- **Chaplaincy**

Offers a ministry of presence, counseling, volunteer service, prayer and worship.

- **Partnership Village**

In partnership with Habitat for Humanity, provides transitional housing for individuals and families with supportive services.

GREENSBORO URBAN MINISTRY

Notes to Financial Statements

June 30, 2010 and 2009

NOTE A. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Summary of the Organization's Significant Accounting Policies

Presentation

The Organization follows the guidance provided by the FASB Accounting Standards Codification (ASC) 958-205 for preparation of its financial statements. FASB ASC 958-205 requires that amounts for each of three classes of net assets – permanently restricted, temporarily restricted, and unrestricted – be displayed in the statement of financial position.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Public Support and Revenue

Contributions are generally available for unrestricted use unless specifically restricted by the donor. Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the 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.

Some endowment contributions and investments are permanently restricted by the donor. Investment earnings available for distribution are recorded in temporarily restricted net assets.

Contributed Services

During 2010 and 2009, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

GREENSBORO URBAN MINISTRY

Notes to Financial Statements

June 30, 2010 and 2009

NOTE A. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Concluded)

Summary of the Organization's Significant Accounting Policies

Property and Equipment

Purchased property and equipment are stated at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. The Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the respective assets.

Income Taxes

The Organization is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

In considering the applicability of any income taxes, the Organization has adopted the newly issued standard *Accounting for Uncertainty in Income Taxes*. It is the Organization's policy to evaluate all tax positions to identify any that may be considered uncertain. All identified material tax positions are assessed and measured by a "more-likely-than-not" threshold to determine if the tax position is uncertain and what, if any, the effect of the uncertain tax position may have on the financial statements. No material uncertain tax positions were identified. The 2007, 2008, and 2009 federal tax returns remain subject to examination, generally for three years after the date they were filed. No examinations are in process or anticipated.

Estimates

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

GREENSBORO URBAN MINISTRY

Notes to Financial Statements

June 30, 2010 and 2009

NOTE B. INVESTMENTS

During 2010, certificates of deposit were sold and the funds transferred to endowment funds. Investments are presented in the financial statements at fair market value. A summary of investments at June 30, 2010 and 2009 follows:

	<u>2010</u>	<u>2009</u>
Money market funds	\$ 53,650	\$ 74,460
Certificates of deposit	<u>115,214</u>	<u>170,911</u>
Total	<u>\$ 168,864</u>	<u>\$ 245,371</u>

The Organization recognized net gains (losses) on investments of \$(83) and \$6,591 for the years ended June 30, 2010 and 2009, respectively, which is reported as Other Income in the statements of activities.

NOTE C. INVESTMENT IN RELATED ENTITY

In 1998, the Organization exchanged land carried on the books at \$144,145 for an interest in Greensboro Housing LLC, a limited liability company which built and manages an affordable housing project on the property. The investment is carried at cost since there is no way to accurately ascertain the market value.

NOTE D. BENEFICIAL INTEREST IN ENDOWMENT AND GIFT FUNDS

In accordance with FASB Accounting Standards Codification 958-605, the Organization has recorded its beneficial interest in endowment and gift funds held by the Community Foundation of Greater Greensboro (the "Foundation") in the accompanying statements of financial position. For the endowment funds, management (a) expects to accept distributions recommended by the Foundation and (b) may request additional distributions from the net income and unrealized appreciation, but not donor-restricted principal, of these funds. Unless approved by both the Community Foundation and the Organization, endowment and gift assets will be returned to the Organization only in the event of dissolution of the Foundation or if the Foundation fails to meet certain requirements of the Internal Revenue Code. No variance power was specifically granted to the Foundation unless the Organization ceases to meet certain requirements of the IRC. However, these assets are administered under the provisions of the governing documents of the Foundation, which generally provide for the transfer of variance power in many cases to the Foundation.

GREENSBORO URBAN MINISTRY

Notes to Financial Statements

June 30, 2010 and 2009

NOTE D. BENEFICIAL INTEREST IN ENDOWMENT AND GIFT FUNDS (Concluded)

The estimated fair value of beneficial interests in these endowment and gift funds as reported by the Foundation was \$3,303,412 and \$2,680,225 at June 30, 2010 and 2009, respectively. Net unrealized gains (losses) on the beneficial interests in these endowment and gift funds were \$254,756 and \$(306,144) for the years ended June 30, 2010 and 2009, respectively.

NOTE E. NOTE RECEIVABLE

Greensboro Urban Ministry made a loan in the amount of \$125,000 to Greenbriar Housing, LLC. The note bears interest at the rate of 2% and will be repaid upon disposition of the property owned by Greenbriar.

NOTE F. INVENTORY AND CONTRIBUTED GOODS

Contributions to the food bank are recorded as contribution income in the Statement of Activities. Items received include mostly food which is charged to expense as served to clients. The remaining portion is included in inventory at year-end. A summary follows:

	<u>2010</u>	<u>2009</u>
Beginning inventory	\$ 139,637	\$ 121,924
Contributions received	1,986,038	2,192,609
Amount used	<u>(2,025,190)</u>	<u>(2,174,896)</u>
Ending inventory	<u>\$ 100,485</u>	<u>\$ 139,637</u>

NOTE G. PROPERTY AND EQUIPMENT

Property and equipment include the following:

	<u>2010</u>	<u>2009</u>
Building and improvements	\$ 5,537,645	\$ 5,481,532
Vehicles	55,785	55,785
Furniture and equipment	491,972	518,786
Land	<u>835,330</u>	<u>835,330</u>
	\$ 6,920,732	\$ 6,891,433
Less: Accumulated depreciation	<u>2,312,715</u>	<u>2,170,641</u>
Totals	<u>\$ 4,608,017</u>	<u>\$ 4,720,792</u>

GREENSBORO URBAN MINISTRY

Notes to Financial Statements

June 30, 2010 and 2009

NOTE G. PROPERTY AND EQUIPMENT (Concluded)

The Organization owns the land and building occupied by McElveen Child Development Center and operated by Guilford Child Development.

NOTE H. RETIREMENT PLAN

The Organization maintains a 401(k) retirement plan which covers all eligible employees. The Organization matches contributions up to a maximum of 3% of salaries. Total matching contributions were \$21,598 for 2010 and \$21,887 for 2009.

NOTE I. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2010 and 2009 are available for the following purposes.

	<u>2010</u>	<u>2009</u>
Utility assistance	\$ 326,397	\$ 242,179
Building maintenance	261,122	265,322
Partnership Village Campaign	343,903	367,156
Winter Emergency	9,759	25,974
Beyond Pathways	<u>95,151</u>	<u>102,879</u>
Totals	<u>\$ 1,036,332</u>	<u>\$ 1,003,510</u>

Temporarily restricted net assets were released from donor restrictions during the year ended June 30, 2010 and 2009 by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors:

	<u>2010</u>	<u>2009</u>
Utility assistance	\$ 197,841	\$ 365,505
Building maintenance	50,016	28,886
Partnership Village Campaign	77,820	-
Winter Emergency	101,265	75,056
Beyond Pathways	82,719	57,184
Other	<u>496,112</u>	<u>102,264</u>
Totals	<u>\$ 1,005,773</u>	<u>\$ 628,895</u>

GREENSBORO URBAN MINISTRY

Notes to Financial Statements

June 30, 2010 and 2009

NOTE J. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of gifts to establish endowment funds. The income from the endowment funds may be used for general operations. Permanently restricted net assets at June 30, 2010 and 2009 are as follows:

	<u>2010</u>	<u>2009</u>
Undesignated:		
Bryan endowment	\$ 500,000	\$ 500,000
Snipes endowment	337,893	337,893
Stern endowment	10,000	10,000
Campbell endowment	5,000	5,000
Peterson endowment	100,000	100,000
Mullin endowment	<u>52,158</u>	<u>52,158</u>
Total Undesignated	\$ 1,005,051	\$ 1,005,051
Designated for the Food Bank and Potters House - Eagle Fund Endowment	<u>101,947</u>	<u>101,947</u>
	<u>\$ 1,106,998</u>	<u>\$ 1,106,998</u>

The market value of certain permanently restricted assets has decreased below the contributed value by \$26,221. However, the market value of the total restricted assets is in excess of the original contributed value by \$139,977.

NOTE K. FUNCTIONAL ALLOCATION OF EXPENSES

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

NOTE L. HEALTHSERVE MINISTRY

Healthserve Ministry is a nonprofit organization established in 1993 through a partnership of Greensboro Urban Ministry and Moses H. Cone Hospital. The medical and pharmacy needs previously provided by the Greensboro Urban Ministry are now being provided by the new organization. The clinic is located in a building owned by the Greensboro Urban Ministry. Healthserve pays \$8,215 per month in rent to Greensboro Urban Ministry for the use of the building. Greensboro Urban Ministry contributes \$8,215 per month to Healthserve to use for operations.

GREENSBORO URBAN MINISTRY

Notes to Financial Statements

June 30, 2010 and 2009

NOTE M. CONCENTRATION OF CREDIT RISKS

The Organization maintains its cash in bank deposit accounts at high credit quality financial institutions. The balances, at times, may exceed federally insured limits.

NOTE N. SUBSEQUENT EVENTS

The Organization has evaluated the effects subsequent events would have on the financial statements through October 15, 2010, which is the date the financial statements were available for issuance.

NOTE O. PRIOR PERIOD ADJUSTMENTS

During the current year, it was determined that certain funds held by the Community Foundation of Greater Greensboro should not be included in the beneficial interest in endowment and gift funds on the Organization's statement of financial position. The funds were gifted to the Community Foundation rather than to the Organization. The prior year beneficial interest in the endowment and gift fund and the related net assets have been reduced by \$164,171 and the prior year change in value related to the specific funds has been reduced by \$35,866.

GREENSBORO URBAN MINISTRY
Schedules of Other Income
Years Ended June 30, 2010 and 2009

	2010				2009			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Food Bank fees	\$ 60,583	\$ -	\$ -	\$ 60,583	\$ 39,583	\$ -	\$ -	\$ 39,583
Thrift store	5,893	-	-	5,893	6,883	-	-	6,883
Dividends	4	-	-	4	3,774	-	-	3,774
Interest	8,380	20	-	8,400	1,790	4,562	-	6,352
Loan repayments	666	-	-	666	1,709	-	-	1,709
Rental - Healthserve (Note L)	98,580	-	-	98,580	98,580	-	-	98,580
Realized gain (loss) on investments (Note B)	(83)	-	-	(83)	6,591	-	-	6,591
Net change in value - beneficial interest in endowment and gift funds held in trust (Note D)	1,389	253,367	-	254,756	10,174	(316,318)	-	(306,144)
Miscellaneous	29,280	1,036	-	30,316	26,106	2,187	-	28,293
	<u>\$ 204,692</u>	<u>\$ 254,423</u>	<u>\$ -</u>	<u>\$ 459,115</u>	<u>\$ 195,190</u>	<u>\$ (309,569)</u>	<u>\$ -</u>	<u>\$ (114,379)</u>

See accompanying Notes to Financial Statements.