

CAN-DO
Profit & Loss
 January through August 2009

	Jan - Aug 09
Ordinary Income/Expense	
Income	
4000 · Grants	43,416.21
4100 · Contributions & Donations	575.00
4102 · Fundraising	101,506.98
4150 · Rent	142,354.00
4200 · Interest Income	45.17
4250 · Laundry Income	522.25
4300 · Other Income	200.00
4550 · Management Fee Income	6,843.75
Total Income	295,463.36
Expense	
5000 · Salary and Related	73,272.08
6100 · Advertising	310.00
6120 · Bank Charges	1,797.34
6135 · Conference Fees	259.85
6145 · Donations	100.00
6150 · Dues and Subscriptions	1,299.00
6155 · Insurance D & O	2,127.85
6156 · Insurance-Facilities	10,598.25
6157 · Insurance -Office & Auto	916.92
6160 · Interest Expense	69,034.64
6170 · Management Fees	1,600.00
6171 · Administrative Fees	18.50
6172 · Supportive Services	9,462.00
6175 · Postage and Delivery	663.69
6180 · Printing	5,002.62
6185 · Payroll Fees	868.75
6190 · Professional Fees - Accounting	17,329.89
6195 · Filing Fees	375.00
6200 · Rent Expense	17,030.00
6205 · Supplies	1,399.88
6210 · Exterminating	476.00
6213 · Janitorial	1,610.00
6220 · Landscaping	3,683.00
6221 · Facility Maintenance	10,559.99
6222 · Snow Removal	6,340.00
6230 · Telephone	2,219.29
6235 · Travel	126.28
6238 · Auto lease	2,254.38
6240 · Parking	14.00
6315 · Consultant	8,611.25
6320 · Legal Fees	2,901.00
6355 · Utilities	10,166.86
6359 · Internet expense	19.44
6400 · Property Taxes	16,427.60
6710 · Fundraising Fees & Events	13,405.60
Total Expense	292,280.95
Net Ordinary Income	3,182.41

**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

**Financial Statements
December 31, 2008
(With Comparative Totals for 2007)**

CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.

FINANCIAL STATEMENTS
DECEMBER 31, 2008
(WITH COMPARATIVE TOTALS FOR 2007)

Table of Contents

	<u>PAGE</u>
Independent Auditors' Report	1
<u>Financial Statements</u>	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5-6
Notes to Financial Statements	7-18
<u>Additional Information</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based Required by <i>Government Auditing Standards</i>	19-20
Schedule of Findings and Questioned Costs	21

331 PAGE STREET

STOUGHTON, MA 02072

TELEPHONE (781) 344-0850

FAX (781) 344-6960

To the Board of Directors of
Citizens for Affordable Housing in Newton
Development Organization, Inc.
W. Newton, Massachusetts

Independent Auditors' Report on the Financial Statements

We have audited the accompanying statement of financial position of Citizens for Affordable Housing in Newton Development Organization, Inc. as of December 31, 2008, and the related statement 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of 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 Citizens for Affordable Housing in Newton Development Organization, Inc. as of December 31, 2008, 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.

In accordance with Government Auditing Standards, we have also issued our report dated June 25, 2009, on our consideration of Citizens for Affordable Housing in Newton Development Organization, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Sandberg, Gonzalez & Creeden, P.C.
SANDBERG, GONZALEZ & CREEDEN, P.C.
Certified Public Accountants

Stoughton, Massachusetts
June 25, 2009

**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008
(WITH COMPARATIVE TOTALS FOR 2007)

	<u>ASSETS</u>	
	<u>2008</u>	<u>2007</u>
<u>Current Assets</u>		
Cash and cash equivalents	\$ 9,486	\$ 24,479
Operating reserves	108	3,140
Accounts receivable	23,547	1,837
Prepaid insurance and taxes	<u>12,230</u>	<u>10,957</u>
Total current assets	45,371	40,413
<u>Property and Equipment</u>		
Land	945,302	945,302
Buildings	4,131,602	4,131,602
Building improvements	2,451,604	2,436,690
Furniture and equipment	<u>21,209</u>	<u>21,209</u>
Subtotal	7,549,717	7,534,803
Less: accumulated depreciation	<u>1,135,361</u>	<u>927,128</u>
Total property and equipment	6,414,356	6,607,675
<u>Other Assets</u>		
Replacement reserves	4,084	1,071
Housing under development		861,965
Security deposit	<u>17,299</u>	<u>18,237</u>
Total other assets	<u>21,383</u>	<u>881,273</u>
<u>Total Assets</u>	<u>\$ 6,481,110</u>	<u>\$ 7,529,361</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Line of credit	\$ 77,068	\$ 57,050
Credit cards	74,145	83,239
Accounts payable	27,796	62,445
Accrued expenses	61,527	55,647
Notes payable	50,000	50,000
Mortgage payable - current portion	783,061	687,192
Tenant security deposit	17,749	18,687
Accrued and deferred interest	60,504	60,504
Revolving loan pool	<u>20,000</u>	<u>20,000</u>
Total current liabilities	1,171,850	1,094,764
<u>Long-Term Liabilities</u>		
Mortgage payable	<u>5,872,995</u>	<u>6,549,633</u>
Total long-term liabilities	5,872,995	6,549,633
<u>Net Assets</u>		
Unrestricted	<u>(563,735)</u>	<u>(115,036)</u>
Total net assets	<u>(563,735)</u>	<u>(115,036)</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 6,481,110</u>	<u>\$ 7,529,361</u>

See accompanying notes. See Independent Auditors' Report.

**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008
(WITH COMPARATIVE TOTALS FOR 2007)

	2008	2007
<u>Support and Revenue</u>		
Support:		
Contributions	\$ 84,398	\$ 19,503
In-kind contributions	587	4,469
Special events	100,466	87,327
Revenue:		
Government grants	73,956	49,695
Rental income	395,940	397,746
Management fees	2,600	5,600
Interest income	105	43
Total support and revenue	658,052	564,383
 <u>Expenses</u>		
Housing development	32,938	61,621
Rental activities	598,917	630,263
Total program expenses	631,855	691,884
General and administrative	92,231	95,213
Fundraising	59,003	57,244
Total expenses	783,089	844,341
 <u>Change in Net Assets – Before Other Income (Loss)</u>	 (125,037)	 (279,958)
 <u>Other Income (Loss)</u>		
Debt forgiveness	108,455	214,755
Sale of units	(432,117)	(99,862)
Total other income (loss)	(323,662)	114,893
 <u>Change in Net Assets – After Other Income (Loss)</u>	 (448,699)	 (165,065)
 <u>Net Assets - Beginning of Year</u>	 (115,036)	 50,029
 <u>Net Assets - End of Year</u>	 \$ (563,735)	 \$ (115,036)

See accompanying notes. See Independent Auditors' Report.

**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
DECEMBER 31, 2008
WITH COMPARATIVE TOTALS FOR 2007**

	2008				2007	
	Housing Development	Rental Activity	Total Program	General and Administrative	Fundraising	Total
Salaries	\$ 9,767	\$ 39,068	48,835	\$ 24,418	\$ 24,418	\$ 97,671
Payroll taxes	774	3,094	3,868	1,934	1,934	7,736
Employee benefits	1,578	6,312	7,890	3,945	3,945	15,780
Salaries and related expenses	12,119	48,474	60,593	30,297	30,297	121,187
Advertising				495	309	804
Architect	2,190		2,190			2,190
Bank charges	171	553	724	7	568	1,299
Capital expenditures	3,399		3,399			3,399
Condo fees	4,296		4,296			4,296
Conferences						
Consultants				17,336	3,960	21,296
Depreciation		207,684	207,684	549		208,233
Donations		275	275	250	525	800
Dues and subscriptions				2,775		2,775
Event expense					6,239	6,239
Exterminating		1,269	1,269			1,269
Filing fees	960	356	1,316			1,316
Facility maintenance		33,272	33,272	100		33,372
Insurance		21,846	21,846	2,723		24,569
Interest		155,806	155,806	17,225		173,031
Landscaping		7,299	7,299			7,299
Legal fees		498	498			498
Management fees		22,485	22,485			22,485
Miscellaneous expense	121	148	148			148
Payroll services		482	603	302	302	1,207
Postage				1,348	250	1,598
Printing				537	7,254	7,791
Professional fees	6,324	35,836	42,160	8,000	8,000	12,229
Real estate taxes	2,472	9,888	12,360	6,180	6,180	42,160
Rent		2,700	2,700	337	150	24,720
Repairs and maintenance		333	333			3,187
Security		290	290	1,555	1,279	333
Supplies		11,462	11,462			3,124
Supportive services		1,418	1,772	886	886	11,462
Telephone	354	683	854	427	427	3,544
Travel	171	34,417	34,417			1,708
Utilities		1,443	1,804	902	902	34,417
Vehicle expenses	361					3,608
Website						445
Total	\$ 32,938	\$ 598,917	\$ 631,855	\$ 92,231	\$ 59,003	\$ 783,089
						\$ 844,341



See accompanying notes. See Independent Auditors' Report.

To the Board of Directors of
Citizens for Affordable Housing in Newton
Development Organization, Inc.
West Newton, Massachusetts

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based Required by Government Auditing Standards

We have audited the financial statements of Citizens for Affordable Housing in Newton Development Organization, Inc. as of and for the year ended December 31, 2008, and have issued our report thereon dated June 25, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Citizens for Affordable Housing in Newton Development Organization, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses, as defined above. We have updated reportable conditions noted in the 2006 audit report.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Citizens for Affordable Housing in Newton Development Organization, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, and the Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

Sandberg, Gonzalez & Creeden, P.C.

SANDBERG, GONZALEZ & CREEDEN, P.C.
Certified Public Accountants

Stoughton, Massachusetts
June 25, 2009

**CITIZENS FOR AFFORDABLE HOUSING IN NEWTON
DEVELOPMENT ORGANIZATION, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2008**

FINDINGS – FINANCIAL STATEMENT AUDIT December 31, 2006

REPORTABLE CONDITIONS 2006-1

Condition: Year end account balances required significant audit adjustments.

Recommendation: Procedures should be put in place to review financial statements on a monthly basis and make certain all accounts are reconciled. This includes, but is not limited to, recording all receivables and payables in the proper period, recording expenses in the proper period, recording new loans, loan disbursements and loan payments to the proper account and in the proper period, and depreciating all fixed asset additions.

Update: Additional staff time and procedures were operational in 2008 to reconcile account balances and review financial statements on a monthly basis. Depreciation expense and accrued expenses were not recorded during the reporting period but were adjusted during the audit process.