

PROJECT PERRY, INC.
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS REPORT
DECEMBER 31, 2009

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Independent Auditors' Report

To the Board of Directors
Project Perry, Inc.
P.O. Box 1208
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I have audited the accompanying statement of financial position of Project Perry, Inc. as of December 31, 2009, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States. 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 Project Perry, Inc. as of December 31, 2009, 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.



July 22, 2010

PROJECT PERRY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009

	2009
ASSETS	
Cash - operating	\$ 7,423
Loan Receivable - Director	12,948
	\$ 20,371
 Fixed Assets	
Buildings and Improvements	\$ 43,848
Equipment	12,418
Less: Accumulated Depreciation	(9,020)
Fixed Assets net of depreciation	\$ 47,246
 TOTAL ASSETS	 \$ 67,617
 LIABILITIES AND NET ASSETS	
LIABILITIES	
Payroll Taxes Payable	440
TOTAL LIABILITIES	440
 NET ASSETS	
Unrestricted net assets	\$ 67,177
Temporarily restricted net assets	-
Permanently restricted net assets	-
TOTAL NET ASSETS	\$ 67,177
 TOTAL LIABILITIES AND NET ASSETS	 \$ 67,617

PROJECT PERRY, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

DECEMBER 31, 2009

CHANGES IN UNRESTRICTED NET ASSETS

Contributions, gifts, and grants		
Direct public support	\$	137,835
Interest income		15
Total unrestricted revenues and support	<u>\$</u>	<u>137,850</u>
Expenditures		
Program services	\$	96,797
Supporting Services		
Management and General		15,602
Fundraising		1,257
Total Expenditures	<u>\$</u>	<u>113,656</u>
INCREASE(DECREASE) IN UNRESTRICTED NET ASSETS	<u>\$</u>	<u>24,194</u>
NET ASSETS AT BEGINNING OF YEAR	<u>\$</u>	<u>42,983</u>
NET ASSETS AT END OF YEAR	<u>\$</u>	<u>67,177</u>

PROJECT PERRY, INC.
STATEMENT OF CASH FLOWS
DECEMBER 31, 2009

Cash flows from operating activities:

Increase(decrease) in net assets	\$	24,194
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Adjustments to reconcile decrease in net assets to net cash provided by activities		
Depreciation		4,324
Decrease(increase) in loan receivable		(12,948)
Increase(decrease) in payroll taxes payable		440
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Total adjustments		(8,184)
Net cash provided (used) by operating activities		16,010
Cash flow from investing activities:		
Acquisition of fixed assets		(4,218)
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Net cash provided(used) by investing activities		(4,218)
Cash flow from financing activities:		
Decrease in Notes Payable		(12,300)
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Net cash provided(used) by financing activities		(12,300)
Net increase(decrease) in cash and cash equivalents		(508)
Cash and cash equivalents, beginning of year		7,931
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Cash and cash equivalents, end of year	\$	7,423
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PROJECT PERRY, INC
STATEMENT OF FUNCTIONAL EXPENSES
DECEMBER 31, 2009

PROGRAM SERVICES		
Automobile Expenses	\$	1,517
Bird Food		12,999
Depreciation		4,324
Directors Fees		11,316
Education & Training		1,879
Postage		202
Printing		52
Veternarian, prescriptions and medications		6,017
Office Supplies		2,318
Payroll Processing Charges		48
Professional Dues & Memberships		260
Rent		13,290
Salaries and Taxes		2,743
Supplies		25,529
Telephone & Internet		1,991
Utilities and maintenance		12,312
TOTAL PROGRAM SERVICES	\$	<u>96,797</u>
MANAGEMENT AND GENERAL		
Automobile Expenses	\$	506
Bank charges		44
Cleaning Supplies		65
Director's Fees		3,772
Licenses & Fees		125
Office Supplies		773
Postage		67
Printing		17
Professional Fees		1,275
Rent		4,430
Telephone & Internet		664
Utilities & Maintenance		3,864
TOTAL MANAGEMENT AND GENERAL	\$	<u>15,602</u>
FUNDRAISING		
Advertising	\$	327
Miscellaneous		930
TOTAL FUNDRAISING	\$	<u>1,257</u>

PROJECT PERRY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 1 – ORGANIZATION

Project Perry, Inc. is a non-profit organization which was granted exemption from Federal income tax under section 501 (c)(3) of the Internal Revenue Code.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the organization have been prepared on the accrual basis of accounting. The significant policies followed are described below to enhance the usefulness of the financial statements to the reader.

Income and Expense Recognition

Contributions and grants are recorded as temporarily restricted net assets if they are received with donor/grantor stipulations that limit the use of the donated assets. Such contributions and grants are reclassified as assets released from restrictions when the donor/grantor stipulations are satisfied. During the current period there were no contributions with such restrictions.

Equipment

Equipment purchased is recorded at cost. Equipment donated to the organization is recorded at estimated fair market value. Depreciation is computed using the straight line method over estimated useful lives of the assets.

NOTE 3 – DONATED ASSETS AND SERVICES

Donated assets are included as contributions in the accompanying financial statements at their estimated fair market value at the date of receipt.

NOTE 4 – USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

NOTE 5 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents at December 31, 2009 included the following:

Checking Account	\$ 6,233
Certificate of Deposit	1,019
Petty Cash	<u>171</u>
Total	\$ 7,423

NOTE 6 – NOTES PAYABLE

A note payable due to Farmtek was entered into on June 9, 2008 in the amount of \$ 15,848. The note has been satisfied in full as of December 31, 2008.

NOTE 7 – LOAN RECEIVABLE

A loan receivable due from the Executive Director, Mr. Matt Smith in the amount of \$12,948 has been recorded as an asset on the statement of financial position as of December 31, 2009. Interest will accrue at a rate of 4.01 percent annually until satisfied.

NOTE 8 – RENT EXPENSE

Rent Expense reported in the accompanying financial statements has been calculated using a fair rental value rate based on comparable rental located in Louisa, Virginia. The rent expense included has been adjusted for personal use by the Executive Director, Mr. Matt Smith.