

PROJECT PERRY, INC.
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS REPORT
DECEMBER 31, 2010

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OAKES, P.C.
3330 BOURBON STREET, SUITE 118
FREDERICKSBURG, VIRGINIA 22408
PHONE (540) 371-1300
FAX (540) 373-6172

Independent Auditors' Report

To the Board of Directors
Project Perry, Inc.
P.O. Box 1208
Louisa, VA 23093

I have audited the accompanying statement of financial position of Project Perry, Inc. as of December 31, 2010, 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, 2010, 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.



August 6, 2011

PROJECT PERRY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2010

	2010
ASSETS	
Cash - operating	\$ 4,310
Loan Receivable - Director	720
	\$ 5,030
 Fixed Assets	
Automobiles	\$ 9,150
Buildings and Improvements	45,865
Equipment	21,269
Less: Accumulated Depreciation	(14,746)
Fixed Assets net of depreciation	\$ 61,538
 TOTAL ASSETS	 \$ 66,568
 LIABILITIES AND NET ASSETS	
LIABILITIES	
Note Payable	3,907
Payroll Taxes Payable	1,119
TOTAL LIABILITIES	5,026
 NET ASSETS	
Unrestricted net assets	\$ 61,542
Temporarily restricted net assets	-
Permanently restricted net assets	-
TOTAL NET ASSETS	\$ 61,542
 TOTAL LIABILITIES AND NET ASSETS	 \$ 66,568

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

DECEMBER 31, 2010

CHANGES IN UNRESTRICTED NET ASSETS

Contributions, gifts, and grants		
Direct public support	\$	88,723
Income from fundraising event (net)		2,818
Interest income		3
Total unrestricted revenues and support	<u>\$</u>	<u>91,544</u>
Expenditures		
Program services	\$	76,554
Supporting Services		
Management and General		16,203
Fundraising		4,422
Total Expenditures	<u>\$</u>	<u>97,179</u>
INCREASE(DECREASE) IN UNRESTRICTED NET ASSETS	<u>\$</u>	<u>(5,635)</u>
NET ASSETS AT BEGINNING OF YEAR	<u>\$</u>	<u>67,177</u>
NET ASSETS AT END OF YEAR	<u><u>\$</u></u>	<u><u>61,542</u></u>

PROJECT PERRY, INC.
STATEMENT OF CASH FLOWS
DECEMBER 31, 2010

Cash flows from operating activities:	
Increase(decrease) in net assets	\$ (5,635)
Adjustments to reconcile decrease in net assets to net cash provided by activities	
Depreciation	5,726
Decrease(increase) in loan receivable	12,228
Increase(decrease) in payroll taxes payable	679
Total adjustments	18,633
Net cash provided (used) by operating activities	12,997
Cash flow from investing activities:	
Acquisition of fixed assets	(20,018)
Net cash provided(used) by investing activities	(20,018)
Cash flow from financing activities:	
Increase in Notes Payable	3,907
Net cash provided(used) by financing activities	3,907
Net increase(decrease) in cash and cash equivalents	(3,114)
Cash and cash equivalents, beginning of year	7,423
Cash and cash equivalents, end of year	\$ 4,310

PROJECT PERRY, INC
STATEMENT OF FUNCTIONAL EXPENSES
DECEMBER 31, 2010

PROGRAM SERVICES		
Automobile Expenses	\$	1,791
Bird Food		14,569
Depreciation		5,726
Directors Fees		12,020
Education & Training		774
Postage		292
Veterinarian, prescriptions and medications		5,004
Office Supplies		989
Professional Dues & Memberships		409
Rent		13,290
Salaries and Taxes		5,427
Supplies		1,052
Telephone & Internet		1,992
Utilities and maintenance		13,219
TOTAL PROGRAM SERVICES	<u>\$</u>	<u>76,554</u>
MANAGEMENT AND GENERAL		
Automobile Expenses	\$	597
Bank charges		55
Cleaning Supplies		121
Director's Fees		4,007
Licenses & Fees		300
Office Supplies		330
Payroll Service Fees		364
Postage		97
Professional Fees		1,200
Rent		4,430
Supplies		230
Telephone & Internet		664
Utilities & Maintenance		2,180
Website Fees & Maintenance		1,628
TOTAL MANAGEMENT AND GENERAL	<u>\$</u>	<u>16,203</u>
FUNDRAISING		
Advertising	\$	462
Resale Items		3,960
TOTAL FUNDRAISING	<u>\$</u>	<u>4,422</u>

PROJECT PERRY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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, 2010 included the following:

Checking Account	\$ 1,365
Savings Account	15
Certificate of Deposit	1,021
Petty Cash	<u>1,909</u>
Total	\$ 4,310

NOTE 6 – NOTES PAYABLE

A note payable due to Farmtek was entered into on April 15, 2010 in the amount of \$5,707.

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.