

FILIPINO-AMERICAN DEVELOPMENT FOUNDATION

**Financial Statements and Independent Auditor's Report for the
Years ended December 31, 2007 & 2006**

FILIPINO-AMERICAN DEVELOPMENT FOUNDATION

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Filipino-American Development Foundation

I have audited the accompanying Statements of Financial Position of the Filipino-American Development Foundation (FADF) as of December 31, 2007 and 2006 and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of FADF's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted the audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audits to obtain reasonable assurance as to 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 audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of FADF at December 31, 2007 and 2006, 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.



March 1, 2009

FILIPINO-AMERICAN DEVELOPMENT FOUNDATION
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31,

	2007	2006
ASSETS		
Current Assets		
Cash	\$ 57,998	\$ 23,408
Accounts receivable	123,335	29,786
Prepaid expense	3,542	952
Other asset	28,252	-
Total Current Assets	213,127	54,146
Property and Equipment, at cost		
Building	1,158,605	1,158,605
Furniture and equipment	25,497	25,497
Less accumulated depreciation	(35,372)	(5,372)
Net Property and Equipment	1,148,730	1,178,730
TOTAL ASSETS	\$ 1,361,857	\$ 1,232,876
LIABILITIES AND NET ASSETS		
Current Liabilities		
Account payable	\$ 23,172	\$ 12,912
Total Current Liabilities	23,172	12,912
TOTAL LIABILITIES	23,172	12,912
Net Assets		
Temporarily restricted	34,500	56,536
Unrestricted	1,304,185	1,163,428
TOTAL LIABILITIES AND NET ASSETS	\$ 1,361,857	\$ 1,232,876

The accompanying notes are an integral part of the financial statements.

FILIPINO-AMERICAN DEVELOPMENT FOUNDATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,

	Unrestricted	Temporarily Restricted	2007	2006
REVENUES AND SUPPORTS				
Grants	\$ 304,292	\$ 40,000	\$ 344,292	\$ 100,392
Government grant	639,873	-	639,873	507,655
Contributions	27,950	-	27,950	92,420
In-kind contributions	-	-	-	49,000
Rental income	22,676	-	22,676	6,387
Other income	-	-	-	28,603
Miscellaneous income	1,213	-	1,213	4,151
Net assets released from restrictions	62,036	(62,036)	-	-
Total Revenues and Support	1,058,040	(22,036)	1,036,004	788,608
EXPENSES				
Program services	370,240	-	370,240	323,732
General and administrative	82,097	-	82,097	51,339
Fundraising	459	-	459	1,676
In-kind expense	-	-	-	49,000
Fiscal sponsors	464,487	-	464,487	187,143
Total Expenses	917,283	-	917,283	612,890
CHANGE IN NET ASSETS	140,757	(22,036)	118,721	175,718
NET ASSETS, beginning of year	1,163,428	56,536	1,219,964	1,044,246
NET ASSETS, end of year	\$ 1,304,185	\$ 34,500	\$ 1,338,685	\$ 1,219,964

The accompanying notes are an integral part of the financial statements.

FILIPINO-AMERICAN DEVELOPMENT FOUNDATION
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31,

	Program Services										Fiscal Sponsor			Supporting Services			2006 Total
	Bahay	Apibis	Computer Lab	Cultural	Bayanihan Community Center	Gailing Data		Total Program Services	General & Administrative	Fundraising	Total Supporting Services	2007 Total	2006 Total				
						After School	School										
Salaries and wages	\$ 20,500	\$ 16,000	\$ 16,000	\$ 4,000	\$ 25,500	\$ 123,223	\$ 205,223	\$ 326,387	-	-	\$ 531,610	\$ 294,104					
Payroll taxes & employee benefits	1,804	1,408	1,408	352	2,244	10,844	18,060	30,547	-	-	48,607	29,590					
Health	-	-	-	-	-	-	-	-	5,985	-	5,985	-					
Payroll fees	-	-	-	-	-	-	-	-	1,836	-	1,836	-					
Accounting fees	-	-	-	-	-	-	-	-	3,000	-	3,000	1,113					
Activity expenses	-	-	-	200	-	5,507	5,707	16,691	-	150	22,548	16,813					
Advertising	500	-	117	-	-	-	617	-	-	617	3,817	3,817					
Bank charges	-	-	-	-	-	-	-	-	107	-	107	191					
Books, subscriptions, reference	-	-	-	-	-	-	-	-	-	-	147	147					
Building permit	-	-	-	-	-	-	-	-	-	-	772	772					
Consultant fees	-	12,125	10,145	5,768	2,108	41,022	71,168	19,423	5,500	-	96,091	80,059					
Depreciation	-	-	-	-	-	-	-	-	30,000	-	30,000	-					
Donated materials & supplies	-	-	-	-	-	-	-	-	428	-	428	1,000					
Equipment, rental, & maintenance	110	-	-	1,121	-	1,060	1,060	4,139	-	-	1,488	4,288					
Food	-	-	-	-	4,930	324	1,555	4,139	22,205	-	27,135	1,683					
Insurance	-	-	-	-	-	-	-	-	9,724	-	9,724	23,447					
Workers comp	-	-	-	-	-	-	-	-	-	-	-	-					
Intern wages	-	-	-	-	-	-	-	-	-	-	-	8,667					
Janitorial services	-	-	-	-	9,180	-	9,180	-	-	-	9,180	3,935					
Maintenance	-	-	-	-	2,144	-	2,144	-	-	-	2,144	-					
Membership dues	-	50	-	-	-	-	50	-	-	-	50	175					
Miscellaneous	-	-	-	-	-	-	-	-	1,401	-	1,401	215					
Office supplies	-	270	-	9,739	1,440	3,908	15,357	24,378	-	-	39,735	27,240					
Other costs and taxes	-	-	-	-	-	-	-	-	-	-	-	191					
Postage & shipping	-	-	-	62	-	-	62	-	-	-	62	-					
Printing & publications	-	-	-	7,472	-	534	8,006	662	-	309	8,977	6,262					
Professional fees	-	-	-	-	-	-	-	-	-	-	-	7,270					
Rent & facility rental	-	-	-	-	4,840	1,760	6,600	19,445	1,500	-	27,545	22,830					
Staff development	-	-	-	-	-	-	-	-	-	-	-	1,900					
Telephone & telecommunication	-	-	-	-	2,338	-	2,338	2,539	-	-	4,877	4,559					
Travels	-	-	-	-	13,297	-	13,297	1,695	-	-	1,695	405					
Utilities	-	-	-	-	13,297	-	13,297	411	-	-	13,708	5,866					
Youth stipends	-	-	-	-	-	4,886	4,886	18,581	-	-	23,467	13,351					
Total	\$ 22,914	\$ 29,853	\$ 27,670	\$ 28,714	\$ 68,021	\$ 193,068	\$ 370,240	\$ 464,487	\$ 82,097	\$ 459	\$ 917,281	\$ 563,890					

The accompanying notes are an integral part of the financial statements

**FILIPINO-AMERICAN DEVELOPMENT FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,**

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Net increase or decrease in net assets	\$ 118,721	\$ 175,718
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Changes in operating assets and liabilities		
Depreciation	30,000	-
(Increase) or Decrease in accounts receivable	(121,801)	248,499
(Increase) or Decrease prepaid assets	(2,590)	-
Increase or (Decrease) in account payable	10,260	-
	34,590	424,217
Net cash provided (used) by operating activities	34,590	424,217
CASH FLOWS FROM INVESTING ACTIVITIES		
Building	-	(612,306)
Capital improvement	-	179,712
	-	(432,594)
Net cash provided (used) by investing activities	-	(432,594)
Net increase (decrease) in cash	34,590	(8,377)
CASH, beginning of year	23,408	31,785
CASH, at end of year	\$ 57,998	\$ 23,408

The accompanying notes are an integral part of the financial statements.

**FILIPINO-AMERICAN DEVELOPMENT FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 and 2006**

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The Filipino-American Development Foundation (FADF) is a non-profit community-based organization with on-going programs in the areas of affordable housing advocacy, promotion of Filipino business entrepreneurship, and cultural and historical education. FADF is a 501c3 federally tax exempt organization in June 1997. FADF's mission is to strengthen the social, physical and economic well being of the Filipino-American community and the South of Market community with special attention to the underserved segments of the community. It will accomplish this by: 1) Increasing awareness and knowledge about the Filipino-American community through participation in educational and cultural programs. 2) Increasing access to a wide range of economic, health and social services through collaboration with existing programs and the development of culturally appropriate services. 3) Providing a community space to strengthen community ties, to facilitate the sharing of resources and expertise among service providers, and to build leadership skills and increase capacity in the community to effectively educate and develop community assets.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying financial statements were prepared using the accrual basis of accounting, whereby expenditures were recorded when the liability was incurred and revenues were recorded when earned.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment is stated at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range as follows:

Furniture & fixture	7 years	
Computer and office equipment	5 years	
	<u>2007</u>	<u>2006</u>
Capital improvement - soft cost	\$ 1,158,605	\$ 1,158,605
Equipment	23,367	23,367
Furniture & fixture	2,130	2,130
Less accumulated depreciation	(35,372)	(5,372)
	<u>\$ 1,148,730</u>	<u>\$ 1,178,730</u>

**FILIPINO-AMERICAN DEVELOPMENT FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 and 2006**

NOTE 4 - USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 5 - INCOME TAX STATUS

FADF is a tax exempt organization under the provision of the Internal Revenue Code, 501(c)(3), and The California Revenue and Taxation Code Section 23701(d).

NOTE 6 - OPERATING LEASE

The lease is a nine-month lease commencing January 5, 2003 and was ended on February to September 2003. FADF is currently on a month to month lease and total rent for December 31, 2007 and 2006 is \$27,545 and \$22,830 respectively.

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of December 31, 2007 and 2006 were comprised of the following:

Account	Balance as of 12/31/2006	Income	Released	Balance as of 12/31/2007
Government Grants	\$ 9,500	\$ -	\$ 9,500	\$ -
Consumer Protection Fund	20,000	-	20,000	-
AT&T	-	25,000	2,000	23,000
Evelyn and Walter Haas, Jr. Fund	27,036	15,000	30,536	11,500
	<u>\$ 56,536</u>	<u>\$ 40,000</u>	<u>\$ 62,036</u>	<u>\$ 34,500</u>

**FILIPINO-AMERICAN DEVELOPMENT FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007 and 2006**

NOTE 8 - RISK AND UNCERTAINTY

In the normal course of the business, the primary risk encountered by the Organization is the volatility and uncertainty associated with contribution and grant funding. The principle source of the Organization's support is from private foundation and individuals.

NOTE 9 - CONTRIBUTED SERVICES

Contributed services are provided by volunteers. These services are part of the Organization's activities and would have to be performed by salaried personnel if the services were not contributed. The Organization maintains records of these services and estimates their value based on the cost of comparable services.

NOTE 10 - FISCAL AGENT

During the fiscal year ended 2007, FADF also acted as fiscal agent for two local community non-profit groups which have their own Board of Directors and management team. Their revenues and expenses are not reflected as part of FADF's financial during 2007 and 2006.