

**James E. Richman, CPA, PC**

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Better People  
Portland, Oregon

We have audited the accompanying statements of financial position of Better People as of June 30, 2003, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Better People'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. 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 Better People as of June 30, 2003, 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.

*James E. Richman, CPA, PC*

August 14, 2003

Better People is a 501 (c) 3 charitable organization. Donations, bequests and gifts of stock accepted. Federal Tax ID number 91-1824478. Legal name is Better People.  
4310 NE Martin Luther King, Jr. Blvd.  
Portland, Oregon 97211  
www.betterpeople.org

The books are in the care of Richard C. Harris, CPA, of Portland, Oregon. Audit and/or current financial statements gladly furnished by calling (503) 281-2663. The Board Treasurer is Jim Curtis, chief financial officer of the Bonneville Power Administration.

**Summarized Financial Information – June 30, 2003  
From Audited Financial Statements**

**ASSETS**

**Current Assets:**

Cash and equivalents	\$ 68,391
Grants/Contract receivables/Prepaid expenses	60,651
Total current assets	\$129,042

**Furniture and Equipment, Net**

5,257

**TOTAL ASSETS**

\$134,299

**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

\$ 18,076

<b>Net Assets:</b>	Unrestricted	\$ 95,624
	Temporarily Restricted	\$ 20,599

**TOTAL LIABILITIES AND NET ASSETS**

\$134,299

**SUPPORT AND REVENUE:**

Contributions	\$155,568
Grants	128,439
Program service fees	10,056
Interest	180
<b>TOTAL SUPPORT AND REVENUE:</b>	\$294,243

**EXPENSES**

Compensation and related expenses	\$192,074
Advertising	--
Depreciation	2,461
Dues and subscriptions	150
Insurance	13,364
Legal and accounting	8,245
Meals, entertainment, graduation	1,221
Other professional fees	2,064
Postage	5,055
Printing and reproduction	5,368
Rent/Janitorial	21,555
Supplies	
MRT workbooks	10,521
Office	1,608
Computer expenses	757
Phone/utilities	6,097
Travel	1,268
Other	3,527
<b>TOTAL EXPENSES</b>	\$275,335

**INCREASE IN NET ASSETS**

\$ 18,908

**NET ASSETS, BEGINNING OF YEAR**

\$ 97,315

**NET ASSETS, END OF YEAR**

\$116,223

**Important Note:**

Better People changed from a calendar to fiscal year in 2002-03 to aid in planning and to more closely match the agency's annual cash flow cycle. In the six months ended June 30, 2002, the adjustment period for the new fiscal cycle, the agency ended the period with a \$28,182 decrease in net assets.