

CAMINAR

(A California Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

YEARS ENDED JUNE 30, 2008 AND 2007

CAMINAR
(A California Nonprofit Public Benefit Corporation)
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2008 AND 2007

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Board of Directors
Caminar
San Mateo, California

JAMES M. KRAFT
S. SCOTT SEAMANDS
MARK O. BRITTAIN
ALEXIS H. WONG
CHARLOTTE SIEW-KUN TAY

CATHY L. HWANG
RITA B. DELA CRUZ
STANLEY WOO

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statements of financial position of Caminar, a California nonprofit public benefit corporation, as of June 30, 2008 and 2007, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of Caminar's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of Caminar's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Caminar as of June 30, 2008 and 2007, 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.

The financial statements of Caminar have been prepared without combining the financial statements of related entities under common control. Combined financial statements will also be issued and those statements are the general-purpose financial statements of the primary reporting entity.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2009 on our consideration of Caminar's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information on pages 22 through 31, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Lindquist, von Husen and Joyce LLP

January 13, 2009

CAMINAR
(A California Nonprofit Public Benefit Corporation)
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2008 AND 2007

	2008	2007
ASSETS		
Current assets:		
Cash	\$ 845,973	\$ 919,954
Government contracts and program service fees receivable	1,161,513	2,049,192
Prepaid expenses and deposits	386,462	411,465
Total current assets	2,393,948	3,380,611
Restricted cash	49,508	44,705
Investments	50,453	81,696
Investment in other companies (Note 3)	21,511	13,697
Restricted retirement plan investment (Note 10)	199,270	220,264
Development in progress (Note 4)	-	993,831
Other intangible assets – net (Note 6)	23,347	-
Property and equipment – net (Note 5)	5,785,389	3,796,337
Total assets	\$ 8,523,426	\$ 8,531,141
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 264,416	\$ 564,869
Wages and compensated absences payable	596,029	412,929
Deferred revenue and other liabilities	242,443	588,564
Deferred compensation payable (Note 10)	199,270	220,264
Related-party payable (Note 3)	-	33,840
Interest payable (Note 7)	3,901	-
Notes payable – current portion (Note 7)	79,937	87,530
Total current liabilities	1,385,996	1,907,996
Notes payable – net of current portion (Note 7)	1,736,528	1,811,890
Total liabilities	3,122,524	3,719,886
Net assets:		
Unrestricted	5,353,788	4,734,122
Temporarily restricted	47,114	77,133
Total net assets	5,400,902	4,811,255
Total liabilities and net assets	\$ 8,523,426	\$ 8,531,141

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

CAMINAR
(A California Nonprofit Public Benefit Corporation)

STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2008 AND 2007

	2008		
	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Total</i>
Support and revenue:			
Government contracts	\$ 9,949,627	\$ -	\$ 9,949,627
Program service fees	2,796,818	-	2,796,818
Rental income	949,934	-	949,934
Contributions	46,960	-	46,960
Other income	144,018	-	144,018
Net assets released from restrictions (Note 9)	30,019	(30,019)	-
Total support and revenue	13,917,376	(30,019)	13,887,357
Expenses:			
Program services	11,758,732	-	11,758,732
Management and general	2,421,290	-	2,421,290
Total expenses	14,180,022	-	14,180,022
Change in net assets before capital grants	(262,646)	(30,019)	(292,665)
Capital grants (Note 4)	882,312	-	882,312
Change in net assets	619,666	(30,019)	589,647
Net assets, beginning of year	4,734,122	77,133	4,811,255
Net assets, end of year	\$ 5,353,788	\$ 47,114	\$ 5,400,902

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CAMINAR
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STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2008 AND 2007

	2007		
	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Total</i>
Support and revenue:			
Government contracts	\$ 9,494,845	\$ -	\$ 9,494,845
Program service fees	3,092,888	-	3,092,888
Rental income	907,270	-	907,270
Contributions	122,711	-	122,711
Other income	154,759	-	154,759
Net assets released from restrictions (Note 9)	63,607	(63,607)	-
Total support and revenue	13,836,080	(63,607)	13,772,473
Expenses:			
Program services	11,262,493	-	11,262,493
Management and general	2,308,814	-	2,308,814
Total expenses	13,571,307	-	13,571,307
Change in net assets before capital grants and other income	264,773	(63,607)	201,166
Capital grants (Note 4)	671,037	-	671,037
Non-recurring investment income (Note 11)	201,535	-	201,535
Change in net assets	1,137,345	(63,607)	1,073,738
Net assets, beginning of year, as restated (Note 13)	3,596,777	140,740	3,737,517
Net assets, end of year	\$ 4,734,122	\$ 77,133	\$ 4,811,255

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CAMINAR

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STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2008 AND 2007

	2008		
	<i>Program Services</i>	<i>Management and General</i>	<i>Total</i>
Salaries and wages	\$ 5,988,406	\$ 1,444,321	\$ 7,432,727
Payroll taxes and benefits	1,478,572	332,814	1,811,386
Rent and occupancy (Note 8)	1,372,244	157,403	1,529,647
Professional fees	753,036	157,242	910,278
Equipment and equipment maintenance	626,657	28,280	654,937
Transportation, travel and training	385,327	52,632	437,959
Office supplies	141,818	47,656	189,474
Taxes and insurance	242,283	18,778	261,061
Client subsidies	215,457	-	215,457
Telephone	163,625	36,685	200,310
Utilities	131,798	1,601	133,399
Interest	80,536	25,385	105,921
Staff functions and retreat	31,845	14,774	46,619
Dues and subscriptions	8,318	6,299	14,617
Miscellaneous	37,649	23,515	61,164
	<hr/>		
Total expenses before depreciation and amortization	11,657,571	2,347,385	14,004,956
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Depreciation and amortization	101,161	73,905	175,066
	<hr/>		
Total expenses	\$ 11,758,732	\$ 2,421,290	\$ 14,180,022
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The accompanying notes are an integral part of these financial statements.

CAMINAR

(A California Nonprofit Public Benefit Corporation)

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2008 AND 2007

	2007		
	<i>Program Services</i>	<i>Management and General</i>	<i>Total</i>
Salaries and wages	\$ 5,948,505	\$ 1,356,447	\$ 7,304,952
Payroll taxes and benefits	1,537,010	314,026	1,851,036
Rent and occupancy (Note 8)	1,331,169	151,114	1,482,283
Professional fees	537,936	232,079	770,015
Equipment and equipment maintenance	437,032	23,380	460,412
Transportation, travel and training	311,291	53,935	365,226
Office supplies	180,555	55,943	236,498
Taxes and insurance	219,971	23,007	242,978
Client subsidies	212,394	10	212,404
Telephone	163,538	32,868	196,406
Utilities	115,577	1,379	116,956
Interest	84,791	8,881	93,672
Staff functions and retreat	26,961	16,850	43,811
Dues and subscriptions	21,114	12,808	33,922
Miscellaneous	24,929	15,827	40,756
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Total expenses before depreciation and amortization	11,152,773	2,298,554	13,451,327
Depreciation and amortization	109,720	10,260	119,980
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Total expenses	\$ 11,262,493	\$ 2,308,814	\$ 13,571,307
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The accompanying notes are an integral part of these financial statements.

CAMINAR
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STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2008 AND 2007

	2008	2007
Cash flows from operating activities:		
Change in net assets	\$ 589,647	\$ 1,073,738
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	175,066	119,980
(Income) loss from investments	31,243	(21,420)
(Gain) loss from investment in other companies	(7,814)	14,030
Income from capital grants	(882,312)	(671,037)
(Increase) decrease in assets:		
Accounts receivable	946,199	(665,067)
Prepaid expenses and deposits	25,003	(65,034)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(300,453)	(768,872)
Wages and compensated absences payable	183,100	(56,278)
Related-party payable	(33,840)	33,840
Deferred revenue and other liabilities	(342,220)	533,306
Net cash provided by (used in) operating activities	383,619	(472,814)
Cash flows from investing activities:		
Net increase in notes receivable from related parties	(58,520)	-
Purchase of property and equipment	(267,855)	(24,703)
Net increase in development in progress	(897,763)	(547,206)
Net (increase) decrease in restricted cash	(4,803)	5,485
Increase in other intangible assets	(28,016)	-
Net cash used in investing activities	(1,256,957)	(566,424)
Cash flows from financing activities:		
Proceeds from capital grants	882,312	671,037
Proceeds from notes payable	511,123	360,000
Payments of notes payable	(594,078)	(71,896)
Net cash provided by financing activities	799,357	959,141
Decrease in cash	(73,981)	(80,097)
Cash, beginning of year	919,954	1,000,051
Cash, end of year	\$ 845,973	\$ 919,954
Supplementary information:		
Cash paid for interest	\$ 105,921	\$ 93,673
Noncash investing and financing activities:		
Assets acquired by assuming current liabilities	\$ -	\$ 182,896
Transfer development in progress to property and equipment	\$ 1,891,594	\$ 1,135,438

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

CAMINAR

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2008 AND 2007

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Caminar is a nonprofit 501(c)(3) organization that began providing services in 1968. The Agency provides innovative community based support services for adults with mental health disabilities, developmental disabilities and HIV/AIDS.

Primary services areas focus on individual case management, medication management, supported housing, supported employment and supported education. Caminar services are located in the counties of San Mateo, Solano and Butte in California and in Clark County in Nevada.

Caminar is especially vulnerable to the inherent risks associated with revenue that is substantially dependent on government funding, public support, and contributions. The continued growth and well being of Caminar is contingent upon achievement of its long-term revenue-raising goals.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method

Caminar uses the accrual method of accounting, which recognizes income in the period earned and expenses when incurred, regardless of the timing of payments.

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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

Caminar reports information regarding its financial position and activities according to three classes of net assets, as applicable: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. There were no permanently restricted net assets at June 30, 2008 and 2007.

Affiliated Organizations

The Board of Directors of Caminar also serves as the Board of Directors for Caminar – Las Vegas (see Note 3), a Nevada nonprofit public benefit corporation, that was formed to develop and operate a 12-unit affordable housing project as a communal living arrangement for the physically disabled who are at high risk of homelessness and who require minimal supervision and assistance with activities of daily living.

In addition, officers and certain board members of Caminar serve as the Board of Directors for Caminar Software, Inc. (see Note 3), a for-profit computer software development company, that provides software and technical support dedicated to healthcare organizations in connection with tracking and monitoring patient data. Caminar owns a 50% interest in Caminar Software, Inc..

Caminar's financial statements do not include the assets, liabilities, support and revenue or expenses of the related organizations.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2008 AND 2007

Revenue Recognition

Contributions

Contributions are recognized as revenue when they are unconditionally communicated. Grants represent contributions if resource providers receive no value in exchange for the assets transferred. Contributions are recorded at their fair value as unrestricted support, temporarily restricted support, or permanently restricted support, depending on the absence or existence of donor imposed restrictions as applicable. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Government Grants

Government grants or cost-reimbursement type contacts are deemed to be exchange transactions and, accordingly, are shown separately as government contracts in the statement of activities.

Caminar receives government grants in connection with development of housing projects to provide additional housing opportunities for its clients. Previously, Caminar deferred recognition of related revenue until the projects were placed in service. Effective July 1, 2006, Caminar revised its method of accounting to recognize construction related government grants as revenue when qualified activities have been performed and qualified expenditures have been incurred during the project development. Caminar recorded an increase of \$1,130,523 in its unrestricted net assets as of June 30, 2006 to reflect the change (See Note 13).

Rental Income

Rental income is shown net of vacancy losses.

Cash

Cash is defined as cash in demand deposit accounts as well as cash on hand. Not included as cash are funds restricted as to their use, regardless of liquidity. Caminar occasionally maintains cash on deposit at a bank in excess of the Federal Deposit Insurance Corporation limit. The uninsured cash balance, including restricted cash, was approximately \$1,140,000 as of June 30, 2008. Caminar has not experienced any losses in such accounts.

Accounts Receivable

Management elects to record bad debts using the direct write-off method. Accounting principles generally accepted in the United States of America require that the allowance method be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the result that would be obtained had the allowance method been followed.

Investments

Investments are stated at fair value and are comprised of common stocks.

CAMINAR
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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2008 AND 2007

Development in Progress

Caminar incurs costs during the development phase of each affordable housing project undertaken. Such costs include governmental fees, consulting fees, and other costs needed to arrange for the financing of each project under construction, as well as construction costs. Caminar records these costs as assets (development in progress) and the costs are usually recoverable from the project, either from loan proceeds or government grants. Development in progress is not depreciated until the completion of the development.

Property and Equipment

Property and equipment are stated at cost of acquisition or construction, or at fair value if donated. The costs of maintenance and repairs are charged to expense as incurred. Depreciation is based on the straight-line method over the estimated useful lives of the assets.

Caminar capitalizes and depreciates significant assets with values of \$5,000 or more. However, certain assets, such as flooring replacements, furniture and equipment, that usually have useful lives longer than one year are frequently replaced, and are expensed accordingly.

The useful lives of the assets are estimated as follows:

Building and improvements	7 to 40 years
Leasehold improvements	5 years
Household furnishings and equipment	7 years
Office furniture and equipment	5 to 7 years
Vehicles	5 years

Income Taxes

Caminar is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and the related California code sections.

Functional Expense Allocation

The costs of providing program services and supporting services are summarized on a functional basis in the statement of activities and statement of functional expenses. Accordingly, certain costs are allocated among program services and supporting services based on estimates of employees' time incurred and on usage of resources.

Reclassification

Certain amounts previously reported in the 2007 financial statements were reclassified to conform to the 2008 presentation for comparative purposes.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2008 AND 2007

NOTE 3 – RELATED-PARTY TRANSACTIONS

Caminar – Las Vegas

Caminar's Las Vegas regional office and Caminar – Las Vegas share certain office space and program service facilities. In addition, employees of Caminar's Las Vegas regional office perform administrative duties for the affordable housing project. Accordingly, Caminar should be reimbursed for Caminar – Las Vegas' pro rata share of these operating costs. However, during 2008 and 2007, these costs could not be reasonably determined, and accordingly, the financial statements do not reflect these transactions.

One of Caminar's programs, Acacia Gardens, an 8-unit HIV/AIDS housing facility located in Las Vegas, Nevada, is built on the land owned by Caminar – Las Vegas. The lease arrangement is currently under negotiation.

Caminar provides program services to Caminar – Las Vegas' residents and charges certain program fees accordingly during the year. Pursuant to the U.S. Department of Housing and Urban Development (HUD) regulations, program fees of \$17,272 were over charged by Caminar in 2007 and was refunded to Caminar – Las Vegas after the year-end, which was included in the related-party payable at June 30, 2007.

Caminar Software, Inc.

Caminar entered into an annual maintenance and service contract with Caminar Software, Inc.. The contract calls for an annual fee of \$5,250 for services provided.

Caminar Software, Inc. subleases office space from Caminar. In addition, the two entities entered into a Memorandum of Understanding (MOU) for allocations of certain shared costs such as administrative services, utilities and maintenance, and benefits for shared employee. The MOU calls for total costs of \$17,942 and \$16,568 payable to Caminar for the years ended June 30, 2008 and 2007, respectively.

Caminar has majority voting rights in Caminar Software, Inc.. Accounting principles generally accepted in the United States of America require that the consolidation method be used to reflect such an investment. However, the effect of the use of the equity method is not materially different from the result that would be obtained had the consolidation method been followed.

NOTE 4 – DEVELOPMENT IN PROGRESS

Avenidas Gardens

Caminar purchased a motel (the Project) located in Chico, California in September 2004. The intent was to substantially remodel the building to provide additional housing opportunities for Caminar's clients. The construction of the Project started in January 2007 and was substantially completed in November 2007. The building was placed in service on December 1, 2007.

Financing for acquisition and rehabilitation of the Project was obtained through grants or loans awarded by Butte County, the City of Chico (HOME), the U.S. Department of Urban Development (HUD) – Supportive Housing Program (SHP), and Tri Counties Bank – Affordable Housing Program (AHP).

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2008 AND 2007

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment is summarized as follows:

	2008	2007
Land	\$ 905,802	\$ 905,802
Buildings	5,649,721	3,645,248
Household furnishings and equipment	233,558	171,260
Vehicles	261,520	241,325
Office equipment	95,849	85,174
Leasehold improvements	25,700	18,500
	<u>7,172,150</u>	<u>5,067,309</u>
Less: accumulated depreciation	<u>(1,386,761)</u>	<u>(1,270,972)</u>
Total property and equipment	<u>\$ 5,785,389</u>	<u>\$ 3,796,337</u>

NOTE 6 – OTHER INTANGIBLE ASSETS

Caminar incurred costs of \$28,016 during the development of its website in 2008, which will be amortized over the estimated useful life of three years. The accumulated amortization was \$4,669 as of June 30, 2008.

NOTE 7 – NOTES PAYABLE

Notes payable are secured by the property unless otherwise noted and are summarized as follows:

	2008	2007
<u>248 Redwood House</u>		
Wells Fargo Bank loan, in the original amount of \$360,000, bears interest of 7.25% per annum and requires a monthly payment of \$3,287. The loan is to be repaid in full by February 15, 2022. Interest expense was \$ 25,385 and \$8,881 in 2008 and 2007, respectively.	\$ 341,630	\$ 355,736
San Mateo County, in the original amount of \$30,000, bears simple interest of 3% per annum, and no payment required until April 2034 when the loan matures (See Note 13). Interest expense and payable was \$3,901 in 2008 and at June 30, 2008.	30,000	30,000
<u>230 Redwood Avenue</u>		
Mid Peninsula Bank loan, in the original amount of \$160,000, bore interest of 7.21% per annum until April 5, 2008, and at which time the rate would become variable. The loan required a monthly payment of \$1,375 until April 5, 2008, with unpaid balance to be repaid in full by April 5, 2013. Interest expense was \$2,251 and \$9,267 in 2008 and 2007, respectively. The loan was refinanced in September 2007 with proceeds from the Wells Fargo Bank loans, which are secured by the property located at 230 Redwood Avenue.	-	122,790

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2008 AND 2007

	2008	2007
Wells Fargo Bank loan, in the original amount of \$159,000, bears interest of 7.75% per annum and requires a monthly payment of \$1,173. The loan is to be repaid in full by September 15, 2017. Interest expense was \$9,028 and \$-0- in 2008 and 2007, respectively.	157,663	-
Wells Fargo Bank loan, in the original amount of \$189,000, bears interest of 7.75% per annum and requires a monthly payment of \$1,369. The loan is to be repaid in full by September 15, 2017. Interest expense was \$9,877 and \$-0- in 2008 and 2007, respectively.	187,411	-
Wells Fargo Bank loan, in the original amount of \$162,000, bears interest of 7.75% per annum and requires a monthly payment of \$1,152. The loan is to be repaid in full by September 15, 2017. Interest expense was \$9,198 and \$-0- in 2008 and 2007, respectively.	160,638	-
<u>Hawthorne House</u>		
Wells Fargo Bank loan, in the original amount of \$201,661, bore interest of 8.38% per annum and required a monthly payment of \$1,853. The loan was originally due by July 1, 2007. Interest expense was \$4,354 and \$16,196 in 2008 and 2007, respectively. The loan was extended and refinanced in September 2007 with proceeds from the Wells Fargo Bank loans, which are secured by the property located at 230 Redwood Avenue.	-	190,071
San Mateo County loan, in the original amount of \$275,000, non-interest bearing and matures on May 19, 2022. No payments are to be made during the term of the loan. Upon maturity of the note or due to acceleration of the note upon sale or default, any proceeds from the payment of the note shall be disbursed to the County according to its beneficial interest in the property.	275,000	275,000
San Mateo County loan, in the original amount of \$125,000, non-interest bearing and matures on May 19, 2022. No payments are to be made during the term of the loan. Upon maturity of the note or due to acceleration of the note upon sale or default, any proceeds from the payment of the note shall be disbursed to the County according to its beneficial interest in the property.	125,000	125,000
San Mateo County loan, in the original amount of \$90,000, non-interest bearing and matures on March 27, 2022. No payments are to be made during the term of the loan. Upon maturity of the note or due to acceleration of the note upon sale or default, any proceeds from the payment of the note shall be disbursed to the County according to its beneficial interest in the property.	90,000	90,000
San Mateo County loan, in the original amount of \$29,600, non-interest bearing and matures on March 27, 2022. No payments are to be made during the term of the loan. Upon maturity of the note or due to acceleration of the note upon sale or default, any proceeds from the payment of the note shall be disbursed to the County according to its beneficial interest in the property.	15,288	15,288

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2008 AND 2007

	2008	2007
<u><i>Eucalyptus House</i></u>		
Wells Fargo Bank loan, in the original amount of \$237,691, bore interest of 8.38% per annum and required a monthly payment of \$2,184. The loan was originally due by July 1, 2007. Interest expense was \$4,109 and \$19,090 in 2008 and 2007, respectively. The loan was repaid in full in September 2007 with proceeds from the Wells Fargo Bank loans, which are secured by the property located at 230 Redwood Avenue.	-	223,461
Amerination Community Service loan, in the original amount of \$100,000, bears interest of 7% per annum, with interest only payments of \$525 until September 2008 and adjustable every five years thereafter. 10%, 25%, 50% and 90% of principal will be forgiven in year 5, 10, 15 and 20, respectively. The remaining principal shall be due and payable by October 1, 2018. Interest expense was \$7,312 and \$6,242 in 2008 and 2007, respectively.	90,000	89,084
<u><i>Laurel Creek – Solano</i></u>		
United Methodist Church loan, in the original amount \$528,635, bears interest of 8.00% per annum and requires monthly payments of \$5,052. The loan is to be repaid in full by January 1, 2016. Interest expense was \$28,898 and \$32,470 in 2008 and 2007, respectively.	343,835	375,560
Low Income Investment Fund loan, in the original amount of \$58,737, bore interest of 7.5% per annum and required a monthly payment of \$901. The loan was due and repaid in full on December 1, 2007. Interest expense was \$155 and \$875 in 2008 and 2007, respectively.	-	6,152
<u><i>Automobile Loan</i></u>		
GMAC – Van Loan, in the original amount \$20,000, bore interest of 10.46% per annum and required a monthly payment of \$648. The loan was due and repaid in full on August 8, 2007. Interest expense was \$63 and \$595 in 2008 and 2007, respectively.	-	1,278
Total	1,816,465	1,899,420
Less: current portion	(79,937)	(87,530)
Long-term portion	\$ 1,736,528	\$ 1,811,890

Principal payments on notes payable for the next five years are estimated as follows:

2009	\$	79,937
2010		59,361
2011		64,141
2012		69,306
2013		74,933

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2008 AND 2007

NOTE 8 – OPERATING LEASES

Caminar leases office facilities in San Mateo, Solano and Butte Counties in California and in Las Vegas, Nevada. In addition, Caminar has leases for various office equipment. Rent expenses in 2008 and 2007 was \$535,339 and \$474,672, respectively, and the future minimum lease payments are estimated as follows:

2009	\$	303,164
2010		167,872
2011		<u>29,000</u>
	\$	<u>500,036</u>

In addition, Caminar has monthly leases and guarantees lease payments in connection with its “Satellite Housing” programs. Under these programs, Caminar either leases the apartments and is reimbursed for a portion of the rental as they are subleased to participants in the programs, or guarantees the rental of leases undertaken by the participants. Most leases are on a month-to-month basis. Total rents paid for and collected from clients were approximately as follows:

		<u>2008</u>	<u>2007</u>
Amount collected	\$	950,000	\$ 910,000
Amount paid		995,000	1,000,000

NOTE 9 – TEMPORARILY RESTRICTED NET ASSETS

During the fiscal year ended June 30, 2003, the City of Las Vegas transferred the usage of seven condominiums to Caminar subject to compliance of Housing Opportunity for People with AIDS (HOPWA) program requirements. As the legal title was transferred, the fair value therefore was recorded as assets and temporarily restricted net assets. The restrictions will be released over the compliance terms of four to seven years. Should stated usage conditions not be met during this period, the properties would revert back to the City. As of June 30, 2007, three buildings had satisfied their compliance requirements and restrictions have been released accordingly. The restrictions on the other four buildings will not be released until their compliance periods end in the year ending June 30, 2010.

Temporarily restricted net assets as of June 30, 2008 and 2007 are as follows:

	<u>2008</u>			
	<u>June 30, 2007</u>	<u>Contributions</u>	<u>Releases from Restrictions</u>	<u>June 30, 2008</u>
Las Vegas Condos	\$ 77,133	\$ -	\$ (30,019)	\$ 47,114

	<u>2007</u>			
	<u>June 30, 2006</u>	<u>Contributions</u>	<u>Releases from Restrictions</u>	<u>June 30, 2007</u>
Las Vegas Condos	\$ 140,740	\$ -	\$ (63,607)	\$ 77,133

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2008 AND 2007

NOTE 10 – EMPLOYEE BENEFIT PLANS

Caminar established a 401(k) plan (the Plan) effective January 1, 2001 covering eligible employees after one year of service. Employees are vested as to employer contributions and earnings thereon after two additional years of service. Caminar contributes 25% of the participants' contributions to the Plan with a maximum per employee of 6% of their salary. Additional discretionary amounts may be contributed on an annual basis. For the years ended June 30, 2008 and 2007, Caminar contributed \$140,180 and \$145,664, respectively to the Plan.

In addition, Caminar also established a 403(b) plan and a 457(b) plan. The 403(b) plan is a voluntary employee contributions only plan. Caminar is the plan administrator, and owner, of the 457(b) Top Hat deferred compensation plan ("the Plan"). This Plan is maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees. The Plan became effective July 1, 2003. All contributions, which are equal to the amounts by which the participants have reduced their compensations pursuant to the Salary Reduction Agreements of the participants, have been made by Caminar. The participants are 100% vested in the balances of the participants' accounts attributable to elective deferrals. The value of the 457(b) plan assets was \$199,270 and \$220,264 as of June 30, 2008 and 2007, respectively.

NOTE 11 – NON-RECURRING INVESTMENT INCOME

To cope with the increase in workers' compensation insurance premiums, Caminar invested in EIG Mutual Holding Company (EIG) to gain access to the workers' compensation insurance premium pool. In March of 2007, Caminar received a cash distribution of \$201,535 from EIG Mutual Holding Company as consideration in exchange for Caminar's membership interest in that company. This distribution was generated because, on February 5, 2007, EIG Mutual Holding Company successfully consummated its conversion from a mutual holding company to a publicly traded stock company. Caminar elected to receive a cash distribution from this initial public offering and demutualization in full payment of its entire interest in the former company.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Forgivable Loans

In connection with the Laurel Creek facility located in Solano, California, Caminar executed a promissory note in the original amount of \$140,000 in favor of the City of Fairfield. The note bears no interest and is being forgiven at the rate of \$14,000 per year as long as Caminar operates the facility as agreed (See Note 13).

In connection with Eucalyptus House located in San Mateo, California, Caminar executed a promissory note in the original amount of \$175,000 in favor of the San Mateo County. The note is non-interest bearing and matures on July 22, 2016. Of the total \$175,000, \$50,000 has been repaid and the remaining balance will be forgiven on July 22, 2016 if the agreement is not in default (See Note 13).

In connection with Avenidas Gardens located in Chico, California, Caminar executed a promissory note in the original amount of \$144,000 in favor of Tri-Counties Bank for the construction of Avenidas. The note is non-interest bearing and the principal shall be forgiven 15 years after the issuance of a certification of occupancy in December 2022 (See Note 13).

In connection with Avenidas Gardens (Housing Project) located in Chico, California, Caminar executed a promissory note in the original amount of \$250,000 in favor of the City of Chico for the construction of Avenidas. The note bears 3% simple interest and matures on October 30, 2035. Payments of interest and principal shall be deferred until Caminar sells, refinances or transfers the Housing Project. If Caminar is in full compliance with the conditions set forth in the loan agreement, Caminar will have no obligation to repay any accrued and unpaid interest in October 2024. In addition, the principal balance will be forgiven and the loan shall become a grant in October 2025.

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2008 AND 2007

In connection with Avenidas Gardens (Housing Project) located in Chico, California, Caminar executed a promissory note in the original amount of \$555,000 in favor of the City of Chico Redevelopment Agency for the construction of Avenidas. The note bears 2% simple interest from August 2007 through August 2032, and matures on June 14, 2062. The note requires annual payments of \$8,500 payable to the extent of 75% of the annual available residual receipts, as defined in the loan agreement. The payments will be applied towards outstanding interest during the first 25 years. If the residual receipts are insufficient to make the annual interest payment, the unpaid interest shall be deferred. Any accrued and unpaid interest will be forgiven between 2033 and 2043 at the rate of 10% per year. Effective in 2033, the annual payment shall be applied towards the outstanding principal. If Caminar is in full compliance with the conditions set forth in the loan agreement, the remaining principal balance will be forgiven and the loan shall become a grant in August 2062. If the Housing Project is sold, refinanced or otherwise transferred prior to the end of the term of the loan agreement, all principal and interest outstanding then shall be due and payable in full. It is management's intent to comply with these restrictions through out the term of the loan, and management estimated that the Housing Project will not generate any residual receipts in the future, and accordingly, recognized the loan and accrued interest as revenue.

Lawsuit

A lawsuit was filed against Caminar regarding an incident with a housing client which occurred on October 19, 2005. The pled case of action against Caminar alleged negligence. Both parties have reached a settlement agreement; however the case was outstanding as of June 30, 2008 due to the client's refusal to sign the settlement agreement document. Any claims will be covered by Caminar's insurance policies. Accordingly, the financial statements do not reflect any contingent liability.

Other Commitments

Caminar owns a small house that contains asbestos. Caminar has no plans to renovate or demolish the home at this time. Caminar is not aware of any need for major renovations caused by operational or other factors. Caminar has concluded that it does not have the information needed to estimate the cost to remove the asbestos and consequently cannot reasonably estimate the fair value of the liability.

Caminar administers programs which uses funds from various federal, state, and local agencies, and are subject to financial and compliance review by the grantors. Accordingly, Caminar's compliance with applicable grant requirements will be determined at some future date. Expenditures, if any, which may be disallowed by the granting agencies cannot be determined at this time. Caminar does not expect that disallowed expenditures, if any, to materially affect the financial statements.

CAMINAR
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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2008 AND 2007

NOTE 13 – RESTATEMENTS OF FINANCIAL STATEMENTS

Correction of errors in previously issued financial statements

Certain errors were discovered during 2007 which resulted in the net increase of the previously reported net assets. Details follow:

	<i>Unrestricted Net Assets</i>	<i>Temporarily Restricted Net Assets</i>	<i>Total</i>
Net assets at June 30, 2006, as previously reported	\$ 2,107,596	\$ 50,190	\$ 2,157,786
Understatement of revenue ⁽¹⁾	1,130,523	-	1,130,523
Understatement of revenue ⁽²⁾	199,278	140,740	340,018
Understatement of depreciation ⁽²⁾	(19,347)	-	(19,347)
Understatement of revenue ⁽³⁾	181,000	-	181,000
Understatement of long-term liabilities ⁽⁴⁾	(30,000)	-	(30,000)
Understatement of deferred revenue and other liabilities ⁽⁵⁾	-	(50,190)	(50,190)
Understatement of investment in other companies ⁽⁶⁾	27,727	-	27,727
Net assets at June 30, 2006, as restated	<u>\$ 3,596,777</u>	<u>\$ 140,740</u>	<u>\$ 3,737,517</u>

⁽¹⁾ As mentioned in Note 2 to the financial statements, Caminar revised its revenue recognition accounting policies in connection with construction related government grants.

⁽²⁾ As mentioned in Note 9 to the financial statements, the City of Las Vegas transferred the usage of seven condominiums to Caminar in February 2003. Previously, Caminar recorded the fair value of the seven condominiums as deferred revenue when the legal title was transferred, and did not start depreciating the assets until January 2007. Since the City of Las Vegas received no value in exchange for the assets transferred, a temporarily restricted contribution should have been recognized in February 2003. Depreciation of the properties should have commenced when they were placed in service upon the transfer of the title.

⁽³⁾ As mentioned in Note 12 to the financial statements, Caminar had executed several promissory notes in prior years which contain forgiveness provisions. Previously, to be conservative, Caminar disclosed them as liabilities. Effective July 1, 2006, management decided to recognize these loans as grant revenue, since the likelihood of Caminar not being in compliance with the agreement terms is remote; therefore, no repayment would be required.

⁽⁴⁾ In 2003, Caminar received \$30,000 from the San Mateo County in connection with the Redwood Housing Kitchen Renovation project. It was discovered during 2008 that a deed of trust, a promissory note and a program contract agreement were executed on September 23, 2003 which specify the interest rate and repayment terms of the loan agreement (see Note 7). Caminar had previously recorded this loan as grant revenue.

CAMINAR

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NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2008 AND 2007

- ⁽⁵⁾ Caminar has been serving as fiscal agent for another entity and earning an annual administrative fee since June 2001. Accounting principals generally accepted in the United States of America requires that when not-for-profit organizations act as agents, trustees, or intermediaries, and if they have little or no discretion in determining the use of assets transferred to them, cash or other financial assets received should be reported as increases in assets and liabilities; distributions should be reported as decreases in those accounts. Accordingly, any income or loss as result of the fiscal agent transaction should be reversed.
- ⁽⁶⁾ As mentioned in Note 3 to the financial statements, Caminar has certain ownership interests in Caminar Software, Inc. None of the Caminar Software Inc.'s activities has been previously recorded by Caminar.

SUPPLEMENTARY INFORMATION

CAMINAR
(A California Nonprofit Public Benefit Corporation)
SCHEDULES OF OPERATING EXPENSES BY REGION
YEARS ENDED JUNE 30, 2008 AND 2007

	2008						Total
	<i>San Mateo Region</i>	<i>Solano Region</i>	<i>Butte Region</i>	<i>Nevada Region</i>	<i>Central Admin</i>	<i>Agency Assets/Misc.</i>	
Salaries and wages	\$ 4,281,708	\$ 888,947	\$ 1,111,930	\$ 318,194	\$ 825,890	\$ 6,058	\$ 7,432,727
Payroll taxes and benefits	1,004,181	220,738	329,477	90,557	158,262	8,171	1,811,386
Rent and occupancy (Note 8)	994,236	256,760	26,880	136,972	105,564	9,235	1,529,647
Professional fees	677,100	13,586	1,011	73,023	122,869	22,689	910,278
Equipment and equipment maintenance	369,370	124,701	48,884	83,702	27,195	1,085	654,937
Transportation, travel and training	259,306	36,096	71,938	17,988	52,631	-	437,959
Office supplies	83,132	55,715	19,617	6,017	24,712	281	189,474
Taxes and insurance	144,202	44,821	31,244	33,685	4,010	3,099	261,061
Client subsidies	146,076	29,616	21,339	18,426	-	-	215,457
Telephone	118,657	20,261	20,390	10,426	27,864	2,712	200,310
Utilities	48,205	27,739	12,565	44,667	-	223	133,399
Interest	51,483	29,053	-	-	25,385	-	105,921
Staff functions and retreat	22,009	4,700	4,148	988	14,693	81	46,619
Dues and subscriptions	4,872	860	2,795	882	5,208	-	14,617
Miscellaneous	29,716	5,378	1,199	2,654	22,219	(2)	61,164
Total expenses before depreciation and amortization	8,234,253	1,758,971	1,703,417	838,181	1,416,502	53,632	14,004,956
Depreciation and amortization	78,459	22,265	-	437	9,092	64,813	175,066
Total program expenses before allocation of administrative expenses	8,312,712	1,781,236	1,703,417	838,618	1,425,594	118,445	14,180,022
Allocation of administrative expenses	931,826	199,669	190,947	93,053	(1,425,594)	10,099	-
Total expenses	\$ 9,244,538	\$ 1,980,905	\$ 1,894,364	\$ 931,671	\$ -	\$ 128,544	\$ 14,180,022

CAMINAR
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SCHEDULES OF OPERATING EXPENSES BY REGION
YEARS ENDED JUNE 30, 2008 AND 2007

	2007						Total
	<i>San Mateo Region</i>	<i>Solano Region</i>	<i>Butte Region</i>	<i>Nevada Region</i>	<i>Central Admin</i>	<i>Agency Assets/Misc.</i>	
Salaries and wages	\$ 4,108,106	\$ 936,816	\$ 1,148,417	\$ 435,101	\$ 670,716	\$ 5,796	\$ 7,304,952
Payroll taxes and benefits	983,140	255,809	318,718	116,955	145,407	31,007	1,851,036
Rent and occupancy (Note 8)	954,233	269,574	26,736	123,230	100,836	7,674	1,482,283
Professional fees	498,214	14,308	1,418	23,996	199,460	32,619	770,015
Equipment and equipment maintenance	296,059	38,932	39,871	62,170	23,380	-	460,412
Transportation, travel and training	184,409	32,428	58,288	36,166	53,935	-	365,226
Office supplies	155,108	18,133	21,494	8,484	33,141	138	236,498
Taxes and insurance	133,136	38,419	20,432	39,656	10,960	375	242,978
Client subsidies	119,607	52,800	11,295	28,692	10	-	212,404
Telephone	108,791	31,007	19,626	10,223	25,158	1,601	196,406
Utilities	40,902	31,865	6,738	37,451	-	-	116,956
Interest	51,446	33,345	-	-	8,881	-	93,672
Staff functions and retreat	24,230	3,993	1,312	1,640	12,636	-	43,811
Dues and subscriptions	16,081	2,586	2,893	644	11,718	-	33,922
Miscellaneous	32,020	1,251	2,045	2,595	(11,185)	14,030	40,756
Total expenses before depreciation and amortization	7,705,482	1,761,266	1,679,283	927,003	1,285,053	93,240	13,451,327
Depreciation and amortization	73,965	24,234	2,166	9,354	4,527	5,732	119,980
Total program expenses before allocation of administrative expenses	7,779,447	1,785,500	1,681,449	936,357	1,289,580	98,972	13,571,307
Allocation of administrative expenses	816,841	187,478	176,552	98,461	(1,289,580)	10,248	-
Total expenses	\$ 8,596,288	\$ 1,972,978	\$ 1,858,001	\$ 1,034,818	\$ -	\$ 109,220	\$ 13,571,307

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SCHEDULES OF OPERATING EXPENSES FOR SAN MATEO COUNTY

YEARS ENDED JUNE 30, 2008 AND 2007

	2008												
	<i>Crisis Residential</i>	<i>Transitional Residential</i>	<i>Reach</i>	<i>New Ventures</i>	<i>WRAP</i>	<i>Supported Ed/Employ</i>	<i>TAY</i>	<i>YAIL</i>	<i>Supported Housing</i>	<i>Contractors Association</i>	<i>Consumer Run</i>	<i>Jobs Plus</i>	<i>Total Program</i>
Salaries and wages	\$ 724,600	\$ 763,661	\$ 784,729	\$ 734,336	\$ 26,645	\$ 147,432	\$ 97,146	\$ 219,334	\$ 96,477	\$ 5,815	\$ -	\$ 681,533	\$ 4,281,708
Payroll taxes and benefits	181,406	171,335	181,512	163,752	7,502	43,744	20,511	53,815	22,812	1,138	22,098	134,556	1,004,181
Rent and occupancy (Note 8)	2,246	2,334	58,443	172,068	-	6,536	301	659	672,789	77	30,264	48,519	994,236
Professional fees	78,368	44,757	126,407	118,741	-	9,186	-	(240)	5,660	81,451	212,770	-	677,100
Equipment and equipment maintenance	77,856	134,031	26,313	60,994	-	138	40	47,487	12,533	1	5,114	4,863	369,370
Transportation, travel and training	10,698	31,358	65,773	65,301	1,388	8,716	2,554	12,857	4,223	7,230	8,410	40,798	259,306
Office supplies	482	14,592	11,629	39,383	-	1,107	180	3,091	418	84	4,062	8,104	83,132
Taxes and insurance	23,310	31,890	20,792	22,466	-	2,757	1,481	6,806	13,667	884	7,510	12,639	144,202
Client subsidies	25,550	52,683	19,697	7,690	-	579	1,427	7,613	-	-	20,719	10,118	146,076
Telephone	8,519	14,564	42,878	29,697	-	224	154	5,485	-	149	3,674	13,313	118,657
Utilities	20,643	17,230	24	491	-	-	-	1,599	4,297	-	3,921	-	48,205
Interest	3,904	38,089	63	-	-	-	-	-	9,427	-	-	-	51,483
Staff functions and retreat	941	748	4,737	12,623	-	100	48	740	290	106	1,040	636	22,009
Dues and subscriptions	1,433	2,206	157	679	-	35	28	38	81	4	165	46	4,872
Miscellaneous	8,026	8,422	3,767	7,021	-	444	7	997	4	-	290	738	29,716
Total expenses before depreciation and amortization	1,167,982	1,327,900	1,346,921	1,435,242	35,535	220,998	123,877	360,281	842,678	96,939	320,037	955,863	8,234,253
Depreciation and amortization	27,099	31,308	13,536	636	-	-	-	-	4,657	-	-	1,223	78,459
Total program expenses before allocation of administrative expenses	1,195,081	1,359,208	1,360,457	1,435,878	35,535	220,998	123,877	360,281	847,335	96,939	320,037	957,086	8,312,712
Allocation of administrative expenses	133,964	152,362	152,502	160,957	3,983	24,773	13,886	40,386	94,983	10,867	35,875	107,288	931,826
Total expenses	\$ 1,329,045	\$ 1,511,570	\$ 1,512,959	\$ 1,596,835	\$ 39,518	\$ 245,771	\$ 137,763	\$ 400,667	\$ 942,318	\$ 107,806	\$ 355,912	\$ 1,064,374	\$ 9,244,538

CAMINAR

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SCHEDULES OF OPERATING EXPENSES FOR SAN MATEO COUNTY

YEARS ENDED JUNE 30, 2008 AND 2007

	2007												
	<i>Crisis Residential</i>	<i>Transitional Residential</i>	<i>Reach</i>	<i>New Ventures</i>	<i>WRAP</i>	<i>Supported Ed/Employ</i>	<i>TAY</i>	<i>YAIL</i>	<i>Contractors Association</i>	<i>Heart and Soul</i>	<i>Property Mgmt</i>	<i>Jobs Plus</i>	<i>Total Program</i>
Salaries and wages	\$ 666,685	\$ 694,197	\$ 757,934	\$ 767,013	\$ 5,213	\$ 183,836	\$ 69,210	\$ 188,097	\$ 881	\$ -	\$ -	\$ 775,040	\$ 4,108,106
Payroll taxes and benefits	174,001	165,603	173,524	202,653	1,406	40,401	16,005	47,339	78	18,907	-	143,223	983,140
Rent and occupancy (Note 8)	-	-	46,300	131,236	-	3,389	-	-	-	25,378	709,098	38,832	954,233
Professional fees	68,336	6,801	125,842	99,870	-	5,922	5,092	1,289	45,000	140,062	-	-	498,214
Equipment and equipment maintenance	81,127	134,706	17,010	24,578	-	-	372	28,295	-	4,816	-	5,155	296,059
Transportation, travel and training	2,316	7,054	56,930	48,531	77	2,923	1,168	5,356	-	6,861	-	53,193	184,409
Office supplies	8,215	25,067	22,172	74,068	-	2,218	433	3,726	-	7,403	-	11,806	155,108
Taxes and insurance	21,095	33,197	21,624	18,476	143	2,281	1,146	6,340	30	8,088	10,871	9,845	133,136
Client subsidies	22,329	42,205	13,242	15,148	-	495	2,050	2,954	-	14,272	-	6,912	119,607
Telephone	7,896	12,174	36,873	32,626	-	41	60	6,329	-	3,847	-	8,945	108,791
Utilities	17,630	17,498	1,388	1,497	-	-	-	1,047	-	1,842	-	-	40,902
Interest	57	41,527	595	-	-	-	-	-	-	-	9,267	-	51,446
Staff functions and retreat	1,241	1,319	4,516	11,694	-	971	342	431	-	699	-	3,017	24,230
Dues and subscriptions	2,277	3,897	1,923	3,249	-	320	323	641	-	-	-	3,451	16,081
Miscellaneous	4,038	4,802	4,010	(7,917)	-	1,005	244	1,048	-	24,273	-	517	32,020
Total expenses before depreciation and amortization	1,077,243	1,190,047	1,283,883	1,422,722	6,839	243,802	96,445	292,892	45,989	256,448	729,236	1,059,936	7,705,482
Depreciation and amortization	24,391	29,987	12,897	-	-	-	-	2,100	-	-	4,590	-	73,965
Total program expenses before allocation of administrative expenses	1,101,634	1,220,034	1,296,780	1,422,722	6,839	243,802	96,445	294,992	45,989	256,448	733,826	1,059,936	7,779,447
Allocation of administrative expenses	115,674	128,104	136,162	149,386	718	25,599	10,127	30,974	4,829	26,927	77,049	111,292	816,841
Total expenses	\$ 1,217,308	\$ 1,348,138	\$ 1,432,942	\$ 1,572,108	\$ 7,557	\$ 269,401	\$ 106,572	\$ 325,966	\$ 50,818	\$ 283,375	\$ 810,875	\$ 1,171,228	\$ 8,596,288

CAMINAR
(A California Nonprofit Public Benefit Corporation)
SCHEDULES OF OPERATING EXPENSES FOR SOLANO COUNTY
YEARS ENDED JUNE 30, 2008 AND 2007

	2008									
	<i>SAIL</i>	<i>Path Grant</i>	<i>SAMHSA</i>	<i>Supported Housing</i>	<i>Supported Employment</i>	<i>Laurel Creek</i>	<i>Sereno Village</i>	<i>Laurel Gardens</i>	<i>Jobs Plus</i>	<i>Total Program</i>
Salaries and wages	\$ 114,793	\$ 17,322	\$ 12,070	\$ 33,355	\$ 34,923	\$ 579,894	\$ 22,917	\$ 38,569	\$ 35,104	\$ 888,947
Payroll taxes and benefits	31,367	6,351	2,637	9,047	6,596	144,032	7,343	9,675	3,690	220,738
Rent and occupancy (Note 8)	6,450	300	37,245	161,677	550	889	47,748	500	1,401	256,760
Professional fees	244	48	16	5,896	88	6,944	46	80	224	13,586
Equipment and equipment maintenance	4,366	789	169	11,310	6,335	91,786	979	2,496	6,471	124,701
Transportation, travel and training	10,084	389	65	925	4,753	14,555	1,408	1,067	2,850	36,096
Office supplies	9,254	1,762	676	2,279	3,309	22,027	2,074	5,759	8,575	55,715
Taxes and insurance	2,658	612	1,110	4,494	972	32,346	1,606	1,000	23	44,821
Client subsidies	722	450	-	1,806	410	24,102	1,046	1,050	30	29,616
Telephone	2,636	517	10	1,140	88	13,239	1,241	1,162	228	20,261
Utilities	337	894	3	273	19	26,139	10	17	47	27,739
Interest	-	-	-	-	-	29,053	-	-	-	29,053
Staff functions and retreat	392	32	32	228	-	3,820	86	110	-	4,700
Dues and subscriptions	-	-	-	-	-	860	-	-	-	860
Miscellaneous	107	13	4	240	24	4,894	13	22	61	5,378
Total expenses before depreciation and amortization	183,410	29,479	54,037	232,670	58,067	994,580	86,517	61,507	58,704	1,758,971
Depreciation and amortization	-	-	-	-	-	22,265	-	-	-	22,265
Total program expenses before allocation of administrative expenses	183,410	29,479	54,037	232,670	58,067	1,016,845	86,517	61,507	58,704	1,781,236
Allocation of administrative expenses	20,559	3,304	6,057	26,081	6,509	113,985	9,698	6,895	6,581	199,669
Total expenses	\$ 203,969	\$ 32,783	\$ 60,094	\$ 258,751	\$ 64,576	\$ 1,130,830	\$ 96,215	\$ 68,402	\$ 65,285	\$ 1,980,905

CAMINAR

(A California Nonprofit Public Benefit Corporation)

SCHEDULES OF OPERATING EXPENSES FOR SOLANO COUNTY

YEARS ENDED JUNE 30, 2008 AND 2007

	2007									
	<i>SAIL</i>	<i>Path Grant</i>	<i>SAMHSA</i>	<i>Laurel Creek</i>	<i>Circle of Friends</i>	<i>Nueva Vida</i>	<i>Sereno Village</i>	<i>Laurel Gardens</i>	<i>NPHA</i>	<i>Total Program</i>
Salaries and wages	\$ 136,927	\$ 30,037	\$ 7,617	\$ 535,407	\$ 51,053	\$ 73,756	\$ 36,862	\$ 61,059	\$ 4,098	\$ 936,816
Payroll taxes and benefits	38,008	9,233	1,613	143,720	16,359	20,180	9,350	16,350	996	255,809
Rent and occupancy (Note 8)	103,826	2,000	83,190	-	24,360	6,900	49,298	-	-	269,574
Professional fees	-	-	-	13,998	30	280	-	-	-	14,308
Equipment and equipment maintenance	5,325	4,015	321	22,989	3,300	1,578	588	704	112	38,932
Transportation, travel and training	9,188	1,410	775	10,754	4,155	554	3,747	1,758	87	32,428
Office supplies	1,463	202	135	10,090	4,113	1,132	670	305	23	18,133
Taxes and insurance	5,685	348	887	23,273	3,273	2,231	1,881	765	76	38,419
Client subsidies	743	534	450	21,319	25,601	2,728	798	481	146	52,800
Telephone	5,065	148	121	13,132	5,928	3,915	1,641	906	151	31,007
Utilities	582	584	586	18,077	10,298	1,700	38	-	-	31,865
Interest	-	-	-	33,345	-	-	-	-	-	33,345
Staff functions and retreat	667	105	105	2,429	-	-	359	262	66	3,993
Dues and subscriptions	-	-	-	2,586	-	-	-	-	-	2,586
Miscellaneous	700	-	-	1,043	(476)	(166)	150	-	-	1,251
Total expenses before depreciation and amortization	308,179	48,616	95,800	852,162	147,994	114,788	105,382	82,590	5,755	1,761,266
Depreciation and amortization	-	-	-	24,234	-	-	-	-	-	24,234
Total program expenses before allocation of administrative expenses	308,179	48,616	95,800	876,396	147,994	114,788	105,382	82,590	5,755	1,785,500
Allocation of administrative expenses	32,359	5,105	10,059	92,022	15,539	12,053	11,065	8,672	604	187,478
Total expenses	\$ 340,538	\$ 53,721	\$ 105,859	\$ 968,418	\$ 163,533	\$ 126,841	\$ 116,447	\$ 91,262	\$ 6,359	\$ 1,972,978

CAMINAR

(A California Nonprofit Public Benefit Corporation)

SCHEDULES OF OPERATING EXPENSES FOR BUTTE COUNTY

YEARS ENDED JUNE 30, 2008 AND 2007

	2008									
	<i>Mental Health Services</i>	<i>Avenidas Services</i>	<i>Life Skills</i>	<i>Friendship Circle</i>	<i>Attendant</i>	<i>Access Plus</i>	<i>Jobs Plus</i>	<i>Work Crew</i>	<i>Situational Assessment</i>	<i>Total Program</i>
Salaries and wages	\$ 196,308	\$ 22,163	\$ 175,176	\$ 87,896	\$ 54,659	\$ 426,440	\$ 101,114	\$ 19,668	\$ 28,506	\$ 1,111,930
Payroll taxes and benefits	48,333	3,224	66,556	27,025	8,105	125,555	36,458	2,994	11,227	329,477
Rent and occupancy (Note 8)	9,369	-	3,768	1,080	510	8,193	3,555	405	-	26,880
Professional fees	-	1,011	-	-	-	-	-	-	-	1,011
Equipment and equipment maintenance	28,731	5,557	1,324	563	354	3,819	1,571	6,671	294	48,884
Transportation, travel and training	6,581	158	21,535	8,002	9,434	12,104	11,672	1,642	810	71,938
Office supplies	2,315	261	3,563	1,399	664	7,395	3,354	293	373	19,617
Taxes and insurance	6,710	8,964	2,998	1,663	692	7,147	2,066	361	643	31,244
Client subsidies	3,368	1,838	848	2,044	85	7,850	547	376	4,383	21,339
Telephone	4,105	1,786	1,223	588	278	10,196	1,935	124	155	20,390
Utilities	1,063	5,576	1,076	499	319	2,613	1,016	177	226	12,565
Interest	-	-	-	-	-	-	-	-	-	-
Staff functions and retreat	167	73	987	712	57	1,158	948	30	16	4,148
Dues and subscriptions	100	51	84	84	-	84	647	1,745	-	2,795
Miscellaneous	374	-	211	184	12	301	105	6	6	1,199
Total expenses before depreciation and amortization	307,524	50,662	279,349	131,739	75,169	612,855	164,988	34,492	46,639	1,703,417
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Total program expenses before allocation of administrative expenses	307,524	50,662	279,349	131,739	75,169	612,855	164,988	34,492	46,639	1,703,417
Allocation of administrative expenses	34,473	5,679	31,314	14,768	8,426	68,699	18,494	3,866	5,228	190,947
Total expenses	\$ 341,997	\$ 56,341	\$ 310,663	\$ 146,507	\$ 83,595	\$ 681,554	\$ 183,482	\$ 38,358	\$ 51,867	\$ 1,894,364

CAMINAR

(A California Nonprofit Public Benefit Corporation)

SCHEDULES OF OPERATING EXPENSES FOR BUTTE COUNTY

YEARS ENDED JUNE 30, 2008 AND 2007

	2007											
	<i>Mental Health Services</i>	<i>Life Skills</i>	<i>Friendship Circle</i>	<i>Senior Ties</i>	<i>Attendant</i>	<i>Access Plus</i>	<i>Jobs Plus</i>	<i>Employment Services</i>	<i>Work Crew</i>	<i>ESA PSA</i>	<i>Total Program</i>	<i>Butte Region</i>
Salaries and wages	\$ 174,040	\$ 157,358	\$ 59,315	\$ 50,476	\$ 38,312	\$ 447,149	\$ 134,188	\$ 35,828	\$ 19,945	\$ 31,806	\$ 1,148,417	\$ 1,148,417
Payroll taxes and benefits	43,412	56,999	17,450	13,776	8,898	114,118	36,376	12,628	3,126	11,935	318,718	318,718
Rent and occupancy (Note 8)	7,032	3,943	1,186	478	762	9,256	2,656	704	410	309	26,736	26,736
Professional fees	395	54	-	-	-	-	533	-	(51)	487	1,418	1,418
Equipment and equipment maintenance	27,439	1,568	490	841	353	4,023	1,406	212	3,324	215	39,871	39,871
Transportation, travel and training	3,075	16,196	4,686	2,639	2,797	10,508	14,636	1,386	1,153	1,212	58,288	58,288
Office supplies	3,326	3,038	1,013	747	763	7,580	3,793	469	311	454	21,494	21,494
Taxes and insurance	5,785	2,506	975	938	549	6,076	2,199	478	357	569	20,432	20,432
Client subsidies	837	602	1,711	2,939	17	4,052	995	106	13	23	11,295	11,295
Telephone	3,716	2,249	714	533	555	9,709	1,247	333	236	334	19,626	19,626
Utilities	1,406	1,004	315	264	247	2,432	684	152	94	140	6,738	6,738
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Staff functions and retreat	164	159	66	55	37	405	356	22	25	23	1,312	1,312
Dues and subscriptions	145	127	108	47	7	222	575	84	1,573	5	2,893	2,893
Miscellaneous	(30)	202	258	115	1	401	863	91	74	70	2,045	2,045
Total expenses before depreciation and amortization	270,742	246,005	88,287	73,848	53,298	615,931	200,507	52,493	30,590	47,582	1,679,283	1,679,283
Depreciation and amortization	2,166	-	-	-	-	-	-	-	-	-	2,166	2,166
Total program expenses before allocation of administrative expenses	272,908	246,005	88,287	73,848	53,298	615,931	200,507	52,493	30,590	47,582	1,681,449	1,681,449
Allocation of administrative expenses	28,655	25,831	9,270	7,754	5,596	64,673	21,053	5,512	3,212	4,996	176,552	176,552
Total expenses	\$ 301,563	\$ 271,836	\$ 97,557	\$ 81,602	\$ 58,894	\$ 680,604	\$ 221,560	\$ 58,005	\$ 33,802	\$ 52,578	\$ 1,858,001	\$ 1,858,001

CAMINAR
(A California Nonprofit Public Benefit Corporation)
SCHEDULES OF OPERATING EXPENSES FOR NEVADA REGION
YEARS ENDED JUNE 30, 2008 AND 2007

	2008										
	<i>Ryan White</i>	<i>Ryan White</i>	<i>HOPWA</i>	<i>SHP Funded</i>			<i>AFAN</i>	<i>Friends of</i>	<i>CDBG</i>	<i>Total</i>	
	<i>Title I</i>	<i>Title I</i>	<i>Property</i>	<i>HOPWA</i>	<i>Acacia</i>	<i>Pedregal</i>		<i>Caminar</i>			<i>Program</i>
<i>Part A</i>	<i>Part B</i>	<i>Case Mgmt</i>	<i>SAIL</i>	<i>Gardens</i>	<i>House</i>						
Salaries and wages	\$ 118,759	\$ 73,432	\$ 6,588	\$ 15,674	\$ 35,954	\$ 67,787	\$ -	\$ -	\$ -	\$ 318,194	
Payroll taxes and benefits	39,567	19,195	3,015	5,102	10,899	12,779	-	-	-	90,557	
Rent and occupancy (Note 8)	57,151	36,208	1,249	21,225	6,806	14,333	-	-	-	136,972	
Professional fees	24,889	9,654	4,223	1,537	15,878	16,842	-	-	-	73,023	
Equipment and equipment maintenance	14,005	2,217	31,251	519	16,676	11,890	-	21	7,123	83,702	
Transportation, travel and training	15,058	1,123	203	246	439	671	-	248	-	17,988	
Office supplies	2,243	923	130	591	462	1,668	-	-	-	6,017	
Taxes and insurance	13,264	4,316	4,868	907	1,914	5,535	2,867	10	4	33,685	
Client subsidies	110	15,520	93	44	14	809	-	1,836	-	18,426	
Telephone	5,184	1,983	144	295	771	2,049	-	-	-	10,426	
Utilities	6,112	1,350	24,802	332	9,172	2,899	-	-	-	44,667	
Interest	-	-	-	-	-	-	-	-	-	-	
Staff functions and retreat	286	119	14	26	64	323	-	156	-	988	
Dues and subscriptions	422	120	24	27	70	219	-	-	-	882	
Miscellaneous	33	39	4	3	10	2,565	-	-	-	2,654	
Total expenses before depreciation and amortization	297,083	166,199	76,608	46,528	99,129	140,369	2,867	2,271	7,127	838,181	
Depreciation and amortization	-	-	-	-	437	-	-	-	-	437	
Total program expenses before allocation of administrative expenses	297,083	166,199	76,608	46,528	99,566	140,369	2,867	2,271	7,127	838,618	
Allocation of administrative expenses	33,205	18,045	8,663	5,154	10,879	15,737	320	254	796	93,053	
Total expenses	\$ 330,288	\$ 184,244	\$ 85,271	\$ 51,682	\$ 110,445	\$ 156,106	\$ 3,187	\$ 2,525	\$ 7,923	\$ 931,671	

CAMINAR
(A California Nonprofit Public Benefit Corporation)
SCHEDULES OF OPERATING EXPENSES FOR NEVADA REGION
YEARS ENDED JUNE 30, 2008 AND 2007

	2007										
	<i>Ryan White</i>	<i>Ryan White</i>	<i>HOPWA</i>	<i>HOPWA</i>	<i>HOPWA</i>	<i>SHP Funded</i>	<i>Pedregal</i>	<i>MGM</i>	<i>AFAN</i>	<i>Friends of</i>	<i>Total</i>
	<i>Title I</i>	<i>Title I</i>	<i>Property</i>	<i>HOPWA</i>	<i>Acacia</i>	<i>Acacia</i>	<i>House</i>	<i>Grant</i>		<i>Caminar</i>	<i>Program</i>
	<i>Part A</i>	<i>Part B</i>	<i>Case Mgmt</i>	<i>SAIL</i>	<i>MATCH</i>	<i>Gardens</i>					
Salaries and wages	\$ 157,191	\$ 24,308	\$ 25,075	\$ 6,622	\$ 5,316	\$ 21,414	\$ 170,228	\$ 24,947	\$ -	\$ -	\$ 435,101
Payroll taxes and benefits	47,147	6,639	5,249	1,670	1,174	4,678	42,726	7,672	-	-	116,955
Rent and occupancy (Note 8)	73,959	19,271	4,945	20,852	-	-	-	4,203	-	-	123,230
Professional fees	16,658	6,871	347	-	-	-	120	-	-	-	23,996
Equipment and equipment maintenance	5,745	29	23,728	815	8,278	19,319	3,811	403	-	42	62,170
Transportation, travel and training	17,171	4,000	-	-	-	-	8,146	5,298	-	1,551	36,166
Office supplies	2,029	4,601	596	234	-	-	(222)	702	-	544	8,484
Taxes and insurance	15,363	205	5,970	324	1,156	2,318	10,558	1,937	1,819	6	39,656
Client subsidies	294	26,000	62	-	-	-	1,350	80	-	906	28,692
Telephone	8,144	-	622	205	-	-	800	452	-	-	10,223
Utilities	5,534	292	25,509	313	3,970	1,445	-	388	-	-	37,451
Interest	-	-	-	-	-	-	-	-	-	-	-
Staff functions and retreat	-	-	-	-	984	-	586	-	-	70	1,640
Dues and subscriptions	-	-	-	-	-	-	644	-	-	-	644
Miscellaneous	-	-	-	-	-	-	2,585	-	-	10	2,595
Total expenses before depreciation and amortization	349,235	92,216	92,103	31,035	20,878	49,174	241,332	46,082	1,819	3,129	927,003
Depreciation and amortization	-	-	-	-	2,338	7,016	-	-	-	-	9,354
Total program expenses before allocation of administrative expenses	349,235	92,216	92,103	31,035	23,216	56,190	241,332	46,082	1,819	3,129	936,357
Allocation of administrative expenses	36,667	9,683	9,815	3,259	2,438	5,900	25,340	4,839	191	329	98,461
Total expenses	\$ 385,902	\$ 101,899	\$ 101,918	\$ 34,294	\$ 25,654	\$ 62,090	\$ 266,672	\$ 50,921	\$ 2,010	\$ 3,458	\$ 1,034,818