

KALIFEH, BEDSOLE & COMPANY, P.C.

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INDEPENDENT AUDITORS' REPORT

The Board of Regents
Elevator Escalator Safety Foundation, Inc.
Mobile, Alabama

We have audited the accompanying statements of assets, liabilities and net assets of Elevator Escalator Safety Foundation, Inc. (a non-profit corporation) as of December 31, 2008 and 2007 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation'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 provided 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 Elevator Escalator Safety Foundation, Inc. at December 31, 2008 and 2007, and the results of its activities and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Kalifeh, Bedsole & Company, P.C.

Mobile, Alabama
February 24, 2009

ELEVATOR ESCALATOR SAFETY FOUNDATION, INC.

Statement of Assets, Liabilities and Net Assets

	December 31,	
	<u>2008</u>	<u>2007</u>
Assets		
Cash and certificates of deposits	\$ 196,873	\$ 133,154
Investments	111,795	133,592
Accounts receivable	53,292	45,829
Inventory	50,782	47,071
Prepaid expenses	5,000	1,800
Property and equipment, net	2,200	825
Research and development, net	<u>-0-</u>	<u>-0-</u>
	<u>\$ 419,942</u>	<u>\$ 362,271</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 31,050	\$ 24,772
Accrued expenses	25,502	3,792
Payroll taxes payable	3,850	3,423
Contributions received in advance	<u>28,345</u>	<u>37,200</u>
	<u>88,747</u>	<u>69,187</u>
Net assets		
Unrestricted	179,259	120,988
Temporarily restricted	<u>151,936</u>	<u>172,096</u>
	<u>331,195</u>	<u>293,084</u>
	<u>\$ 419,942</u>	<u>\$ 362,271</u>

See Notes to Financial Statements

ELEVATOR ESCALATOR SAFETY FOUNDATION, INC.

Statement of Activities

	Year Ended	
	December 31,	
	2008	2007
Unrestricted net assets		
Support		
Contributions		
Corporate	\$ 241,396	\$ 181,280
Group	64,152	104,404
Individuals	11,638	15,194
Workplace campaign	67,695	54,472
In-kind	32,260	21,130
Corporate grants	500	500
Special events, less direct costs of special events of \$83,270 in 2007 and \$84,379 in 2008	<u>75,942</u>	<u>69,409</u>
Total support	<u>493,583</u>	<u>446,389</u>
Revenue		
Program sales	1,082	507
Payments from affiliates	42,790	17,909
Investment income	484	2,041
Miscellaneous	<u>(1,250)</u>	<u>766</u>
Total revenue	<u>43,106</u>	<u>21,223</u>
Total support and revenue	<u>536,689</u>	<u>467,612</u>
Expenses		
Safe-T-Rider Program – U.S. (Schedule 1)	188,454	150,011
Safe-T-Rider Program – Canada (Schedule 2)	24,284	15,674
A Safe Ride Program (Schedule 3)	575	4,744
Field Team (Schedule 4)	2,375	2,417
National Week and General Safety (Schedule 5)	10,386	10,064
Marketing (Schedule 6)	74,588	46,693
Program Services – Administration (Schedule 7)	28,005	22,416
Supporting Services – Administration (Schedule 8)	102,495	110,531
Supporting Services – Fund Raising (Schedule 9)	37,256	41,631
Transfers to restricted	<u>10,000</u>	<u>-0-</u>
Total expenses	<u>478,418</u>	<u>404,181</u>
Increase (decrease) in unrestricted net assets	<u>58,271</u>	<u>63,431</u>

ELEVATOR ESCALATOR SAFETY FOUNDATION, INC.

Statement of Activities - (continued)

	Year Ended December 31,	
	2008	2007
Temporarily restricted assets		
Transfers from unrestricted	10,000	-0-
Investment income, net of expenses	6,047	2,125
Increase/(Decrease) in market value	<u>(36,207)</u>	<u>4,807</u>
Increase/(Decrease) in temporarily restricted net assets	<u>(20,160)</u>	<u>6,932</u>
Increase (decrease) in net assets	<u>38,111</u>	<u>70,363</u>
Net assets		
Beginning of year	<u>293,084</u>	<u>222,721</u>
End of year	<u>\$ 331,195</u>	<u>\$ 293,084</u>

See notes to financial statements