

HOMEAID COLORADO

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

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FOR THE YEAR ENDED DECEMBER 31, 2015

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April 5, 2016

INDEPENDENT AUDITORS' REPORT

Board of Directors
Colorado Community Shelter Providers, Inc,
dba HomeAid Colorado
Centennial, Colorado

We have audited the accompanying financial statements of **Colorado Community Shelter Providers, Inc, dba HomeAid Colorado** (a Colorado nonprofit corporation), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Colorado Community Shelter Providers, Inc. as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Colorado Community Shelter Providers, Inc's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 7, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Taylor, Roth and Company PLLC
TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

HOMEAID COLORADO
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

	2015	2014
<u>Assets</u>		
Cash and cash equivalents - unrestricted	\$ 177,712	\$ 219,004
Cash and cash equivalents - temporarily restricted	250,000	250,000
Contributions receivable	740	-
Note receivable (Note 3)	90,000	-
Prepaid expenses	296	247
Investments	514	1,098
Net property and equipment (Note 4)	167	333
Total assets	\$ 519,429	\$ 470,682
 <u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 981	\$ 1,020
Accrued vacation liability	7,217	5,046
Total liabilities	8,198	6,066
 <u>Net assets</u>		
Unrestricted		
Operating	261,231	214,616
Temporarily restricted (Note 5)	250,000	250,000
Total net assets	511,231	464,616
Total liabilities and net assets	\$ 519,429	\$ 470,682

The accompanying notes are an integral part of these financial statements

HOMEAID COLORADO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
<u>Revenue and other support</u>				
Special event income	\$ 160,893	\$ -	\$ 160,893	\$ 113,415
less: direct event expenses	(19,683)	-	(19,683)	(13,263)
Foundations	33,123	30,000	63,123	71,376
Program fees	11,307	-	11,307	2,136
Contributions	11,198	-	11,198	33,148
Interest	232	-	232	434
Unrealized gain (loss) on investment	(159)	-	(159)	(2,784)
In-kind (Note 6)	162,728	-	162,728	123,180
Net assets released from restrictions (Note 7)	30,000	(30,000)	-	-
Total revenue and other support	<u>389,639</u>	<u>-</u>	<u>389,639</u>	<u>327,642</u>
<u>Expense</u>				
Program services	286,952	-	286,952	280,972
Supporting services				
Management and general	36,664	-	36,664	29,337
Fund-raising	19,408	-	19,408	16,923
Total expense	<u>343,024</u>	<u>-</u>	<u>343,024</u>	<u>327,232</u>
Change in net assets	46,615	-	46,615	410
Net assets, beginning of year	<u>214,616</u>	<u>250,000</u>	<u>464,616</u>	<u>464,206</u>
Net assets, end of year	<u>\$ 261,231</u>	<u>\$ 250,000</u>	<u>\$ 511,231</u>	<u>\$ 464,616</u>

The accompanying notes are an integral part of these financial statements

HOMEAID COLORADO

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2015 (WITH COMPARATIVE TOTALS FOR 2014)

	2015			2014	
	Shelter Development Program	Supporting Services		Total	Total
		Manage- ment and General	Fund- raising		
Salaries	\$ 107,692	\$ 13,462	\$ 13,461	\$ 134,615	\$ 122,231
Payroll taxes and benefits	30,069	3,759	3,759	37,587	31,056
In-kind construction labor	67,740	-	-	67,740	97,521
In-kind construction materials	23,979	-	1,026	25,005	21,159
In-kind legal	15,000	-	-	15,000	-
Insurance	9,593	2,217	-	11,810	5,184
Rent	7,135	3,375	880	11,390	11,596
Accounting and audit	-	6,450	-	6,450	5,470
Advertising	4,940	-	-	4,940	8,581
Program expenses	4,096	-	-	4,096	1,967
Travel	3,575	-	-	3,575	2,691
Contract services	-	3,554	-	3,554	3,602
Dues and subscriptions	3,085	-	-	3,085	2,785
Telephone	1,992	200	198	2,390	3,479
Website	2,100	-	-	2,100	2,500
Shelter development	1,953	-	-	1,953	1,192
Gifts and honoriums	1,682	-	-	1,682	1,711
Bank fees	-	1,244	-	1,244	193
Supplies	757	83	82	922	650
Meetings	389	-	-	389	2,225
Printing	314	-	-	314	112
Equipment	122	-	-	122	461
Postage	56	2	2	60	323
All other	683	2,152	-	2,835	377
	286,952	36,498	19,408	342,858	327,066
Depreciation	-	166	-	166	166
Total	\$ 286,952	\$ 36,664	\$ 19,408	\$ 343,024	\$ 327,232

The accompanying notes are an integral part of these financial statements

HOMEAID COLORADO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

	2015	2014
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 46,615	\$ 410
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Unrealized (gain) loss on investments	584	2,784
In kind (donation) of land	(90,000)	-
Depreciation expense	166	166
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in accounts receivable	(740)	210
(Increase)decrease in prepaid expenses	(49)	(94)
(Increase) decrease in accounts payable	(39)	136
(Increase) decrease in payroll liabilities	2,171	(2,519)
Net cash provided(used) by operating activities	(41,292)	1,093
Net increase(decrease) in cash and cash equivalents	(41,292)	1,093
Cash and cash equivalents, beginning of year	469,004	467,911
Cash and cash equivalents, end of year	\$ 427,712	\$ 469,004

The accompanying notes are an integral part of these financial statements

HOMEAID COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - NATURE OF ACTIVITIES

Colorado Community Shelter Providers, Inc., dba HomeAid Colorado (the Organization) was incorporated in the State of Colorado in 1999, and is an exempt organization under the provisions of Internal Revenue Code Section 501(c)(3). The Organization was formed for the purpose of renovating and building shelters for care provider organizations for their use in providing shelter to the temporarily homeless in Colorado. In this pursuit, the Organization recruits potential care provider organizations and a general contractor or a home builder (referred to as a Builder Captain, to coordinate the efforts of the trades involved). The Organization also recruits construction trades to perform work on the project and solicits in-kind contributions of materials and services from those involved in the construction of the project. The Organization is primarily supported by in-kind contributions, and special events.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

2. Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes on net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

3. Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

4. Contributions

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless the explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent donor stipulations regarding how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Continued)

5. Accounts Receivable

The Organization states accounts receivable at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

6. Capitalization and Depreciation

The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$2,000. The fair value of donated assets is similarly capitalized. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

7. 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 could differ from those estimates.

8. Income Taxes

The Organization has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements. The Organization's Form 990 Return of Organization Exempt from Income Tax is subject to examination by the IRS generally three years after filing.

9. Investments

Investments consist of publicly traded stocks and are carried at fair value based on quoted prices in active markets (all Level 1 measurements).

10. Functional Reporting of Expenses

For the year ended December 31, 2015, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

11. Summarized Prior-Year Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2014, from which the summarized information was derived.

12. Reclassifications

Certain prior year balances have been reclassified to conform to the current year financial statement presentation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Continued)

13. Accounting for Uncertain Tax Positions

Effective January 1, 2009, the Organization adopted the provisions of FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes ("FIN 48"). The Organization determined that no cumulative effect adjustment was necessary upon adoption of FIN 48, and that no uncertain tax positions have been taken (or are expected to be taken) that could have a material effect on its income tax liabilities. The Organization believes that it has conducted its operations in accordance with, and has properly maintained, its tax-exempt status.

14. Fair Value Measurements

The Organization is subject to the provisions of the Fair Value Measurements and Disclosures accounting standard. This standard requires use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3).

15. Subsequent Events

Management has evaluated subsequent events through April 5, 2016, the date the financial statements were available to be issued.

NOTE 3 - NOTE RECEIVABLE

The Organization conveyed a plot of land to a local construction company in exchange for a short term note. The note was established at an annual interest rate of 0% and is secured by the property. The construction company has agreed to build a house on the plot of land and to donate the net proceeds of the sale of the property to the Organization. The fulfillment of the agreement is expected to occur in 2016. Management believes the present value discount is not material to these financial statements. Management has evaluated this loan and does not believe an allowance for doubtful accounts is needed. The loan will be received as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2016	<u>\$ 90,000</u>

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

<u>Description</u>	<u>Amount</u>
Computers	\$ 7,277
Less: accumulated depreciation	<u>(7,110)</u>
Net property and equipment	<u>\$ 167</u>

Depreciation expense for the year was \$166.

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

<u>Description</u>	<u>Amount</u>
Boettcher Foundation – capital grant	<u>\$ 250,000</u>

NOTE 6 - IN-KIND CONTRIBUTIONS

Donated materials and services are reflected in the accompanying statements at their estimated values at date of receipt. The value of donated services and materials included in the financial statements and the corresponding expenses for the year are as follows:

<u>Description</u>	<u>Amount</u>
Construction labor	\$ 67,740
Construction materials and services	23,979
Donated land	50,483
Legal services	15,000
Rent	2,400
Web design	2,100
Table donations	<u>1,026</u>
Total	<u>\$ 162,728</u>

NOTE 7 - NET ASSETS RELEASED FROM RESTRICTIONS

During the year, net assets were released from donor restrictions by incurring expenses satisfying the conditions of the grant.

<u>Description</u>	<u>Amount</u>
America female veteran's project	\$ 25,000
Essentials program	<u>5,000</u>
Total	<u>\$ 30,000</u>

NOTE 8 - PENSION PLAN

The Organization has a simple IRA (IRA) covering all eligible employees. The Organization makes a contribution to the IRA each year, matching employee contributions at an amount equal to 3% of all participants' compensation. Total pension expense for the year was \$3,885.

NOTE 9 - RELATED PARTY

The Organization is a chapter of HomeAid America Inc. During the year, the Organization incurred \$2,500 of dues payable to HomeAid America Inc. to cover costs associated with administration and public relations at the national level. The Organization also paid \$9,593 of general liability insurance premiums payable to HomeAid America Inc. relating to premiums collected from care providers.

NOTE 10 - CONCENTRATION OF FUNDING SOURCE

The Organization receives a significant amount of its in-kind contributions from a limited number of homebuilders, which makes the Organization vulnerable to the risk of a near-term financial impact. Although this risk exists, the Organization does not expect that contributions from these home builders will be lost.