

**HOMEAID COLORADO**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017.

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

**HOMEAID COLORADO**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**CONTENTS**

	<b><u>Page</u></b>
Independent Auditors' Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7



April 17, 2018

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, 2017, 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, 2017, 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 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 17, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

  
TAYLOR, ROTH AND COMPANY, PLLC  
CERTIFIED PUBLIC ACCOUNTANTS

**HOMEAID COLORADO**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2017**  
**(WITH COMPARATIVE TOTALS FOR 2016)**

	<u>2017</u>	<u>2016</u>
<u>Assets</u>		
Cash and cash equivalents - unrestricted	\$ 79,462	\$ 556,666
Cash and cash equivalents - temporarily restricted	250,000	256,300
Contributions receivable	650	-
Prepaid expenses	2,073	387
Investments (Note 3)	502,897	440
Net property and equipment (Note 4)	-	-
Total assets	<u>\$ 835,082</u>	<u>\$ 813,793</u>
<u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 3,895	\$ 1,020
Deferred revenue	1,500	-
Accrued vacation liability	9,160	8,379
Commitments (Note 5)		
Total liabilities	<u>14,555</u>	<u>9,399</u>
<u>Net assets</u>		
<u>Unrestricted</u>		
Operating	570,527	548,094
Temporarily restricted (Note 6)	250,000	256,300
Total net assets	<u>820,527</u>	<u>804,394</u>
Total liabilities and net assets	<u>\$ 835,082</u>	<u>\$ 813,793</u>

The accompanying notes are an integral part of these financial statements

**HOMEAID COLORADO**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(WITH COMPARATIVE TOTALS FOR 2016)**

	2017			2016
	Unrestricted	Temporarily Restricted	Total	Total
<u>Revenue and other support</u>				
Special event income	\$ 176,433	\$ -	\$ 176,433	\$ 165,234
less: direct event expenses	(36,829)	-	(36,829)	(28,390)
Contributions	130,787	-	130,787	344,371
Foundations	28,840	25,000	53,840	62,446
Interest and dividends	3,730	-	3,730	258
Program fees	3,116	-	3,116	2,636
Gain (loss) on investment	(446)	-	(446)	(74)
In-kind (Note 7)	461,152	-	461,152	189,688
Net assets released from restrictions (Note 8)	31,300	(31,300)	-	-
Total revenue and other support	<u>798,083</u>	<u>(6,300)</u>	<u>791,783</u>	<u>736,169</u>
<u>Expense</u>				
Program services	695,814	-	695,814	381,579
Supporting services				
Management and general	55,365	-	55,365	40,211
Fund-raising	24,471	-	24,471	21,216
Total expense	<u>775,650</u>	<u>-</u>	<u>775,650</u>	<u>443,006</u>
Change in net assets	22,433	(6,300)	16,133	293,163
Net assets, beginning of year	<u>548,094</u>	<u>256,300</u>	<u>804,394</u>	<u>511,231</u>
Net assets, end of year	<u>\$ 570,527</u>	<u>\$ 250,000</u>	<u>\$ 820,527</u>	<u>\$ 804,394</u>

The accompanying notes are an integral part of these financial statements

**HOMEAID COLORADO**

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(WITH COMPARATIVE TOTALS FOR 2016)

	2017			2016	
	Shelter Development Program	Supporting Services		Total	Total
		Manage- ment and General	Fund- raising		
Salaries	\$ 143,981	\$ 18,138	\$ 18,138	\$ 180,257	\$ 145,853
Payroll taxes and benefits	36,910	4,589	4,387	45,886	49,743
In-kind construction labor	394,306	-	-	394,306	74,835
In-kind construction materials	63,646	-	-	63,646	104,769
Rent	10,917	4,564	1,365	16,846	12,001
Insurance	8,448	2,100	-	10,548	4,532
Contract services	-	9,725	-	9,725	615
Accounting and audit	-	9,345	-	9,345	8,030
Travel	5,935	-	-	5,935	4,840
Advertising	5,813	-	-	5,813	5,068
Meetings	5,765	-	-	5,765	2,250
Program expenses	5,588	-	-	5,588	3,030
Bank fees	-	2,976	-	2,976	1,362
Dues and subscriptions	2,760	130	-	2,890	3,513
Shelter development	2,747	-	-	2,747	2,098
Supplies	2,219	283	234	2,736	5,025
Equipment	1,235	1,364	-	2,599	1,334
Telephone	1,629	499	204	2,332	3,259
Gifts and honorariums	1,169	-	-	1,169	3,797
Postage	566	35	143	744	180
Printing	362	-	-	362	691
Website	-	-	-	-	2,100
In-kind legal	-	-	-	-	1,332
All other	1,818	1,617	-	3,435	2,582
	695,814	55,365	24,471	775,650	442,839
Depreciation	-	-	-	-	167
Total	\$ 695,814	\$ 55,365	\$ 24,471	\$ 775,650	\$ 443,006

The accompanying notes are an integral part of these financial statements

**HOMEAID COLORADO**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(WITH COMPARATIVE TOTALS FOR 2016)**

	2017	2016
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 16,133	\$ 293,163
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Unrealized (gain) loss on investments	(2,457)	74
Depreciation expense	-	167
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in contributions receivable	(650)	740
(Increase)decrease in prepaid expenses	(1,686)	(91)
(Increase) decrease in accounts payable	2,875	39
(Increase) decrease in deferred revenue	1,500	-
(Increase) decrease in payroll liabilities	781	1,162
Net cash provided(used) by operating activities	16,496	295,254
<u>Cash flows from investing activities</u>		
Additions to investments	(500,000)	-
Collection of note receivable	-	90,000
Net cash provided(used) by investing activities	(500,000)	90,000
Net increase(decrease) in cash and cash equivalents	(483,504)	385,254
Cash and cash equivalents, beginning of year	812,966	427,712
Cash and cash equivalents, end of year	\$ 329,462	\$ 812,966

The accompanying notes are an integral part of these financial statements



## HOMEAID COLORADO

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017

#### 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.

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, 2017, 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, 2016, 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. 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).

14. Subsequent Events

Management has evaluated subsequent events through April 17, 2018, the date the financial statements were available to be issued.

NOTE 3 - INVESTMENTS

At year-end, investments are stated at their quoted market price (level one inputs) and consisted of:

<u>Description</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Cash and cash equivalents	\$ 31,088	\$ 31,088	\$ 0
Equity securities	245,843	243,897	(1,946)
Fixed income	<u>229,531</u>	<u>227,912</u>	<u>(1,619)</u>
	<u>\$ 506,462</u>	<u>\$ 502,897</u>	<u>\$ (3,565)</u>

Investment income is summarized as follows:

<u>Description</u>	<u>Amount</u>
Unrealized loss	\$ (3,566)
Realized gains	3,118
Interest and dividend income	<u>3,168</u>
Total	2,722
Less: fees	<u>(265)</u>
Net investment return	<u>\$ 2,457</u>

Additionally, there was \$562 of interest earned from bank institutions.

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>(7,277)</u>
Net property and equipment	<u>\$ 0</u>

Depreciation expense for the year was \$0.

NOTE 5 - COMMITMENTS

During 2017, the Organization entered into a lease for office space. The future minimum lease payments are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2018	\$ 18,364
2019	18,806
2020	19,249
2021	19,691
2022	<u>9,956</u>
Total	<u>\$ 86,066</u>

NOTE 6 - 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 7 - 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	\$ 394,306
Construction materials and services	63,646
Rent	<u>3,200</u>
Total	<u>\$ 461,152</u>

NOTE 8 - 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
VOA Durango home project	<u>6,300</u>
Total	<u>\$ 31,300</u>

NOTE 9 - 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 \$389.

NOTE 10 - 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 \$14,314 of general liability insurance premiums payable to HomeAid America Inc. relating to premiums collected from care providers. Additionally, the organization received a donation from HomeAid America Inc. in the amount of \$13,000.

NOTE 11 - 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.