

HOMEAID COLORADO

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

HOMEAID COLORADO
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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March 25, 2019

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, 2018, 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, 2018, 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 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 17, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, 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, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

	2018	2017
<u>Assets</u>		
Cash and cash equivalents	\$ 409,342	\$ 329,462
Contributions receivable	10,596	650
Prepaid expenses	1,914	2,073
Investments (Note 3)	481,521	502,897
Net property and equipment (Note 4)	-	-
Total assets	\$ 903,373	\$ 835,082
<u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 2,296	\$ 3,895
Deferred revenue	-	1,500
Accrued vacation liability	3,304	9,160
Commitments (Note 5)	-	-
Total liabilities	5,600	14,555
<u>Net assets</u>		
Without donor restrictions	647,773	570,527
With donor restrictions (Note 6)	250,000	250,000
Total net assets	897,773	820,527
Total liabilities and net assets	\$ 903,373	\$ 835,082

The accompanying notes are an integral part of these financial statements

HOMEAID COLORADO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

	2018			2017
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<u>Revenue and other support</u>				
Contributions	\$ 224,497	\$ -	\$ 224,497	\$ 130,787
Special event income	224,345	-	224,345	176,433
less: direct event expenses	(61,786)	-	(61,786)	(36,829)
Program fees	56,594	-	56,594	3,116
Foundations	26,000	20,000	46,000	53,840
Interest and dividends	13,841	-	13,841	3,284
Gain (loss) on investments	(34,476)	-	(34,476)	-
In-kind (Note 7)	390,168	-	390,168	461,152
Net assets released from restrictions (Note 8)	20,000	(20,000)	-	-
Total revenue and other support	<u>859,183</u>	<u>-</u>	<u>859,183</u>	<u>791,783</u>
<u>Expense</u>				
Program services	685,084	-	685,084	695,814
Supporting services				
Management and general	70,493	-	70,493	55,365
Fund-raising	26,360	-	26,360	24,471
Total expense	<u>781,937</u>	<u>-</u>	<u>781,937</u>	<u>775,650</u>
Change in net assets	77,246	-	77,246	16,133
Net assets, beginning of year	<u>570,527</u>	<u>250,000</u>	<u>820,527</u>	<u>804,394</u>
Net assets, end of year	<u>\$ 647,773</u>	<u>\$ 250,000</u>	<u>\$ 897,773</u>	<u>\$ 820,527</u>

The accompanying notes are an integral part of these financial statements

HOMEAID COLORADO
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

	2018			2017	
	Supporting Services			Total	Total
	Shelter Development Program	Manage- ment and General	Fund- raising		
Salaries	\$ 151,714	\$ 18,964	\$ 18,964	\$ 189,642	\$ 180,257
Payroll taxes and benefits	39,560	4,776	4,944	49,280	45,886
In-kind construction labor	110,635	-	-	110,635	394,306
In-kind construction materials	243,031	-	-	243,031	63,646
Shelter development	32,092	-	-	32,092	2,747
In-kind legal	31,275	-	-	31,275	-
Rent	15,680	1,960	1,960	19,600	16,846
Contract services	-	19,511	-	19,511	9,725
Advertising	12,019	-	-	12,019	5,813
Accounting and audit	-	9,283	-	9,283	9,345
Travel	8,125	-	-	8,125	5,935
Bank fees	-	7,590	-	7,590	2,976
Meetings	7,529	-	-	7,529	5,765
Equipment	1,269	2,703	-	3,972	2,599
Dues and subscriptions	3,268	662	-	3,930	2,890
Supplies	1,609	1,306	301	3,216	2,736
Insurance	60	2,248	-	2,308	10,548
Gifts and honorariums	2,307	-	-	2,307	1,169
Telephone	1,530	191	191	1,912	2,332
Printing	657	-	-	657	362
Program expenses	168	-	-	168	5,588
Postage	-	20	-	20	744
All other	22,556	1,279	-	23,835	3,435
	<u>685,084</u>	<u>70,493</u>	<u>26,360</u>	<u>781,937</u>	<u>775,650</u>
Depreciation	-	-	-	-	-
Total	<u>\$ 685,084</u>	<u>\$ 70,493</u>	<u>\$ 26,360</u>	<u>\$ 781,937</u>	<u>\$ 775,650</u>

The accompanying notes are an integral part of these financial statements

HOMEAID COLORADO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

	2018	2017
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 77,246	\$ 16,133
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Unrealized/realized (gain) loss on investments	34,476	(2,457)
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in contributions receivable	(9,946)	(650)
(Increase)decrease in prepaid expenses	159	(1,686)
(Increase) decrease in accounts payable	(1,599)	2,875
(Increase) decrease in deferred revenue	(1,500)	1,500
(Increase) decrease in payroll liabilities	(5,856)	781
Net cash provided(used) by operating activities	92,980	16,496
<u>Cash flows from investing activities</u>		
Reinvestment of earnings	(13,100)	
Additions to investments	-	(500,000)
Net cash provided(used) by investing activities	(13,100)	(500,000)
Net increase(decrease) in cash and cash equivalents	79,880	(483,504)
Cash and cash equivalents, beginning of year	329,462	812,966
Cash and cash equivalents, end of year	\$ 409,342	\$ 329,462

The accompanying notes are an integral part of these financial statements

HOMEAID COLORADO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

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 financial statements have been prepared in accordance with U.S. generally accepted accounting principles which require the Organization to report its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

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.

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

4. Contributions

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, 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.

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 securities 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, 2018, 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. The allocations are determined by management on a rational and systematic basis. Salaries and benefits are allocated on a time and effort basis. Occupancy, utilities and depreciation are allocated on square footage. All other expenses are determined by management on a rational and systematic basis.

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

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, 2017, 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.

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. New Accounting Pronouncement

On August 18, 2016, the Financial Accounting Standards Board issued ASU 2016-14, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for Profit Entities. The update addresses net asset classification, information about liquidity, information provided about expenses, and consistency in reporting investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

15. Subsequent Events

Management has evaluated subsequent events through March 25, 2019, 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	\$ 5,491	\$ 5,491	\$ -
Equity securities	247,105	227,712	(19,393)
Fixed income	<u>253,859</u>	<u>248,318</u>	<u>(5,541)</u>
	<u>\$ 506,455</u>	<u>\$ 481,521</u>	<u>\$ (24,934)</u>

NOTE 3 - INVESTMENTS – (CONCLUDED)

Net investment income is summarized as follows:

<u>Description</u>	<u>Amount</u>
Unrealized loss	\$ (25,063)
Realized loss	(4,224)
Interest and dividend income	13,712
Fees	<u>(5,189)</u>
Net investment return	<u>\$ (20,764)</u>

Additionally, there was \$129 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>\$ -</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>
2019	\$ 18,806
2020	19,249
2021	19,691
2022	<u>9,956</u>
Total	<u>\$ 67,702</u>

NOTE 6 - ASSETS WITH DONOR RESTRICTIONS

Assets with donor restriction 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 materials and services	\$ 243,031
Construction labor	110,635
Legal	31,275
Rent	3,685
Special event supplies	<u>1,541</u>
Total	<u>\$ 390,167</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	<u>\$ 20,000</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 the lesser of the employee contribution to the plan or 3% of the employee compensation. Total pension expense for the year was \$290.

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 \$60 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 \$5,000.

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.

NOTE 12 - AVAILABILITY AND LIQUIDITY

The following represents HomeAid's financial assets at December 31, 2018:

<u>Description</u>	<u>Amount</u>
Cash and cash equivalents	\$ 414,833
Investments	481,521
Contributions receivable	<u>10,596</u>
Total financial assets	<u>906,950</u>
Less amounts not available for general operations within one year due to:	
Donor purpose restrictions – Capital grant	<u>250,000</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 656,950</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses.