

**SHELTER PROVIDERS OF RIVERSIDE, INC.**  
**dba HOMEAID INLAND EMPIRE**  
**(A Nonprofit Organization)**

**FINANCIAL STATEMENTS**  
**WITH INDEPENDENT AUDITORS' REPORT**

December 31, 2015

**Shelter Providers of Riverside, Inc.**  
**dba HomeAid Inland Empire**  
**Table of Contents**  
December 31, 2015

**TABLE OF CONTENTS**

	<u>Page</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	1 - 2
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 11

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Shelter Provides of Riverside, Inc.  
dba HomeAid Inland Empire  
Riverside, California

We have audited the accompanying financial statements of the Shelter Provides of Riverside, Inc., dba HomeAid Inland Empire, (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, 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 accounting 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.

### **Auditor's 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 from 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 auditor's 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 Organization'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 Organization'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 Shelter Providers of Riverside, Inc., dba HomeAid Inland Empire, 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.

*Teaman Ramirez & Smith, Inc.*

Riverside, California

June 24, 2016

**Shelter Providers of Riverside, Inc.**  
**dba HomeAid Inland Empire**  
**Statement of Financial Position**  
December 31, 2015

<b>ASSETS</b>	
Cash	\$ 75,449
Accounts Receivable	825
Prepaid Expenses	<u>1,650</u>
Total Current Assets	77,924
Office Furniture, Fixtures and Equipment at Cost	6,374
Less: Accumulated Depreciation	<u>(6,374)</u>
Total Assets	<u><u>\$ 77,924</u></u>
 <b>LIABILITIES</b>	
Accounts Payable	\$ 7,258
Deferred Revenue	<u>20,000</u>
Total Liabilities	<u>27,258</u>
 <b>NET ASSETS</b>	
Unrestricted	30,666
Temporarily Restricted	<u>20,000</u>
Total Net Assets	<u>50,666</u>
Total Liabilities and Net Assets	<u><u>\$ 77,924</u></u>

The accompanying notes are an integral part of this statement.

**Shelter Providers of Riverside, Inc.**  
**dba HomeAid Inland Empire**  
**Statement of Activities and Changes in Net Assets**  
Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>			
Donated Materials, Facilities and Services	\$ 154,083	\$	\$ 154,083
Contributions	99,765		99,765
Grants	16,500	111,000	127,500
Special Events	100,466		100,466
Interest Income	15		15
Other	26		26
<b>Total Support and Revenue</b>	<b>370,855</b>	<b>111,000</b>	<b>481,855</b>
<b>Net Assets Released from Restrictions:</b>			
Satisfaction of Program Restrictions	91,000	(91,000)	0
<b>Total Support, Revenue and Reclassifications</b>	<b>461,855</b>	<b>20,000</b>	<b>481,855</b>
<b>EXPENSES</b>			
Program Services	430,195		430,195
Management and General	75,734		75,734
Fundraising	44,689		44,689
<b>Total Expenses</b>	<b>550,618</b>	<b>0</b>	<b>550,618</b>
<b>Change in Net Assets</b>	<b>(88,763)</b>	<b>20,000</b>	<b>(68,763)</b>
<b>Net Assets - Beginning of Year</b>	<b>119,429</b>		<b>119,429</b>
<b>Net Assets - End of Year</b>	<b>\$ 30,666</b>	<b>\$ 20,000</b>	<b>\$ 50,666</b>

The accompanying notes are an integral part of this statement.

**Shelter Providers of Riverside, Inc.**  
**dba HomeAid Inland Empire**  
**Statement of Functional Expenses**  
For the Year Ended December 31, 2015

	Shelter Development Program	Management and Administrative	Fundraising	Total
Donated Materials, Facilities and Services	\$ 202,190	\$	\$	\$ 202,190
Accounting	10,800	2,160	1,440	14,400
Advertising Expense	3,938	788	525	5,251
Automobile	4,171	834	556	5,561
Bank Charges	752	151	100	1,003
Contract Management	37,875	7,575	5,050	50,500
Donor Recognition			289	289
Insurance	770	1,315		2,085
Internet and Website Expense	995	199	133	1,327
Meetings	4,124	824	550	5,498
Miscellaneous	900	180	120	1,200
Office Expense	2,404	480	321	3,205
Outside Services		51,104		51,104
Postage and Delivery	75	15	10	100
Printing	1,406	281	187	1,874
Project Expenses	157,810			157,810
Rent Expense		6,000		6,000
Repairs and Maintenance		852		852
Special Event Expenses			35,143	35,143
Taxes, Licenses & Fees		2,580		2,580
Telephone	1,985	396	265	2,646
	<u>1,985</u>	<u>396</u>	<u>265</u>	<u>2,646</u>
Total	<u>\$ 430,195</u>	<u>\$ 75,734</u>	<u>\$ 44,689</u>	<u>\$ 550,618</u>

The accompanying notes are an integral part of this statement.

**Shelter Providers of Riverside, Inc.**  
**dba HomeAid Inland Empire**  
**Statement of Cash Flows**  
Year Ended December 31, 2015

Cash Flows from Operating Activities:	
Increase (Decrease) in Net Assets	\$ (68,763)
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by (used by) Operating Activities:	
(Increase) Decrease in Accounts Receivable	925
(Increase) Decrease in Inventory	48,109
(Decrease) Increase in Accounts Payable	2,865
(Decrease) Increase in Deferred Revenue	9,500
Net Cash Provided by (Used by) Operating Activities	(7,364)
Increase (Decrease) in Cash and Cash Equivalents	(7,364)
Cash and Cash Equivalents, Beginning of Year	82,813
Cash and Cash Equivalents, End of Year	\$ 75,449

The accompanying notes are an integral part of this statement.



**Shelter Providers of Riverside, Inc.**  
**dba HomeAid Inland Empire**  
**Notes to Financial Statements**  
Year Ended December 31, 2015

**1) ORGANIZATION AND OPERATIONS**

**Organization**

The Shelter Providers of Riverside, Inc., dba HomeAid Inland Empire, (the "Organization") is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization was formed for the purpose of building and maintaining shelters for homeless men, women, and children across the Inland Empire.

**Operations**

The Organization receives a substantial portion of its financial support from donated materials, facilities, and services and grants from third parties and fundraising events. The financial condition of the Organization depends significantly on its ability to raise funds from contributors. A significant reduction in the level of contributor support could affect the Organization's programs and activities. Management of the Organization believes it will continue to have adequate funding sources to maintain its present level of operations.

The Organization's revenue and support generally comes from four sources: donated materials, facilities, and services, fundraising events (special events), cash donations, and grants. Fundraising income includes, among other things, opportunity drawings, auctions, event sponsorships, event ticket sales and registration fees. Grant income normally is generated from foundation grants for the building or renovations of shelter projects. Donations represent funds received by the Organization or unconditional promises from third parties.

**2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues earned but not received are recorded as a receivable. Expenses are recorded when the liability is incurred.

**Estimates**

The financial statements have been prepared in accordance with generally accepted accounting principles and necessarily include amounts based on estimates and assumptions by management. Actual results could differ from those amounts.

**Shelter Providers of Riverside, Inc.**  
**dba HomeAid Inland Empire**  
**Notes to Financial Statements**  
Year Ended December 31, 2015

**2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Currently, the Organization does not have any investments considered to be cash equivalents.

**Office Furniture, Fixtures and Equipment**

Office furniture, fixtures and equipment are carried at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation is provided on the straight-line method over an estimated useful life. Currently, the Organization does not have a policy for the capitalization of assets.

**Inventory**

The Organization had inventory on hand that was available for use for shelter projects throughout the year. Donated inventories are valued at estimated fair market value when they are received. Inventory that was used toward projects was expensed as donated materials. This constitutes the difference between the related revenues and expenses for donated materials. As of year-end, the Organization did not have any inventory on hand that was available for shelter projects.

**Promises to Give**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are classified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectable accounts receivable. The Organization believes all current accounts receivable are collectable.

**Shelter Providers of Riverside, Inc.**  
**dba HomeAid Inland Empire**  
**Notes to Financial Statements**  
Year Ended December 31, 2015

**2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Functional Expenses**

The Organization allocates its expenses on a functional basis between its program, management and administrative services, and fundraising. Expenses that can be identified specifically with a program, administrative activity, or fundraising are allocated directly. Other expenses that are common to either functions are allocated by various statistical basis.

**Income Taxes**

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The Organization's Forms 990, Return of Organization Exempt from Income Tax, for the years ending 2013, 2014, and 2015 are subject to examination by the IRS, generally for three years after they were filed.

**Donated Materials and Services**

Donated materials and other non-monetary items are reflected as contributions in the accompanying statements at their estimated fair market values as of the date of receipt.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Donated services are recognized as revenues in the period received and as assets or expenses depending on the services performed.

**Financial Statement Presentation**

The assets, liabilities and net assets of the Organization are reported in the following net asset groups:

*Unrestricted net assets* include resources that are not temporarily or permanently restricted by the donor and are available for operations of the Organization without limitation.

*Temporarily restricted net assets* include those resources whose use is restricted by donor-imposed criteria that either expires with the passage of time or by the actions of the Organization. Restricted resources whose restrictions are met in the same reporting period are reported as unrestricted resources. The Organization had temporarily restricted net assets of \$20,000 as of December 31, 2015. These net assets are restricted for specific shelter projects.

*Permanently restricted net assets* are subject to irrevocable donor restrictions requiring that the assets be maintained in perpetuity usually for generating investment income to fund current operations. There are no permanently restricted net assets as of December 31, 2015.

**Shelter Providers of Riverside, Inc.**  
**dba HomeAid Inland Empire**  
**Notes to Financial Statements**  
Year Ended December 31, 2015

**2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Date of Management's Review**

Subsequent events are evaluated through June 24, 2016, which is the date the financial statements were available to be issued.

**3) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consisted of the following:

Petty Cash	\$	100
Demand Deposits		<u>75,349</u>
	\$	<u>75,449</u>

**4) OFFICE FURNITURE, FIXTURES AND EQUIPMENT**

Activities relating to office furniture, fixtures and equipment are presented as follows:

<b>ASSETS</b>					
	Beginning of Year	Additions	Deletions	End of Year	
Office Furniture, Fixtures and Equipment	\$ 6,374	\$	\$	\$ 6,374	
<b>Total Office Furniture, Fixtures and Equipment</b>	<u>\$ 6,374</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,374</u>	
<b>ACCUMULATED DEPRECIATION</b>					
	Beginning of Year	Additions	Deletions	End of Year	Book Value
Office Furniture, Fixtures and Equipment	\$ 6,374	\$	\$	\$ 6,374	\$ 0
<b>Total Office Furniture, Fixtures and Equipment</b>	<u>\$ 6,374</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,374</u>	<u>\$ 0</u>

As the Organization is a 501(c)(3) nonprofit organization, there are no income tax implications to the calculation of depreciation and amortization. These accounts reflect only the allocation of the asset costs over the useful lives of the assets.

**Shelter Providers of Riverside, Inc.**  
**dba HomeAid Inland Empire**  
**Notes to Financial Statements**  
Year Ended December 31, 2015

**5) DEFERRED REVENUE**

Deferred revenue represents revenues collected but not earned as of year end. This is primarily composed of contribution and grant related revenues. Contribution revenues are recognized in the intended year and the grant revenue is recognized when expenses are incurred to the related program.

**6) DONATED MATERIALS, FACILITIES, AND SERVICES**

Donors and sponsors make contribution of materials, facilities, and services to build and facilities, maintain the Organization's shelter projects and management and general operations. Donated materials, services and facilities included in the Organization's statements of activities and changes in net assets for the year ended December 31, 2015 totaling \$154,083, is based on management and donors' estimates of the fair value of the contributions provided.

**7) LEASES**

The Organization leases its office space on a month to month basis. Currently, monthly lease payments are \$500 per month for the year ended 2015 and are expensed as rent. The Organization also leases storage space on a month to month basis for \$99-\$114 per month.

**8) RELATED PARTY TRANSACTIONS**

Certain members of the Board of Directors and their affiliated companies have made cash contributions to the Organization for the year ended December 31, 2015 totaling \$94,645, which has been included in support and revenues in the Organization's statement of activities and changes in net assets. Of this amount, \$77,765 was General Contributions and \$16,880 was for Special Events.