

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

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT

December 31, 2016

Shelter Providers of Riverside, Inc.
dba HomeAid Inland Empire
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December 31, 2016

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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 Providers of Riverside, Inc., dba HomeAid Inland Empire, (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, 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, 2016, 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

August 9, 2017

Shelter Providers of Riverside, Inc.
dba HomeAid Inland Empire
Statement of Financial Position
December 31, 2016

ASSETS	
Cash	\$ 96,570
Accounts Receivable	5,000
Prepaid Expenses	<u>1,650</u>
Total Current Assets	103,220
Office Furniture, Fixtures and Equipment at Cost	6,374
Less: Accumulated Depreciation	<u>(6,374)</u>
Total Assets	<u><u>\$ 103,220</u></u>
 LIABILITIES	
Accounts Payable	\$ 2,907
Deferred Revenue	<u>61,025</u>
Total Liabilities	<u>63,932</u>
 NET ASSETS	
Unrestricted	(9,212)
Temporarily Restricted	<u>48,500</u>
Total Net Assets	<u>39,288</u>
Total Liabilities and Net Assets	<u><u>\$ 103,220</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, 2016

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Donated Materials, Facilities and Services	\$ 49,400	\$	\$ 49,400
Contributions	53,123	6,000	59,123
Grants	37,000	42,500	79,500
Special Events	115,206		115,206
Interest Income	10		10
	<u>254,739</u>	<u>48,500</u>	<u>303,239</u>
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	<u>20,000</u>	<u>(20,000)</u>	<u>0</u>
	<u>274,739</u>	<u>28,500</u>	<u>303,239</u>
EXPENSES			
Program Services	198,540		198,540
Management and General	65,403		65,403
Fundraising	50,674		50,674
	<u>314,617</u>	<u>0</u>	<u>314,617</u>
Change in Net Assets	(39,878)	28,500	(11,378)
Net Assets - Beginning of Year	<u>30,666</u>	<u>20,000</u>	<u>50,666</u>
Net Assets - End of Year	<u>\$ (9,212)</u>	<u>\$ 48,500</u>	<u>\$ 39,288</u>

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, 2016

	Shelter Development Program	Management and Administrative	Fundraising	Total
Donated Materials, Facilities and Services	\$ 49,400	\$	\$	\$ 49,400
Accounting	10,800	2,160	1,440	14,400
Advertising Expense	299	60	40	399
Automobile	3,623	725	483	4,831
Bank Charges	341	68	45	454
Contract Management	45,000	9,000	6,000	60,000
Donations	500			500
Insurance	1,961	340	170	2,471
Internet and Website Expense	2,447	489	326	3,262
Meetings	5,966	1,193	795	7,954
Miscellaneous	900	180	120	1,200
Office Expense	4,502	900	600	6,002
Outside Services		36,776		36,776
Payroll Tax Expense	1,213	347	173	1,733
Postage and Delivery	38	8	5	51
Printing	1,659	332	221	2,212
Project Expenses	63,297			63,297
Rent Expense		6,000		6,000
Repairs and Maintenance		275		275
Salaries and Wages Expense	5,670	3,780	9,450	18,900
Special Event Expenses			30,683	30,683
Taxes, Licenses & Fees		2,585		2,585
Telephone	924	185	123	1,232
Total	\$ 198,540	\$ 65,403	\$ 50,674	\$ 314,617

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, 2016

Cash Flows from Operating Activities:	
Increase (Decrease) in Net Assets	\$ (11,378)
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by (used by) Operating Activities:	
(Increase) Decrease in Accounts Receivable	(4,175)
(Decrease) Increase in Accounts Payable	(4,351)
(Decrease) Increase in Deferred Revenue	41,025
	21,121
Net Cash Provided by (Used by) Operating Activities	21,121
Increase (Decrease) in Cash and Cash Equivalents	21,121
Cash and Cash Equivalents, Beginning of Year	75,449
Cash and Cash Equivalents, End of Year	\$ 96,570

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, 2016

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, 2016

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.

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.

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.

Shelter Providers of Riverside, Inc.
dba HomeAid Inland Empire
Notes to Financial Statements
Year Ended December 31, 2016

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 2014, 2015, and 2016 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 \$48,500 as of December 31, 2016. 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, 2016.

Date of Management's Review

Subsequent events are evaluated through August 9, 2017, which is the date the financial statements were available to be issued.

Shelter Providers of Riverside, Inc.
dba HomeAid Inland Empire
Notes to Financial Statements
Year Ended December 31, 2016

3) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following:

Petty Cash	\$	100
Demand Deposits		<u>96,470</u>
		<u>\$ 96,570</u>

4) OFFICE FURNITURE, FIXTURES AND EQUIPMENT

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

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

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.

Shelter Providers of Riverside, Inc.
dba HomeAid Inland Empire
Notes to Financial Statements
Year Ended December 31, 2016

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, 2016 totaling \$49,400, 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 2016 and are expensed as rent. The Organization leases storage space on a month to month basis for \$114-\$117 per month. Additionally, the Organization also has a five-year lease until May 2021 for a copier machine that is \$89 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, 2016 totaling \$87,785, which has been included in support and revenues in the Organization's statement of activities and changes in net assets. Of this amount, \$72,285 was General Contributions and \$15,500 was for Special Events.