



FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015



PROJECT WORTHMORE

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Independent Auditors' Report

June 27, 2016

Board of Directors
Project Worthmore
Aurora, Colorado

Report on the Financial Statements

We have audited the accompanying statement of financial position of Project Worthmore (a not-for-profit corporation), 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 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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 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 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 Project Worthmore as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Vredeveld Haefner LLC

PROJECT WORTHMORE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015

Assets

Current assets

| | |
|---------------------------|--------------|
| Cash and cash equivalents | \$ 85,888 |
| Accounts receivable | <u>7,384</u> |

| | |
|-----------------------------|---------------|
| Total current assets | <u>93,272</u> |
|-----------------------------|---------------|

| | |
|-------------------------------|-----------------|
| Equipment | 47,921 |
| Leasehold improvements | 18,643 |
| Less accumulated depreciation | <u>(18,986)</u> |

| | |
|--|---------------|
| Net equipment and leasehold improvements | <u>47,578</u> |
|--|---------------|

| | |
|---------------------|-------------------|
| Total assets | <u>\$ 140,850</u> |
|---------------------|-------------------|

Liabilities and net assets

Current liabilities

| | |
|------------------|------------------|
| Accounts payable | <u>\$ 28,163</u> |
|------------------|------------------|

| | |
|--|---------------|
| Total liabilities (all current) | <u>28,163</u> |
|--|---------------|

Net assets

| | |
|--------------|----------------|
| Unrestricted | <u>112,687</u> |
|--------------|----------------|

| | |
|---|-------------------|
| Total liabilities and net assets | <u>\$ 140,850</u> |
|---|-------------------|

The accompanying notes are an integral part of these financial statements.

PROJECT WORTHMORE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2015

| | <u>Unrestricted</u> |
|--------------------------------------|--------------------------|
| Revenue and support | |
| Contributions | \$ 227,260 |
| Donated goods and services | 22,304 |
| Event income | 22,667 |
| Grants | 67,326 |
| Fees | |
| Insurance | 203,485 |
| Private pay | 14,176 |
| Other income | 80 |
| | <hr/> |
| Total revenue and support | <u>557,298</u> |
| Expenses | |
| Program services | |
| Dental clinic | 234,126 |
| Other programs | 172,392 |
| Supporting services | |
| Management and general | 32,816 |
| Resource development | 67,495 |
| | <hr/> |
| Total expenses | <u>506,829</u> |
| Change in net assets | 50,469 |
| Net assets, beginning of year | <hr/> <u>62,218</u> |
| Net assets, end of year | <u><u>\$ 112,687</u></u> |

The accompanying notes are an integral part of these financial statements.

PROJECT WORTHMORE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

| | <u>Program Services</u> | | <u>Supporting Services</u> | | <u>Total</u> |
|-------------------------------|--------------------------|--------------------------|-----------------------------------|---------------------------------|--------------------------|
| | <u>Dental Clinic</u> | <u>Other</u> | <u>Management and General</u> | <u>Resource Development</u> | |
| Salaries and related expenses | \$ 165,999 | \$ 113,982 | \$ - | \$ - | \$ 279,981 |
| Donated services | - | 3,000 | - | - | 3,000 |
| In-kind donations | - | 16,350 | - | - | 16,350 |
| Professional services | 1,890 | 1,875 | 6,925 | 52,345 | 63,035 |
| Client assistance | - | 8,786 | - | - | 8,786 |
| Bank charges | - | - | 237 | 2,382 | 2,619 |
| Insurance | 5,672 | 5,672 | - | - | 11,344 |
| Office expenses | - | - | 7,321 | - | 7,321 |
| Office rent | 15,220 | 3,000 | - | - | 18,220 |
| Advertising | - | - | - | 8,635 | 8,635 |
| Events | - | - | - | 3,894 | 3,894 |
| Utilities | - | 2,766 | - | - | 2,766 |
| Supplies | 37,631 | 922 | - | 239 | 38,792 |
| Travel and meals | - | - | 3,638 | - | 3,638 |
| Repair and maintenance | 6,262 | - | - | - | 6,262 |
| Other expenses | 1,452 | 16,039 | 479 | - | 17,970 |
| Gifts | - | - | 3,405 | - | 3,405 |
| Depreciation | - | - | 10,811 | - | 10,811 |
| Total expenses | <u>\$ 234,126</u> | <u>\$ 172,392</u> | <u>\$ 32,816</u> | <u>\$ 67,495</u> | <u>\$ 506,829</u> |

The accompanying notes are an integral part of these financial statements.

PROJECT WORTHMORE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

| | |
|--|-------------------------|
| Cash flows from operating activities | |
| Change in net assets | \$ 50,469 |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities | |
| Depreciation | 10,811 |
| Changes in operating assets and liabilities which provided (used) cash | |
| Accounts receivable | (7,384) |
| Accounts payable and accrued expenses | <u>10,040</u> |
| Net cash provided by (used in) operating activities | <u>63,936</u> |
| Cash flows from investing activities | |
| Purchases of fixed assets | <u>(17,061)</u> |
| Net increase (decrease) in cash and cash equivalents | 46,875 |
| Cash and cash equivalents, beginning of year | <u>39,013</u> |
| Cash and cash equivalents, end of year | <u><u>\$ 85,888</u></u> |

The accompanying notes are an integral part of these financial statements.

PROJECT WORTHMORE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Project Worthmore, (the Organization) is a 501(c)(3) not-for-profit corporation formed in 2011 that seeks to improve the quality of life of Denver-area refugees by providing cultural mentorship and community supports.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization has no temporarily or permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all demand and time deposits with an original maturity of 90 days or less and cash on hand to be cash and cash equivalents. The Organization's deposits, with the exception of money market accounts, are secured through FDIC insurance. Management believes the Organization is not exposed to any significant interest rate or other risk on these deposits.

Equipment and Depreciation

Equipment is capitalized at cost or, if donated, at the estimated fair value at the date of donation. Acquisitions of property or equipment in excess of \$2,500 are capitalized while ordinary repairs are expensed. Depreciation is computed using the straight-line method over an estimated 5 year useful life of the related assets.

Revenue Recognition

Patients are billed and revenues are recognized for services rendered at the time the services are provided.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

PROJECT WORTHMORE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

Functional Allocation of Expenses

The costs to provide 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.

Donations

Donated equipment and materials are reflected as contributions in the accompanying statements at their estimated fair market value at the date of receipt. Contributions of donated services that create or enhance non-financial assets, or that require specialized skills are provided by the individuals possessing those skills and would typically need to be purchased if not provided by the donation, are recorded at fair value at the date the services are performed.

Income Taxes

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Generally, income tax returns filed within the last three years remain open and subject to audit by regulatory authorities. The Organization concludes that there are no significant uncertain tax positions requiring recognition in the financial statements.

Subsequent Events

In preparing these financial statements, management has evaluated significant events and transactions for potential recognition or disclosure subsequent to December 31, 2015 and through the auditors' report date, the date the financial statements were available to be issued. No such events or transactions were identified.

2. DONATED MATERIALS AND SERVICES

Donated materials and services consist of the following for the year ended December 31, 2015:

| | |
|-----------------------------------|-------------------------------|
| Professional and skilled services | \$ 3,000 |
| In-kind items: | |
| Equipment and materials | <u>19,304</u> |
| Total received | <u><u>\$22,304</u></u> |

3. LEASE

The Organization leases office space under a month-to-month operating lease requiring monthly payments. Total rental expense under the lease amounted to \$18,220 for the year ended December 31, 2015.