



## FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016



Vredeveld Haefner LLC  
CPAs and Consultants

# PROJECT WORTHMORE

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### Independent Auditors' Report

August 2, 2017

Board of Directors  
Project Worthmore  
Aurora, Colorado

#### Report on the Financial Statements

We have audited the accompanying financial statements Project Worthmore (a not-for-profit corporation), which comprise the statement of financial position as of December 31, 2016, 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

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 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, 2016, 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, 2016**

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**Assets**

**Current assets**

Cash and cash equivalents	\$ 52,315
Accounts receivable	<u>34,392</u>

<b>Total current assets</b>	<u>86,707</u>
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Equipment	91,666
Leasehold improvements	25,052
Less accumulated depreciation	<u>(40,722)</u>

Net equipment and leasehold improvements	<u>75,996</u>
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<b>Total assets</b>	<u>\$ 162,703</u>
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**Liabilities and net assets**

**Current liabilities**

Accounts payable	<u>\$ 27,925</u>
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<b>Total liabilities (all current)</b>	<u>27,925</u>
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**Net assets**

Unrestricted	<u>134,778</u>
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<b>Total liabilities and net assets</b>	<u>\$ 162,703</u>
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The accompanying notes are an integral part of these financial statements.

**PROJECT WORTHMORE**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

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	<u><b>Unrestricted</b></u>
<b>Revenue and support</b>	
Contributions	\$ 220,507
Donated goods and services	52,852
Event income	35,626
Grants	81,720
Fees	
Insurance	740,990
Private pay	30,630
Other income	<u>2</u>
<b>Total revenue and support</b>	<u>1,162,327</u>
<b>Expenses</b>	
<b>Program services</b>	
Dental clinic	684,241
Other programs	253,947
<b>Supporting services</b>	
Management and general	75,165
Resource development	<u>126,883</u>
<b>Total expenses</b>	<u>1,140,236</u>
Change in net assets	22,091
<b>Net assets, beginning of year</b>	<u>112,687</u>
<b>Net assets, end of year</b>	<u><u>\$ 134,778</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, 2016

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	<u>Program Services</u>		<u>Supporting Services</u>		
	<u>Dental Clinic</u>	<u>Other</u>	<u>Management and General</u>	<u>Resource Development</u>	<u>Total</u>
Salaries and related expenses	\$ 536,911	\$ 178,342	\$ 24,500	\$ 55,855	\$ 795,608
In-kind donations	-	32,852	-	-	32,852
Professional services	39,275	-	11,680	39,164	90,119
Client assistance	-	7,986	-	-	7,986
Bank charges	-	-	254	3,097	3,351
Insurance	6,712	2,237	-	-	8,949
Office expenses	-	-	11,512	-	11,512
Office rent	18,538	9,984	-	-	28,522
Advertising	-	-	-	9,135	9,135
Events	-	-	-	12,233	12,233
Utilities	-	4,229	-	-	4,229
Supplies	77,718	-	-	2,306	80,024
Travel and meals	-	-	-	5,093	5,093
Repair and maintenance	3,998	-	-	-	3,998
Other expenses	1,089	18,317	3,705	-	23,111
Gifts	-	-	1,778	-	1,778
Depreciation	-	-	21,736	-	21,736
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$ 684,241</u>	<u>\$ 253,947</u>	<u>\$ 75,165</u>	<u>\$ 126,883</u>	<u>\$ 1,140,236</u>

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

# **PROJECT WORTHMORE**

## **STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

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<b>Cash flows from operating activities</b>	
Change in net assets	\$ 22,091
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Depreciation	21,736
Donated equipment	(20,000)
Changes in operating assets and liabilities which provided (used) cash	
Accounts receivable	(27,008)
Accounts payable and accrued expenses	<u>(238)</u>
<b>Net cash provided by (used in) operating activities</b>	(3,419)
<b>Cash flows from investing activities</b>	
Purchases of fixed assets	<u>(30,154)</u>
Net increase (decrease) in cash and cash equivalents	(33,573)
<b>Cash and cash equivalents, beginning of year</b>	<u>85,888</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 52,315</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, 2016

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### 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, 2016

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### ***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, 2016 and through the auditors' report date, the date the financial statements were available to be issued. We noted the item indicated in note 4 below; no other such events or transactions were identified.

## **2. DONATED MATERIALS**

Donated in-kind items consisting of equipment and materials totaled \$52,852 for the year ended December 31, 2016.

## **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 \$28,522 for the year ended December 31, 2016.

## **4. SUBSEQUENT EVENT**

Subsequent to year-end, the Organization received \$55,588 through a verbal loan agreement with an unrelated individual. The agreement did not stipulate an interest rate or payback terms.