



FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017



Vredeveld Haefner LLC
CPAs and Consultants

PROJECT WORTHMORE

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INDEPENDENT AUDITORS' REPORT

June 28, 2018

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, 2017, 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, 2017, 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, 2017

Assets

Current assets

Cash and cash equivalents	\$ 44,845
Accounts receivable	<u>31,855</u>

Total current assets

76,700

Equipment

99,062

Leasehold improvements

30,144

Less accumulated depreciation

(65,779)

Net equipment and leasehold improvements

63,427

Total assets

\$ 140,127

Liabilities and net assets

Current liabilities

Accounts payable	\$ <u>14,798</u>
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Net assets

Unrestricted	119,329
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Temporarily restricted	<u>6,000</u>
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Total net assets

125,329

Total liabilities and net assets

\$ 140,127

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

PROJECT WORTHMORE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and support			
Contributions	\$ 222,696	\$ 6,000	\$ 228,696
Donated goods and services	344,303	-	344,303
Event income	151,733	-	151,733
Grants	125,673	-	125,673
Fees			
Insurance	817,085	-	817,085
Private pay	62,807	-	62,807
Seasonal farm membership	59,481	-	59,481
Other income	245	-	245
Net assets released due to satisfaction of time or program restriction	-	-	-
Total revenue and support	<u>1,784,023</u>	<u>6,000</u>	<u>1,790,023</u>
Expenses			
Program services			
Dental clinic	820,962	-	820,962
Delaney farm	49,155	-	49,155
Other programs	627,678	-	627,678
Supporting services			
Management and general	93,319	-	93,319
Resource development	<u>208,358</u>	<u>-</u>	<u>208,358</u>
Total expenses	<u>1,799,472</u>	<u>-</u>	<u>1,799,472</u>
Change in net assets	(15,449)	6,000	(9,449)
Net assets, beginning of year	<u>134,778</u>	<u>-</u>	<u>134,778</u>
Net assets, end of year	<u>\$ 119,329</u>	<u>\$ 6,000</u>	<u>\$ 125,329</u>

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

PROJECT WORTHMORE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Program Services</u>			<u>Supporting Services</u>		<u>Total</u>
	<u>Dental Clinic</u>	<u>Delaney Farm</u>	<u>Other</u>	<u>Management and General</u>	<u>Resource Development</u>	
Salaries and related expenses	\$ 627,098	\$ 32,498	\$ 251,864	\$ 25,000	\$ 155,249	\$ 1,091,709
Donated services	-	-	212,475	-	-	212,475
In-kind donations	-	-	129,246	-	2,582	131,828
Professional services	47,499	-	-	21,228	-	68,727
Client assistance	-	-	7,393	-	-	7,393
Bank charges	-	-	-	519	6,311	6,830
Insurance	13,153	-	-	6,000	-	19,153
Office expenses	-	-	-	13,629	-	13,629
Office rent	20,404	-	11,844	-	-	32,248
Advertising	-	-	-	-	7,104	7,104
Events	-	-	-	-	21,984	21,984
Utilities	-	-	5,444	-	-	5,444
Supplies	107,178	16,657	-	-	5,528	129,363
Travel and meals	-	-	9,009	583	9,600	19,192
Repair and maintenance	4,124	-	-	-	-	4,124
Other expenses	1,506	-	403	240	-	2,149
Gifts	-	-	-	1,063	-	1,063
Depreciation	-	-	-	25,057	-	25,057
Total expenses	<u>\$ 820,962</u>	<u>\$ 49,155</u>	<u>\$ 627,678</u>	<u>\$ 93,319</u>	<u>\$ 208,358</u>	<u>\$ 1,799,472</u>

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

PROJECT WORTHMORE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

Cash flows from operating activities	
Change in net assets	\$ (9,449)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Depreciation	25,057
Changes in operating assets and liabilities which provided (used) cash	
Accounts receivable	2,537
Accounts payable and accrued expenses	<u>(13,127)</u>
Net cash provided by (used in) operating activities	5,018
Cash flows from investing activities	
Purchases of equipment	<u>(12,488)</u>
Net increase (decrease) in cash and cash equivalents	(7,470)
Cash and cash equivalents, beginning of year	<u>52,315</u>
Cash and cash equivalents, end of year	<u>\$ 44,845</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, 2017

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 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 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, 2017

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, 2017 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 GOODS AND SERVICES

Donated in-kind items consisting of equipment and materials totaled \$131,828 and donated professional and skilled services totaled \$212,475 for the year ended December 31, 2017.

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 \$32,248 for the year ended December 31, 2017.