

**Shelter Providers of Northern California, Inc.  
(dba HomeAid Northern California)**

Financial Statements

December 31, 2015  
(With Comparative Totals for 2014)



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Shelter Providers of Northern California, Inc.  
(dba HomeAid Northern California)  
Walnut Creek, California

We have audited the accompanying financial statements of the Shelter Providers of Northern California, Inc. (dba HomeAid Northern California) (the "Organization"), which comprise the statement of financial position 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**

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 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 Shelter Providers of Northern California, Inc. (dba HomeAid Northern California) as of December 31, 2015, and the changes in its net assets, functional expenses, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited the Organization's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 6, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Armanino LLP*

Armanino<sup>LLP</sup>  
San Francisco, California

October 12, 2016

SHELTER PROVIDERS OF NORTHERN CALIFORNIA, INC.  
(DBA HOMEAID NORTHERN CALIFORNIA)  
Statement of Financial Position  
December 31, 2015  
(With Comparative Totals for 2014)

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ASSETS

	2015	2014
Cash and cash equivalents	\$ 246,707	\$ 319,314
Prepaid expenses and other assets	-	300
Investments	393,656	391,987
Total assets	\$ 640,363	\$ 711,601

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	\$ 1,831	\$ 3,199
Accrued liabilities	2,183	2,761
Total liabilities	4,014	5,960
Net assets		
Unrestricted		
Undesignated	441,217	469,009
Designated	186,632	186,632
Total unrestricted	627,849	655,641
Temporarily restricted	8,500	50,000
Total net assets	636,349	705,641
Total liabilities and net assets	\$ 640,363	\$ 711,601

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

SHELTER PROVIDERS OF NORTHERN CALIFORNIA, INC.  
(DBA HOMEAID NORTHERN CALIFORNIA)

Statement of Activities  
For the Year Ended December 31, 2015  
(With Comparative Totals for 2014)

	2015			2014 Total
	Unrestricted	Temporarily Restricted	Total	
Revenues, gains and other support				
In-kind project donations	\$ 147,046	\$ -	\$ 147,046	\$ 186,665
In-kind vendor donations	62,397	-	62,397	43,011
Other donations	43,616	8,500	52,116	41,429
Shelter project fees	6,896	-	6,896	5,000
Grant income	-	-	-	65,000
Special event revenue, net of expenses of \$156,218	375,757	-	375,757	331,962
Interest income	2,438	-	2,438	2,516
Net assets released from restriction	50,000	(50,000)	-	-
Total revenues, gains and other support	<u>688,150</u>	<u>(41,500)</u>	<u>646,650</u>	<u>675,583</u>
Expenses				
Program services	615,526	-	615,526	485,748
Supporting services				
General and administrative	66,029	-	66,029	72,932
Fundraising	34,387	-	34,387	39,372
Total expenses	<u>715,942</u>	<u>-</u>	<u>715,942</u>	<u>598,052</u>
Change in net assets	(27,792)	(41,500)	(69,292)	77,531
Net assets, beginning of year	<u>655,641</u>	<u>50,000</u>	<u>705,641</u>	<u>628,110</u>
Net assets, end of year	<u>\$ 627,849</u>	<u>\$ 8,500</u>	<u>\$ 636,349</u>	<u>\$ 705,641</u>

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

SHELTER PROVIDERS OF NORTHERN CALIFORNIA, INC.  
(DBA HOMEAID NORTHERN CALIFORNIA)  
Statement of Functional Expenses  
For the Year Ended December 31, 2015  
(With Comparative Totals for 2014)

	Program Services	Supporting Services		Total	
		General and Administrative	Fundraising	2015	2014
Salaries and related expenses	\$ 175,772	\$ 35,154	\$ 23,436	\$ 234,363	\$ 225,323
In-kind shelter expenses	351,100	-	-	351,100	186,834
Advertising and promotion	10,404	2,081	1,387	13,872	9,099
Legal fees	6,525	-	-	6,525	3,624
Program and project	15,485	3,097	2,065	20,647	91,605
Rent	31,532	6,306	4,204	42,043	28,523
Office expenses	3,774	755	503	5,032	7,972
Bookkeeping	-	2,087	-	2,087	2,786
Audit and accounting fees	-	12,362	-	12,362	11,088
Other expenses	<u>20,933</u>	<u>4,187</u>	<u>2,791</u>	<u>27,911</u>	<u>31,198</u>
	<u>\$ 615,526</u>	<u>\$ 66,029</u>	<u>\$ 34,387</u>	<u>\$ 715,942</u>	<u>\$ 598,052</u>

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

SHELTER PROVIDERS OF NORTHERN CALIFORNIA, INC.  
(DBA HOMEAID NORTHERN CALIFORNIA)  
Statement of Cash Flows  
For the Year Ended December 31, 2015  
(With Comparative Totals for 2014)

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	2015	2014
Cash flows from operating activities		
Change in net assets	\$ (69,292)	\$ 77,531
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Change in operating assets and liabilities		
Prepaid expenses and other assets	300	295
Accounts payable	(1,368)	962
Accrued liabilities	(578)	1,138
Net cash provided by (used in) operating activities	(70,938)	79,926
 Cash flows from investing activities		
Purchases of investments	(1,669)	(51,922)
 Change in cash and cash equivalents	(72,607)	28,004
Cash and cash equivalents, beginning of year	319,314	291,310
 Cash and cash equivalents, end of year	\$ 246,707	\$ 319,314

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



SHELTER PROVIDERS OF NORTHERN CALIFORNIA, INC.  
(DBA HOMEAID NORTHERN CALIFORNIA)  
Notes to Financial Statements  
December 31, 2015

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1. Organization

Shelter Providers of Northern California, Inc. (dba HomeAid Northern California) (the "Organization"), a California Non-Profit Public Benefit Corporation, was established in 1999. The Organization's specific purpose is to build safe, dignified housing where homeless individuals and families can rebuild their lives. The Organization is a licensed chapter of HomeAid America, Inc., which is a national organization dedicated to assisting the temporarily homeless. The Organization is funded through direct cash donations, in-kind donations of labor and materials from representatives of the home building industry, and fundraising activities.

2. Summary of Significant Accounting Policies

Basis of presentation

The financial statements have been prepared on the accrual basis of accounting to conform to accounting principles generally accepted in the United States of America ("U.S. GAAP") as applicable to non-profit organizations. Net assets of the Organization and changes therein have been classified and are reported as follows:

- Unrestricted - represent unrestricted resources available to support the Organization's operations and temporarily restricted resources that have become available for use by the Organization in accordance with the intentions of the donors. All expenses, revenues, gains, and losses that are not temporarily or permanently restricted by donors are included in this classification.
- Temporarily Restricted - represent contributions whose use by the Organization is limited in accordance with temporary donor-imposed stipulations. These stipulations may expire with time or may be satisfied by the actions of the Organization according to the intention of the donor.
- Permanently Restricted - represent contributions to be held in perpetuity as directed by the donors. The income from these contributions is available to support activities of the Organization as designated by the donors. The Organization does not have any permanently restricted net assets at December 31, 2015.

SHELTER PROVIDERS OF NORTHERN CALIFORNIA, INC.  
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Notes to Financial Statements  
December 31, 2015

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2. Summary of Significant Accounting Policies (continued)

Revenue recognition

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on assets and liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor restriction or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as releases from temporarily restricted net assets and recognized as unrestricted net assets. The Organization follows the policy of reporting donor-imposed restricted contributions and investment income whose restrictions are met in the same period received as unrestricted support.

Cash and cash equivalents

For purposes of the statement of cash flows, the Organization considers all highly-liquid investments with an initial maturity of three months or less to be cash equivalents. Cash on deposit usually exceeds federally insured limits. The Organization believes that it mitigates this risk by maintaining deposits with major financial institutions.

Investments

Investments consist of certificates of deposit. Investments received by donation are recorded at fair value at the date of donation. Net realized and unrealized gains or losses are classified as increases or decreases in unrestricted net assets, unless their use is temporarily or permanently restricted by the donor.

Contributions and promises to give

Contributions, including unconditional promises to give, are recognized as revenue in the period the promise is received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. The Organization records contributions receivable, net of allowances for uncollectible amounts, when there is sufficient evidence in the form of verifiable documentation that an unconditional promise was made and received. Contributions that are promised in one year but are not expected to be collected until after the end of that year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of any such discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for doubtful contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution, and current aging of contributions receivable. There were no contributions receivable at December 31, 2015.

SHELTER PROVIDERS OF NORTHERN CALIFORNIA, INC.  
(DBA HOMEAID NORTHERN CALIFORNIA)  
Notes to Financial Statements  
December 31, 2015

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2. Summary of Significant Accounting Policies (continued)

Contributions and promises to give (continued)

Contributions of assets other than cash are recorded based on the estimated fair value on the date the contribution is received.

Contributed goods and services

Contributed materials and equipment are reflected as contributions in the accompanying statements at their estimated fair values at date of receipt. Contributed services are reflected in the financial statements at the fair value of the services received. Contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Functional expense allocation

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Expenses, such as facility costs, payroll, and benefits, have been allocated among program services and supporting services based upon the employees' time spent by function.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires Organization management to make estimates and assumptions that affect certain reported amounts and disclosures. Uses of estimates include, but are not limited to, accounting for fair value of investments, functional expense allocation, and the allowance for doubtful contributions receivable. Actual results could differ from those estimates.

Income taxes

The Organization is exempt from federal income and California franchise taxes under the provisions of Sections 501(c)(3) of the Internal Revenue Code and 23701(d) of the California Revenue and Taxation Code, respectively.

The Organization has evaluated its current tax positions and has concluded that as of December 31, 2015, the Organization does not have any significant uncertain tax positions for which a reserve would be necessary.

SHELTER PROVIDERS OF NORTHERN CALIFORNIA, INC.  
(DBA HOMEAID NORTHERN CALIFORNIA)  
Notes to Financial Statements  
December 31, 2015

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2. Summary of Significant Accounting Policies (continued)

Comparative financial information

The financial statements include certain prior year summarized comparative information in total but not by net asset classification. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2014, from which the summarized information was derived.

3. Investments

Investments at December 31, 2015 consisted of the following:

Certificates of deposit	<u>\$393,656</u>
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4. Designated Net Assets

The Board of Directors of the Organization may designate appropriate sums of unrestricted net assets to fund specific future program services. As of December 31, 2015, the Board of Directors had designated \$186,632 of the Organization's unrestricted net assets to the future purchase of a temporary homeless shelter for temporarily homeless individuals and families.

5. Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31, 2015 consisted of the following:

OMA Village	<u>\$8,500</u>
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6. Related-Party Transactions

For the year ended December 31, 2015, the Organization received in-kind pro-bono legal services and in-kind rent from related parties in the amount of \$3,525 and \$17,872, respectively.

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7. Retirement Plan

The Organization sponsored a 401(k) savings plan for the benefit of its employees. Participants were able contribute up to 100% of their eligible compensation to the plan, subject to the limits of the Internal Revenue Code. The Organization may have made discretionary contributions to the plan at any time. Effective June 15, 2015, the Plan was terminated by the Organization and all plan assets were distributed to the participants. For the year ended December 31, 2015, the Organization did not make a discretionary contribution to the plan.

8. Subsequent Events

The Organization has evaluated subsequent events through October 12, 2016 the date the financial statements were available to be issued. No subsequent events have occurred that would have a material impact on the presentation of the Organization's financial statements.