# MI CASA RESOURCE CENTER AND CONSOLIDATED SUBSIDIARIES

### FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

# MI CASA RESOURCE CENTER AND CONSOLIDATED SUBSIDIARIES

# FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

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June 29, 2017

### Independent Auditors' Report

Board of Directors Mi Casa Resource Center Denver, Colorado

We have audited the accompanying consolidated financial statements of Mi Casa Resource Center and affiliates which comprise the combined statement of financial position as of December 31, 2016, and the related combined statements of activities 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 the financial statements that are free from material misstatements whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatements of the combined 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 combined 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 reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that our audit provides a reasonable basis for our opinion.

### **Opinion**

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Mi Casa Resource Center and consolidated subsidiaries 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.

### Report on Summarized Comparative Information

We have previously audited Mi Casa Resource Center's 2015 combined financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated June 13, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### Other Matters

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The nonprofit statement of financial position, the nonprofit statement of activities and the nonprofit statement of functional expenses and the indirect cost rate calculation, beginning on page 14 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 12, 2017, on our consideration of Mi Casa Resource Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Mi Casa Resource Center's internal control over financial reporting and compliance.

Taylor, Roth, and Compay pll (
TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2016 (WITH COMPARATIVE TOTALS FOR 2015)

		2016		2015
Assets				<del></del>
Cash and cash equivalents - unrestricted	\$	1,165,256	\$	213,408
Cash and cash equivalents - temporarily restricted		1,028,515		589,553
Cash held for others		51,277		30,784
Contributions receivable (unrestricted and temporarily restricted)		226,518		784,953
Grants and contracts receivable (unrestricted and temporarily restricted)		969,440		139,382
Prepaid expenses		28,131		24,745
Investments		2,311		10,272
Other assets (Note 3)		115,652		60,647
Net property and equipment (Note 4)		2,051,141	y <u>.                                    </u>	1,997,190
Total assets	\$	5,638,241	\$	3,850,934
Liabilities and net assets				
Liabilities				
Accounts payable	\$	94,976	\$	198,372
Accrued payroll costs		63,209		55,057
Cash due others		51,277		30,783
Capital lease obligation (Note 5)		13,415		16,097
Property taxes		2,400		3,024
Deferred revenue (Note 14)		750,000		-
Lines-of-credit (Note 6)		37,500		_
Notes payable (Note 7)		1,002,472		979,793
Commitments (Note 8)			·	100 No. 100 No
Total liabilities		2,015,249		1,283,126
Net assets				
Unrestricted				
Operating		1,572,291		1,481,844
Temporarily restricted (Note 9)		2,050,701		1,085,964
Total net assets	-	3,622,992	1	2,567,808
Total liabilities and net assets	\$	5,638,241	\$	3,850,934

The accompanying notes are an integral part of these financial statements

# CONSOLIDATED STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2016 (WITH COMPARATIVE TOTALS FOR 2015)

		2016		2015
		Temporarily		
	Unrestricted	Restricted	Total	Total
Revenue and other support				
Foundations and trusts	\$ 527,889	\$ 1,644,318	2,172,207	\$ 1,152,878
Government grants and contracts	871,660	-	871,660	743,080
Social Enterprise Ventures - fee income	633,643	-	633,643	115,281
Other contracts	136,172	-	136,172	34,160
Corporate donations	33,946	102,161	136,107	163,483
Contributions	85,213	41,412	126,625	359,779
United Way	100,000	-	100,000	100,000
Special events	90,311	-	90,311	123,988
Less direct expenses	(47,610)	-	(47,610)	(75,803)
Rental income	37,816	=	37,816	52,041
All other	119,221	-	119,221	33,107
In-kind contributions (Note 11)	158,191	-	158,191	158,643
Net assets released				
from restrictions (Note 12)	823,154	(823,154)		
Total revenue and other support	3,569,606	964,737	4,534,343	2,960,637
Expense				
Program services				
Youth	747,785	_	747,785	769,824
Career	591,838	-	591,838	627,140
Business	560,197	_	560,197	499,240
Economic advancement	124,349	_	124,349	141,686
Fiscal sponsors	1,011		1,011	3,038
Total program services	2,025,180	-	2,025,180	2,040,928
Supporting services				
Management and general	540,253	:=:	540,253	517,199
Fund-raising	207,902	-	207,902	253,364
Captial campaign	80,373		80,373	52,919
Total supporting services	828,528		828,528	823,482
Total nonprofit expense	2,853,708	-	2,853,708	2,864,410
Social Enterprise Ventures expense	625,451		625,451	205,685
Total consolidated expenses	3,479,159		3,479,159	3,070,095
Change in net assets	90,447	964,737	1,055,184	(109,458)
Net assets, beginning of year	1,481,844	1,085,964	2,567,808	2,677,266
Net assets, end of year	\$ 1,572,291	\$ 2,050,701	\$ 3,622,992	\$ 2,567,808

# CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2016 (WITH COMPARATIVE TOTALS FOR 2015)

			3788-1930			20	16						2015
			Program	Services			n 1 <del>-12-23-32-32-3</del>	Supportin	g Services				
	Youth & Family Development	Career Development	Business Development	Integrated Services	Fiscal Sponsors	Total Program Services	Management and General	Fund- raising	Capital Campaign	Total Supporting Services	Social Enterprise Ventures	Total	Total
Salaries	\$ 425,430	\$ 387,169	\$ 370,280	\$ 14,189	\$ 789	\$ 1,197,857	\$ 315,312	\$ 147,324	\$ 30,929	\$ 493,565	\$ 535,418	\$ 2,226,840	\$ 1,766,570
Payroll taxes and benefits	73,430	73,240	60,549	2,898	148	210,265	50,958	15,221	2,498	68,677	27,735	306,677	310,390
Facilities	154,920	22,028	14,535	19,072	6	210,561	36,589	2,012	=	38,601	466	249,628	249,791
Programming	33,511	36,858	56,381	44,923	-	171,673	4,785	660	1,493	6,938	_	178,611	176,507
Professional services		2,357	710	-	-	3,067	24,364	1,150	5,150	30,664	32,343	66,074	96,038
Supplies	23,705	7,753	6,161	5,328	5	42,952	10,602	815		11,417	1,422	55,791	47,865
Communications	16,435	12,237	7,680	2,970	6	39,328	4,072	1,661	4,739	10,472	2,079	51,879	59,728
Interest	178	13,373	11,091	2,978	31	27,651	15,190	3,063	-	18,253	-	45,904	48,272
Staff training	6,050	1,393	5,832	913		14,188	8,734	905	14,492	24,131	157	38,476	23,191
Insurance	4,921	7,547	3,879	2,112	6	18,465	3,015	665		3,680	4,692	26,837	23,899
Bad debts	-	-	-				_	15,888		15,888	14,981	30,869	52,079
Equipment	838	1,597	1,597	1,597	-	5,629		1	19,692	19,692	1,215	26,536	28,581
Software		-	609	-	-	609	5,849	10,804	45	16,698	*	17,307	13,308
Bank charges	275	288	38	-	, 4 ° =	601	7,358	3,445	764	11,567	2,653	14,821	18,951
Travel	2,897	1,953	4,176	1,109		10,135	3,073	650	147	3,870	120	14,125	14,998
Dues and memberships	898	1,566	1,948	1,023	1	5,436	3,796	94	-	3,890	553	9,879	12,519
Printing	1,365	1,980	2,239	1,939	=	7,523	879	1,023	424	2,326		9,849	17,216
Property taxes					-	-	2,405	- 1 T-1	- 1	2,405		2,405	3,280
Postage	24	73	117	476	1	691	858	431	-	1,289	113	2,093	2,133
Moving		39	16	40	-	95	92	4	_	96	1,504	1,695	1,544
Democratical	744,877	571,451	547,838	101,567	993	1,966,726	497,931	205,815	80,373	784,119	625,451	3,376,296	2,966,860
Depreciation	2,908	20,387	12,359	22,782	18	58,454	42,322	2,087	_	44,409		102,863	103,235
Total expenses	\$ 747,785	\$ 591,838	\$ 560,197	\$ 124,349	\$ 1,011	\$ 2,025,180	\$ 540,253	\$ 207,902	\$ 80,373	\$ 828,528	\$ 625,451	\$ 3,479,159	\$ 3,070,095

The accompanying notes are an integral part of these financial statements

### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2016 (WITH COMPARATIVE TOTALS FOR 2015)

	2016		2015
Cash flows from operating activities	Tu .	\ <u></u>	
Change in net assets	\$ 1,055,184	\$	(109,458)
Adjustments to reconcile change in net assets			
to net cash provided by operating activities			
Depreciation	102,863		103,235
Donated investments	(7,961)		(9,083)
Changes in operating assets and liabilities			
(Increase)decrease in contributions receivable	558,435		46,155
(Increase)decrease in grants receivable	(830,058)		(102,476)
(Increase)decrease in prepaid expenses	(3,386)		(2,245)
(Increase)decrease in other assets	(55,005)		(23,260)
Increase(decrease) in accounts payable	(103,396)		157,658
Increase(decrease) in cash due others	20,494		(21,908)
Increase(decrease) in payroll accruals	8,152		(12,032)
Increase(decrease) in deferred revenue	750,000		=
Increase(decrease) in property taxes payable	(624)		544
Net cash provided by operating activities	 1,494,698		27,130
Cash flows from financing activities			
(Purchase) of fixed asssets	(140,892)		(171,540)
(Repayment) on capital lease obligation	(2,682)		(10,559)
Draw down on line of credit	37,500		46 0E0 E
(Repayment) on notes payable	 22,679		(50,284)
Net cash provided(used) by financing activities	 (83,395)		(232,383)
Net increase in cash and cash equivalents	1,411,303		(205,253)
Cash and cash equivalents, beginning of year	833,745	8° <u>1-1-1-1</u>	1,038,998
Cash and cash equivalents, end of year	\$ 2,245,048	\$	833,745
Supplemental disclosure of information:			
Cash paid during the period for interest	\$ 45,904	\$	49,390

The accompanying notes are an integral part of these financial statements

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016

### NOTE 1 - NATURE OF ACTIVITIES

Mi Casa Resource Center (the Organization) has served the Denver community since 1976, working towards our mission of advancing the economic success of families with limited opportunities. The Organization is supported primarily by foundation grants, government contracts, as well as by individual and corporate donations. The Organization provides services within the program framework outlined below:

### **Career Development**

Mi Casa's Career Development programs offer basic career-readiness training, as well as industry-focused training programs for workers with limited skills and education to prepare them for careers with strong earning and advancement potential in growth industries. For all participants who enroll in career and customer service programs, Mi Casa provides a core curriculum of career coaching, job-search assistance, post-employment support, as well as financial coaching and individual case management.

### **Business Development**

The Mi Casa' Women's Business Center – the only such center in Colorado supported by the U.S. Small Business Administration – provides aspiring entrepreneurs and emerging businesses with the education, tools and support needed to achieve personal financial stability and community economic impact. These comprehensive, bilingual business development programs include: entrepreneurial training and counseling, financial literacy coaching, technology training, assistance assessing capital, legal support and networking opportunities. Mi Casa Resource Center hosts an outreach program of the U.S. Patent and Trademark Office that pairs low income inventors with pro-bono patent attorneys.

### Youth & Family Development

Mi Casa's Youth & Family Development programs offer out-of-school time enrichment for low-income, mostly Latino youth in middle and high school. These engaging programs focus on areas of technology, career exploration, STEM (science, technology, engineering and math) and leadership. Mi Casa also offers adult education programs and family support services to help adults advance their own education, overcome challenges and support their children's education.

### **Economic Advancement Services**

Integrated into Mi Casa's career, business and youth and family programs is access to economic advancement services that help families to build income and assets and decrease debt. Our partnerships with community organizations offer: financial coaching and credit counseling, free tax preparation, legal support, technology training, GED preparation courses and English as a second language (ESL) classes.

### **Social Enterprise**

Mi Casa has two social enterprise initiatives that exist to generate revenue that is reinvested in Mi Casa's nonprofit programs. Mi Casa TalentSolutions is a full service staffing agency specializing in bilingual and diverse talent. Mi Casa Back Office Solutions is a bookkeeping and accounting business that focuses on serving nonprofit organizations and small businesses. These Initiatives have been established as separate entities wholly owned by Mi Casa Resource Center.

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

### 1. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

### 2. 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.

### 3. Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

### 4. Accounts Receivable

The Organization states accounts receivable at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have been adjusted as bad debts.

### 5. Donations

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor 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.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless the explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent donor stipulations regarding how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

### 6. Capitalization and Depreciation

The Organization follows a practice of capitalizing all expenditures for furniture and equipment in excess of \$5,000. The fair value of donated assets is similarly capitalized. Depreciation of furniture and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Concluded)

### 7. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### 8. Income Taxes

The Organization has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements. The Organization is the sole shareholder of two social enterprise ventures. Those ventures were formed in 2013 and are subject to income taxes. However, in 2013, 2014, 2015, and 2016, both organizations had net operating losses and no taxes are due.

### 9. Functional Reporting of Expenses

For the year ended December 31, 2016, the costs of providing 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.

### 10. Summarized Prior-Year Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2015, from which the summarized information was derived.

### 11. Principles of Consolidation

The consolidated financial statements include the accounts of Mi Casa Resource Center, Mi Casa TalentSolutions and Mi Casa Back Office Solutions. All material inter-organization transactions have been eliminated.

### 12. Subsequent Events

Management has evaluated subsequent events through June 29, 2017, the date the financial statements were available for distribution.

### NOTE 3 - OTHER ASSETS

The Organization has entered into a participation agreement with Unemployment Services Trust (the Trust). The Trust provides services and an alternative means for funding unemployment costs. Trust administrative expenses are funded by participating employers. Participation may be revoked upon 90 days' notice, at which time the Organization would begin paying its unemployment responsibility directly to the State. Contributions to the Trust are adjusted annually. At December 31, 2016, the Organization had contributed \$51,868 in excess of claims filed with the Trust.

### NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Description	Amount
Land Duilding and improvements	\$ 176,300 3,017,735
Building and improvements Furniture and equipment	67,980
Leased equipment Vehicles	61,667 24,500
Total	3,348,182
Less: accumulated depreciation	(1,297,041)
Net property and equipment	\$ 2,051,141

Depreciation expense for the year was \$102,863.

Additionally, in 2015 the Organization entered into agreements to lease office space to five other organizations. Based on current commitments, revenues are expected as follows:

Year	Amount
2017	\$ 6,865

### NOTE 5 - CAPITAL LEASE OBLIGATION

The Organization has acquired office equipment under capital leasing arrangements. The future minimum lease payments are:

Year	Amount
2017	\$ 7,339
2018	2,460
2019	2,460
2020	2,460
2021	2,050
Total	16,769
Less: amount representing interest	(3,354)
Present value of capital lease obligations	\$ 13,415

### NOTE 6 - LINES OF CREDIT

At year-end there is a \$0 balance on a line-of-credit with a \$150,000 maximum. The line is unsecured, and interest accrues at the bank prime rate plus 1.50% with a floor of 5.00%. At year-end the interest rate was 5.00%.

Additionally, there was also a \$37,500 balance on a line-of-credit with a \$75,000 maximum. The line is unsecured and interest accrues at the bank prime rate +2%. At year-end the interest rate was 5.50%

### NOTE 7 - NOTES PAYABLE

In 2002, the Organization negotiated two loans to purchase the building at 360 Acoma. The loan amounts were for \$1,207,500 and \$475,000 with interest rates at 7.36% and 3.00% respectively. The smaller loan, through the city and county of Denver is due in full on December 1, 2017.

In 2013, the larger loan was refinanced. The new loan was for \$811,031 and bears interest at 5.00%. Monthly payments of \$5,389 began in March of 2013 and a balloon payment of \$511,791 is due in February 2023.

In 2016, the Organization negotiated a promissory note to support the Mi Casa Back Office Solutions subsidiary. The note is unsecured and for the amount of \$75,000 with an interest rate of 1.50%. The note through the Colorado Trust is due in full December 2022.

The future scheduled maturities are:

<u>Year</u>	Amount
2017	\$ 245,627
2018	38,898
2019	44,504
2020	48,942
2021	53,718
2022 and after	570,783
Total	\$ 1,002,472

### NOTE 8 - LEASE COMMITMENTS

During 2015, the Organization entered into an agreement to lease program space in Northeast Denver from the Boys and Girls Clubs of Metro Denver. Under the terms of that agreement the Organization pays \$439 per month for the space. The lease agreement ends on January 31, 2017.

### NOTE 9 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted nets assets are available for the following purpose:

Description	Amount
Capital campaign	\$ 1,363,033
Business development	200,972
Integrated services	184,681
Leadership and capacity building	143,316
Youth and family	74,022
NE Park Hill	39,162
Career development	38,622
Adult services	6,893
Total	\$ 2,050,701

### NOTE 10 - IN-KIND CONTRIBUTIONS

Donated services and materials are reflected in the accompanying financial statements at their estimated values at date of receipt:

Description	<u>Amount</u>
Donated space in schools for youth programs	\$ 153,780
Donated services	2,552
Donated software, supplies and materials	1,859
Total	\$ 158,191

Additionally, the Organization receives substantial donated services not requiring specialized skills, and so, are not valued on the face of these financial statements. During the year, these volunteers donated more than 7,437 hours of service.

### NOTE 11 - NET ASSETS RELEASED FROM RESTRICTIONS

During the year, net assets were released from donor restrictions by incurring expenses satisfying the restricted program purposes:

Description	Amount
Integrated services	\$ 256,466
Business development	140,482
NE Park Hill	135,219
Career development	112,334
Capital campaign	80,363
Youth and family	60,324
Adult services	27,282
Leadership and capacity building	10,684
Total	\$ 823,154

### NOTE 12 - CONCENTRATION OF CREDIT RISK

The Organization places most of its cash with one financial institution. Amounts over \$250,000 are not insured by the FDIC or related entity.

### NOTE 13 - PENSION PLAN

The Organization has established a 403(b) retirement plan. Employee contributions are matched up to 2% of gross wages. Pension expense for the year was \$16,184.

### NOTE 14 - SUBSEQUENT EVENTS - SALE OF BUILDING

Subsequent to year end, the Organization entered into a contract to sell the building at 360 Acoma Street. A new property has been secured and the build out of a new facility is expected to be completed in 2017. The closing of the sale of the Acoma property will be timed to eliminate or minimize any leaseback from the purchaser. Earnest money in the amount of \$750,000 has been received and the revenue is deferred until the closing date.

### NOTE 15 - SUBSEQUENT EVENTS – LINE OF CREDIT

Subsequent to year end, the Organization opened a line of credit with a limit of \$1,000,000. The line is unsecured at a variable rate currently at 3.75 percent per year.



# STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2016 (WITH COMPARATIVE TOTALS FOR 2015)

		2016		2015
Assets				
Cash and cash equivalents - unrestricted	\$	1,140,929	\$	204,063
Cash and cash equivalents - temporarily restricted		1,028,515		589,553
Cash held for others		51,277		30,784
Contributions receivable (unrestricted and temporarily restricted)		254,131		947,918
Grants and contracts receivable		989,640	8	35,000
Prepaid expenses		14,662		23,489
Investments		2,311		10,272
Investment in subsidiary		172,335		191,912
Other assets		60,647		60,647
Net property and equipment		2,051,141		1,997,190
Total assets	\$	5,765,588	\$	4,090,828
Liabilities and net assets				
Liabilities				
Accounts payable	\$	102,026	\$	198,561
Accrued payroll costs		53,400		52,154
Cash due others		51,277		30,784
Capital lease obligation		13,415		16,097
Deferred revenue		750,000		-
Property taxes		2,400		3,024
Notes payable		927,472		979,793
Commitments				
Total liabilities		1,899,990		1,280,413
Net assets				
Unrestricted				
Operating		1,814,897		1,724,451
Temporarily restricted		2,050,701		1,085,964
Total net assets		3,865,598		2,810,415
Total liabilities and net assets	\$_	5,765,588	\$	4,090,828

The accompanying notes are an integral part of these financial statements

### STATEMENT OF ACTIVITIES

# FOR THE YEAR ENDED DECEMBER 31, 2016 (WITH COMPARATIVE TOTALS FOR 2015)

		2016		2015
		Temporarily		
	Unrestricted	Restricted	Total	Total
Revenue and other support				
Foundations and trusts	\$ 527,889	\$ 1,644,318	\$ 2,172,207	\$ 1,152,878
Government grants and contracts	871,660	-	871,660	743,080
Contributions	85,213	41,412	126,625	359,779
Corporate donations	33,946	102,161	136,107	163,483
Special events	90,311	_	90,311	123,988
Less direct expenses	(47,610)	-	(47,610)	(75,803)
United Way	100,000	-	100,000	100,000
Rental income	46,006		46,006	60,231
Other contracts	136,172	-	136,172	34,160
All other	119,222	-	119,222	33,108
In-kind contributions	158,191	-	158,191	158,643
Net assets released				
from restrictions	823,154	(823,154)		-
Total revenue and other support	2,944,154	964,737	3,908,891	2,853,547
Expense				
Program services				
Youth	747,785	-	747,785	769,824
Career	591,838		591,838	627,140
Business	560,197	-	560,197	499,240
Integrated services	124,349		124,349	141,686
Fiscal sponsors	1,011		1,011	3,038
Total program services	2,025,180	딒	2,025,180	2,040,928
Supporting services				
Management and general	540,253	-	540,253	517,199
Fund-raising	207,902	-	207,902	253,364
Capital campaign	80,373	-	80,373	52,916
Total supporting services	828,528	_	828,528	823,479
Total expenses	2,853,708	-	2,853,708	2,864,407
Change in net assets	90,446	964,737	1,055,183	(10,860)
Net assets, beginning of year	1,724,451	1,085,964	2,810,415	2,821,275
Net assets, end of year	\$ 1,814,897	\$ 2,050,701	\$ 3,865,598	\$ 2,810,415

### STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2016 (WITH COMPARATIVE TOTALS FOR 2015)

						2016					10	2015
	<u> </u>		Program	Services				Supportin	g Services			
	Youth & Family Development	Career Development	Business Development	Integrated Services	Fiscal Sponsors	Total Program Services	Management and General	Fund- raising	Capital Campaign	Total Supporting Services	Total	Total
Salaries	\$ 425,430	\$ 387,169	\$ 370,280	\$ 14,189	\$ 789	\$ 1,197,857	\$ 315,312	\$ 147,324	\$ 30,929	\$ 493,565	\$ 1,691,422	\$ 1,609,916
Payroll taxes and benefits	73,430	73,240	60,549	2,898	148	210,265	50,958	15,221	2,498	68,677	278,942	285,735
Facilities	154,920	22,028	14,535	19,072	6	210,561	36,589	2,012		38,601	249,162	248,857
Programming	33,511	36,858	56,381	44,923	- 1/ N-	171,673	4,785	660	1,493	6,938	178,611	176,391
Professional services		2,357	710	- 1 2-1 1 <del>-</del> 1		3,067	24,364	1,150	5,150	30,664	33,731	95,023
Communications	16,435	12,237	7,680	2,970	6	39,328	4,072	1,661	4,739	10,472	49,800	56,433
Interest	178	13,373	11,091	2,978	31	27,651	15,190	3,063		18,253	45,904	48,272
Supplies	23,705	7,753	6,161	5,328	5	42,952	10,602	815	_	11,417	54,369	46,822
Bad debts	- 2		<u>-</u>	, Sing.			-	15,888	-	15,888	15,888	41,369
Equipment	838	1,597	1,597	1,597		5,629	-		19,692	19,692	25,321	26,721
Staff training	6,050	1,393	5,832	913	-	14,188	8,734	905	14,492	24,131	38,319	23,130
Insurance	4,921	7,547	3,879	2,112	. 6	18,465	3,015	665	-	3,680	22,145	20,640
Bank charges	275	288	38			601	7,358	3,445	764	11,567	12,168	17,375
Printing	1,365	1,980	2,239	1,939		7,523	879	1,023	424	2,326	9,849	17,216
Travel	2,897	1,953	4,176	1,109	-	10,135	3,073	650	147	3,870	14,005	14,979
Software	-	1 - 1 - 1 - 1 - 1 - 1	609			609	5,849	10,804	45	16,698	17,307	13,250
Dues and memberships	898	1,566	1,948	1,023	1	5,436	3,796	94	7-7-6-	3,890	9,326	12,291
Property taxes		-	-	v 5 p 2 -	•	-1,5	2,405	11.5	-	2,405	2,405	3,280
Postage	24	73	117	476	1	691	858	431		1,289	1,980	2,104
Moving		39	16	40_		95	92	4	- <u>i/, i,-</u>	96	191	1,371
	744,877	571,451	547,838	101,567	993	1,966,726	497,931	205,815	80,373	784,119	2,750,845	2,761,175
Depreciation	2,908	20,387	12,359	22,782	18	58,454	42,322	2,087	-	44,409	102,863	103,235
Total expenses	\$ 747,785	\$ 591,838	\$ 560,197	\$ 124,349	\$ 1,011	\$ 2,025,180	\$ 540,253	\$ 207,902	\$ 80,373	\$ 828,528	\$ 2,853,708	\$ 2,864,410

# MI CASA RESOURCE CENTER CONSOLIDATED STATEMENT OF FINANCIAL POSITION WORKSHEET

# **DECEMBER 31, 2016**

Eliminations Consolidated	\$ 1,165,256	1,028,515			(89,212) 969,440	28,131	(172,335)	2,311	115,652	2,051,141	(289,160) \$ 5,638,241		(32.204) \$ 94.976			(84,621) 51,277	13,415	2,400	750,000	1,039,972	(116,825) 2,015,249			- 1,572,291	(172,335)	2,050,701	(172,335) 3,622,992	(289,160) \$ 5,638,241
1	4				3	7.			4		\$		€.		2	2				  2 	15			(71			(7)	\$ 88
Mi Casa Back Office Solutions	\$ 11,464				14,573	196			63,784		\$ 90,788			72.1	1,705	45,532				75,000	122,235			(31,447)			(31,447)	\$ 90,788
Mi Casa Talent Solutions	12,863				54,439	3,723					71,025		25.154	0 106	8,100	39,089				37,500	109,849			(38,824)			(38,824)	71,025
S	↔										8		4	<del>)</del>														↔
Mi Casa Resource Center	\$ 1,140,929	1,028,515	51,277	254,131	989,640	23,441	172,335	2,311	51,868	2,051,141	\$ 5,765,588		\$ 102.026		55,400	51,277	13,415	2,400	750,000	927,472	1,899,990			1,642,562	172,335	2,050,701	3,865,598	\$ 5,765,588
	Assets Cash and cash equivalents - unrestricted	Cash and cash equivalents - temporarily restricted	Cash held for others	Contributions receivable	Grants and contracts receivable	Prepaid expenses	Investment in subsidiary	Investments	Other assets	Net property and equipment	Total assets	Liabilities and net assets	Accounts navahle	Accounts payable	Accrued payroll costs	Cash due others	Capital lease obligation	Property taxes	Deferred revenue	Notes payable	Total liabilities	Net assets	Unrestricted	Operating	Net investment in subsidiary	Temporarily restricted	Total net assets	Total liabilities and nct assets

# MI CASA RESOURCE CENTER STATEMENT OF ACTIVITIES WORKSHEET FOR THE YEAR ENDED DECEMBER 31, 2016

	Mi Casa	Mi Casa	Mi Casa		
	Resource Center	Talent Solutions	Back Office Solutions	Eliminations	Consolidated
Revenue and other support					STREET PROTECTION OF THE STREET STREET, STREET STREET, STREET STREET, STREET, STREET, STREET, STREET, STREET,
Foundations and trusts	\$ 2,172,207	\$ -	\$ -	\$ -	\$ 2,172,207
Government grants and contracts	871,660	-	=8	-	871,660
Contributions	126,625	-	=:	-	126,625
Corporate donations	136,107	-		-	136,107
United Way	100,000	-		-	100,000
Special events	90,311	-	-	-	90,311
Less direct expenses	(47,610)	-	<b></b>	:=	(47,610)
Rental income	46,006	-	-	(8,190)	37,816
Other contracts	136,172	-	-		136,172
All other	119,222	-	-	-	119,222
In-kind contributions	158,191	-	<b>=</b> 9	s <del>-</del>	158,191
Service Fees	8	631,575	56,612	(54,544)	633,643
Total revenue and other support	3,908,891	631,575	56,612	(62,734)	4,534,344
Expense					
Program services					
Youth	747,785	_	-	-	747,785
Career	591,838			-	591,838
Business	560,197	_	=	-	560,197
Integrated services	124,349	-		-	124,349
Fiscal sponsors	1,011				1,011
Total program services	2,025,180	~	=1	-	2,025,180
Supporting services					
Management and general	540,254	_	<b>-</b>	-	540,254
Fund-raising	207,902				207,902
Social venture expense		641,408	66,355	(82,312)	625,451
Capital campaign	80,373				80,373
Total supporting services	828,529	641,408	66,355	(82,312)	1,453,980
Total expenses	2,853,709	641,408	66,355	(82,312)	3,479,160
Change in net assets	1,055,182	(9,833)	(9,743)	19,578	1,055,184
Net assets, beginning of year	2,618,503	(28,991)	(21,704)	<u></u>	2,567,808
Net assets, end of year	\$ 3,673,685	\$ (38,824)	\$ (31,447)	\$ 19,578	\$ 3,622,992

Mi Casa Resource Center Indirect Cost Agreement calculations for the year ended December 31, 2016

	(A)	(B)	(c)	( <u>O</u> )	(E)	(F) Adiustn	(G) Adjustments to Indirect Costs	(H)	(1)
Category	Total Costs	Total Direct Program Costs	<u>Unallowable</u> Program Costs	Allowable Program Costs (B) - (C)	General. Administrative. Fundraising. Costs (A) - (B)	Fundraising Costs	<u>Capital</u> Campaign	<u>Unallowable</u> Costs	Allowable Indirect Costs (E) - (F) - (G)
Lippon									
Salaries	1,691,422	1,197,857		1,197,857	493,564	(147,324)	(30,929)		315,311
Facilities	249,162	210,562		210,562	38,600	(2,012)	2	(1)	36,589
Payroll taxes and benefits	278,942	210,264		210,264	229	(15,221)	(2,498)		20,958
Programming	179,862	171,673	(183)	171,490	8,188	(099)	(1,493)	(208)	5,828
Interest	45,904	27,651		27,651	18,253	(3,063)	3		15,194
Communications	49,800	39,328		39,328	10,472	(1,661)	(4,739)		4,072
Supplies	52,509	42,951	(29)	42,922	9,558	(815)	0	(13)	8,730
Staff training and development	38,319	14,187	(347)	13,840	24,132	(606)	(14,492)	(3,437)	5,298
Marketing	20,255	3,067		3,067	17,188	(1,150)	(5,150)		10,888
Insurance	22,145	18,465		18,465	3,679	(99)	П		3,015
Travel	14,006	10,134		10,134	3,872	(020)	(147)	(1,068)	2,007
Equipment-non capital	25,321	5,629		5,629	19,692	•	(19,692)		0
Printing, copier	9,849	7,523		7,523	2,326	(1,023)	(424)		879
Bank charges	13,768	602	(78)	524	13,166	(3,445)	(764)	(2,211)	6,746
Professional services	13,475	1		31	13,475	1	1		13,475
Dues and memberships	9,326	5,436		5,436	3,890	(94)	ĩ		3,796
Software	16,316	609		609	15,707	(10,804)	(42)		4,858
Bad debts expense	15,888	1		110	15,888	(15,888)	1		
Postage	1,980	691		691	1,289	(431)	1		828
Moving, equipment repair	191	95		95	96	(4)	i		35
Property taxes	2,405	1		1	2,405	1	1	(2)	2,400
Depreciation	102,863	58,455	(15,253)	43,201	44,409	(2,087)	2	(10,387)	31,936
Total expenses	2,853,707	2,025,181	(15,892)	2,009,289	828,526	(207,903)	(80,363)	(17,330)	522,930
Direct Cost Dool calculation:									
total direct program costs (D)	2,009,289								
add fundraising costs (F)	207,903								
						700 00			
Direct Cost Pool	2,217,192 (I)	(1)		allowable indirec	allowable indirect/direct cost pool requested rate	23.6% (J)/(I) 19.5%	(T)/(T		