

# **House of Neighborly Service**

## **Financial Statements**

**June 30, 2019 & 2018**



Edward Hamilton, CPA

Terri L. Hamilton, CPA

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
House of Neighborly Service  
Loveland, Colorado

We have audited the accompanying financial statements of House of Neighborly Service (a Colorado nonprofit organization), which comprise the balance sheets as of June 30, 2019 and 2018, and the related statements of income, retained earnings, and cash flows for the years 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 audits. 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 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 House of Neighborly Service as of June 30, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

/s/ Source CPAs, LLC

Denver, Colorado  
February 13, 2020

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HOUSE OF NEIGHBORLY SERVICE  
STATEMENTS OF FINANCIAL POSITION  
June 30, 2019 and 2018

	2019	2018
<b>ASSETS</b>		
Cash & cash equivalents, unrestricted	\$ 112,602	\$ 100,957
Cash & cash equivalents, restricted	93,284	140,053
Investments	10,253	9,718
Unconditional promises to give	52,628	55,128
Current restricted promises to give	-	90
Long-term restricted promises to give less amortized discount of \$- and \$-	-	-
Inventory	44,802	33,322
Accounts receivable	4,200	10,974
Prepaid expenses	32,841	45,265
Settlement closing costs, net	3,869	4,431
Property and equipment, net	7,100,433	7,221,225
Total Assets	\$ 7,454,912	\$ 7,621,163
 <b>LIABILITIES</b>		
Accounts payable	\$ 14,888	\$ 84,961
Payroll taxes payable	2,381	2,992
Accrued vacations	18,713	21,180
Accrued interest payable	3,006	3,006
Agency deposits	4,674	3,913
Accrued liabilities	84,943	9,624
Long-term notes payable	2,463,722	2,545,902
Total Liabilities	2,592,327	2,671,577
 <b>NET ASSETS</b>		
Unrestricted	4,716,673	4,754,315
Temporarily restricted	145,912	195,271
Total Net Assets	4,862,585	4,949,586
Total Liabilities and Net Assets	\$ 7,454,912	\$ 7,621,163

See accompanying notes and independent auditor's report

HOUSE OF NEIGHBORLY SERVICE  
STATEMENTS OF ACTIVITIES  
Years Ended June 30, 2019 and 2018

	2019	2018
<b>UNRESTRICTED NET ASSETS</b>		
Support		
Private donations	\$ 580,995	\$ 357,079
United Way designations for current year	3,886	21,062
Trusts & foundations	156,217	169,327
Client payments	4,208	5,964
Interest, dividend & partnership income	1,075	743
In kind donations	640,219	551,394
Rental income	116,630	39,647
Fund raising, net	73,693	207,163
	1,576,923	1,352,379
Net assets released from restrictions	345,659	341,658
Total unrestricted support and reclassifications	1,922,582	1,694,037
Expenses		
Program services	1,465,407	1,722,627
Supporting services	329,195	281,256
Fund Raising	165,713	448,108
Total expenses	1,960,315	2,451,991
<b>OTHER INCOME AND EXPENSES</b>		
Shared space income (loss)	-	(72,048)
Realized gain (loss)	-	(10,052)
Unrealized gain(loss)	-	(84)
Net other income	-	(82,184)
Increase (decrease) in unrestricted net assets	(37,733)	(840,138)
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
EOC	-	-
Emergency fund	37,000	122,535
Building purchase & remodel	68,392	159,190
Government assistance	129,684	207,718
Trusts & foundations	54,537	266,243
Gift Cards	4,890	3,196
Individuals	1,888	35,921
Net assets (released) under from restrictions	(345,659)	(341,658)
Increase (Decrease) in temporarily restricted net assets	(49,268)	453,145
Increase in net assets	(87,001)	(386,993)
Net assets at beginning of year	4,949,586	5,336,579
Net assets at end of year	\$ 4,862,585	\$ 4,949,586

See accompanying notes and independent auditor's report

HOUSE OF NEIGHBORLY SERVICE  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended June 30, 2019

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	<u>Program Service</u>	<u>Support Service</u>	<u>Fund Raising</u>	<u>Total Expenses 2019</u>
Salaries, payroll taxes and benefits	\$ 501,469	\$ 110,804	\$ 118,624	730,897
Food and shelter expense	535,751	-	-	535,751
Clothing	35,059	-	-	35,059
Other assistance	60,567	-	-	60,567
Amortization	-	-	-	-
Insurance	36,772	12,004	-	48,776
Utilities and telephone	52,331	11,563	12,379	76,273
Office supplies and expense	23,499	5,192	5,559	34,250
Repairs and maintenance	59,897	19,553	-	79,450
Professional services	12,343	4,030	-	16,373
Other	8,495	7,879	-	16,374
Rent	11,308	3,692	-	15,000
Volunteer expense	36,617	-	-	36,617
Promotion	-	-	29,150	29,150
Dues and subscriptions	2,499	816	-	3,315
Interest	33,569	58,089	-	91,658
Bad debts	-	-	-	-
	<u>1,410,176</u>	<u>233,621</u>	<u>165,713</u>	<u>1,809,510</u>
Depreciation	<u>55,231</u>	<u>95,574</u>	<u>-</u>	<u>150,805</u>
Total expenses	<u><u>\$ 1,465,407</u></u>	<u><u>\$ 329,195</u></u>	<u><u>\$ 165,713</u></u>	<u><u>\$ 1,960,315</u></u>

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See accompanying notes and independent auditor's report

HOUSE OF NEIGHBORLY SERVICE  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended June 30, 2018

	<u>Program Service</u>	<u>Support Service</u>	<u>Fund Raising</u>	<u>Total Expenses 2018</u>
Salaries, payroll taxes and benefits	\$ 656,648	\$ 107,459	\$ 103,901	868,008
Food and shelter expense	616,995	-	-	616,995
Clothing	4,218	-	-	4,218
Other assistance	139,164	-	-	139,164
Amortization	-	562	-	562
Insurance	40,911	9,392	-	50,303
Utilities and telephone	57,892	9,474	9,160	76,526
Office supplies and expense	28,551	4,672	4,517	37,740
Repairs and maintenance	54,384	12,484	-	66,868
Professional services	4,672	1,072	-	5,744
Other	7,691	5,255	-	12,946
Fees	10,750	2,468	-	13,218
Volunteer expense	7,134	-	-	7,134
Promotion	-	-	100,071	100,071
Dues and subscriptions	3,104	712	-	3,816
Interest	38,086	53,736	-	91,822
Bad debts	-	-	230,459	230,459
	<u>1,670,200</u>	<u>207,286</u>	<u>448,108</u>	<u>2,325,594</u>
Depreciation	<u>52,427</u>	<u>73,970</u>	<u>-</u>	<u>126,397</u>
Total expenses	<u><u>\$ 1,722,627</u></u>	<u><u>\$ 281,256</u></u>	<u><u>\$ 448,108</u></u>	<u><u>\$ 2,451,991</u></u>

HOUSE OF NEIGHBORLY SERVICE  
STATEMENTS OF CASH FLOWS  
Years Ended June 30, 2019 and 2018

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ (87,001)	\$ (386,993)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation/amortization	150,805	136,562
Decrease in investments	(536)	9,879
(Increase)/decrease in all promises to give	2,590	331,778
Decrease/(increase) in inventory	(11,480)	6,673
(Increase) in prepaid expenses	12,424	(20,110)
Decrease/(increase) in accounts receivable	6,774	(4,397)
Increase/(decrease) in accounts payable	(70,073)	64,965
Increase in accrued vacations	(2,467)	(4,496)
(Decrease)/increase in accrued interest payable	-	(207)
Increase/(decrease) in payroll taxes payable	(611)	(767)
Increase/(decrease) in agency deposits	762	(4,223)
Increase in accrued liabilities	75,319	2,511
Increase/(decrease) in flood recovery	-	-
Net cash provided by operating activities	76,507	131,175
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Settlement costs	562	562
Sale & disposal of assets, net	-	-
Purchase of property and equipment	(30,013)	(144,416)
Net cash used by investing activities	(29,451)	(143,854)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from notes payable	-	-
Payments on notes payable	(82,180)	(175,985)
Net cash provided by financing activities	(82,180)	(175,985)
Increase in cash and cash equivalents	(35,124)	(188,664)
Beginning cash and cash equivalents	241,010	429,674
Ending cash and cash equivalents	\$ 205,886	\$ 241,010

See accompanying notes and independent auditor's report

HOUSE OF NEIGHBORLY SERVICE  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019 and 2018

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

House of Neighborly Service (the Organization) is a nonprofit Corporation serving people living in the Loveland and Berthoud, Colorado areas. The Organization addresses critical needs and strives to prevent further crisis by effectively and compassionately assisting, without discrimination, vulnerable individuals while maintaining accountability and dignity. The Organization's goal is to diminish hunger and the effects of poverty among residents of the Thompson R2J School District. The Organization is supported primarily through donor contributions, grants.

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.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

During the year ended 2018 the Organization had a donor decide to no longer honor a promise to give for the remainder of the term. The Organization took the remainder of the promise to give to bad debt expense in the amount of \$230,459. Organization does not have an allowance for uncollectible unconditional promises receivable because all receivables are considered 100% collectible.

Inventories

Recorded inventory consists of food items to be distributed to clients, recorded at cost or estimated market value if donated. Inventory is valued at an estimated average cost of \$44,802 and \$33,332 recorded at \$1.68 per pound on June 30, 2019 and 2018.

The Organization receives numerous donations of items of clothing during the year. These items are not reflected in the financial statements because the value cannot be readily substantiated.

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.

Property and Equipment

Donations of property and equipment are recorded at their estimated fair value as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Purchased property and equipment are recorded at cost. Depreciation expense of \$150,805 and \$136,562 for 2019 and 2018 is computed using the straight-line method over the estimated useful lives of the respective assets. Accumulated depreciation is \$650,678 and \$528,853 at June 30, 2019 and 2018. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

Functional Expenses

Expenses are charged directly to program or management in general categories based on specific identification. Indirect expenses have been allocated based on salary expenditures.



HOUSE OF NEIGHBORLY SERVICE  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019 and 2018

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2016, 2017, and 2018 are subject to examination by the IRS, generally for three years after they were filed.

Cash and Cash Equivalents

Unrestricted cash consists of the general checking account and petty cash. Cash equivalents consist of certificates of deposit, money market accounts and an endowment fund. For purposes of the statements of cash flows, these highly liquid investments available for current use are considered to be cash equivalents.

Restricted cash is money, which has been designated by the grantor or donor for a specified use and is not to be used for general operating purposes. Total restricted cash at June 30, 2019 and 2018 is \$93,284 and \$140,053. Of those amounts, funds restricted for client assistance consists of the emergency fund, flood recovery, EFSP fund and gift certificates all totaling \$73,538 and \$34,950 at the years ended June 30, 2017 and 2016. Funds restricted for the purchase of property and equipment total \$19,746 and \$105,921 at year end June 30, 2019 and 2018.

NOTE B – UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are deemed to be fully collectible by management within one year except the R.C. Christiansen Remainder Trust which is to be received upon death of his wife and children. Fair market value of this promise cannot be accurately determined due to the uncertainty. Unconditional promises to give are composed of the following amounts due at June 30, 2019 and 2018:

	<u>6/30/19</u>	<u>6/30/18</u>
City of Loveland - HSC	\$ 26,443	\$ 26,443
City of Loveland HAND	6,000	6,000
United Way	4,250	4,250
R.C. Christiansen Remainder Trust	5,000	5,000
City of Loveland – CDBG	-	-
El Pomar Foundation	-	2,500
Realities for Children	6,000	6,000
EOC Grant	<u>4,935</u>	<u>4,935</u>
	<u>\$ 52,628</u>	<u>\$ 55,128</u>

NOTE C – CURRENT & LONG-TERM RESTRICTED PROMISES TO GIVE

The Organization purchased a new building on December 28, 2012 and is in the process of remodeling it to better suit the Organization's needs. The Organization received several current and long-term promises to give from individuals, a local government, foundations and trusts. All promises to give are specifically designated to help pay for the costs of purchase and renovation of the new building. During the year end June 30, 2018 a foundation decided to discontinue their pledge for long term restricted promises to give. Current and long-term restricted promises to give, net of discount, are composed of the following amounts:

For the year ended June 30, 2019:

	<u>Current</u>	<u>Long-term</u>
Individuals & Businesses	\$ -	\$ -
Foundations & Trusts	<u>-</u>	<u>-</u>
	\$ -	\$ -
Amortization	<u>-</u>	<u>-</u>
Net Restricted Promises to Give	<u>\$ -</u>	<u>\$ -</u>

HOUSE OF NEIGHBORLY SERVICE  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019 and 2018

NOTE C – CURRENT & LONG-TERM RESTRICTED PROMISES TO GIVE (continued):

For the year ended June 30, 2018:

	<u>Current</u>	<u>Long-term</u>
Individuals & Businesses	\$ 90	\$ -
Foundations & Trusts	-	-
	\$ 90	\$ -
Amortization	-	-
Net Restricted Promises to Give	<u>\$ 90</u>	<u>\$ -</u>

NOTE D - PROPERTY AND EQUIPMENT

As of June 30, 2019, and 2018, fixed assets consist of:

	<u>6/30/19</u>	<u>6/30/18</u>
Construction in progress	\$ 328,813	\$ 518,885
Land	1,069,970	1,069,970
Building and improvements	6,171,799	5,964,802
Furniture and equipment	180,529	196,420
	7,751,111	7,750,077
Less accumulated depreciation	(650,678)	(528,853)
	<u>\$ 7,100,433</u>	<u>\$ 7,221,225</u>

NOTE E - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes and periods:

Program activities

	<u>6/30/19</u>	<u>6/30/18</u>
Emergency fund	\$ 32,702	\$ 32,779
Building purchase & remodeling	35,569	77,064
HAND	6,000	6,000
HSC	26,443	26,443
El Pomar Foundation	-	2,500
City of Loveland	-	-
United Way	4,250	4,250
Individuals	21,210	28,294
Trusts & foundations	6,000	6,000
Gift Certificates	3,803	2,005
R.C. Christansen	5,000	5,000
Energy Outreach Colorado	4,935	4,935
	<u>\$ 145,912</u>	<u>\$ 195,270</u>

HOUSE OF NEIGHBORLY SERVICE  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019 and 2018

NOTE F - OTHER ASSISTANCE

Expenses for other assistance to clients at June 30, 2019 and 2018 includes:

	<u>6/30/19</u>	<u>6/30/18</u>
Medical assistance/prescriptions	\$ 3,572	\$ 4,087
Holiday gifts	1,153	8,279
Utilities	23,652	45,264
Client supplies	25,219	25,998
Transportation	7,625	7,594
Education	1,871	104
Homeless Program	5,439	5,700
Angel House Program	30,670	29,191
Miscellaneous	10,622	7,216
Family to Family	4,209	5,731
	<u>\$ 114,032</u>	<u>\$ 139,164</u>

NOTE G – FUND RAISING EVENTS

Revenue and expenses from fund raising activities for the year ended June 30, 2019 and 2018 are as follows:

	<u>6/30/19</u>	<u>6/30/18</u>
Revenue		
Fall into Jewels	\$ 23,075	\$ 18,881
Newsletter	-	90,881
Direct Mail	-	55,305
Cropwalk	-	3,288
Meet and Greet	1,515	-
HNS Gala	135,562	73,338
Heads on Beds	18,412	-
Ask Events	100	16,200
Cardboard Box City	430	2,484
Loveland Loves BBQ	5,000	5,000
Valley 5000	1,250	5,809
Other	8,329	1,689
	<u>193,673</u>	<u>272,876</u>
Expenses		
Fall into Jewels	10,256	7,584
Newsletter	-	20,534
HNS Gala	103,177	30,400
Direct Mail	-	3,257
Crop Walk	28	30
Meet and Greet	2,871	-
Heads on Beds	1,326	-
Cardboard Box City	337	1,706
Valley 5000	24	1,323
Other	1,964	309
	<u>(119,980)</u>	<u>(65,713)</u>
Net fundraising income	<u>\$ 73,693</u>	<u>\$ 207,163</u>

HOUSE OF NEIGHBORLY SERVICE  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019 and 2018

NOTE H – DONATED SERVICES

The Organization received approximately 17,674 and 19,331 hours of donated services from a variety of unpaid volunteers for the years ended June 30, 2019 and 2018. No amounts for these unpaid volunteer hours have been recognized in the accompanying statements of activities because the criteria for recognition of such volunteer effort under SFAS 116 have not been satisfied.

NOTE I – SHARED SPACE INCOME AND EXPENSE

The Organization provides space to other 501(c) (3) agencies at their budgeted cost of building operations based on a square footage apportionment. These revenues and expenses are recorded apart from operating revenues and expenses as other income and expenses. The percentage of the building occupied by other agencies has varied throughout the year as space was completed and became available. Deposits comprising the first month's expenses for each agency are refundable upon vacating the building. Due to the uncertainty of when these amounts will be payable, they are recorded as current liabilities.

The other organizations are currently occupying 36% of the building for the year. The expenses were apportioned as follows:

<u>Year ended June 30, 2019</u>			
	HNS	Other <u>Agencies</u>	<u>Total</u>
Building management	\$ 87,314	\$ 51,588	\$ 138,902
Utilities	46,424	25,944	72,368
Maintenance & Repairs	49,916	28,933	78,849
Depreciation	81,797	44,570	126,367
Staff room	429	253	682
Insurance	<u>25,376</u>	<u>11,462</u>	<u>36,838</u>
	<u>\$ 291,256</u>	<u>\$ 162,750</u>	<u>\$ 454,006</u>

<u>Year ended June 30, 2018</u>			
	HNS	Other <u>Agencies</u>	<u>Total</u>
Building management	\$ 101,949	\$ 60,235	\$ 162,184
Utilities	45,989	27,298	73,287
Maintenance & Repairs	41,529	25,822	67,351
Depreciation	70,577	41,700	112,277
Staff room	686	405	1,091
Insurance	<u>22,770</u>	<u>11,582</u>	<u>34,352</u>
	<u>\$ 283,500</u>	<u>\$ 167,043</u>	<u>\$ 450,542</u>

NOTE J – EMPLOYEE BENEFIT PLANS

The Organization gives each full-time employee \$200 per month in addition to their salary as an additional benefit to use at their discretion. The amount is added to the regular salary and treated as additional salary.

The Organization also offers a payroll deduction IRA plan for interested employees. The employee may select the withholding from their salary. The Organization does no matching.

HOUSE OF NEIGHBORLY SERVICE  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019 and 2018

NOTE K – NOTE PAYABLE

<u>Long-term Debt</u>	<u>2019</u>	<u>2018</u>
Waypoint Bank, payable in monthly payments. of \$9,542 with a balloon payment of \$1,272,513 due May 20, 2026. Interest rate is adjustable every five years with a ceiling of 18%. Current interest is 4.25%	\$ 1,620,915	\$ 1,665,092
Waypoint Bank, payable in monthly payments. of \$6,243 with a balloon payment of \$832,588 due May 20, 2026. Interest rate is adjustable every five years with a ceiling of 18%. Current interest is 4.25%	<u>842,807</u>	<u>880,807</u>
	2,463,722	2,545,902
Less current maturities	<u>74,987</u>	<u>72,131</u>
	<u>\$ 2,388,735</u>	<u>\$ 2,473,771</u>

Current maturities at June 30, 2019 are as follows:

2020	74,987
2021	78,597
2022	82,051
2023	85,658
2024	89,424
Thereafter	2,053,005

NOTE L – CAPITALIZED INTEREST

During the construction period, interest paid on the acquisition loan will be capitalized as part of the building cost. Once the building has been completed and put into use, any interest expense will be expensed currently. During the continuing build out a percentage of interest is capitalized. As of June 30, 2019, and 2018, \$15,583 and \$21,403 in interest was capitalized.

NOTE M – DESIGNATED AGENCY FUND

In addition to the Organization's Endowment Fund with The Community Foundation of Northern Colorado, the Organization also has a Designated Agency Fund. The Designated Agency Fund totaled \$69,435 and \$69,435 at June 30, 2019 & 2018 but are not reported on the Organization's financial statements. The funds have been contributed to the Community Foundation in the name of the Organization; however the Foundation is in control of the funds. As the funds are released to the Organization, the released income will be recorded as current year income.

NOTE N – RELATED PARTY

The Organization currently has a contract for computer management and server space with a member of the board of directors. Both contracts were consummated prior to the member joining the board of directors.

In September 2015, the board approved a janitorial contract with the relative of a board member. The contract was on a bid basis.

The Organization currently has notes payable with the bank where a board of director works. They were consummated while the director was on the board, but were the best bid the Organization was offered among several offers.

HOUSE OF NEIGHBORLY SERVICE  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019 and 2018

NOTE O – HAND PROJECT

The Organization and the City of Loveland have joined together to help those in need pay their city utility bills through a program called Help a Neighbor in Distress (HAND). In order to qualify for this assistance, people must follow income guidelines or be in a crisis situation. The City of Loveland maintains a separate account that the community can donate money to the HAND project. The Organization screens the clients according to these guidelines and issues vouchers for the bills that need to be paid. The City of Loveland then pays the vouchers out of their HAND project account. This amount is not recorded in the Organization's books because the city actually pays the vouchers. The Organization did receive a grant from the City of Loveland in the amount of \$6,000 and \$6,000 for administrative costs associated with the screening of clients for the HAND project for the years ended June 30, 2019 and 2018.

NOTE P – CAPITAL CAMPAIGN

In December 2012, the Organization acquired the land and building where it where it moved operations to in 2014. The Organization is soliciting contributions for those facilities through the Capital Campaign.

The Organization moved into the facility in August 2014. To fund the acquisition and renovation costs, as of June 30, 2017, the Organization has raised \$4,467,905, of which \$4,159,844 has been spent this excludes the \$230,909 write off of restricted promises to give mentioned in Note C, and it has two notes payable of \$2,545,902 from Waypoint Bank. Renovation of the facilities began in 2013. Cash and promises to give are restricted to payment of the cost of acquiring and renovating the facility.

Temporary restrictions on net assets for year ended June 30, 2019, are related to funds raised through the Capital Campaign, a drive to raise funds to purchase and renovate after purchase the new facility located at 1511 East 11<sup>th</sup> Street, Loveland, CO 80537.

NOTE Q – SUBSEQUENT EVENTS

Events subsequent to June 30, 2018, have been evaluated through the date these statements were available to be issued, to determine whether they should be disclosed to keep the financial statements from being misleading. Management found no subsequent events to be disclosed.