

**AMUDIM COMMUNITY RESOURCES, INC.**

**FINANCIAL STATEMENTS  
AND AUDITOR'S REPORT**

**DECEMBER 31, 2017 AND 2016**

**AMUDIM COMMUNITY RESOURCES, INC.**

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## **Independent Auditor's Report**

### **Board of Directors Amudim Community Resources, Inc.**

We have audited the accompanying financial statements of Amudim Community Resources, Inc., which comprise the statement of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses, 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 Amudim Community Resources, Inc. as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Loeb & Troper LLP*

May 31, 2018

## AMUDIM COMMUNITY RESOURCES, INC.

## STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash	\$ 742,942	\$ 185,114
Contributions receivable - current	70,060	8,900
Fixed assets - net (Note 3)	31,963	6,918
Security deposits	<u>3,393</u>	
Total assets	<u>\$ 848,358</u>	<u>\$ 200,932</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 51,831	\$ 51,087
Loan payable (Note 4)	<u>45,000</u>	<u>16,198</u>
Total liabilities	96,831	67,285
Net assets - unrestricted (Exhibit B)	<u>751,527</u>	<u>133,647</u>
Total liabilities and net assets	<u>\$ 848,358</u>	<u>\$ 200,932</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

## AMUDIM COMMUNITY RESOURCES, INC.

## STATEMENT OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Revenues and other support		
Contributions	\$ 3,486,818	\$ 2,482,050
Donated space		55,710
Government grants	104,502	31,748
Interest	<u>103</u>	<u>30</u>
Total revenues and other support	<u>3,591,423</u>	<u>2,569,538</u>
Expenses (Exhibit C)		
Program services		
Crisis intervention	<u>2,320,371</u>	<u>2,037,857</u>
Supporting services		
Management and general	407,076	258,187
Fundraising	<u>246,096</u>	<u>180,678</u>
Total supporting services	<u>653,172</u>	<u>438,865</u>
Total expenses	<u>2,973,543</u>	<u>2,476,722</u>
Change in unrestricted net assets (Exhibit D)	617,880	92,816
Net assets - beginning of year	<u>133,647</u>	<u>40,831</u>
Net assets - end of year (Exhibit A)	<u>\$ 751,527</u>	<u>\$ 133,647</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

AMUDIM COMMUNITY RESOURCES, INC.

EXHIBIT C

STATEMENT OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017			
	Program Services	Supporting Services		Total
	Crisis Intervention	Management and General	Fundraising	
Salaries and related expenses	\$ 644,050	\$ 149,556	\$ 40,041	\$ 833,647
Advertising			22,275	22,275
Professional fees	63,338	30,122	58,249	151,709
Technology		14,286	2,720	17,006
Occupancy (Note 5)		123,770		123,770
Supplies	1,459	19,676		21,135
Postage and printing	70,487	1,236		71,723
Travel	41,517			41,517
Insurance	107,386	19,199	11,200	137,785
Educational expenses	186,350			186,350
Office, program and other	152,602	27,661	29,606	209,869
Rehabilitation fees	835,106			835,106
Client services	218,076			218,076
Depreciation		3,965		3,965
Credit card and other fees		17,605	82,005	99,610
	<u>2,320,371</u>	<u>407,076</u>	<u>246,096</u>	<u>2,973,543</u>
Total expenses (Exhibit B)	\$ 2,320,371	\$ 407,076	\$ 246,096	\$ 2,973,543

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AMUDIM COMMUNITY RESOURCES, INC.

EXHIBIT C

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STATEMENT OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2017 AND 2016

	2016			
	Program Services	Supporting Services		Total
	Crisis Intervention	Management and General	Fundraising	
Salaries and related expenses	\$ 619,258	\$ 144,082	\$ 35,664	\$ 799,004
Advertising			45,389	45,389
Professional fees	43,607	7,274	7,500	58,381
Technology		5,895	5,000	10,895
Occupancy (including \$55,710 of donated space) (Note 5)		68,246		68,246
Supplies	13,295	26,489		39,784
Postage and printing		1,067	2,356	3,423
Travel	85,967			85,967
Insurance	101,049	4,602		105,651
Educational expenses	209,230			209,230
Office, program and other	90,856		12,467	103,323
Rehabilitation fees	829,381			829,381
Client services	45,214			45,214
Depreciation		532		532
Credit card and other fees			72,302	72,302
	<u>2,037,857</u>	<u>258,187</u>	<u>180,678</u>	<u>2,476,722</u>
Total expenses (Exhibit B)	\$ <u>2,037,857</u>	\$ <u>258,187</u>	\$ <u>180,678</u>	\$ <u>2,476,722</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.



## AMUDIM COMMUNITY RESOURCES, INC.

## STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Change in net assets (Exhibit B)	\$ 617,880	\$ 92,816
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	3,965	532
Increase in assets		
Contributions receivable	(61,160)	(8,900)
Security deposits	(3,393)	
Increase in liabilities		
Accounts payable and accrued expenses	744	2,369
Net cash provided by operating activities	<u>558,036</u>	<u>86,817</u>
Cash flows from investing activities		
Purchase of fixed assets	<u>(29,010)</u>	<u>(7,450)</u>
Cash flows from financing activities		
Proceeds from loans	86,125	40,298
Payments of loans	<u>(57,323)</u>	<u>(24,100)</u>
Net cash provided by financing activities	<u>28,802</u>	<u>16,198</u>
Net change in cash	557,828	95,565
Cash - beginning of year	<u>185,114</u>	<u>89,549</u>
Cash - end of year	<u>\$ 742,942</u>	<u>\$ 185,114</u>

See independent auditor's report.

The accompanying notes are an integral part of these statements.

**AMUDIM COMMUNITY RESOURCES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2017 AND 2016**

**NOTE 1 - NATURE OF ENTITY**

Amudim Community Resources, Inc. (Amudim) is an organization providing crisis intervention and case management for individuals suffering from addiction, victims of sexual abuse and youth at risk.

Amudim has been granted exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been held to be a publicly supported organization, and not a private foundation under Section 509(a).

Amudim is supported primarily by contributions.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of accounting*** - The financial statements are prepared on the accrual basis of accounting.

***Use of estimates*** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Contributions receivable*** - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Accretion of discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

***Fixed assets*** - Fixed assets are recorded at cost. Acquisitions with a cost in excess of \$5,000 and an estimated useful life of greater than one year are capitalized. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Amortization of leasehold improvements is computed on the straight-line method over the shorter of the estimated useful lives of the assets or the term of the lease.

Estimated useful lives are as follows:

Leasehold improvements	5 years
Furniture and equipment	7 years

***Unrestricted net assets*** - Unrestricted net assets include funds having no restriction as to use or purpose imposed by donors.

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## AMUDIM COMMUNITY RESOURCES, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Contributions** - Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the 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 as unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Government grants** - Revenue from government grants is recognized when earned. Expense based grants are recognized as allowable expenses are incurred.

**Donated space** - Donated space is recorded at fair value at the date of donation.

**Advertising** - Advertising costs are expensed as incurred.

**Rent expense** - Rent is expensed on the straight-line basis over the term of the lease. Deferred rent is recorded where there are material differences between the fixed payment and the rent expense.

**Functional allocation of expenses** - The costs of providing Amudim's services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Uncertainty in income taxes** - Amudim has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending December 31, 2014 and subsequent remain subject to examination by applicable taxing authorities.

**Subsequent events** - Subsequent events have been evaluated through May 31, 2018, which is the date the financial statements were available to be issued.

**NOTE 3 - FIXED ASSETS**

	<u>2017</u>	<u>2016</u>
Leasehold improvements	\$ 29,010	
Furniture and equipment	<u>7,450</u>	\$ <u>7,450</u>
	36,460	7,450
Accumulated depreciation	<u>(4,497)</u>	<u>(532)</u>
	<u>\$ 31,963</u>	<u>\$ 6,918</u>

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**AMUDIM COMMUNITY RESOURCES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2017 AND 2016**

**NOTE 4 - LOAN PAYABLE**

Amudim has uncollateralized loans from individuals unrelated to the organization. The loans are interest free and there are no specific repayment terms. The balance of the loans at December 31, 2017 and 2016 was \$45,000 and \$16,198, respectively.

**NOTE 5 - OCCUPANCY**

During 2016 Amudim was occupying space that was being rented by an unrelated organization. The value of the donated space was \$55,710. In November 2016 the lease on the space was transferred to Amudim. Rent paid for the year ended December 31, 2016 was \$12,536. Total rent expense for the year ended December 31, 2016, including donated space was \$68,246. Rent expense for the year ended December 31, 2017 was \$123,770. The noncancelable lease agreement for rental of office space expires in June 2023.

The following are the minimum annual lease payments including utilities to be made:

2018	\$ 117,268
2019	119,924
2020	122,646
2021	125,437
2022	128,297
Thereafter	<u>64,872</u>
Total	<u>\$ 678,444</u>