

COMMUNITY BUILDERS, INC.

FINANCIAL STATEMENTS

June 30, 2022



**community
builders**

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**COMMUNITY BUILDERS, INC.
FINANCIAL STATEMENTS**

June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Community Builders, Inc.

Opinion

We have audited the accompanying financial statements of Community Builders, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Builders, Inc. as of June 30, 2022, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Builders, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Builders, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness Ascendigo Autism Services, Inc. and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Builders, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Reese Henry & Company, Inc.

Reese Henry & Company, Inc.
Aspen, Colorado
December 6, 2022

COMMUNITY BUILDERS, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2022

ASSETS	
Cash	\$ 455,000
Restricted Cash	2,991
Accounts Receivable	60,061
Grant Receivable	50,000
TOTAL ASSETS	<u>568,052</u>

LIABILITIES	
Accounts Payable	\$ 7,782
Accrued Payroll	16,016
TOTAL LIABILITIES	<u>23,798</u>

NET ASSETS	
Without Donor Restrictions	
Undesignated	171,057
Board Designated Reserve	320,206
Total Without Donor Restrictions	491,263
With Donor Restrictions	52,991
TOTAL NET ASSETS	<u>544,254</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 568,052</u>

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

COMMUNITY BUILDERS, INC.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS & OTHER SUPPORT			
Contributions	\$ 19,770	\$ -	\$ 19,770
Grants	234,683	75,000	309,683
Fees for Service Revenue	36,831	-	36,831
Interest Income	62	-	62
Sales	1,315	-	1,315
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	151,584	(151,584)	-
TOTAL REVENUES, GAINS & OTHER SUPPORT	<u>444,245</u>	<u>(76,584)</u>	<u>367,661</u>
EXPENSES			
Program Expenses			
Fee for Service	179,355	-	179,355
Technical Assistance Program	207,763	-	207,763
Training Program	18,647	-	18,647
Communications	48,678	-	48,678
Research	22,900	-	22,900
Total Program Expenses	<u>477,343</u>	<u>-</u>	<u>477,343</u>
Supporting Services			
Management and General	61,041	-	61,041
Fundraising Expenses	20,966	-	20,966
Total Supporting Services	<u>82,007</u>	<u>-</u>	<u>82,007</u>
TOTAL EXPENSES	<u>559,350</u>	<u>-</u>	<u>559,350</u>
CHANGE IN NET ASSETS	<u>(115,105)</u>	<u>(76,584)</u>	<u>(191,689)</u>
NET ASSETS, Beginning of Year	<u>606,368</u>	<u>129,575</u>	<u>735,943</u>
NET ASSETS, End of Year	<u>\$ 491,263</u>	<u>\$ 52,991</u>	<u>\$ 544,254</u>

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

COMMUNITY BUILDERS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2022

	Program Expenses					Supporting Services			
	Technical Assistance	Training	Communi-cations	Research	Fee for Service	Total Program Expenses	Management and General	Fundraising	Total
Salaries and Wages	\$ 151,948	\$ 13,343	\$ 29,241	\$ 16,141	\$ 134,404	\$ 345,077	\$ 43,840	\$ 9,694	\$ 398,611
Employee Benefits	12,028	2,707	3,705	3,580	10,013	32,033	4,007	3,135	39,175
Payroll Taxes	12,369	1,070	2,303	1,312	10,782	27,836	3,686	769	32,291
Accounting	-	-	-	-	-	-	4,983	-	4,983
Consultants	13,993	-	6,375	-	10,749	31,117	-	5,425	36,542
IT Consultant	2,273	428	5,135	598	1,636	10,070	621	522	11,214
Advertising and Promotion	731	-	-	-	731	1,462	498	-	1,960
Office Expenses	1,363	76	112	106	1,870	3,526	356	96	3,978
Information Technology	1,913	598	1,184	557	2,298	6,550	1,841	784	9,175
Occupancy	736	147	216	210	862	2,172	230	187	2,589
Travel	5,263	17	24	28	2,572	7,903	580	27	8,511
Conferences	-	-	-	-	-	-	-	-	-
Insurance	1,274	260	384	369	1,036	3,323	399	327	4,048
Program Costs	3,871	-	-	-	2,402	6,274	-	-	6,274
Total Expenses Included in the expense section on the Statement of Activities	<u>\$ 207,763</u>	<u>\$ 18,647</u>	<u>\$ 48,678</u>	<u>\$ 22,900</u>	<u>\$ 179,355</u>	<u>\$ 477,343</u>	<u>\$ 61,041</u>	<u>\$ 20,966</u>	<u>\$ 559,350</u>

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

COMMUNITY BUILDERS, INC.
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ (191,689)
Adjustments to Reconcile Net Income to Net Cash Used In Operating Activities:	
Decrease (Increase) in Assets:	
Accounts Receivable	34,390
Grants Receivable	(48,260)
Increase (Decrease) in Liabilities:	
Accounts Payable	1,373
Accounts Payable	(2,866)
NET CASH USED IN OPERATING ACTIVITIES	<u>(207,052)</u>
NET DECREASE IN CASH	<u>(207,052)</u>
CASH AND RESTRICTED CASH, Beginning of Year	<u>665,043</u>
CASH AND RESTRICTED CASH, End of Year	<u><u>\$ 457,991</u></u>

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

COMMUNITY BUILDERS, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

1. ORGANIZATION AND PURPOSE

Community Builders, Inc. (the "Organization") was established May 6, 2015 as an independent nonprofit corporation with a mission to help local leaders build livable communities across the American West. The Organization is governed by a board of directors. The Organization has been granted an exemption from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

BASIS OF PRESENTATION

The organization follows the Not-for-Profit Entities topics of the Financial Accounting Standards Codification. The Organization is required to report information regarding its financial position and activities based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions: Net assets available for use in general operations and not subject to donor or certain grantor restrictions.

Net Assets With Donor Restrictions: Net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donors stipulate that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As of June 30, 2022, the Organization has no net assets to be held in perpetuity.

CASH

Cash include highly liquid investments not held for resale with original maturities of three months or less. The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits of \$250,000. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk with respect to these accounts. As of June 30, 2022, the Organization had cash balances of \$73,959 in excess of these limits.

ACCOUNTS AND GRANT RECEIVABLE

The Organization writes off accounts and grants when they are considered uncollectible. Grants due to be received beyond one year from the date of the financial statements are recognized at their estimated present value. For the year ended June 30, 2022, the Organization did not write off any accounts or grants receivable.

CONTRIBUTIONS AND GRANTS

Contributions and grants received are recorded as increases in net assets without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions and grants received with donor-imposed restrictions that are met in the same year in which the contributions were received are recorded as net assets with donor restrictions and are re-classified to net assets without donor restrictions when the restrictions have been met.

FEES FOR SERVICES

Fees for services received are recorded when the services occur. These fees are primarily grant reimbursements received for educational programs performed and expenses incurred to educate municipal and construction planning leaders on how to build and maintain livable communities.

ADVERTISING

Advertising costs are expensed as incurred. Advertising expense was \$1,960 for the year ended June 30, 2022.

RETIREMENT CONTRIBUTIONS

Community Builders adopted a SIMPLE IRA plan which matches, dollar for dollar, up to 3% of the employee's salary. For the year ended June 30, 2022, employer contributions were \$6,708.

INCOME TAXES

Community Builders is organized as a Colorado nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRS Section 501(c)(3), and qualifies for the charitable contribution deduction under IRC Section 170(b)(1)(A)(vi) and (vii), and has been determined not to be a private foundation under IRS Section 509(a)(1) and (3), respectively. Community Builders is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS.

FUNCTIONAL ALLOCATION OF EXPENSES

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.

USE OF ESTIMATES

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

DATE OF MANagements REVIEW

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition of disclosure through December 6, 2022, the date which the financial statements were available for issuance.

3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of the balance sheet date, are comprised of the following:

Cash	\$ 455,000
Accounts Receivable	60,061
Grants Receivable	<u>25,000</u>
	<u>\$ 540,061</u>

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come true.

4. GRANTS RECEIVABLE

Grants receivable are due to be received as follows as of June 30, 2022:

In one year or less	\$ 25,000
Between 1 to 5 years	<u>25,000</u>
Total Grants Receivable	<u>\$ 50,000</u>

Management has determined that the discount on grants receivable between one to five years is insignificant to the financials statements. Therefore, no discount on grants receivable has been recorded for the year ended June 30, 2022.

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of grants receivable of \$50,000 and \$2,991 of donor restricted funds to be used for a specific purpose.

8. CONCENTRATIONS

Grants Receivable

The Organization had one donor that represented 100% of total grants receivable as of June 30, 2022.

Grants

The Organization had 4 donors that represented 83% of total grant income.