

**COMMUNITY BUILDERS, INC.**

**FINANCIAL STATEMENTS**

**June 30, 2024**



**community  
builders**

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**COMMUNITY BUILDERS, INC.  
FINANCIAL STATEMENTS**

**June 30, 2024**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Community Builders, Inc.  
Glenwood Springs, Colorado

### 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, 2024, 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, 2024, 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.

### 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 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 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 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 Community Builders, Inc. 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 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.*

Certified Public Accountants  
Aspen, Colorado  
November 19, 2024

**COMMUNITY BUILDERS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2024**

<b>ASSETS</b>	
Cash	\$ 224,554
Restricted Cash	85,192
Grants Receivable	135,493
<b>TOTAL ASSETS</b>	<b><u>\$ 445,239</u></b>
 <b>LIABILITIES</b>	
Accounts Payable	\$ 9,622
Accrued Payroll	31,997
<b>TOTAL LIABILITIES</b>	<b><u>41,619</u></b>
 <b>NET ASSETS</b>	
Without Donor Restrictions	182,935
With Donor Restrictions	220,685
<b>TOTAL NET ASSETS</b>	<b><u>403,620</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 445,239</u></b>

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

**COMMUNITY BUILDERS, INC.**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2024

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES, GAINS &amp; OTHER SUPPORT</b>			
Contributions	\$ 50,918	\$ -	\$ 50,918
Grants	542,599	336,698	879,297
Fees for Services	99,459	-	99,459
Interest Income	927	-	927
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	264,996	(264,996)	-
<b>TOTAL REVENUES, GAINS &amp; OTHER SUPPORT</b>	<b>958,899</b>	<b>71,702</b>	<b>1,030,601</b>
<b>EXPENSES</b>			
Program Expenses			
Fee for Service	110,095	-	110,095
Program Support	112,620	-	112,620
Training Program	531,898	-	531,898
Research	65,854	-	65,854
Total Program Expenses	820,467	-	820,467
Supporting Services			
Management and General	59,624	-	59,624
Fundraising Expenses	77,384	-	77,384
Total Supporting Services	137,008	-	137,008
<b>TOTAL EXPENSES</b>	<b>957,475</b>	<b>-</b>	<b>957,475</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,424</b>	<b>71,702</b>	<b>73,126</b>
<b>NET ASSETS, Beginning of Year</b>	<b>181,511</b>	<b>148,983</b>	<b>330,494</b>
<b>NET ASSETS, End of Year</b>	<b>\$ 182,935</b>	<b>\$ 220,685</b>	<b>\$ 403,620</b>

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

**COMMUNITY BUILDERS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2024**

	<u>Program Expenses</u>				<u>Supporting Services</u>			<u>Total</u>
	<u>Program Support</u>	<u>Training</u>	<u>Research</u>	<u>Fee for Service</u>	<u>Total Program Expenses</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries and Wages	\$ 49,370	\$ 412,074	\$ 46,572	\$ 80,491	\$ 588,507	\$ 34,460	\$ 59,563	\$ 682,530
Employee Benefits	-	35,640	11,144	17,866	64,650	10,678	6,688	82,016
Payroll Taxes	4,040	33,216	3,725	6,445	47,426	2,749	4,944	55,119
Accounting	-	-	-	-	-	6,289	-	6,289
Consultants	54,195	29,650	1,378	267	85,490	126	3,601	89,217
IT Consultant	-	2,445	768	1,153	4,366	544	449	5,359
Advertising and Promotion	-	50	-	50	100	-	-	100
Office Expenses	533	2,132	354	532	3,551	698	767	5,016
Information Technology	1,105	3,266	1,064	1,446	6,881	2,615	783	10,279
Occupancy	278	907	218	328	1,731	849	128	2,708
Travel	2,782	10,328	42	80	13,232	198	25	13,455
Meetings	-	-	-	-	-	-	92	92
Insurance	-	1,875	589	884	3,348	418	344	4,110
Program Costs	317	315	-	553	1,185	-	-	1,185
Total Expenses Included in the expense section on the Statement of Activities	<u>\$ 112,620</u>	<u>\$ 531,898</u>	<u>\$ 65,854</u>	<u>\$ 110,095</u>	<u>\$ 820,467</u>	<u>\$ 59,624</u>	<u>\$ 77,384</u>	<u>\$ 957,475</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, 2024**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$	73,126
Adjustments to Reconcile Net Income to Net Cash Provided By Operating Activities:		
(Increase) in Assets:		
Grants Receivable		(28,539)
Increase (Decrease) in Liabilities:		
Accounts Payable		(20,260)
Accrued Payroll		7,051
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		<b><u>31,378</u></b>
<b>CASH AND RESTRICTED CASH, Beginning of Year</b>		<b><u>278,368</u></b>
<b>CASH AND RESTRICTED CASH, End of Year</b>	<b>\$</b>	<b><u><u>309,746</u></u></b>
Cash	\$	224,554
Restricted Cash		<u>85,192</u>
<b>TOTAL CASH AND RESTRICTED CASH</b>	<b>\$</b>	<b><u><u>309,746</u></u></b>

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



**COMMUNITY BUILDERS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2024**

**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. These net assets may be used at the discretion of the Organization's management and the board of directors. Net assets without donor restrictions include funds that have been designated by the board of directors for a specific purpose.

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 donor stipulates 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, 2024, the Organization had no net assets to be held in perpetuity.

**CASH**

Cash includes 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, 2024, the Organization had cash balances of \$12,648 in excess of these limits.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **GRANTS RECEIVABLE**

Grants are recognized as revenue in the period made and as assets or decreases of liabilities depending on the form of benefits received. Grants receivable are recorded at net realizable value if expected to be collected within one year and at fair value if expected to be collected in more than one year. The Organization determines the allowance for doubtful accounts based on historical experience, analysis of specific grants made, and a review of collections subsequent to year-end. The Organization believes that all grants receivable as of June 30, 2024, will be collected within one year, and as such, has not recorded an allowance for doubtful accounts.

### **CONTRIBUTIONS AND GRANTS**

Contributions and grants are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional contributions, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

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**

Community Builders charges fees for educational programs, trainings, events, and conferences as well as consulting and other services provided to municipal and construction planning leaders on how to build and maintain livable communities. Additionally, ticket sales for conferences and trainings held are classified as fees for services. The Organization recognizes revenue when the service has been fully provided or the event has occurred.

### **ADVERTISING**

Advertising costs are expensed as incurred. Advertising expense was \$100 for the year ended June 30, 2024.

### **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, 2024, employer contributions were \$16,330.

### **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 form Income Tax (Form 990) with the IRS.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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 and supporting services based upon various methods deemed to justify the benefits received by those programs and supporting services. Salaries, wages, and payroll related expenses are allocated based on time spent. Office related expenses are allocated based on the usage of those items. Travel and meeting related expenses are based on the reason for travel and meetings. Program costs are allocated based on the purpose of the program performed. Additional allocated expenses included consultants, IT consultants, information technology, occupancy, and insurance, all of which are allocated based on usage, time, and effort.

**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 November 19, 2024, 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	\$ 224,554
Grants Receivable	45,493
	<u>\$ 270,047</u>

Of the \$135,493 of grants receivable as of June 30, 2024, \$45,493 of the amount is unrestricted when the cash is expected to be received during the year ended June 30, 2025. The remaining \$90,000 of grants receivable contains donor-imposed restrictions limiting their use to a specific purpose when the cash is received. See Notes 4 and 5 below for further information.

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**

As of June 30, 2024, the total grants receivable balance of \$135,493 is due to be received within one year of the statement of financial position date.

## 5. NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2024, net assets with donor restrictions consist of grants receivable of \$135,493 and \$85,192 of cash restricted by donors for programming in small towns and rural regions in Colorado.

As discussed in Note 3 above, \$90,000 of the total grants receivable balance as of June 30, 2024, contains donor-imposed restrictions limiting their use to programming in small towns and rural regions in Colorado when the cash is expected to be received during the year ended June 30, 2025.

## 6. CONCENTRATIONS

### *Grants Receivable*

As of June 30, 2024, 98% of the Organization's grants receivable are due from three donors.

### *Grants*

For the year ended June 30, 2024, the Organization received 89% of its total grants from five donors.

### *Fees for Services*

For the year ended June 30, 2024, the Organization received 65% of its total fees for services from one municipality.