



WESTSIDE HOMELESS PARTNERSHIP, INC.
FINANCIAL STATEMENTS – MODIFIED CASH BASIS
AND
INDEPENDENT ACCOUNTANTS' REVIEW REPORT
FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

WESTSIDE HOMELESS PARTNERSHIP, INC.

TABLE OF CONTENTS

	<u>Page Number</u>
INDEPENDENT ACCOUNTANTS' REVIEW REPORT	1
REVIEWED FINANCIAL STATEMENTS – MODIFIED CASH BASIS	
Statements of Assets, Liabilities and Net Assets – Modified Cash Basis	2
Statements of Revenues, Expenses and Other Changes in Net Assets – Modified Cash Basis	3
Statements of Cash Flows – Modified Cash Basis	4
Notes to Financial Statements	5-9
SUPPLEMENTARY SCHEDULES	
Schedules of Functional Expenses – Modified Cash Basis	10

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Westside Homeless Partnership, Inc.
Houston, Texas

We have reviewed the accompanying statement of assets, liabilities, and net assets—modified cash basis of Westside Homeless Partnership, Inc. (the “Organization”) as of June 30, 2015, and the related statement of revenues, expenses, and other changes in net assets—modified cash basis and the statement of cash flows—modified cash basis for the fiscal year then ended. A review includes primarily applying analytical procedures to management’s financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion. The fiscal year 2014 financial statements of the Organization, prepared using accounting principles generally accepted in the United States of America, which were substantially the same as the modified cash basis of accounting, were reviewed by another accountant whose report dated September 29, 2014, stated that based on his procedures, he was not aware of any material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the modified cash basis of accounting, as described in Note 1.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with the modified cash basis of accounting, as described in Note 1. The supplementary information on page 10 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we did not become aware of any material modifications that should be made to such information.



Christopher Reinecker CPA, P.C.

August 19, 2015

REVIEWED FINANCIAL STATEMENTS

WESTSIDE HOMELESS PARTNERSHIP, INC.

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS

JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 486,704	\$ 513,384
Cash and cash equivalents, restricted	-	-
Prepaid expenses	1,405	1,884
Property and equipment, net	<u>4,051</u>	<u>5,856</u>
TOTAL ASSETS	<u>\$ 492,160</u>	<u>\$ 521,124</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued liabilities	<u>\$ 4,793</u>	<u>\$ 10,730</u>
Total Liabilities	<u>4,793</u>	<u>10,730</u>
NET ASSETS		
Unrestricted	436,200	464,074
Temporarily restricted	51,167	46,320
Permanently restricted	<u>-</u>	<u>-</u>
Total Net Assets	<u>487,367</u>	<u>510,394</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 492,160</u>	<u>\$ 521,124</u>

See accompanying notes and independent accountants' review report.

WESTSIDE HOMELESS PARTNERSHIP, INC.
STATEMENTS OF REVENUES, EXPENSES AND OTHER CHANGES IN NET ASSETS - MODIFIED CASH BASIS
FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>				<u>2014</u>			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES								
Contributions and grants	\$ 537,316	\$ 12,662	\$ -	\$ 549,978	\$ 596,551	\$ 18,561	\$ -	\$ 615,112
Other income	2,208	-	-	2,208	966	-	-	966
Net assets released from restrictions:								
Satisfaction of purpose restrictions	7,859	(7,859)	-	-	23,435	(23,435)	-	-
Grant cancellations	-	-	-	-	-	-	-	-
TOTAL REVENUES	<u>547,383</u>	<u>4,803</u>	<u>-</u>	<u>552,186</u>	<u>620,952</u>	<u>(4,874)</u>	<u>-</u>	<u>616,078</u>
EXPENSES								
Program services	457,680	-	-	457,680	403,787	-	-	403,787
Management and general	62,604	-	-	62,604	63,182	-	-	63,182
Fundraising	54,929	-	-	54,929	59,160	-	-	59,160
TOTAL EXPENSES	<u>575,213</u>	<u>-</u>	<u>-</u>	<u>575,213</u>	<u>526,129</u>	<u>-</u>	<u>-</u>	<u>526,129</u>
CHANGE IN NET ASSETS	(27,830)	4,803	-	(23,027)	94,823	(4,874)	-	89,949
NET ASSETS, BEGINNING OF YEAR	<u>464,074</u>	<u>46,320</u>	<u>-</u>	<u>510,394</u>	<u>369,251</u>	<u>22,659</u>	<u>28,535</u>	<u>420,445</u>
NET ASSETS, END OF YEAR	<u>\$ 436,244</u>	<u>\$ 51,123</u>	<u>\$ -</u>	<u>\$ 487,367</u>	<u>\$ 464,074</u>	<u>\$ 46,320</u>	<u>\$ -</u>	<u>\$ 510,394</u>

See accompanying notes and independent accountants' review report.

WESTSIDE HOMELESS PARTNERSHIP, INC.
STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS
FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (23,027)	\$ 89,949
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,852	1,142
Prior period adjustment	-	-
Changes in operating assets and liabilities:		
Prepaid expenses	479	514
Accounts payable and accrued liabilities	(5,937)	6,567
Total adjustments	(3,606)	8,223
Net cash provided by (used in) operating activities	(26,633)	98,172
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(47)	(5,989)
Net cash provided by (used in) investing activities	(47)	11,232
NET INCREASE (DECREASE) IN CASH	(26,680)	109,404
CASH, BEGINNING OF YEAR	513,384	403,980
CASH, END OF YEAR	\$ 486,704	\$ 513,384

See accompanying notes and independent accountants' review report.

WESTSIDE HOMELESS PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

The Westside Homeless Partnership, Inc. (the "Organization") is a Texas nonprofit corporation organized in 1994, with a mission to prevent and end homelessness for families by providing them with resources and supporting services that lead to self-sufficiency. The Organization's programs are designed to empower families with children within the Spring Branch Independent School District area to achieve self-sufficiency and permanent housing through personal effort, education and growth. The Organization is supported primarily through donations by churches, individuals and private foundations.

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. In the fiscal year ended June 30, 2015, that basis differs from accounting principles generally accepted in the United States of America primarily because the Organization records contribution revenue when cash or other asset is received as described in the Revenue Recognition paragraph of Note 1 as well as in Note 2, instead of recognizing unconditional promises to give in the period the promise is received. In the fiscal years ended June 30, 2015 and 2014, there were no substantive differences between the modified cash basis and accounting principles generally accepted in the United States of America.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to the following three classes of net assets:

Unrestricted net assets – These are resources that are not subject to donor-imposed restrictions and are available to support the general operations of the Organization.

Temporarily restricted net assets – These are resources that are subject to donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those donor-imposed stipulations.

Permanently restricted net assets – These are resources whose use by the Organization is permanently limited by donor-imposed restrictions that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

The Organization has also presented statements of cash flows.

WESTSIDE HOMELESS PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

Revenue Recognition

The Organization records contributions as revenues when they are received in cash or other asset. Other incomes are recorded when received. Donated goods, facilities, and services are not included in the financial statements.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor 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.

When both restricted and unrestricted resources are available for use, it is the Organization's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with original maturity of ninety (90) days or less as cash equivalents. Cash equivalents included in cash and cash equivalents as of June 30, 2015 and 2014, was \$127,781 and \$188,425, respectively. The carrying amounts reported for cash and cash equivalents in the accompanying statements of assets, liabilities and net assets as of June 30, 2015 and 2014, approximate their fair values.

Property and Equipment

Acquisitions of property and equipment in excess of \$500, per item, are capitalized. Purchases of property and equipment are recorded at cost or, if donated, at fair value at date of donation. Donated asset is reported as unrestricted support unless the donor has restricted the asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire or maintain property and equipment are recorded as restricted contributions. The Organization reports expirations of donor restrictions when the donated or acquired assets are placed in services, unless the donor stipulates otherwise.

Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 5 years.

Maintenance and repair costs are expensed when incurred.

Income Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and has been classified by the Internal Revenue Service as a publicly supported organization. No provision for income tax is included in the accompanying financial statement as the Organization has no taxable unrelated business income. Management has concluded that the Organization has properly maintained its exempt status and classified its

WESTSIDE HOMELESS PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

revenue as exempt in the accompanying statements of revenues, expenses and other changes in net assets.

The Organization believes that it has not taken a tax position that, if challenged, would have a material effect on the Organization's financial statements. The Organization's Form 990, *Return of Organization Exempt from Income Tax*, is generally open to examination by the taxing authorities for a period of three years from the date it is filed. Accordingly, the Organization's Form 990 for fiscal years 2012 through 2014 could still be examined by the Internal Revenue Service.

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 certain 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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Significant estimate included in the accompanying financial statements related to the functional allocation of expenses.

2. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Furniture and equipment	\$ 18,720	\$ 19,113
Software	1,701	1,701
	<u>20,421</u>	<u>20,814</u>
Accumulated depreciation and amortization	<u>(16,370)</u>	<u>(14,958)</u>
Property and equipment, net	<u>\$ 4,051</u>	<u>\$ 5,856</u>

Depreciation and amortization expense for the years ended June 30, 2015 and 2014 was \$1,852 and \$1,142, respectively.

WESTSIDE HOMELESS PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

3. CONCENTRATION OF CREDIT RISKS

The Organization maintains cash balances with financial institutions considered by management as credit-worthy and strong. These cash balances may occasionally exceed limits insured by the Federal Deposit Insurance Corporation (FDIC). The Organization has not experienced any loss of assets resulting from a bank run or collapse in the past. The Organization's cash balances with a financial institution exceeded FDIC insured limit by approximately \$28,000 and \$55,000 as of June 30, 2015 and 2014, respectively, which was not otherwise insured.

4. COMMITMENTS

The Organization leases office space under a non-cancellable operating lease agreement that expires on April 30, 2017. Future minimum lease obligations as of June 30, 2014, are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$24,780
2017	<u>20,650</u>
	<u>\$45,430</u>

Lease expenses amounted to \$24,780 and \$23,912 in fiscal years 2015 and 2014, respectively. During FY 2015, the Company guaranteed rent payments for a client for 12 months. The maximum liability at June 30, 2015 is \$7,966 and the guarantee expires in September, 2015.

WESTSIDE HOMELESS PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS

FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

5. NET ASSETS

Unrestricted Net Assets

The Organization had unrestricted net assets of \$436,200 and \$464,074 as of June 30, 2015 and 2014, respectively.

Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at June 30:

	<u>2015</u>	<u>2014</u>
Bub/Woodard Memorial Fund	\$ 28,535	\$ 28,535
Temp Rest Summer/Youth Program	8,541	1,586
St. Francis Epis - Sadler Fund	3,384	1,983
Hand Up Graduate Gift	2,700	2,800
Client Counseling	730	2,560
Dollar a Day Savings Plan	3,640	6,495
Client Event	500	500
Holiday Gift Card Project	-	1,560
Client Furniture	1,185	-
Home Sweet Home	1,301	-
Other	651	301
	<u>\$ 51,167</u>	<u>\$ 46,320</u>

Permanently Restricted Net Assets

As of June 30, 2015, the Organization had no permanently restricted net assets.

6. SUBSEQUENT EVENTS

Management has evaluated events subsequent to June 30, 2015 to assess the need for potential recognition or disclosures in the financial statements through August 7, 2015, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

SUPPLEMENTARY SCHEDULES

WESTSIDE HOMELESS PARTNERSHIP, INC.

SCHEDULES OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS

FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

	2015				2014			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Transitional rent	\$ 176,454	\$ -	\$ -	\$ 176,454	\$ 158,912	\$ -	\$ -	\$ 158,912
Transitional utilities	17,402	-	-	17,402	16,650	-	-	16,650
Other client expenses	30,727	-	-	30,727	37,761	-	-	37,761
Case management	130,435	-	-	130,435	118,668	-	-	118,668
Follow-up services	26,027	-	-	26,027	21,928	-	-	21,928
Volunteer services	32,641	-	-	32,641	21,067	-	-	21,067
Outreach services	19,214	-	-	19,214	17,424	-	-	17,424
Rent	24,780	-	-	24,780	11,377	12,535	-	23,912
Administrative and office expenses	-	62,604	33,459	96,063	-	30,556	-	30,556
Business Development	-	-	-	-	-	-	59,160	59,160
Other expenses	-	-	21,470	21,470	-	20,091	-	20,091
TOTAL EXPENSES	\$ 457,680	\$ 62,604	\$ 54,929	\$ 575,213	\$ 403,787	\$ 63,182	\$ 59,160	\$ 526,129