



SPAIN PRICE READER
& THOMPSON, P.C.
ACCOUNTANTS & BUSINESS CONSULTANTS

Westside Homeless Partnership, Inc.
Financial Statements
For the Years Ended June 30, 2016 and 2015

WESTSIDE HOMELESS PARTNERSHIP, INC.
(A TEXAS NONPROFIT ORGANIZATION)
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Westside Homeless Partnership, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Westside Homeless Partnership, Inc. (a Texas nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities and cash flows for the year 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 the modified cash basis of accounting; 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 audit. We conducted our audit 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 Westside Homeless Partnership, Inc. as of June 30, 2016, 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.

Other Matter

The 2015 financial statements were reviewed by other accountants and their report thereon, dated August 19, 2015, stated they were not aware of any material modifications that should be made to those statements for them to be in accordance with the modified cash basis of accounting. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements as a whole.

A handwritten signature in black ink, appearing to read "Joseph R. Ruler + Douglas PC". The signature is written in a cursive, flowing style.

Houston, Texas
October 4, 2016

WESTSIDE HOMELESS PARTNERSHIP, INC.
 STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS
 JUNE 30, 2016

	2016	2015
<u>ASSETS</u>		
<u>Current assets</u>		
Cash and cash equivalents	\$ 564,231	\$ 486,704
Prepaid expenses	1,066	1,405
	565,297	488,109
Property, plant and equipment, net	4,515	4,051
	\$ 569,812	\$ 492,160
<u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities</u>		
Accounts payable and other liabilities	\$ 3,436	\$ 4,793
	3,436	4,793
<u>Net assets</u>		
Unrestricted	520,342	436,244
Temporarily restricted	46,034	51,123
	566,376	487,367
	\$ 569,812	\$ 492,160

See accompanying notes and independent auditors' report.

WESTSIDE HOMELESS PARTNERSHIP, INC.
STATEMENT OF REVENUES, EXPENSES AND OTHER
CHANGES IN NET ASSETS - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2016

	Unrestricted Net assets	Temporarily Restricted Net assets	Permanently Restricted Net assets	Total
<u>Revenues</u>				
Contributions and grants	\$ 651,114	\$ 13,884	\$ -	\$ 664,998
Other income	4,430	-	-	4,430
Released from restrictions	18,973	(18,973)	-	-
	<u>674,517</u>	<u>(5,089)</u>	<u>-</u>	<u>669,428</u>
<u>Expenses</u>				
Program services	458,662	-	-	458,662
Management and general	62,032	-	-	62,032
Fundraising	69,725	-	-	69,725
	<u>590,419</u>	<u>-</u>	<u>-</u>	<u>590,419</u>
Change in net assets	84,098	(5,089)	-	79,009
Net assets, beginning of year	<u>436,244</u>	<u>51,123</u>	<u>-</u>	<u>487,367</u>
Net assets, end of year	<u>\$ 520,342</u>	<u>\$ 46,034</u>	<u>\$ -</u>	<u>\$ 566,376</u>

See accompanying notes and independent auditors' report.

WESTSIDE HOMELESS PARTNERSHIP, INC.
STATEMENT OF REVENUES, EXPENSES AND OTHER
CHANGES IN NET ASSETS - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2015

	Unrestricted Net assets	Temporarily Restricted Net assets	Permanently Restricted Net assets	Total
<u>Revenues</u>				
Contributions and grants	\$ 537,316	\$ 12,662	\$ -	\$ 549,978
Other income	2,208	-	-	2,208
Released from restrictions	7,859	(7,859)	-	-
	<u>547,383</u>	<u>4,803</u>	<u>-</u>	<u>552,186</u>
<u>Expenses</u>				
Program services	457,680	-	-	457,680
Management and general	62,604	-	-	62,604
Fundraising	54,929	-	-	54,929
	<u>575,213</u>	<u>-</u>	<u>-</u>	<u>575,213</u>
Change in net assets	(27,830)	4,803	-	(23,027)
Net assets, beginning of year	<u>464,074</u>	<u>46,320</u>	<u>-</u>	<u>510,394</u>
Net assets, end of year	<u>\$ 436,244</u>	<u>\$ 51,123</u>	<u>\$ -</u>	<u>\$ 487,367</u>

See accompanying notes and independent auditors' report.

WESTSIDE HOMELESS PARTNERSHIP, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 AND JUNE 30, 2015

	2016	2015
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 79,009	\$ (23,027)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,366	1,852
(Increase) decrease in assets:		
Prepaid expenses	339	479
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	(1,357)	(5,937)
Net cash provided by (used in) operating activities	80,357	(26,633)
<u>Cash flows from investing activities</u>		
Purchases of property and equipment	(2,830)	(47)
Net cash used in investing activities	(2,830)	(47)
Net increase (decrease) in cash and cash equivalents	77,527	(26,680)
Cash and cash equivalents at beginning of year	486,704	513,384
Cash and cash equivalents at end of year	\$ 564,231	\$ 486,704

See accompanying notes and independent auditors' report.

WESTSIDE HOMELESS PARTNERSHIP, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 1: History of the organization

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.

NOTE 2: Summary of significant accounting policies

Description of funds

Unrestricted funds:

The unrestricted funds are all funds not directly restricted by donors.

Temporarily restricted funds:

Temporarily restricted net assets recorded and not utilized as of year-end. These net assets are available for specific purposes in subsequent years.

Permanently restricted funds:

Consists of endowment fund investments to be held indefinitely, the income from which is expendable to support activities as indicated by the donor.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. Restrictions fulfilled in the same time period in which the contribution is received are transferred to unrestricted net assets. Permanently restricted contributions consist of amounts to be held perpetually, based on donor-imposed requirements.

Unconditional promises to give that are expected to be collected within one year are recorded at their realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise is received. Amortization of the discount is included as contribution revenue.

Conditional promises to give are not included as support until such time as the conditions are substantially met.

WESTSIDE HOMELESS PARTNERSHIP, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 2: Summary of significant accounting policies (continued)

Contributions (continued)

Contributed property and equipment are recorded at fair value at the date of donation. The Organization reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

In-kind donations

The Organization receives a significant amount of support in the form of goods and services from donors in connection with its fundraising activities. The modified cash basis of accounting does not require that these in-kind contributions be recognized. Accordingly, these financial statements do not reflect these contributions. If these contributions were recorded, revenues would increase by the fair market value change of the contributions.

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, 2016 and 2015, was \$553,331 and \$487,394, respectively. The carrying amounts reported for cash and cash equivalents in the accompanying statements of assets, liabilities and net assets as of June 30, 2016 and 2015, approximate their fair values.

Property, plant, 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.

WESTSIDE HOMELESS PARTNERSHIP, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 2: Summary of significant accounting policies (continued)

Functional expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of revenues, expenses and other changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Federal income tax

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 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.

Concentration of credit and market risk

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 \$118,361 and \$28,624 as of June 30, 2016 and 2015, respectively, which was not otherwise insured.

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 estimates included in the accompanying financial statements relate to the functional allocation of expenses.

NOTE 3: Reclassifications

Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

WESTSIDE HOMELESS PARTNERSHIP, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 4: Property, plant and equipment

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

	2016	2015
Furniture and equipment	\$ 21,257	\$ 18,720
Software	1,995	1,701
	23,252	20,421
Accumulated depreciation and amortization	(18,737)	(16,370)
Property, plant and equipment, net	<u>\$ 4,515</u>	<u>\$ 4,051</u>

Depreciation and amortization expense for the years ended June 30, 2016 and 2015 was \$2,366 and \$1,852, respectively.

NOTE 5: Net assets

Unrestricted net assets

The Organization had unrestricted net assets of \$520,342 and \$436,244 as of June 30, 2016 and 2015, respectively.

Temporarily restricted net assets

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

	2016	2015
Bub/Woodard Memorial Fund	\$ 29,035	\$ 28,535
Temp Rest Summer/Youth Program	-	8,541
St. Francis Epis – Sadler Fund	-	3,384
Hand up Graduate Gift	-	2,700
Client Counseling	670	730
Dollar a Day Savings Plan	1,840	3,640
Client Event	500	500
Client Furniture	7,449	1,185
Home Sweet Home	754	1,301
Transportation	5,786	-
Other	-	607
	<u>\$ 46,034</u>	<u>\$ 51,123</u>

Permanently restricted net assets

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

WESTSIDE HOMELESS PARTNERSHIP, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE 6: Leases

The Organization has various leases for office equipment that are classified as operating leases. Future minimum lease payments under the noncancelable operating leases with initial or remaining terms of one year or more are as follows as of June 30:

2017	<u>\$ 20,650</u>
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Rent expense for the years ended June 30, 2016 and 2015 was \$25,782 and \$24,780, respectively.

NOTE 7: Subsequent events

The Organization has evaluated subsequent events through the issuance of the combined financial statements, which occurred on October 4, 2016.