

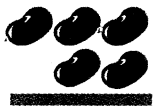
**HomeAid America, Inc.**

**Financial Statements**

**Years Ended December 31, 2013 and 2012**

**Stafford and Warren, LLP**

17310 Redhill Ave., Ste. 290 Irvine, CA 92614



**stafford & warren**

certified public accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Director's of  
HomeAid America, Inc.

We have audited the accompanying financial statements of HomeAid America, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities, statements of cash flows, and statements of functional expenses 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**

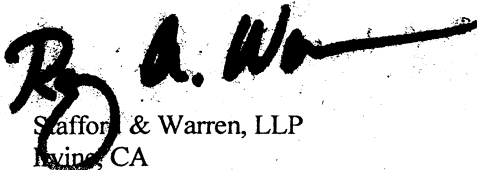
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 risk 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 HomeAid America, Inc. as of December 31, 2013 and 2012, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Stafford & Warren, LLP  
Irvine, CA  
May 28, 2014

HOMEAID AMERICA, INC.  
 STATEMENTS OF FINANCIAL POSITION  
 December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash (Note 1)	\$ 342,885	\$ 239,362
Accounts receivable	10,070	750
Prepays and deposits	6,140	52,121
Property and equipment, net (Note 2)	<u>2,276</u>	<u>3,224</u>
<b>TOTAL ASSETS</b>	<u>\$ 361,371</u>	<u>\$ 295,457</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 4,974	\$ 2,968
Other accrued expenses (Note 3 and 5)	<u>50,752</u>	<u>83,288</u>
<b>TOTAL LIABILITIES</b>	<u>55,726</u>	<u>86,256</u>
<b>NET ASSETS</b>		
Unrestricted	167,645	64,201
Temporarily restricted (Note 8)	<u>138,000</u>	<u>145,000</u>
<b>TOTAL NET ASSETS</b>	<u>305,645</u>	<u>209,201</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 361,371</u>	<u>\$ 295,457</u>

HOMEAID AMERICA, INC.  
 STATEMENTS OF ACTIVITIES  
 December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
UNRESTRICTED NET ASSETS		
Support and revenue		
Contributions (Note 1)	\$ 347,315	\$ 316,707
In-kind contributions (Note 1)	15,480	14,391
Chapter fees and reimbursements (Note 1)	51,526	45,000
Reimbursed insurance (Note 1)	44,865	49,895
Investment and other income	8,139	9,894
Loss on disposal of fixed assets	-	(676)
Net assets released from restrictions	<u>130,000</u>	<u>522,993</u>
SUBTOTAL SUPPORT AND REVENUE	597,325	958,204
Fundraising Activity		
Fundraising revenue	144,524	24,953
Direct fundraising costs	<u>(53,238)</u>	<u>(58,507)</u>
NET FUNDRAISING ACTIVITY	91,286	(33,554)
TOTAL SUPPORT AND REVENUE	688,611	924,650
EXPENSES		
Program	438,245	941,271
Management and general	89,957	109,068
Fundraising	<u>56,965</u>	<u>45,681</u>
TOTAL EXPENSES	<u>585,167</u>	<u>1,096,020</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	103,444	(171,370)
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	123,000	80,000
Net assets released from restrictions	<u>(130,000)</u>	<u>(522,993)</u>
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	<u>(7,000)</u>	<u>(442,993)</u>
INCREASE (DECREASE) IN NET ASSETS	96,444	(614,363)
NET ASSETS, BEGINNING OF YEAR	<u>209,201</u>	<u>823,564</u>
NET ASSETS, END OF YEAR	<u>\$ 305,645</u>	<u>\$ 209,201</u>

HOMEAID AMERICA, INC.  
STATEMENTS OF CASH FLOWS  
December 31, 2013 and 2012

	2013	2012
<b>CASH FLOWS (TO) FROM OPERATING ACTIVITIES:</b>		
Increase (Decrease) in net assets	\$ 96,444	\$ (614,363)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	948	1,564
Loss on disposition of assets	-	676
(Increase) decrease in accounts receivable	(9,320)	6,711
(Increase) decrease in deposits and prepaids	45,981	10,630
Increase (decrease) in accounts payable	2,006	(1,957)
Increase (decrease) in other accrued expenses	(32,536)	9,745
<b>NET CASH FLOWS (TO) FROM OPERATING ACTIVITIES</b>	<b>103,523</b>	<b>(586,994)</b>
<b>CASH FLOWS (TO) FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	-	(2,327)
<b>NET CASH FLOWS (TO) FROM INVESTING ACTIVITIES</b>	<b>-</b>	<b>(2,327)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>103,523</b>	<b>(589,321)</b>
CASH, Beginning of year	239,362	828,683
CASH, End of year	<u>\$ 342,885</u>	<u>\$ 239,362</u>
<b>Supplemental Disclosure of Noncash Activities</b>		
Donated materials and services	<u>\$ 15,480</u>	<u>\$ 14,391</u>
Cash paid during the year for interest	<u>\$ 2,468</u>	<u>\$ 3,488</u>
Cash paid during the year for taxes	<u>\$ -</u>	<u>\$ -</u>

HOMEAID AMERICA, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
December 31, 2013 and 2012

	Communications	Program Development and Support	Management and Administrative	Fundraising	2013 Total	2012 Total
Accounting/legal fees	3,600	4,000	4,000	-	11,600	14,785
Bank fees	-	-	1,299	-	1,299	1,118
Events/Programs/Conferences	-	9,240	-	-	9,240	7,263
Consultants/Independent Contractors	7,900	11,475	26,325	715	46,415	-
Delivery/shipping expense	45	26	68	146	285	265
Depreciation	-	-	948	-	948	1,564
Equipment purchases	15	225	57	43	340	237
Repairs/maintenance	197	3,001	717	571	4,486	4,210
In-kind services and materials	1,113	2,096	3,333	8,939	15,481	14,391
Insurance - National office	160	2,442	618	465	3,685	2,811
Interest	123	1,234	988	123	2,468	3,488
Meals/entertainment	-	-	112	149	261	305
Meetings/Conferences	-	585	715	170	1,470	1,583
Membership/subscriptions	-	565	2,533	680	3,778	3,588
Office expense	18	275	385	52	730	105
Office supplies	63	958	316	182	1,519	1,093
Postage	23	363	54	303	743	468
Printing	1,089	-	-	1,835	2,924	590
Public Relations	750	-	-	-	750	16
Chapter/Donor/Volunteer Recognition	-	-	-	1,951	1,951	972
Rent	947	14,465	3,663	2,752	21,827	26,829
Salaries and related costs	11,038	172,252	40,179	32,073	255,542	388,201
Chapter grants & Designated Funding	-	114,174	-	-	114,174	524,829
Chapter Ins-Liab/D&O/Special Events	-	54,922	-	-	54,922	57,775
Shelter development (HOW Program)	-	2,804	-	-	2,804	10,897
Telecommunications/Internet	248	3,789	976	721	5,734	6,251
Trade shows	6,708	-	-	-	6,708	18,572
Travel	-	4,135	2,671	5,095	11,901	2,889
Website Development/Maintenance	1,182	-	-	-	1,182	925
Totals	\$ 35,219	\$ 403,026	\$ 89,957	\$ 56,965	\$ 585,167	\$ 1,096,020

**HOMEAID AMERICA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013 and 2012**

**NOTE 1- NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICES**

Nature of Activities

HomeAid America, Inc. (the Organization) is a 501(c) (3) charitable, non-profit corporation, which was incorporated in July 1995. HomeAid America's mission is to build new lives for America's homeless families and individuals through housing and community outreach. HomeAid America works with local Homebuilders Associations and Building Industry Associations as well as other building industry organizations to establish HomeAid chapters across the nation.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is unconditional. Donor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Donated materials and services

During the years ended December 31, 2013 and 2012, the value of contributed materials meeting the requirements for recognition in the financial statements was \$10,595 and

**HOMEAID AMERICA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013 and 2012**

**NOTE 1- NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING  
POLICES, (CON'T)**

Donated materials and services, (Cont)

\$0, respectively. Donated services meeting the requirements for recognition were \$4,885 and \$14,391 for years ending December 31, 2013 and 2012, respectively.

Contributions

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

Restricted Support

The Organization records restricted support and revenues as unrestricted if the restrictions are met in the current reporting period.

Revenue and Reimbursed Insurance

The Organization charges charter and license fees to affiliated HomeAid chapters. In addition, the Organization purchases liability insurance policies covering HomeAid building projects, special events and Directors/Officers. The Organization is reimbursed by the HomeAid chapters for the cost of these policies.

Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. The Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Acquisitions of property and equipment are carried at cost and depreciated using the straight-line method over their useful lives of 5 to 7 years.

Income Taxes

The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c) (3) and applicable California law and regulations.



**HOMEAID AMERICA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013 and 2012**

**NOTE 2-PROPERTY AND EQUIPMENT**

The following is a summary of property and equipment at December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Office equipment	\$ 30,742	\$ 35,973
Furniture and fixtures	12,199	12,703
	<u>42,941</u>	<u>48,676</u>
Less: Accumulated depreciation	40,665	45,452
	<u>\$ 2,276</u>	<u>\$ 3,224</u>

Depreciation for the years ended December 31, 2013 and 2012 amounted to \$948 and \$1,564, respectively.

**NOTE 3- OTHER ACCRUED EXPENSES**

Accrued expenses include employee contributions to retirement accounts, employee vacation accrual, and deferred salary including interest.

On March 1, 2010 the Organization entered into an agreement to defer 50%, or \$62,500, of the CEO's annual salary continuing through December 31, 2012. The deferred portion will bear interest at a rate of 6% per year and will be repaid in 3 equal annual installments plus accrued interest beginning on January 15, 2013 through January 15, 2015. As of January 1, 2011 the agreement was amended and the CEO began taking his full salary; deferring none. The amount deferred to that point is still accruing interest at the rate stated above. The amounts accrued in 2013 and 2012 are included in other accrued expenses.

**NOTE 4-RELATED PARTY TRANSACTIONS**

Board member contributions during 2013 and 2012 totaled \$83,153 and \$73,061, respectively.

**NOTE 5-COMMITMENTS AND CONTINGENCIES**

In January 2014 the Organization entered into a one year operating lease agreement to lease its current office space. It calls for monthly payments of \$750 for the year and expires on January 31, 2015.

**HOMEAID AMERICA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2013 and 2012**

**NOTE 5-COMMITMENTS AND CONTINGENCIES, (CON'T)**

Future payments under the lease are as follows:

<u>Year</u>	<u>Amount</u>
2014	\$ 8,250
2015	<u>750</u>
Total	<u>\$ 9,000</u>

Rent expense for the years ended December 31, 2013 and 2012 was \$21,827 and \$26,829, respectively.

**NOTE 6-PENSION PLAN**

The Organization has a 403(b) program for its employees. The program calls for the Organization to make a discretionary contribution up to 50% of employee deferrals. Employer matching contributions totaled \$0 and \$0 for the years ended December 31, 2013 and 2012, respectively.

**NOTE 7-CONCENTRATION OF RISK**

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts.

**NOTE 8-TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted assets are contributions restricted for specific shelter projects, specific programs, or specific HomeAid chapters.

**NOTE 9-SUBSEQUENT EVENTS**

Management has evaluated subsequent events through May 28, 2014, the date which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.