

**HOPE'S DOOR, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

HOPE'S DOOR, INC.  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

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**HECKLER & O'KEEFE**  
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

MYRON J. HECKLER, CPA (RETIRED)  
THOMAS F. O'KEEFE, CPA, JD  
JOSEPH R. SAULNIER, CPA

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Hope's Door, Inc.

We have audited the accompanying financial statements of Hope's Door, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and cash flows 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 these 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 audits. We conducted our audits 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 Hope's Door, Inc. as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Heckler & O'Keefe, CPAs, PC  
Heckler & O'Keefe, CPAs, P.C.

Armonk, NY  
November 15, 2016

HOPE'S DOOR, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2016 AND 2015

ASSETS	<u>2016</u>	<u>2015</u>
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 442,311	\$ 580,099
Certificates of Deposit (Note 2)	175,305	215,586
Investment-Deferred Fixed Annuity (Note 2)	108,290	106,528
Accounts Receivable, net of allowance (\$13,093 and \$13,303, respectively)	153,023	198,645
Grants Receivable	116,542	120,262
Prepaid Expenses	23,820	19,188
Other Receivables	2,750	-
Total Current Assets	<u>1,022,041</u>	<u>1,240,308</u>
<b>Property and Equipment:</b>		
Fixed Assets, at cost	1,295,842	1,248,283
Less: Accumulated depreciation	<u>(668,990)</u>	<u>(616,923)</u>
Net Fixed Assets (Note 3)	626,852	631,360
<b>Other Assets:</b>		
Intangible Assets, net of amortization (Note 4)	23,443	25,333
Security Deposits	5,314	5,314
Escrow Deposits	1,500	1,500
<b>TOTAL ASSETS</b>	<b><u>\$ 1,679,150</u></b>	<b><u>\$ 1,903,815</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Accounts Payable & Accrued Expenses	\$ 142,641	\$ 141,565
Deferred Grant Revenue	<u>25,962</u>	<u>-</u>
Total Current Liabilities	168,603	141,565
<b>Long Term Liabilities:</b>		
Loan Payable (Note 5)	<u>184,365</u>	<u>213,285</u>
Total Long Term Liabilities	<u>184,365</u>	<u>213,285</u>
<b>Net Assets:</b>		
Unrestricted	693,731	925,740
Temporarily Restricted (Note 6)	<u>632,451</u>	<u>623,225</u>
Total Net Assets	1,326,182	1,548,965
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 1,679,150</u></b>	<b><u>\$ 1,903,815</u></b>

See independent auditor's report and accompanying notes to financial statements.

HOPE'S DOOR, INC.  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2016			2015		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
<b>Revenue and Other Support:</b>						
Contributions (Note 8)	\$ 140,050	\$ -	\$ 140,050	\$ 308,833	\$ -	\$ 308,833
Shelter Fees (Note 9)	561,612	-	561,612	549,641	-	549,641
Grants	847,847	77,920	925,767	720,724	153,170	873,894
Special Events	223,189	-	223,189	220,608	-	220,608
Other Revenue	1,295	-	1,295	6,318	-	6,318
Investment Income	6,649	-	6,649	8,069	-	8,069
Donations In-Kind	2,664	-	2,664	4,400	-	4,400
Net Assets Released From Restriction	68,694	(68,694)	-	110,057	(110,057)	-
<b>Total Revenue and Other Support</b>	<u>1,852,000</u>	<u>9,226</u>	<u>1,861,226</u>	<u>1,928,650</u>	<u>43,113</u>	<u>1,971,763</u>
<b>Expenses:</b>						
<b>Program Services:</b>						
Shelter Program	696,971	-	696,971	717,415	-	717,415
Non-Residential Program	1,000,993	-	1,000,993	875,966	-	875,966
<b>Total Program Expenses</b>	<u>1,697,964</u>	<u>-</u>	<u>1,697,964</u>	<u>1,593,381</u>	<u>-</u>	<u>1,593,381</u>
<b>Support Services:</b>						
Management & General	130,497	-	130,497	101,723	-	101,723
Fund Raising	255,548	-	255,548	266,546	-	266,546
<b>Total Support Services</b>	<u>386,045</u>	<u>-</u>	<u>386,045</u>	<u>368,269</u>	<u>-</u>	<u>368,269</u>
<b>Total Expenses</b>	<u>2,084,009</u>	<u>-</u>	<u>2,084,009</u>	<u>1,961,650</u>	<u>-</u>	<u>1,961,650</u>
<b>Increase (Decrease) in Net Assets</b>	<u>(232,009)</u>	<u>9,226</u>	<u>(222,783)</u>	<u>(33,000)</u>	<u>43,113</u>	<u>10,113</u>
<b>Net Assets, Beginning of Year</b>	<u>925,740</u>	<u>623,225</u>	<u>1,548,965</u>	<u>958,740</u>	<u>580,112</u>	<u>1,538,852</u>
<b>Net Assets, End of Year</b>	<u>\$ 693,731</u>	<u>\$ 632,451</u>	<u>\$ 1,326,182</u>	<u>\$ 925,740</u>	<u>\$ 623,225</u>	<u>\$ 1,548,965</u>

See independent auditor's report and accompanying notes to financial statements.

HOPE'S DOOR, INC.  
 STATEMENTS OF FUNCTIONAL EXPENSES  
 FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	Program Services			Supporting Services			Total 2015/2016 Expenses	Total 2014/2015 Expenses
	Shelter	Non Residential	Total Program Expenses	Management & General	Fund Raising	Total Support Services		
Salaries	\$ 373,243	\$ 620,187	\$ 993,430	\$ 43,172	\$ 138,138	\$ 181,310	\$ 1,174,740	\$ 1,080,272
Fringe Benefits and Payroll Related Costs	110,749	177,463	288,212	29,572	32,370	61,942	350,154	353,667
Rent & Occupancy	7,840	58,824	66,664	17,424	8,712	26,136	92,800	88,307
Utilities	15,978	1,133	17,111	-	-	-	17,111	23,367
Telephone	3,026	4,450	7,476	1,133	566	1,699	9,175	16,786
Food	22,357	51	22,408	-	-	-	22,408	12,544
Special Events	-	-	-	-	56,145	56,145	56,145	64,073
Postage	-	66	66	1,769	634	2,403	2,469	2,817
Supplies	20,183	16,819	37,002	6,588	883	7,471	44,473	45,753
Travel	20,687	12,077	32,764	679	1,494	2,173	34,937	27,738
Insurance	8,969	15,460	24,429	5	2,989	2,994	27,423	25,699
Professional Services	14,244	28,013	42,257	214	4,743	4,957	47,214	38,865
Repairs and Maintenance	24,267	2,536	26,803	8,667	2,336	11,003	37,806	36,558
Meetings and Conferences	876	2,019	2,895	1,002	174	1,176	4,071	3,583
Dues and Fees	963	2,280	3,243	1,245	3,841	5,086	8,329	8,989
Equipment Leases and Rentals	7,112	5,943	13,055	2,777	712	3,489	16,544	14,011
Taxes	4,618	84	4,702	-	-	-	4,702	4,096
Printing and Reproduction	-	-	-	-	-	-	-	1,498
Publications	-	-	-	325	25	350	350	403
Staff Development and Training	1,390	944	2,334	8,661	140	8,801	11,135	3,344
Advertising	318	3,875	4,193	-	-	-	4,193	7,796
Client Costs	6,412	2,601	9,013	-	-	-	9,013	17,004
Depreciation and Amortization	46,180	5,104	51,284	6,150	1,646	7,796	59,080	53,691
Newsletter	-	16,285	16,285	-	-	-	16,285	15,810
Special Needs	7,559	23,106	30,665	-	-	-	30,665	12,869
Miscellaneous	-	1,673	1,673	1,114	-	1,114	2,787	2,110
	<u>\$ 696,971</u>	<u>\$ 1,000,993</u>	<u>\$ 1,697,964</u>	<u>\$ 130,497</u>	<u>\$ 255,548</u>	<u>\$ 386,045</u>	<u>\$ 2,084,009</u>	<u>\$ 1,961,650</u>

See independent auditor's report and accompanying notes to financial statements.

HOPE'S DOOR, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Increase(Decrease) in Net Assets	\$ (222,783)	\$ 10,113
Adjustments to Reconcile Increase/(Decrease) in Net Assets to Net Cash Used for Operating Activities:		
Depreciation and Amortization	59,080	53,691
Amortization of HHAC Award	(28,920)	(28,920)
Change to Accounts Receivable	45,622	(69,553)
Change to Grants Receivable	3,721	(32,531)
Change to Prepaid Expenses	(4,632)	(1,173)
Change to Other Receivables	(2,750)	-
Change to Accounts Payable & Accrued Expenses	1,075	33,218
Change to Deferred Grant Revenue	25,962	-
Change to Agency Transaction Payable	-	(5,000)
	<u>(123,625)</u>	<u>(40,155)</u>
Net Cash Used for Operating Activities		
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchase of Certificates of Deposits	(48,000)	(50,000)
Redemption of Certificates of Deposit	88,000	150,000
Investment Earnings - Annuity	(1,762)	(1,729)
Investment Earnings - Certificate of Deposits	280	(552)
Purchase of Fixed Assets	(52,681)	(25,030)
Purchase of Intangible Asset	-	(2,181)
	<u>(14,163)</u>	<u>70,508</u>
Net Cash Provided/(Used) by Investing Activities		
Net Increase/(Decrease) In Cash & Cash Equivalents	(137,788)	30,353
Cash & Cash Equivalents - Beginning of Year	<u>580,099</u>	<u>549,746</u>
Cash & Cash Equivalents - End of Year	\$ <u><u>442,311</u></u>	\$ <u><u>580,099</u></u>

See independent auditor's report and accompanying notes to financial statements.



HOPE'S DOOR, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

***Nature of activities***

Hope's Door, Inc. (the Organization) located in Westchester County, New York, was founded on April 4, 1980, as a not-for-profit organization providing programs to help victims of domestic violence and abuse. The Organization seeks to help victims of domestic violence and abuse achieve safety, explore their options and evolve from a victim to survivor by offering the following services: 1) emergency shelter program; 2) 24-hour hotline; 3) safety planning; 4) counseling and advocacy services; 5) legal advocacy and referral services; 6) support groups; 7) children's and teen programs; and, 8) community and workplace education and outreach programs.

***Basis of accounting***

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

***Financial statement presentation***

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

***Unrestricted*** - Resources over which the Board of Directors has discretionary control. Designated amounts represent those net assets, which the Organization has set aside for a particular purpose. As of June 30, 2016, unrestricted net assets were \$707,475 and \$925,740, respectively.

***Temporarily Restricted*** - Resources subject to donor imposed restrictions that either expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to the donor's stipulations. As of June 30, 2016, temporarily restricted net assets were \$632,451 and \$623,225, respectively.

***Permanently Restricted*** - Resources from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization. The donors of these resources permit the Center to use all or part of the income earned, excluding capital appreciation, for unrestricted purposes. As of June 30, 2016, there were no permanently restricted net assets.

***Revenue***

Contributions are recognized when the donor makes a promise to give a donation to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires during the fiscal year. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the restriction. When a restriction expires, temporarily restricted assets are reclassified to unrestricted net assets.

See independent auditor's report.

HOPE'S DOOR, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

***Donations In-Kind***

Periodically, the Organization receives donations of various items such as toiletries, clothing and household items. The items are to be used by residents of the shelter or by individuals participating in one of the programs. The value of these donations is not reflected in the attached financial statements as the monetary value of these items is not deemed material to the overall activity of the Organization. Donated items the Organization is not able to utilize in its programs are redirected to other 501(c)(3) organizations. The Organization occasionally receives donated services and labor. These services or labor are recorded at fair market value at the time of performance. For the years ended June 30, 2016 and 2015, the Organization received and recorded donations in kind relating to professional services valued at \$2,664 and \$4,400, respectively.

***Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***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 programs and supporting services benefited.

***Fixed assets***

The Organization records purchases of property and equipment at cost. Major additions and improvements are capitalized, while maintenance and repairs, which do not improve or extend the life of the respective asset, are expensed currently. Land is not depreciated. Depreciation is provided by using the straight-line method over the estimated useful lives of the related assets. In the year of acquisition or disposal, the half year convention is used. In computing depreciation, the following useful lives are used:

Furniture, computers and equipment	-	5 years
Buildings	-	27.5 years
Building improvements	-	20 years

Donations of property are recorded as support at their estimated fair value when received. Such donations are reported as unrestricted unless the donor has restricted the donated asset to a specific purpose.

See independent auditor's report.

HOPE'S DOOR, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

***Intangible assets***

The Organization records purchases of intangible assets at cost, less accumulated amortization. Amortization is computed monthly, over the estimated useful lives of the asset which is 15 years.

***Cash and cash equivalents***

The Organization considers deposits that can be redeemed on demand and investments that have original maturities of less than three months, when purchased, to be cash equivalents. For the years ended June 30, 2016 and 2015, the Organization's cash and cash equivalents were deposited primarily in five financial institutions.

***Allowance for doubtful accounts***

The Organization provides an allowance for doubtful accounts equal to the estimated uncollectible amount. The Organization's estimate is based on historical collection experience and a review of the current status of trade accounts receivable. It is reasonably possible that the Organization's estimate of the allowance for doubtful accounts will change. Accounts receivable are presented net of an allowance for doubtful accounts of \$13,093 and \$13,303 at June 30, 2016, and 2015, respectively.

***Investments***

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met in the reporting period in which income or gains are recognized.

***Fair value measurements***

Fair value is the price that would be received to sell an asset or paid to transfer a liability between market participants in the principal market or in the most advantageous market when no principal market exists. Market participants are assumed to be independent, knowledgeable, able and willing to transact an exchange and not under duress. Nonperformance or credit risk is considered when determining the fair value of liabilities.

Considerable judgment may be required in interpreting market data used to develop the estimates of fair value. Accordingly, estimates of fair value presented herein are not necessarily indicative of the amounts that could be realized in a current or future market exchange.

The carrying amounts reflected in the statement of financial position for cash and cash equivalents, prepaids, accounts payable, notes payable and accruals are deemed to be reasonable estimates of their fair value. The carrying value of the single payment deferred fixed annuity is the initial purchase price plus the interest credited to the account less any withdrawals and applicable taxes.

See independent auditor's report

HOPE'S DOOR, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Income taxes***

The Organization is a corporation organized under the Not-for-Profit Corporation Laws of New York State. The corporation is recognized as tax exempt under Section 501 (c)(3) of the Internal Revenue Code.

***Employee benefit plan***

The Organization maintains a defined contribution and salary reduction 401(k) plan that covers all its eligible employees after one year of service. Employees may elect to defer a portion of their salary on a tax deferred basis up to annual limits imposed by the Internal Revenue Service. The Organization may also make a discretionary profit sharing contribution. For the years ended June 30, 2016 and 2015, the discretionary profit sharing contribution was \$17,645 and \$20,000, respectively. The respective contribution for each year is included in accounts payable at June 30, 2016 and 2015.

**NOTE 2 – ANNUITIES AND INVESTMENTS**

The Organization purchases certificates of deposit with original maturities of greater than three months and classifies these as investments. Certificates of deposits which are traded on a market and exchange are reflected at the last readily ascertainable trading value plus interest accrued to-date. Certificates of deposit not traded on a market or exchange are reflected at cost plus interest accrued to-date. At June 30, 2016 and 2015, the total value plus interest accrued to-date for the Organization's certificate of deposit portfolio was \$175,305 and \$215,586, respectively.

On October 26, 2012, the Organization purchased an annuity from Nationwide Life Insurance Company for \$100,000. This annuity lists the Organization's treasurer as the annuitant as a required of securing the annuity. The annuity has a 3.65% annualized interest rate and annuitization date of September 22, 2047. The annuity may be redeemed without charges beginning on October 26, 2018. The value of this annuity at June 30, 2016 and 2015 was \$108,290 and \$106,528, respectively.

**NOTE 3 – PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at June 30, 2016 and 2015:

	<u>June 30</u>	
	<u>2016</u>	<u>2015</u>
Land	\$ 131,000	\$ 131,000
Buildings (shelter and office)	761,900	761,900
Building improvements	312,853	294,831
Furniture & equipment	42,195	40,827
Computers	<u>47,894</u>	<u>19,725</u>
	1,295,842	1,248,283
Less accumulated depreciation	<u>( 668,990)</u>	<u>( 616,923)</u>
	<u>\$ 626,852</u>	<u>\$ 631,360</u>

See independent auditor's report.

HOPE'S DOOR, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

**NOTE 4 – INTANGIBLE ASSETS**

Intangible assets consist of costs associated with the redesign of the Organization’s website and implementation of a new fundraising software program.

	<u>June 30</u>	
	<u>2016</u>	<u>2015</u>
Website	\$ 7,024	\$ 7,024
Software	<u>21,255</u>	<u>21,255</u>
	28,279	28,279
Less accumulated amortization	<u>( 4,836)</u>	<u>( 2,946)</u>
	<u>\$23,443</u>	<u>\$25,333</u>

**NOTE 5 – LOAN PAYABLE**

In 1996, as part of the financing package for the new shelter, the Organization received a funding commitment of \$723,000 from the New York State Homeless Housing and Assistance Corporation (HHAC). Under the terms of the award, the funding was partially secured by a self liquidating first mortgage in the amount of \$548,000. The mortgage will be in effect for twenty-five years from November 18, 1996. At the end of the mortgage term, if the Organization continues to operate the shelter program, the debt will be forgiven. For accounting purposes, the award is being amortized on the straight line basis over 300 months beginning November 18, 1996. The Organization will be liable for the full amount of the mortgage until November 18, 2021. The award amortization in the amount of \$28,920 for each of the years ended June 30, 2016 and 2015, is reflected as temporarily restricted grant revenue in the Statement of Activities.

**NOTE 6 – RESTRICTIONS ON NET ASSETS**

Temporarily restricted net assets at June 30, 2016 and 2015 consist of the following:

	<u>June 30</u>	
	<u>2016</u>	<u>2015</u>
Program-“Safe Moms Make Safe Kids”	\$ 9,924	\$ 2,994
Program – “Next Step”	78,197	106,894
Children and teen programs	5,047	2,532
HHAC award- Shelter program	538,635	509,715
Other	<u>648</u>	<u>1,090</u>
Total temporarily restricted net assets	<u>\$632,451</u>	<u>\$623,225</u>

**NOTE 7 – COMMITMENTS**

The Organization leases its Pleasantville, New York office space pursuant to an original operating lease dated July 2001, most recently renewed and amended for a three-year term ending June 30, 2019. Under the terms of the lease, the Organization is required to pay fixed minimum rent of \$71,768 per annum plus additional charges for insurance, water charges, trash removal and real estate taxes.

See independent auditor’s report.

HOPE'S DOOR, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

**NOTE 7 – COMMITMENTS (Continued)**

The Organization has on deposit the sum of \$5,214 with the landlord as security in accordance with the lease agreement.

The minimum future lease payments under this lease are as follows:

Year ended June 30, 2017	\$71,768
Year ended June 30, 2018	71,768
Year ended June 30, 2019	71,768

As discussed in Note 5, the Organization is liable for the entire mortgage balance of \$548,000 if it ceases the shelter program operations prior to November 18, 2021. The Organization currently intends to continue these operations through that date.

**NOTE 8 – CONTRIBUTIONS**

Contributions were received from the following sources:

	<u>June 30</u>	
	<u>2016</u>	<u>2015</u>
Foundations	\$ 55,150	\$ 77,828
Corporations	5,673	33,509
Community groups	19,240	21,850
Individuals	59,862	175,634
United Way	<u>125</u>	<u>12</u>
	<u>\$140,050</u>	<u>\$308,833</u>

**NOTE 9 – SHELTER FEES**

Shelter fees were as follows:

	<u>June 30</u>	
	<u>2016</u>	<u>2015</u>
Gross fees	\$574,637	\$562,941
Write-offs	<u>(13,025)</u>	<u>(13,300)</u>
Net fees	<u>\$561,612</u>	<u>\$549,641</u>

**NOTE 10 - CONCENTRATION OF CREDIT RISK**

The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2016 and June 30, 2015, the Organization did not have deposits in excess of FDIC insured limits. The Organization's investment in the deferred fixed annuity at June 30, 2016 and 2015 of \$108,290 and \$106,528, respectively, is not FDIC insured.

See independent auditor's report.

HOPE'S DOOR, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

NOTE 11 - RELATED PARTY TRANSACTIONS

During the year ended June 30, 2015, a relative of a Board Member was paid \$1,400 for professional services relating to a fundraising event. There were no related party transactions during the year ended June 30, 2016.

NOTE 12 – SUBSEQUENT EVENTS

On September 28, 2016, the Organization was notified by the landlord of its office space that an escape clause contained in the lease discussed in Note 7 will be exercised. The Organization will be required to vacate these premises on or after March, 2017. The Organization expects to incur significant relocation expenses in connection with this move and began a special appeal to raise the necessary funds. The impact on future financial performance has not yet been determined.

The Organization has evaluated material subsequent events through the date these financial statements were available to be issued on November 15, 2016 .

See independent auditor's report.