

HOPE'S DOOR, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

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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, 2017 and 2016, and the related statements of activities, functional expenses 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, 2017 and 2016, 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
December 12, 2017

HOPE'S DOOR, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

	2017	2016
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 527,180	\$ 442,311
Certificates of Deposit (Note 2)	175,099	175,305
Investment-Deferred Fixed Annuity (Note 2)	110,072	108,290
Accounts Receivable, net of allowance (\$13,253 and \$13,093, respectively)	143,421	153,023
Grants Receivable	133,915	116,542
Prepaid Expenses	32,674	23,820
Other Receivables	-	2,750
Total Current Assets	1,122,361	1,022,041
Property and Equipment:		
Fixed Assets, at cost	1,311,711	1,295,842
Less: Accumulated depreciation	(727,361)	(668,990)
Net Fixed Assets (Note 3)	584,350	626,852
Other Assets:		
Intangible Assets, net of amortization (Note 4)	21,969	23,443
Security Deposits	8,227	5,314
Escrow Deposits	1,500	1,500
TOTAL ASSETS	\$ 1,738,407	\$ 1,679,150
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable & Accrued Expenses	\$ 184,067	\$ 142,641
Deferred Grant Revenue	2,627	25,962
Total Current Liabilities	186,694	168,603
Long Term Liabilities:		
Loan Payable (Note 5)	182,905	184,365
Total Long Term Liabilities	182,905	184,365
Net Assets:		
Unrestricted	598,006	693,731
Temporarily Restricted (Note 6)	770,802	632,451
Total Net Assets	1,368,808	1,326,182
TOTAL LIABILITIES AND NET ASSETS	\$ 1,738,407	\$ 1,679,150

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

HOPE'S DOOR, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017			2016		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Revenue and Other Support:						
Contributions (Note 8)	\$ 223,800	\$ 8,540	\$ 232,340	\$ 140,050	\$ -	\$ 140,050
Shelter Fees (Note 9)	581,927	-	581,927	561,612	-	561,612
Grants	907,856	194,477	1,102,333	847,847	77,920	925,767
Special Events	206,484	84,975	291,459	223,189	-	223,189
Other Revenue	13,868	-	13,868	1,295	-	1,295
Investment Income	4,832	-	4,832	6,649	-	6,649
Donations In-Kind	-	-	-	2,664	-	2,664
Net Assets Released From Restriction	149,641	(149,641)	-	68,694	(68,694)	-
Total Revenue and Other Support	<u>2,088,408</u>	<u>138,351</u>	<u>2,226,759</u>	<u>1,852,000</u>	<u>9,226</u>	<u>1,861,226</u>
Expenses:						
Program Services:						
Shelter Program	693,337	-	693,337	696,971	-	696,971
Non-Residential Program	1,027,731	-	1,027,731	1,000,993	-	1,000,993
Total Program Expenses	<u>1,721,068</u>	<u>-</u>	<u>1,721,068</u>	<u>1,697,964</u>	<u>-</u>	<u>1,697,964</u>
Support Services:						
Management & General	166,967	-	166,967	130,497	-	130,497
Fund Raising	296,098	-	296,098	255,548	-	255,548
Total Support Services	<u>463,065</u>	<u>-</u>	<u>463,065</u>	<u>386,045</u>	<u>-</u>	<u>386,045</u>
Total Expenses	<u>2,184,133</u>	<u>-</u>	<u>2,184,133</u>	<u>2,084,009</u>	<u>-</u>	<u>2,084,009</u>
Increase (Decrease) in Net Assets	<u>(95,725)</u>	<u>138,351</u>	<u>42,626</u>	<u>(232,009)</u>	<u>9,226</u>	<u>(222,783)</u>
Net Assets, Beginning of Year	<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>
Net Assets, End of Year	<u>\$ 598,006</u>	<u>\$ 770,802</u>	<u>\$ 1,368,808</u>	<u>\$ 693,731</u>	<u>\$ 632,451</u>	<u>\$ 1,326,182</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, 2017 AND 2016

	Program Services			Supporting Services			Total 2016/2017 Expenses	Total 2015/2016 Expenses
	Shelter	Non Residential	Total Program Expenses	Management & General	Fund Raising	Total Support Services		
Salaries	\$ 375,078	\$ 655,271	\$ 1,030,349	\$ 51,188	\$ 145,698	\$ 196,886	\$ 1,227,235	\$ 1,174,740
Fringe Benefits and Payroll Related Costs	115,855	208,596	324,451	35,969	32,296	68,265	392,716	350,154
Rent & Occupancy	6,229	47,902	54,131	13,843	6,921	20,764	74,895	92,800
Utilities	19,394	1,789	21,183	-	-	-	21,183	17,111
Telephone	3,271	4,719	7,990	2,854	528	3,382	11,372	9,175
Food	24,851	-	24,851	-	-	-	24,851	22,409
Special Events	-	-	-	-	89,066	89,066	89,066	56,145
Postage	240	270	510	1,073	798	1,871	2,381	2,469
Supplies	13,571	12,022	25,593	5,684	969	6,653	32,246	44,473
Travel	17,687	10,543	28,230	1,291	1,135	2,426	30,656	34,937
Insurance	8,771	15,856	24,627	1,096	2,741	3,837	28,464	27,423
Professional Services	13,317	21,754	35,071	1,123	3,876	4,999	40,070	47,214
Repairs and Maintenance	17,690	2,575	20,265	8,061	1,354	9,415	29,680	37,806
Meetings and Conferences	467	1,308	1,775	887	1,306	2,193	3,968	4,071
Dues and Fees	320	2,579	2,899	1,325	4,822	6,147	9,046	8,329
Equipment Leases and Rentals	7,597	8,101	15,698	1,392	696	2,088	17,786	16,544
Taxes	4,148	53	4,201	-	-	-	4,201	4,702
Printing and Reproduction	-	-	-	-	1,325	1,325	1,325	-
Publications	-	-	-	355	-	355	355	350
Staff Development and Training	239	142	381	12,369	881	13,250	13,631	11,135
Advertising and Recruitment	481	1,217	1,698	-	-	-	1,698	4,193
Client Costs	7,239	4,511	11,750	-	-	-	11,750	9,013
Depreciation and Amortization	47,814	5,835	53,649	7,767	1,620	9,387	63,036	59,080
Newsletter	-	12,885	12,885	-	-	-	12,885	16,285
Special Needs	8,028	9,249	17,277	-	-	-	17,277	30,665
Miscellaneous	1,050	554	1,604	20,690	66	20,756	22,360	2,787
	<u>\$ 693,337</u>	<u>\$ 1,027,731</u>	<u>\$ 1,721,068</u>	<u>\$ 166,967</u>	<u>\$ 296,098</u>	<u>\$ 463,065</u>	<u>\$ 2,184,133</u>	<u>\$ 2,084,009</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, 2017 AND 2016

	2017	2016
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Increase/(Decrease) in Net Assets	\$ 42,626	\$ (222,783)
Adjustments to Reconcile Increase/(Decrease) in Net Assets to Net Cash Provided/(Used) for Operating Activities:		▼
Depreciation and Amortization	63,036	59,080
Amortization of HHAC Award	(1,460)	(28,920)
Change to Accounts Receivable	9,602	45,622
Change to Grants Receivable	(17,373)	3,721
Change to Prepaid Expenses	(8,854)	(4,632)
Change in Security Deposits	(2,913)	-
Change to Other Receivables	2,750	(2,750)
Change to Accounts Payable & Accrued Expenses	41,426	1,075
Change to Deferred Grant Revenue	(23,335)	25,962
Net Cash Provided/(Used) by Operating Activities	105,505	(123,625)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Certificates of Deposits	(50,000)	(48,000)
Redemption of Certificates of Deposit	50,000	88,000
Investment Earnings - Annuity	(1,782)	(1,762)
Investment Earnings - Certificate of Deposits	206	280
Purchase of Fixed Assets	(18,630)	(52,681)
Purchase of Intangible Asset	(430)	-
Net Cash Used by Investing Activities	(20,636)	(14,163)
Net Increase/(Decrease) in Cash & Cash Equivalents	84,869	(137,788)
Cash & Cash Equivalents - Beginning of Year	442,311	580,099
Cash & Cash Equivalents - End of Year	\$ 527,180	\$ 442,311

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, 2017 AND 2016

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 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, 2017 and 2016 and unrestricted net assets were \$598,006 and \$693,731, 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, 2017 and 2016, temporarily restricted net assets were \$770,802 and \$632,451, respectively.

Permanently Restricted - Resources subject to donor imposed restrictions that neither expire by the passage of time nor can be fulfilled and removed by actions of the Organization pursuant to the donor's stipulations. As of June 30, 2017 and 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. 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, 2017 AND 2016

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. The Organization did not receive any in-kind donations for the year ended June 30, 2017 and received \$2,664 for the year ended June 30, 2016.

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, 2017 AND 2016

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, 2017 and 2016, the Organization's cash and cash equivalents were deposited primarily in four 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. Accounts receivable are presented net of an allowance for doubtful accounts of \$13,253 and \$13,093 at June 30, 2017 and 2016, 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. At June 30, 2017 and 2016, the Organization's sole investment consists of a deferred fixed annuity.

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 and 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, 2017 AND 2016

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 and 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, 2017 and 2016, the discretionary profit sharing contribution was \$24,944 and \$17,645, respectively. The respective contribution for each year is included in accounts payable at June 30, 2017 and 2016.

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 or 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, 2017 and 2016, the total value plus interest accrued to-date for the Organization's certificate of deposit portfolio was \$175,099 and \$175,305, respectively.

On October 26, 2012, the Organization purchased an annuity from Nationwide Life Insurance Company for \$100,000. This annuity lists a long standing board member of the Organization as the annuitant as a requirement 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, 2017 and 2016 was \$110,072 and \$108,290, respectively.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30, 2017 and 2016:

	<u>June 30</u>	
	<u>2017</u>	<u>2016</u>
Land	\$ 131,000	\$ 131,000
Buildings (shelter and office)	761,900	761,900
Building improvements	330,053	312,853
Furniture & equipment	42,840	42,195
Computers	<u>45,918</u>	<u>47,894</u>
	1,311,711	1,295,842
Less accumulated depreciation	<u>(727,361)</u>	<u>(668,990)</u>
	<u>\$ 584,350</u>	<u>\$ 626,852</u>

See independent auditor's report.

HOPE'S DOOR, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

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>2017</u>	<u>2016</u>
Website	\$ 7,454	\$ 7,024
Software	<u>21,255</u>	<u>21,255</u>
	28,709	28,279
Less accumulated amortization	<u>(6,740)</u>	<u>(4,836)</u>
	<u>\$21,969</u>	<u>\$23,443</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 term, if the Organization continues to operate the shelter program, the debt will be forgiven. For accounting purposes, the award is being amortized 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 \$1,460 and \$28,920 for the years ended June 30, 2017 and 2016, respectively, 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, 2017 and 2016 consist of the following:

	<u>June 30</u>	
	<u>2017</u>	<u>2016</u>
HHAC award- Shelter program	\$ 540,095	\$ 538,635
Program – “Next Step”	86,647	78,197
Program – “Children & Teen”	2,715	5,047
Program-“Safe Moms Make Safe Kids”	-	9,924
Gala – “Fund a Need”	52,781	-
“On the Move” Campaign	86,206	-
Other	<u>2,358</u>	<u>648</u>
Total temporarily restricted net assets	<u>\$770,802</u>	<u>\$632,451</u>

See independent auditor’s report.

HOPE'S DOOR, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

NOTE 7 – COMMITMENTS

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.

The Organization leased its Pleasantville, New York office space pursuant to an original operating lease dated July 2001. Under the terms of the lease, the Organization was required to pay fixed minimum rent of \$71,768 per annum plus additional charges for insurance, water charges, trash removal and real estate taxes. The Organization had on deposit the sum of \$5,214 with the landlord as security in accordance with the lease agreement until March, 2017. On September 26, 2016, the Organization was notified by its landlord that the lease was terminated and the Organization vacated these premises on April 1, 2017.

Effective March 15, 2017, the Organization signed a 64 month lease to rent office space in Hawthorne, New York. Rent charges begin once the Organization occupies the new space. Base rent is waived for the first four months, increases to \$8,127 per month for the next 24 months, and to \$8,533 per month for the last 36 months. Base rent under this lease, which does not including utility charges and escalation, will be recognized using the straight-line method, which is \$7,847 per month or \$94,168 per annum. The lease agreement contains one five year renewal option which can be exercised by the Organization. If renewed, rent will be charged at prevailing rates and the time of the renewal.

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

Year ended June 30, 2018	\$ 56,887
Year ended June 30, 2019	97,520
Year ended June 30, 2020	100,364
Year ended June 30, 2021	102,396
Year ended June 30, 2022	102,396

During the year ended June 30, 2017, the Organization incurred expenses related to the relocation of its office totaling \$21,470.

NOTE 8 – CONTRIBUTIONS

Contributions were received from the following sources:

	<u>June 30</u>	
	<u>2017</u>	<u>2016</u>
Foundations	\$ 58,464	\$ 55,150
Corporations	10,654	5,673
Community groups	18,671	19,240
Individuals	144,551	59,862
United Way	-	125
	<u>\$232,340</u>	<u>\$140,050</u>

See independent auditor's report.

HOPE'S DOOR, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

NOTE 9 – SHELTER FEES

Shelter fees were as follows:

	<u>June 30</u>	
	<u>2017</u>	<u>2016</u>
Gross fees	\$595,177	\$574,637
Write-offs	<u>(13,250)</u>	<u>(13,025)</u>
Net fees	<u>\$581,927</u>	<u>\$561,612</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. While the Organization occasionally may have deposits in excess of FDIC insured limits, it has not experienced any losses. The Organization's investment in the deferred fixed annuity at June 30, 2017 and 2016 of \$110,072 and \$108,290, respectively, is not FDIC insured.

NOTE 11 - RELATED PARTY TRANSACTIONS

There were no related party transactions during the years ended June 30, 2017 and 2016.

NOTE 12 – SUBSEQUENT EVENTS

As discussed in Note 7, the Organization entered into a new lease agreement for its office space. The Organization relocated to the new office space on August 7, 2017 and incurred additional moving related expenses totaling \$45,625.

The Organization has evaluated material subsequent events through the date these financial statements were available to be issued on December 12, 2017.

See independent auditor's report.