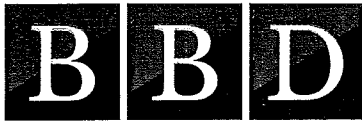


CORAM DEO, INC.
NEW BRITAIN, CONNECTICUT
FINANCIAL STATEMENTS
JUNE 30, 2017

CORAM DEO, INC.
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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Trustees of
Coram Deo, Inc.

We have reviewed the accompanying financial statements of:

CORAM DEO, INC. (a nonprofit organization)

which comprise the statements of financial position as of June 30, 2017 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company 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.

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.

Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

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 accordance with accounting principles generally accepted in the United States of America.

Cheshire, Connecticut
June 27, 2018

CORAM DEO, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2017

ASSETS

	<u>2017</u>
	<u>\$</u>
CURRENT ASSETS	
Cash and Cash Equivalents	8,968
Accounts Receivable, net of Allowance for Doubtful Accounts of \$3,000 in 2017	24,991
Prepaid Expenses	3,929
Total Current Assets	<u>37,888</u>
FIXED ASSETS	
Land	120,000
Buildings and Improvements Held Under Capital Lease	875,414
Leasehold Improvements	85,120
Vehicle	38,850
Furniture & Fixtures	10,818
	<u>1,130,202</u>
Less: Accumulated Depreciation	(115,367)
Net Fixed Assets	<u>1,014,835</u>
TOTAL ASSETS	<u><u>1,052,723</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Current Portion of Long-Term Debt	6,649
Current Portion of Capital Leases	21,509
Accounts Payable	26,258
Accrued Expenses & Taxes	6,482
Total Current Liabilities	<u>60,898</u>
OTHER LIABILITIES	
Long Term Debt, Net of Current Portion	25,097
Capital Leases, Net of Current Portion	920,450
Total Other Liabilities	<u>945,547</u>
NET ASSETS	
Unrestricted	<u>46,278</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>1,052,723</u></u>

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT

CORAM DEO, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2017

	<u>2017</u>
	<u>\$</u>
REVENUE, GAINS AND OTHER SUPPORT	
Client Service Revenue	358,038
Grants and Foundations	143,175
Event Revenue	61,239
Individual Contributions	30,928
Corporate Sponsors	23,223
In-Kind Donation	3,163
Other Revenue	836
Total Revenue, Gains and Other Support	<u>620,602</u>
 FUNCTIONAL EXPENSES	
Program Expenses	401,496
General and Administrative	129,935
Fundraising	33,956
Total Functional Expenses	<u>565,387</u>
 CHANGE IN NET ASSETS	 55,215
 NET ASSETS - BEGINNING	 <u>(8,937)</u>
 NET ASSETS - ENDING	 <u>46,278</u>

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT

CORAM DEO, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2017

	<u>2017</u>
	<u>\$</u>
PROGRAM EXPENSES	
Rent	61,931
Utilities	59,557
Interest Expense	58,153
Wages	52,661
Depreciation	43,300
Executive Director	38,967
Property Repairs & Maintenance	22,520
Vehicle Expenses	15,283
Outside Contracting	12,286
Payroll Taxes	10,386
Telephone	6,955
Supplies	6,926
Client Recreation	6,391
In Kind Donation-Professional Services	3,163
Drug Testing	2,449
Food Share	568
Total Program Expenses	<u>401,496</u>
 GENERAL AND ADMINISTRATIVE	
Executive Director	38,967
Insurance	16,459
Rent	16,200
Bookkeeping Services	8,685
Advertising and Promotions	8,353
Conferences, Dues and Travel	6,134
Computer Costs	4,881
Office Expenses	4,049
Accounting	3,950
Meals	3,500
Bank Fees	3,393
Printing	3,271
Bad Debts Expense	3,000
Payroll Taxes	2,817
Postage Expenses	2,258
Vehicle Expenses	1,860
Education & Training	1,295
Telephone	523
Books & Subscriptions	340
Total General and Administrative Expenses	<u>129,935</u>
 FUNDRAISING	
Event Expenses	<u>33,956</u>

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT

CORAM DEO, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2017

	<u>2017</u>
	<u>\$</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
CHANGE IN NET ASSETS	55,215
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Depreciation	43,300
Increase in Allowance for Doubtful Accounts	3,000
Decrease (Increase) In:	
Accounts Receivable	(649)
Prepaid Expenses	(2,226)
Increase (Decrease) In:	
Accounts Payable	(8,961)
Accrued Expenses & Taxes	(1,795)
Net Cash Provided By Operating Activities	<u>87,884</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Fixed Assets	<u>(70,720)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Long-Term Debt Payments	(4,088)
Capital Lease Payments	<u>(20,257)</u>
Net Cash Used in Financing Activities	<u>(24,345)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,181)
BEGINNING CASH AND CASH EQUIVALENTS	<u>16,149</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>8,968</u></u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	
Cash Paid During the Year For:	
Interest	<u>58,153</u>
NON-CASH FINANCING AND INVESTING ACTIVITIES	
Fixed Assets Acquisitions	87,570
Long Term Debt and Capital Leases Incurred	<u>(16,850)</u>
Cash Paid	<u><u>70,720</u></u>

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT

CORAM DEO, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 1 - ORGANIZATION

Coram Deo, Inc. (the Company) operates a Christ-centered organization providing transitional living and support housing and programs to women over 18 in the Greater Central Connecticut area.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Estimates in Preparing Financial Statements

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that were used.

Functional Expenses

The costs of providing various programs and supporting services have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts Receivable is stated at net realizable value. The Company evaluates credit risk on its Accounts Receivable and accordingly estimates an allowance for doubtful accounts on a periodic basis. The evaluation includes historical loss experience, adverse situations that might affect a customer's ability to repay, and prevailing economic conditions. The Company makes adjustments to its allowance if the evaluation of allowance requirements differs from the actual aggregate reserve.

Basis of Presentation

The Company is required to report 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. These classifications are used to the extent they are applicable to the Fund's activities and net assets.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All contributions are reported as unrestricted except those specifically restricted by a donor. However, donor restricted contributions whose restrictions are met in the same accounting periods are reported as unrestricted. During the year ended June 30, 2017 all contributions received were unrestricted.

Fixed Assets

The Company capitalizes property and equipment on a per item basis. Purchased fixed assets are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions 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 contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Company reports expiration of donor restrictions when the donated or acquired assets are placed in service. The Company reclassifies temporarily restricted net assets to unrestricted assets at that time. Furniture and Fixtures, Vehicles Buildings and Leasehold Improvements are depreciated using the straight-line method over their estimated useful lives of three, five, fifteen twenty, thirty and thirty-nine years, respectively.

Revenue Recognition

Client service income is allocated to the period in which the client receives housing.

SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services

Donated services in the amount of \$3,163 have been recorded in the financial statements for professional services received during the year ended June 30, 2017. In addition, a substantial number of volunteers have donated approximately \$10,000 during the year of goods and significant amounts of their time in the Company's programs and in its fund raising activities for the year ended June 30, 2017.

Advertising and Promotions

Advertising costs are expensed as incurred. Advertising costs were approximately \$8,400 for the year ended June 30, 2017.

Fair Value of Financial Instruments

The Company follows the *Fair Value Measurements* topic of the FASB Codification, which defines fair value and establishes a framework for measuring fair value in generally accepted accounting principles. The topic defines fair value as the exchange price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity. In addition, the fair value of liabilities should include consideration of non-performance risk including the Company's own credit risk. In addition to defining fair value, the *Fair Value Measurements* topic expands the disclosure requirements around fair value and establishes a fair value hierarchy for valuation inputs. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. These levels are:

- Level 1 - inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.
- Level 2 - inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques. Valuation techniques based on unobservable inputs are highly subjective and require judgments regarding significant matters, such as the amount and timing of future cash flows and the selection of discount rates that may appropriately reflect market and credit risks. Changes in these judgments often have a material impact on the fair value estimates. In addition, since these estimates are as of a specific point in time, they are susceptible to material near-term changes.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of assets and liabilities and their placement within the fair value hierarchy levels.

Subsequent Events

The Company has evaluated subsequent events and transactions for potential recognition or disclosure through June 27, 2018 which is the date the financial statements were available to be issued.

CORAM DEO, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 3 – OPERATING FACILITIES

The Company leases its office space and transitional housing facilities under various lease agreements, which are on month to month bases. Rental expense amounted to \$78,131 for the year ended June 30, 2017.

NOTE 4- DEBT

Long-Term Debt at June 30, consists of the following:

	<u>2017</u>
	<u>\$</u>
Note payable to a bank in monthly installments of \$367 per month, 4.75% interest through March, 2021. Secured by a vehicle with a carrying value of \$14,300	15,407
Note payable to a bank in monthly installments of \$367 per month, 4.75% interest through March, 2021. Secured by a vehicle with a carrying value of \$16,007	<u>16,339</u>
	31,746
Less: Current portion:	<u>(6,649)</u>
Total	<u>25,097</u>

At June 30, 2017, maturities of Long-Term debt over the next five years are as follows: \$6,649, \$6,988, \$7,334, \$7,701 and \$3,074.

NOTE 5- CAPITAL LEASES

The Company has acquired three transitional housing facilities under the provisions of long-term leases. For financial reporting purposes minimum lease payments relating to the buildings have recorded in the accompanying financial statements at the present value of future minimum lease payments, discounted at an interest rate of 6%. Accumulated Amortization amounted to \$97,524 for the year ended June 30, 2017

The amortization of these assets amounts to \$35,605 for the year ended June 30, 2017.

The following is a schedule by years of the future minimum payments required under the capital leases together with their present value as of June 30, 2017:

	<u>\$</u>
2018	77,451
2019	77,451
2020	77,451
2021	77,451
2022	77,451
Thereafter	<u>1,347,844</u>
	1,735,099
Less Amount Representing Interest Present Value of Future Minimum Lease Payments	(793,140)
	941,959
Less Current Portion	<u>(21,509)</u>
Long-Term Portion	<u>920,450</u>

SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT

CORAM DEO, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 5- CAPITAL LEASES (Continued)

The company has changed some of its leases from operating leases to capital leases. The result of this change is a decrease in beginning unrestricted net assets of \$28,725.

NOTE 5 - TAX STATUS

The Company is a Connecticut Corporation exempt from Federal Taxation under Section 501(c) (3) of the Internal Revenue Code, as a public charity.

The Company evaluates all significant tax positions as required by generally accepted accounting principles in the United States. As of June 30, 2017, the Company does not believe that it has taken any positions that would require the recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next twelve months. The Company's income tax returns are subject to examination by the appropriate taxing jurisdictions. As of June 30, 2017, the Company's federal and state tax returns generally remain open for the last three years.