

**MI CASA RESOURCE CENTER  
AND CONSOLIDATED SUBSIDIARIES**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

**MI CASA RESOURCE CENTER  
AND CONSOLIDATED SUBSIDIARIES**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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Taylor, Roth & Company, PLLC  
Certified Public Accountants  
working exclusively with nonprofit organizations

June 13, 2018

Independent Auditors' Report

Board of Directors  
Mi Casa Resource Center  
Denver, Colorado

We have audited the accompanying consolidated financial statements of **Mi Casa Resource Center and affiliates** which comprise the combined statement of financial position as of December 31, 2017, and the related combined 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 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 the financial statements that are free from material misstatements whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatements of the combined 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 combined 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 reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that our audit provides a reasonable basis for our opinion.

### ***Opinion***

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Mi Casa Resource Center and consolidated subsidiaries as of December 31, 2017, 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.

### ***Report on Summarized Comparative Information***

We have previously audited Mi Casa Resource Center's 2016 combined financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated June 29, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Other Matters***

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The nonprofit statement of financial position, the nonprofit statement of activities and the nonprofit statement of functional expenses and the indirect cost rate calculation, beginning on page 14 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2018, on our consideration of Mi Casa Resource Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mi Casa Resource Center's internal control over financial reporting and compliance.

*Taylor, Roth and Company PLLC*  
TAYLOR, ROTH AND COMPANY, PLLC  
CERTIFIED PUBLIC ACCOUNTANTS

**MI CASA RESOURCE CENTER**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2017

(WITH COMPARATIVE TOTALS FOR 2016)

	2017	2016
<u>Assets</u>		
Cash and cash equivalents - unrestricted	\$ 457,314	\$ 1,165,256
Cash and cash equivalents - temporarily restricted	1,004,732	1,028,515
Cash held for others	35,380	51,277
Contributions receivable (unrestricted and temporarily restricted)	113,186	226,518
Grants and contracts receivable (unrestricted and temporarily restricted)	330,962	969,440
Prepaid expenses	33,908	28,131
Investments (Note 3)	2,550,520	2,311
Other assets (Note 4)	114,734	115,652
Net property and equipment (Note 5)	2,757,809	2,051,141
Total assets	\$ 7,398,545	\$ 5,638,241
 <u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 88,636	\$ 94,977
Accrued payroll costs	70,958	63,209
Cash due others	35,380	51,277
Capital lease obligation (Note 6)	24,469	13,415
Property taxes	-	2,400
Deferred revenue	-	750,000
Lines-of-credit (Note 7)	15,052	37,500
Notes payable (Note 8)	75,000	1,002,472
Total liabilities	309,495	2,015,250
 <u>Net assets</u>		
<u>Unrestricted</u>		
Operating	6,201,837	1,572,290
Temporarily restricted (Note 9)	887,213	2,050,701
Total net assets	7,089,050	3,622,991
Total liabilities and net assets	\$ 7,398,545	\$ 5,638,241

The accompanying notes are an integral part of these financial statements

**MI CASA RESOURCE CENTER**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(WITH COMPARATIVE TOTALS FOR 2016)**

	2017			2016
	Unrestricted	Temporarily Restricted	Total	Total
<b>Revenue and other support</b>				
Foundations and trusts	\$ 333,250	\$ 1,284,565	1,617,815	\$ 2,172,207
Government grants and contracts	694,120	400,000	1,094,120	871,660
Social Enterprise Ventures - fee income	662,930	-	662,930	633,643
Corporate donations	46,600	662,050	708,650	136,107
Other contracts	180,323	-	180,323	136,172
Contributions	52,897	124,225	177,122	126,624
Special events	143,067	-	143,067	90,311
Less direct expenses	(106,142)	-	(106,142)	(47,610)
United Way	100,000	-	100,000	100,000
Rental income	8,601	-	8,601	37,816
All other	79,861	-	79,861	119,221
In-kind contributions (Note 10)	132,224	-	132,224	158,191
Net assets released from restrictions (Note 11)	3,634,328	(3,634,328)	-	-
<b>Total revenue and other support</b>	<b>5,962,059</b>	<b>(1,163,488)</b>	<b>4,798,571</b>	<b>4,534,342</b>
<b>Expense</b>				
<b>Program services</b>				
Capital campaign	929,703	-	929,703	80,373
Youth	648,107	-	648,107	747,785
Business	572,114	-	572,114	560,197
Career	511,383	-	511,383	591,838
Economic advancement	56,593	-	56,593	124,349
Fiscal sponsors	811	-	811	1,011
<b>Total program services</b>	<b>2,718,711</b>	<b>-</b>	<b>2,718,711</b>	<b>2,105,553</b>
<b>Supporting services</b>				
Management and general	558,700	-	558,700	540,253
Fund-raising	296,117	-	296,117	207,902
<b>Total supporting services</b>	<b>854,817</b>	<b>-</b>	<b>854,817</b>	<b>748,155</b>
<b>Total nonprofit expense</b>	<b>3,573,528</b>	<b>-</b>	<b>3,573,528</b>	<b>2,853,708</b>
Social Enterprise Ventures expense	697,271	-	697,271	625,451
<b>Total consolidated expenses</b>	<b>4,270,799</b>	<b>-</b>	<b>4,270,799</b>	<b>3,479,159</b>
<b>Extraordinary items</b>				
Gain on sale of property - Note (14)	2,938,287	-	2,938,287	-
<b>Change in net assets</b>	<b>4,629,547</b>	<b>(1,163,488)</b>	<b>3,466,059</b>	<b>1,055,183</b>
Net assets, beginning of year	1,572,290	2,050,701	3,622,991	2,567,808
<b>Net assets, end of year</b>	<b>\$ 6,201,837</b>	<b>\$ 887,213</b>	<b>\$ 7,089,050</b>	<b>\$ 3,622,991</b>

The accompanying notes are an integral part of these financial statements

**MI CASA RESOURCE CENTER**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(WITH COMPARATIVE TOTALS FOR 2016)**

	2017											2016	
	Program Services							Supporting Services					
	Capital Campaign	Youth & Family Development	Career Development	Business Development	Integrated Services	Fiscal Sponsors	Total Program Services	Management and General	Fund-raising	Total Supporting Services	Social Enterprise Ventures	Total	Total
Salaries	\$ 48,700	\$ 350,952	\$ 357,570	\$ 392,546	\$ 5,369	\$ 538	\$ 1,155,675	\$ 366,811	\$ 189,591	\$ 556,402	\$ 588,632	\$ 2,300,709	\$ 2,226,840
Payroll taxes and benefits	4,751	61,942	61,047	58,018	1,040	222	187,020	52,643	27,946	80,589	73,095	340,704	306,677
Facilities	610,711	133,942	13,389	11,017	7,887	7	776,953	26,684	2,567	29,251	33	806,237	249,628
Programming	9,024	51,314	22,147	45,929	17,969	-	146,383	2,235	17,104	19,339	7	165,729	178,611
Communications	91,129	11,280	9,229	6,450	1,896	12	119,996	5,958	1,778	7,736	2,337	130,069	51,879
Equipment	104,889	-	182	770	-	-	105,841	-	-	-	-	105,841	26,536
Supplies	19,646	18,057	3,864	4,568	2,232	2	48,369	6,916	849	7,765	804	56,938	55,791
Staff training	12,959	4,568	2,584	1,554	871	-	22,536	6,168	12,329	18,497	858	41,891	38,476
Professional services	8,175	-	-	1,485	-	-	9,660	16,030	3,285	19,315	10,110	39,085	66,074
Software	6,790	-	-	-	-	-	6,790	4,456	25,577	30,033	24	36,847	17,307
Insurance	-	5,795	7,194	5,839	1,243	5	20,076	3,924	1,600	5,524	5,006	30,606	26,837
Interest	4	27	5,735	5,673	1,027	7	12,473	9,374	1,895	11,269	2,589	26,331	45,904
Bank charges	3,704	616	298	459	26	-	5,103	7,513	3,318	10,831	5,125	21,059	14,821
Dues and memberships	-	1,718	1,896	2,758	791	2	7,165	3,348	981	4,329	6,759	18,253	9,879
Travel	95	1,400	1,702	7,640	555	-	11,392	3,390	245	3,635	246	15,273	14,125
Printing	2,617	2,125	1,346	1,914	1,434	2	9,438	1,099	574	1,673	21	11,132	9,849
Moving	5,965	348	391	398	16	-	7,118	30	122	152	2	7,272	1,695
Bad debts	-	-	-	3,620	-	-	3,620	-	99	99	1,562	5,281	30,869
Postage	509	10	5	52	10	-	586	740	414	1,154	61	1,801	2,093
Property taxes	-	-	-	-	-	-	-	1,756	-	1,756	-	1,756	2,405
	929,668	644,094	488,579	550,690	42,366	797	2,656,194	519,075	290,274	809,349	697,271	4,162,814	3,376,296
Depreciation	35	4,013	22,804	21,424	14,227	14	62,517	39,625	5,843	45,468	-	107,985	102,863
<b>Total expenses</b>	<b>\$ 929,703</b>	<b>\$ 648,107</b>	<b>\$ 511,383</b>	<b>\$ 572,114</b>	<b>\$ 56,593</b>	<b>\$ 811</b>	<b>\$ 2,718,711</b>	<b>\$ 558,700</b>	<b>\$ 296,117</b>	<b>\$ 854,817</b>	<b>\$ 697,271</b>	<b>\$ 4,270,799</b>	<b>\$ 3,479,159</b>

The accompanying notes are an integral part of these financial statements

**MI CASA RESOURCE CENTER**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(WITH COMPARATIVE TOTALS FOR 2016)**

	<u>2017</u>	<u>2016</u>
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 3,466,059	\$ 1,055,184
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	107,985	102,863
Unrealized gain on investments	(18,896)	-
Donated investments	-	(7,961)
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in contributions receivable	113,332	558,435
(Increase)decrease in grants receivable	638,478	(830,058)
(Increase)decrease in prepaid expenses	(5,777)	(3,386)
(Increase)decrease in other assets	918	(55,005)
Increase(decrease) in accounts payable	(6,341)	(103,396)
Increase(decrease) in cash due others	(15,897)	20,494
Increase(decrease) in payroll accruals	7,749	8,152
Increase(decrease) in deferred revenue	(750,000)	750,000
Increase(decrease) in property taxes payable	(2,400)	(624)
Net cash provided by operating activities	<u>3,535,210</u>	<u>1,494,698</u>
<u>Cash flows from investing activities</u>		
(Additions) to fixed assets	(814,653)	(140,892)
Sale (purchase) of investments	(2,500,000)	-
(Reinvestment) of interest and dividends	(29,313)	-
Net cash (used) by investing activities	<u>(3,343,966)</u>	<u>(140,892)</u>
<u>Cash flows from financing activities</u>		
(Repayment) on capital lease obligation	11,054	(2,682)
Draw down on line of credit	(22,448)	37,500
(Repayment) on notes payable	(927,472)	22,679
Net cash provided(used) by financing activities	<u>(938,866)</u>	<u>57,497</u>
Net increase in cash and cash equivalents	(747,622)	1,411,303
Cash and cash equivalents, beginning of year	<u>2,245,048</u>	<u>833,745</u>
Cash and cash equivalents, end of year	<u>\$ 1,497,426</u>	<u>\$ 2,245,048</u>
<u>Supplemental disclosure of information:</u>		
Cash paid during the period for interest	<u>\$ 21,152</u>	<u>\$ 49,390</u>

The accompanying notes are an integral part of these financial statements



**MI CASA RESOURCE CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 1 - NATURE OF ACTIVITIES**

Mi Casa Resource Center (the Organization) has served the Denver community since 1976, working towards our mission of advancing the economic success of families with limited opportunities. The Organization is supported primarily by foundation grants, government contracts, as well as by individual and corporate donations. The Organization provides services within the program framework outlined below:

**Career Development**

Mi Casa's Career Development programs offer basic career-readiness training, as well as industry-focused training programs for workers with limited skills and education to prepare them for careers with strong earning and advancement potential in growth industries. For all participants who enroll in career and customer service programs, Mi Casa provides a core curriculum of career coaching, job-search assistance, post-employment support, as well as financial coaching and individual case management.

**Business Development**

The Women's Business Center at Mi Casa– the only such center in Colorado supported by the U.S. Small Business Administration – provides aspiring entrepreneurs and emerging businesses with the education, tools and support needed to achieve personal financial stability and community economic impact. These comprehensive, bilingual business development programs include: entrepreneurial training and counseling, financial literacy coaching, technology training, assistance assessing capital, legal support and networking opportunities. Mi Casa Resource Center hosts an outreach program of the U.S. Patent and Trademark Office that pairs low income inventors with pro-bono patent attorneys.

**Youth & Family Development**

Mi Casa's Youth & Family Development programs offer out-of-school time enrichment for low-income, mostly Latino youth in middle and high school. These engaging programs focus on areas of technology, career exploration, STEM (science, technology, engineering and math) and leadership. Mi Casa also offers family support services to help parents advance their own education, overcome challenges and support their children's education.

**Economic Advancement Services**

Integrated into Mi Casa's career, business and youth and family programs is access to economic advancement services that help families to build income and assets and decrease debt. Our partnerships with community organizations offer: financial coaching and credit counseling, free tax preparation, legal support, technology training, GED preparation courses and English as a second language (ESL) classes.

**Social Enterprise**

Mi Casa has two social enterprise initiatives that exist to generate revenue that is reinvested in Mi Casa's nonprofit programs. Mi Casa TalentSolutions is a full service staffing agency specializing in bilingual and diverse talent. Mi Casa Back Office Solutions is a bookkeeping and accounting business that focuses on serving nonprofit organizations and small businesses. These Initiatives have been established as separate entities wholly owned by Mi Casa Resource Center.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

### 1. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

### 2. Basis of Presentation

The Organization 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.

### 3. Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

### 4. Accounts Receivable

The Organization states accounts receivable at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have been adjusted as bad debts.

### 5. Donations

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities, as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless the 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 donor stipulations regarding 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.

### 6. Capitalization and Depreciation

The Organization follows a practice of capitalizing all expenditures for furniture and equipment in excess of \$5,000. The fair value of donated assets is similarly capitalized. Depreciation of furniture and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Concluded)

7. 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.

8. Income Taxes

The Organization has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements. The Organization is the sole shareholder of two social enterprise ventures. Those ventures were formed in 2013 and are subject to income taxes. However, in 2013, 2014, 2015, and 2016, both organizations had net operating losses and no taxes are due.

9. Functional Reporting of Expenses

For the year ended December 31, 2017, 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 the programs and supporting services benefited.

10. Summarized Prior-Year Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

11. Principles of Consolidation

The consolidated financial statements include the accounts of Mi Casa Resource Center, Mi Casa TalentSolutions and Mi Casa Back Office Solutions. All material inter-organization transactions have been eliminated.

12. Subsequent Events

Management has evaluated subsequent events through June 13, 2018, the date the financial statements were available for distribution.

NOTE 3- INVESTMENTS

At year-end, investments are stated at their fair values (level 1 input) and consist of:

<u>Description</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Appreciation (Depreciation)</u>
Cash and cash equivalents	\$ 40,012	\$ 40,012	\$ -
Stocks, bonds, and mutual funds	<u>2,488,174</u>	<u>2,510,508</u>	<u>22,334</u>
Total	<u>\$ 2,528,186</u>	<u>\$ 2,550,520</u>	<u>\$ 22,334</u>

Investment income and account activity is summarized as follows:

<u>Description</u>	<u>Amount</u>
Beginning balance	<u>\$ 2,311</u>
Additions	2,500,000
Interest and dividends	29,313
Net appreciation	22,334
Fees	<u>(3,438)</u>
Investment return	<u>2,548,209</u>
Balance, end of year	<u>\$ 2,550,520</u>

Additionally, during the year, the Organization earned interest income of \$1,477 on its cash, cash equivalents and loans receivable.

NOTE 4 - OTHER ASSETS

The Organization has entered into a participation agreement with Unemployment Services Trust (the Trust). The Trust provides services and an alternative means for funding unemployment costs. Trust administrative expenses are funded by participating employers. Participation may be revoked upon 90 days' notice, at which time the Organization would begin paying its unemployment responsibility directly to the State. Contributions to the Trust are adjusted annually. At December 31, 2017, the Organization had contributed \$54,950 in excess of claims filed with the Trust.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

<u>Description</u>	<u>Amount</u>
Building and improvements	\$ 2,702,252
Furniture and equipment	82,276
Leased equipment	30,874
Vehicles	<u>24,500</u>
Total	2,839,902
Less: accumulated depreciation	<u>(82,093)</u>
Net property and equipment	<u>\$ 2,757,809</u>

Depreciation expense for the year was \$107,985.

NOTE 6 - CAPITAL LEASE OBLIGATION

The Organization has acquired office equipment under capital leasing arrangements. The future minimum lease payments are:

<u>Year</u>	<u>Amount</u>
2018	\$ 6,792
2019	6,792
2020	6,792
2021	6,382
2022	<u>2,166</u>
Total	28,924
Less: amount representing interest	<u>(4,455)</u>
Present value of capital lease obligations	<u>\$ 24,469</u>

NOTE 7 - LINES OF CREDIT

At year-end there is a \$0 balance on a line-of-credit with a \$150,000 maximum. The line is unsecured, and interest accrues at the bank prime rate plus 1.50% with a floor of 5.00%. At year-end the interest rate was 5.00%.

Additionally, there was also a \$15,052 balance on a line-of-credit with a \$75,000 maximum. The line is unsecured and interest accrues at the bank prime rate + 2%. At year-end the interest rate was 5.50%

During 2017, the Organization opened a line of credit with a limit of \$1,000,000. The line is unsecured at a variable rate currently at 3.75 percent per year.

NOTE 8 - NOTES PAYABLE

In 2016, the Organization negotiated a promissory note to support the Mi Casa Back Office Solutions subsidiary. The note is unsecured and for the amount of \$75,000 with an interest rate of 1.50%. The note through the Colorado Trust is due in full December 2022. The balance at year end is \$75,000.

The future scheduled maturities are:

<u>Year</u>	<u>Amount</u>
2018	\$ 7,500
2019	11,500
2020	14,250
2021	17,250
2022 and after	<u>24,500</u>
Total	<u>\$ 75,000</u>

NOTE 9 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted nets assets are available for the following purpose:

<u>Description</u>	<u>Amount</u>
Capital campaign	\$ 268,347
Career development	263,692
Youth and family	123,617
Business development	110,359
Leadership and capacity building	84,447
Adult services	33,567
NE Park Hill	<u>3,184</u>
Total	<u>\$ 887,213</u>

NOTE 10 - IN-KIND CONTRIBUTIONS

Donated services and materials are reflected in the accompanying financial statements at their estimated values at date of receipt:

<u>Description</u>	<u>Amount</u>
Donated space in schools for youth programs	\$ 130,650
Donated services	<u>1,574</u>
Total	<u>\$ 132,224</u>

Additionally, the Organization receives substantial donated services not requiring specialized skills, and so, are not valued on the face of these financial statements. During the year, these volunteers donated more than 10,228 hours of service.

NOTE 11 - NET ASSETS RELEASED FROM RESTRICTIONS

During the year, net assets were released from donor restrictions by incurring expenses satisfying the restricted program purposes:

<u>Description</u>	<u>Amount</u>
Capital campaign	\$ 2,666,412
Business development	270,692
Career development	269,644
Integrated services	189,131
Youth and family	125,777
Leadership and capacity building	63,368
NE Park Hill	35,978
Adult services	<u>13,326</u>
Total	<u>\$ 3,634,328</u>

NOTE 12 - CONCENTRATION OF CREDIT RISK

The Organization places most of its cash with one financial institution. Amounts over \$250,000 are not insured by the FDIC or related entity.

NOTE 13 - PENSION PLAN

The Organization has established a 403(b) retirement plan. Employee contributions are matched up to 2% of gross wages. Pension expense for the year was \$15,587.

NOTE 14 - SALE OF BUILDING

During the year, the Organization executed a contract to sell the building at 360 Acoma Street. The gain on the sale of the property is \$2,938,285 including the retirement of assets housed within the building.

NOTE 15 - SUBSEQUENT EVENT

Subsequent to year end, the Organization has decided to cease the operations of the social ventures. Mi Casa Talent Solutions and Mi Casa Back Office Solutions will be dissolved in 2018.

**SUPPLEMENTARY INFORMATION**



**MI CASA RESOURCE CENTER**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2017**  
**(WITH COMPARATIVE TOTALS FOR 2016)**

	2017	2016
<u>Assets</u>		
Cash and cash equivalents - unrestricted	\$ 413,224	\$ 1,140,929
Cash and cash equivalents - temporarily restricted	1,004,732	1,028,515
Cash held for others	35,380	51,277
Contributions receivable (unrestricted and temporarily restricted)	113,186	254,131
Grants and contracts receivable	416,228	989,640
Prepaid expenses	28,206	14,662
Investments	2,550,520	2,311
Investment in subsidiary	137,994	172,335
Other assets	54,950	60,647
Net property and equipment	2,757,809	2,051,141
Total assets	\$ 7,512,229	\$ 5,765,588
<u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 63,630	\$ 102,026
Accrued payroll costs	60,712	53,400
Cash due others	35,380	51,277
Capital lease obligation	24,469	13,415
Deferred revenue	-	750,000
Property taxes	-	2,400
Notes payable	-	927,472
Commitments		
Total liabilities	184,191	1,899,990
<u>Net assets</u>		
<u>Unrestricted</u>		
Operating	6,440,825	1,814,897
Temporarily restricted	887,213	2,050,701
Total net assets	7,328,038	3,865,598
Total liabilities and net assets	\$ 7,512,229	\$ 5,765,588

The accompanying notes are an integral part of these financial statements

**MI CASA RESOURCE CENTER**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(WITH COMPARATIVE TOTALS FOR 2016)**

	2017			2016
	Unrestricted	Temporarily Restricted	Total	Total
<b>Revenue and other support</b>				
Foundations and trusts	\$ 333,250	\$ 1,284,565	\$ 1,617,815	\$ 2,172,207
Government grants and contracts	694,120	400,000	1,094,120	871,660
Contributions	52,897	124,225	177,122	126,625
Corporate donations	46,600	662,050	708,650	136,107
Special events	143,067	-	143,067	90,311
Less direct expenses	(106,142)	-	(106,142)	(47,610)
United Way	100,000	-	100,000	100,000
Rental income	13,671	-	13,671	46,006
Other contracts	180,323	-	180,323	136,172
All other	45,520	-	45,520	119,222
In-kind contributions	132,224	-	132,224	158,191
Net assets released from restrictions	3,634,328	(3,634,328)	-	-
<b>Total revenue and other support</b>	<b>5,269,858</b>	<b>(1,163,488)</b>	<b>4,106,370</b>	<b>3,908,891</b>
<b>Expense</b>				
<b>Program services</b>				
Capital campaign	929,703	-	929,703	80,373
Youth	648,524	-	648,524	747,785
Business	575,688	-	575,688	560,197
Career	512,152	-	512,152	591,838
Integrated services	56,593	-	56,593	124,349
Fiscal sponsors	811	-	811	1,011
<b>Total program services</b>	<b>2,723,471</b>	<b>-</b>	<b>2,723,471</b>	<b>2,105,553</b>
<b>Supporting services</b>				
Management and general	562,627	-	562,627	540,253
Fund-raising	296,117	-	296,117	207,902
<b>Total supporting services</b>	<b>858,744</b>	<b>-</b>	<b>858,744</b>	<b>748,155</b>
<b>Total expenses</b>	<b>3,582,215</b>	<b>-</b>	<b>3,582,215</b>	<b>2,853,708</b>
<b>Extraordinary items</b>				
Gain on sale of property	2,938,285	-	2,938,285	-
Change in net assets	4,625,928	(1,163,488)	3,462,440	1,055,183
<b>Net assets, beginning of year</b>	<b>1,814,897</b>	<b>2,050,701</b>	<b>3,865,598</b>	<b>2,810,415</b>
<b>Net assets, end of year</b>	<b>\$ 6,440,825</b>	<b>\$ 887,213</b>	<b>\$ 7,328,038</b>	<b>\$ 3,865,598</b>

**MI CASA RESOURCE CENTER**

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2017  
(WITH COMPARATIVE TOTALS FOR 2016)

	2017						2016					
	Program Services						Supporting Services					
	Capital Campaign	Youth & Family Development	Career Development	Business Development	Integrated Services	Fiscal Sponsors	Total Program Services	Management and General	Fund-raising	Total Supporting Services	Total	Total
Salaries	\$ 48,700	\$ 351,369	\$ 358,338	\$ 393,312	\$ 5,369	\$ 538	\$ 1,157,626	\$ 370,737	\$ 189,591	\$ 560,328	\$ 1,717,954	\$ 1,691,422
Payroll taxes and benefits	4,751	61,942	61,047	58,018	1,040	222	187,020	52,643	27,946	80,589	267,609	278,942
Facilities	610,711	133,942	13,389	11,017	7,887	7	776,953	26,684	2,567	29,251	806,204	249,162
Programming	9,024	51,314	22,147	48,738	17,969	-	149,192	2,235	17,104	19,339	168,531	178,611
Communications	91,129	11,280	9,229	6,450	1,896	12	119,996	5,958	1,778	7,736	127,732	49,800
Equipment	104,889	-	182	770	-	-	105,841	-	-	-	105,841	25,321
Supplies	19,646	18,057	3,864	4,568	2,232	2	48,369	6,916	849	7,765	56,134	54,369
Staff training	12,959	4,568	2,584	1,554	871	-	22,536	6,168	12,329	18,497	41,033	38,319
Software	6,790	-	-	-	-	-	6,790	4,456	25,577	30,033	36,823	17,307
Professional services	8,175	-	-	1,485	-	-	9,660	16,030	3,285	19,315	28,975	33,731
Insurance	-	5,795	7,194	5,839	1,243	5	20,076	3,924	1,600	5,524	25,600	22,145
Interest	4	27	5,735	5,673	1,027	7	12,473	9,374	1,895	11,269	23,742	45,904
Bank charges	3,704	616	298	459	26	-	5,103	7,513	3,318	10,831	15,934	12,168
Travel	95	1,400	1,702	7,640	555	-	11,392	3,390	245	3,635	15,027	14,005
Dues and memberships	-	1,718	1,896	2,758	791	2	7,165	3,348	981	4,329	11,494	9,326
Printing	2,617	2,125	1,346	1,914	1,434	2	9,438	1,099	574	1,673	11,111	9,849
Moving	5,965	348	391	398	16	-	7,118	30	122	152	7,270	191
Bad debts	-	-	-	3,620	-	-	3,620	-	99	99	3,719	15,888
Property taxes	-	-	-	-	-	-	-	1,756	-	1,756	1,756	2,405
Postage	509	10	5	52	10	-	586	740	414	1,154	1,740	1,980
	929,668	644,511	489,347	554,265	42,366	797	2,660,954	523,001	290,274	813,275	3,474,229	2,750,845
Depreciation	35	4,013	22,804	21,424	14,227	14	62,517	39,625	5,843	45,468	107,985	102,863
<b>Total expenses</b>	<b>\$ 929,703</b>	<b>\$ 648,524</b>	<b>\$ 512,151</b>	<b>\$ 575,689</b>	<b>\$ 56,593</b>	<b>\$ 811</b>	<b>\$ 2,723,471</b>	<b>\$ 562,626</b>	<b>\$ 296,117</b>	<b>\$ 858,743</b>	<b>\$ 3,582,214</b>	<b>\$ 2,853,708</b>

**MI CASA RESOURCE CENTER**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION WORKSHEET**  
**DECEMBER 31, 2017**

	Mi Casa Resource Center	Mi Casa Talent Solutions	Mi Casa Back Office Solutions	Eliminations	Consolidated
<u>Assets</u>					
Cash and cash equivalents - unrestricted	\$ 413,224	\$ 32,139	\$ 11,951		\$ 457,314
Cash and cash equivalents - temporarily restricted	1,004,732				1,004,732
Cash held for others	35,380				35,380
Contributions receivable	113,186			-	113,186
Grants and contracts receivable	416,228	14,764	23,970	(124,000)	330,962
Prepaid expenses	28,206	4,109	1,593		33,908
Investment in subsidiary	137,994			(137,994)	-
Investments	2,550,520				2,550,520
Other assets	54,950		59,784		114,734
Net property and equipment	2,757,809				2,757,809
<b>Total assets</b>	<b>\$ 7,512,229</b>	<b>\$ 51,012</b>	<b>\$ 97,298</b>	<b>\$ (261,994)</b>	<b>\$ 7,398,545</b>
<u>Liabilities and net assets</u>					
<u>Liabilities</u>					
Accounts payable	\$ 63,630	\$ 34,198	\$ 2,168	\$ (11,360)	\$ 88,636
Accrued payroll costs	60,712	7,914	2,332		70,958
Cash due others	35,380	44,720	67,920	(112,640)	35,380
Capital lease obligation	24,469				24,469
Property taxes	-				-
Deferred revenue	-				-
Notes payable	-	15,052	75,000		90,052
<b>Total liabilities</b>	<b>184,191</b>	<b>101,884</b>	<b>147,420</b>	<b>(124,000)</b>	<b>309,495</b>
<u>Net assets</u>					
<u>Unrestricted</u>					
Operating	6,302,831	(50,872)	(50,122)	-	6,201,837
Net investment in subsidiary	137,994			(137,994)	-
Temporarily restricted	887,213				887,213
<b>Total net assets</b>	<b>7,328,038</b>	<b>(50,872)</b>	<b>(50,122)</b>	<b>(137,994)</b>	<b>7,089,050</b>
<b>Total liabilities and net assets</b>	<b>\$ 7,512,229</b>	<b>\$ 51,012</b>	<b>\$ 97,298</b>	<b>\$ (261,994)</b>	<b>\$ 7,398,545</b>

**MI CASA RESOURCE CENTER**  
**STATEMENT OF ACTIVITIES WORKSHEET**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Mi Casa Resource Center	Mi Casa Talent Solutions	Mi Casa Back Office Solutions	Eliminations	Consolidated
<u>Revenue and other support</u>					
Foundations and trusts	\$ 1,617,815	\$ -	\$ -	\$ -	\$ 1,617,815
Government grants and contracts	1,094,120	-	-	-	1,094,120
Contributions	177,122	-	-	-	177,122
Corporate donations	708,650	-	-	-	708,650
United Way	100,000	-	-	-	100,000
Special events	143,067	-	-	-	143,067
Less direct expenses	(106,142)	-	-	-	(106,142)
Rental income	13,671	-	-	(5,070)	8,601
Other contracts	180,323	-	-	-	180,323
All other	79,861	-	-	-	79,861
In-kind contributions	132,224	-	-	-	132,224
Service Fees		594,001	84,669	(15,740)	662,930
<b>Total revenue and other support</b>	<b>4,140,711</b>	<b>594,001</b>	<b>84,669</b>	<b>(20,810)</b>	<b>4,798,571</b>
<u>Expense</u>					
<u>Program services</u>					
Capital campaign	929,703	-	-	-	929,703
Youth	648,524	-	-	(417)	648,107
Career	512,152	-	-	(769)	511,383
Business	575,688	-	-	(3,574)	572,114
Integrated services	56,593	-	-	-	56,593
Fiscal sponsors	811	-	-	-	811
<b>Total program services</b>	<b>2,723,471</b>	<b>-</b>	<b>-</b>	<b>(4,760)</b>	<b>2,718,711</b>
<u>Supporting services</u>					
Management and general	562,628	-	-	(3,928)	558,700
Fund-raising	296,117	-	-	-	296,117
Social venture expense		606,049	103,344	(12,122)	697,271
<b>Total supporting services</b>	<b>858,745</b>	<b>606,049</b>	<b>103,344</b>	<b>(16,050)</b>	<b>1,552,088</b>
<b>Total expenses</b>	<b>3,582,216</b>	<b>606,049</b>	<b>103,344</b>	<b>(20,810)</b>	<b>4,270,799</b>
<u>Extraordinary items</u>					
Gain on sale of property	2,938,287	-	-	-	2,938,287
<b>Change in net assets</b>	<b>3,496,782</b>	<b>(12,048)</b>	<b>(18,675)</b>	<b>-</b>	<b>3,466,059</b>
<b>Net assets, beginning of year</b>	<b>3,831,256</b>	<b>(38,825)</b>	<b>(31,446)</b>	<b>(137,994)</b>	<b>3,622,991</b>
<b>Net assets, end of year</b>	<b>\$ 7,328,038</b>	<b>\$ (50,873)</b>	<b>\$ (50,121)</b>	<b>\$ (137,994)</b>	<b>\$ 7,089,050</b>

**Mi Casa Resource Center**

Indirect Cost Agreement calculations for the year ended December 31, 2017

(A) Category	(B) Total Direct Program Costs	(C) Unallowable Program Costs	(D) Allowable Program Costs (B) - (C)	(E) General Administrative, Fundraising Costs (A) - (B)		(F) Adjustments to Indirect Costs			(J) Allowable Indirect Costs (E) - (F) - (G)
				(F) Fundraising Costs	(G) Capital Campaign	(H) Unallowable Costs			
Salaries	1,717,953	1,108,925	1,108,925	609,028	(189,591)	(48,700)			370,737
Facilities	806,206	166,243	166,243	639,963	(2,567)	(610,711)	(1)		26,683
Payroll taxes and benefits	267,610	182,270	182,270	85,340	(27,946)	(4,751)			52,643
Programming	168,531	140,167	(2,380)	137,786	28,364	(9,024)	(528)		1,707
Interest	23,741	12,469	12,469	11,272	(1,895)	(4)			9,374
Communications	127,731	28,867	28,867	98,865	(1,778)	(91,129)			5,958
Supplies	56,135	28,724	(8)	28,716	27,410	(849)			6,916
Staff training and development	41,034	9,578	(1,121)	8,458	31,456	(12,329)	(12,959)	(1,542)	4,626
Marketing	15,850	1,485	1,485	14,365	(3,285)	(8,175)			2,905
Insurance	25,600	20,076	20,076	5,525	(1,600)	-			3,924
Travel	15,027	11,296	(294)	11,002	3,730	(245)	(95)	(975)	2,415
Equipment-non capital	105,841	952	952	104,889	-	(104,889)			-
Printing, copier	11,111	6,821	6,821	4,290	(574)	(2,617)			1,099
Bank charges	15,933	1,399	(453)	946	14,534	(3,318)	(3,704)	(2,321)	5,191
Professional services	13,125	-	-	13,125	-	-	-	-	13,125
Dues and memberships	11,492	7,163	7,163	4,329	(981)	-	-	-	3,348
Software	36,823	-	-	36,823	(25,577)	(6,790)			4,456
Bad debts expense	3,719	3,620	3,620	99	(99)	-	-	-	-
Postage	1,740	76	76	1,664	(414)	(509)			740
Moving, equipment repair	7,270	1,153	1,153	6,118	(122)	(5,965)			30
Property taxes	1,756	-	-	1,756	-	-	-	-	1,756
Depreciation	107,985	62,482	(15,530)	46,952	45,503	(5,843)	(35)	(15,289)	24,336
<b>Total expenses</b>	<b>3,582,211</b>	<b>1,793,765</b>	<b>(19,786)</b>	<b>1,773,979</b>	<b>1,788,447</b>	<b>(296,117)</b>	<b>(929,704)</b>	<b>(20,658)</b>	<b>541,968</b>

Direct Cost Pool calculation:  
total direct program costs (D)  
add fundraising costs (F)

1,773,979  
296,117

Direct Cost Pool

2,070,096 (I)

allowable indirect/direct cost pool  
requested rate

26.2% (J)/(I)  
19.5%