FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2014

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

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March 18, 2015

Independent Auditors' Report

Board of Directors Revision International Denver, Colorado

We have audited the accompanying statements of **Revision International**, (a Colorado nonprofit corporation), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, functional expenses, 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 financial statements that are free from material misstatement.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatements 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 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 reasonable basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of Revision International as of December 31, 2014, and the changes in its net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously reviewed Revision International's 2013 financial statements and in our report dated February 21, 2014, stated that based on our procedures, we were not aware of any material modifications that should be made to the 2013 financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2013, for it to be consistent with the reviewed financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 18, 2015, on our consideration of Revision International's internal control over financial reporting and on 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 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 Revision International's internal control over financial reporting and compliance.

TAYLOR, ROTH AND COMPANY, PLLC CERTIFIED PUBLIC ACCOUNTANTS

Vayler, Roth and Confany PLLC

STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2014 (WITH COMPARATIVE TOTALS FOR 2013)

	2014	Reviewed 2013
Assets	Ф 100.255	Φ 02.012
Cash and cash equivalents - unrestricted	\$ 128,355	\$ 23,913
Cash and cash equivalents - temporarily restricted	381,830	-
Accounts and contracts receivable	57,699	8,992
Grants receivable - restricted and unrestricted (Note 3)	988,143	238,000
Prepaid expenses	3,977	4,804
Inventory (Note 5)	2,734	3,119
Net property and equipment (Note 4)	1,328,279_	61,086
Total assets	\$ 2,891,017	\$ 339,914
Liabilities and net assets Liabilities Accounts payable	\$ 76,972	\$ 17,159
Payroll liabilities	25,754	7,661
Line of credit (Note 6)	-	-
Loan payable (Note 7)	10,150	_
Commitments (Note 8)	10,100	
Total liabilities	\$ 112,876	\$ 24,820
	<u></u>	
Net assets		
Unrestricted		
Operating	351,389	254,008
Net investment in fixed assets	1,328,279	61,086
Temporarily restricted (Note 9)	1,098,473	
Total net assets	2,778,141	315,094
Total liabilities and net assets	\$ 2,891,017	\$ 339,914

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2014 (WITH COMPARATIVE TOTALS FOR 2013)

		2014		Reviewed 2013
		Temporarily		
	Unrestricted	Restricted	Total	Total
Revenue and other support				
Foundations and contributions	\$ 541,538	\$ 1,165,152	\$ 1,706,690	\$ 329,608
Government grants	1,445,939	-	1,445,939	128,038
Program income	54,298	-	54,298	38,346
Individuals	43,075	-	43,075	52,424
Special events	14,295	-	14,295	191
Less: direct expenses	(5,189)	-	(5,189)	(1,247)
Corporations	3,549	-	3,549	58,849
Gain on sale of fixed asset	3,481	-	3,481	_
Rental income	3,060	-	3,060	_
Unrealized gain or (loss) on investments	(807)	-	(807)	-
Other income	15,067	-	15,067	822
In-kind contributions (Note 10)	140,146	-	140,146	26,607
Net assets released from restrictions (Note 11)	66,679	(66,679)		
Total revenue and other support	2,325,131	1,098,473	3,423,604	633,638
Expense				
Program services	748,558	-	748,558	318,411
Supporting services				
Management and general	103,256	_	103,256	33,436
Fund-raising	108,743		108,743	33,281
Total expense	960,557	-	960,557	385,128
Change in net assets	1,364,574	1,098,473	2,463,047	248,510
Net assets, beginning of year	315,094		315,094	66,584
Net assets, end of year	\$ 1,679,668	\$ 1,098,473	\$ 2,778,141	\$ 315,094

See accompanying notes and independent accountants' review report

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2014 (WITH COMPARATIVE TOTALS FOR 2013)

Reviewed

	2014			2013	
	Supporting Services				
•		Management			
	Program	and			
	Services	General	Fundraising	Total	Total
Salaries	\$ 183,018	\$ 29,679	\$ 34,624	\$ 247,321	\$ 82,759
Payroll taxes and benefits	32,260	5,231	6,104	43,595	12,510
Professional services (Note 10)	184,452	29,911	34,896	249,259	23,230
Community services (Note 12)	158,636	_	· _	158,636	135,839
Program supplies	45,267	7,341	8,564	61,172	37,115
Office rent (Note 10)	33,388	5,414	6,317	45,119	36,307
Repair and maintenance	16,256	2,636	3,075	21,967	7,623
Intern stipends	16,996	-	-	16,996	6,560
Marketing	9,778	1,586	1,849	13,213	613
Transportation	8,058	1,307	1,524	10,889	2,267
Printing	6,415	1,040	1,214	8,669	5,249
Loss on disposal of fixed asset		7,702	-	7,702	-
COGS-program food costs	7,259	-	-	7,259	-
Insurance	5,171	839	978	6,988	4,590
Staff development	4,453	722	842	6,017	2,325
Technology and software	4,361	707	825	5,893	-
Telephone	4,302	698	813	5,813	3,902
Program site work	5,736	-	-	5,736	-
Bad debt expense		4,252	-	4,252	36
Office supplies	2,864	464	542	3,870	2,842
Education	2,439	396	461	3,296	1,100
Fundraising	-	. -	2,813	2,813	-
Bank fees	1,497	243	283	2,023	886
Postage	722	117	137	976	1,353
Interest expense	-	502	- .	502	4,908
Taxes and licenses	230	37	44	311	380
All other	4,631	751	876	6,258	7,448
	738,189	101,575	106,781	946,545	379,842
Depreciation	10,369	1,681	1,962	14,012	5,286
Total expenses	\$ 748,558	\$ 103,256	\$ 108,743	\$ 960,557	\$ 385,128

See accompanying notes and independent accountants' review report

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2014

NOTE 1 - NATURE OF ACTIVITIES

Revision International (the Organization) is a nonprofit organization incorporated in 2007 to work with people in marginalized communities to develop leaders, cultivate community food systems, and grow resilient local economies. The Organization is supported primarily through foundations, government grants, and in-kind contributions.

In 2014, Re: Vision accomplished the following:

- Helped 300 low-income families in Southwest Denver establish their own household vegetable garden. Both new and returning gardening families reported increasing their fruit and vegetable consumption as well as saving \$51 per week during the harvest time because of their garden.
- Worked with 40 Somali Bantu families to Managuan urban farm in Southwest Denver. Over 7,900 pounds of produce were harvested and distributed to more than 50 CSA members.
- Employed 10 promotoras or community health workers. Trained and developed their leadership capacity as well as empowered them to teach families how to garden.
- Completed construction of the Community Educational Kitchen and was awarded a pilot grant from the Colorado Health Foundation to develop unique, community-specific curriculum that will use a trainer-the-trainers model to develop local community teachers.
- Purchased a 1.7 acre commercial property in the heart of the Westwood neighborhood using a \$1.3M grant from Denver's Office of Economic Development.
- Helped the community incorporate the Westwood Food Cooperative Denver's first food co-op that is owned and started by low-income families.
- Was awarded a two-year, \$200,000 grant from the Colorado Trust to participate with other thought leaders to cultivate a field of health equity work in the state of Colorado.

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

Cash and cash equivalents are considered to be all unrestricted highly liquid investments with an initial maturity of three months or less.

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

4. 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.

5. Capitalization and Depreciation

The Organization follows the practice of capitalizing all expenditures \$500 or more for land, buildings and equipment. The fair value of donated assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

6. 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.

7. Income Taxes

The Organization is exempt from Federal and State income taxes under the provisions of Internal Revenue Code Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements. The Organization's federal return for organizations exempt from income tax (Form 990) is subject to examination by the IRS, generally for three years after filing.

8. Functional Reporting of Expenses

For the year ended December 31, 2014, 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.

9. 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 Organizations financial statements for the year ended December 31, 2013, from which the summarized information was derived.

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

10. 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 debts 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 not been material to the financial statements.

11. Subsequent Events

Management has evaluated subsequent events through March 18, 2015, the date the financial statements were available to be issued and found no events that would materially alter the results presented herein.

NOTE 3 - GRANTS RECEIVABLE - RESTRICTED AND UNRESTRICTED

Temporarily Restricted

In 2014, the Organization was awarded a \$1,000,000 restricted grant to be received in installments. The remaining amounts are to be received as follows:

<u>Period</u>	_Amount
2015	\$ 373,014
2016	343,629
Total	<u>\$ 716,643</u>

Unrestricted

In 2013, the Organization was awarded a \$238,000 unrestricted grant for support from November, 2013 through November, 2015. Future payments are scheduled as follows:

Payment date	Amount
January 20, 2015	\$119,000

In 2014, the Organization was awarded a \$200,000 unrestricted grant to be received in installments. The remaining amounts are to be received as follows:

<u>Period</u>	Amount
2015	\$ 95,000
2016	_57,500
Total	<u>\$ 152,500</u>

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

<u>Description</u>	_Amount
Construction in process Office furniture and equipment Vehicles	\$ 1,265,637 75,673
Total Less: accumulated depreciation	1,348,610 (20,331)
Net property and equipment	<u>\$ 1,328,279</u>

Depreciation expense for the year was \$14,012.

Promissory Note

During the year, the City and County of Denver (City) issued a promissory note to the Organization for 1,200,000. Per agreement, the Organization must continue to use their property as a community facility for a period of 20 years, after which time obligations under the promissory note will be cancelled and the deed of trust released by the City. If the Organization ceases to use the property as a community facility or commits a material breach in the City's contract, the note will become due and payable in full.

NOTE 5 - INVENTORY

Inventory is valued at cost and consists of:

Description	Amount
Food supplies	\$ 2,734

NOTE 6 - LINE OF CREDIT

A \$20,000 unsecured line of credit is currently established with the Denver Community Credit Union. The line has an annual percentage rate of 8.25%. There was no outstanding balance at December 31, 2014.

NOTE 7 - LOAN PAYABLE

The Organization acquired an unsecured loan for \$10,000. The loan will be paid in monthly installments of principal and interest monthly until the entire balance plus any outstanding interest comes due August 1, 2017. The interest rate on the loan is 3 percent. At December 31, 2014, the balance of the loan plus interest was \$10,150. The Organization paid the note in full on February 12, 2015.

NOTE 8 - COMMITMENTS

The Organization has entered into a leasing agreement on two properties in Denver Colorado.

Rent payments are as follows:

Year	Amount
2015	\$ 14,189

In addition, the Organization made leasehold improvements to the administrative building. These improvements were recorded as the Organization's assets and will be depreciated over 15 years. If the Organization is unable to renew the lease, the remaining book value of these improvements will have to be expensed.

NOTE 9 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following program purposes:

Description	_ Amount
Westwood Healthy Places Initiative	\$ 942,127
Westwood Educational Kitchen	156,346
Total	\$1,098,473

NOTE 10 - IN-KIND CONTRIBUTIONS

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

Description	Amount
Legal	\$ 119,532
Donated rent	16,200
Donated equipment	3,500
Translation	640
Accounting	274
Total	\$ 140,146

Legal was valued at \$220/hr. for co-op formation and property acquisition.

NOTE 11 - NET ASSETS RELEASED FROM RESTRICTIONS

During the year, net assets were released from donor restrictions for the following program purposes:

Description	_ Amount
Westwood Healthy Places Initiative	\$ 57,874
Westwood Educational Kitchen	8,805
Total	\$ 66,679

NOTE 12 - COMMUNITY SERVICES

Community Services includes expenses for the contracting and training of community residents known as *promotoras*. These *promotoras* are a crucial aspect of Revision's programmatic model and are the method in which the community is engaged, educated, inspired and empowered to grow their own food and lead healthier lifestyles.

NOTE 13 - PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made to increase prior year contract revenue and increase prior year contracts receivable by \$8,216. This had an effect of increasing prior year net assets by \$8,216 and decreasing current year contract revenue.