REVISION INTERNATIONAL

Financial Statements
(Audited)

For the Years Ended December 31, 2015 and 2014

INDEX TO FINANCIAL STATEMENTS

Ryan, Gunsauls & O'Donnell, LLC
Certified Public Accountants

Independent Auditors' Report

Board of Directors
Revision International

We have audited the accompanying financial statements of Revision International (a Colorado nonprofit corporation), which comprise the statement of financial position as of December 31, 2015, 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, whether due to fraud or error.

Auditors' 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. 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 auditors' 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 Revision International as of December 31, 2015, 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

The financial statements of Revision International, as of and for the year ended December 31, 2014, were audited by other auditors whose report thereon, dated March 18, 2015, expressed an unmodified opinion. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent in all material respects, with the audited financial statements from which it has been derived.

Ryan, Gunsauls & O'Donnell, LLC

Denver, Colorado
July 22, 2016

REVISION INTERNATIONAL
Statements of Financial Position
December 31, 2015 and 2014

ASSETS

	2015	2014
Current assets:		
Cash and cash equivalents	$ 758,242	$ 510,185
Accounts and contracts receivable	30,916	57,699
Grants receivable - restricted and unrestricted	373,985	988,143
Prepaid expenses	4,738	1,712
Inventory	4,399	2,734
Total current assets	**1,172,280**	**1,560,473**
Land	**221,000**	**221,000**
Property and equipment:		
Building and improvements	1,206,761	941,500
Furniture, fixtures, equipment	94,338	186,110
	1,301,099	**1,127,610**
Less: accumulated depreciation	**(27,223)**	**(20,331)**
Property and equipment, net	**1,273,876**	**1,107,279**
Other assets:		
Deposits	2,265	2,265
Total other assets	**2,265**	**2,265**
Total assets	**$ 2,669,421**	**$ 2,891,017**

(continued)

REVISION INTERNATIONAL
Statements of Financial Position, continued
December 31, 2015 and 2014

LIABILITIES AND NET ASSETS

		2015		2014
Current liabilities:				
Accounts payable	$	233,699	$	90,792
Current portion of capital lease obligation		1,500		-
Accrued payroll and other liabilities		28,804		18,331
Current portion of notes payable		-		10,150
Total current liabilities		**264,003**		**119,273**
Long-term liabilities:				
Capital lease obligation, net of current portion		5,251		-
Notes payable, net of current portion		5,447		-
Total long term liabilities		**10,698**		**-**
Total liabilities		**274,701**		**119,273**
Net assets:				
Unrestricted		1,708,127		1,673,271
Temporarily restricted		686,593		1,098,473
Total net assets		**2,394,720**		**2,771,744**
Total liabilities and net assets	**$**	**2,669,421**	**$**	**2,891,017**

See accompanying independent auditors' report and notes to financial statements.

REVISION INTERNATIONAL
Statements of Activities
For the Year Ended December 31, 2015 with Summarized Comparative Totals for 2014

	Unrestricted	Temporarily restricted	**2015 Total**	**2014 Summarized**
Revenue and support:				
Grant income	$ 269,362	$ 542,399	**$ 811,761**	**$ 3,152,629**
Contributions	141,374	-	**141,374**	**186,772**
Program income	41,430	-	**41,430**	**53,637**
Other income	36,299	-	**36,299**	**17,721**
Special events	23,506	-	**23,506**	**14,295**
Release from restrictions	954,279	(954,279)	**-**	**-**
Total revenue and support	**1,466,250**	**(411,880)**	**1,054,370**	**3,425,054**
Functional expenses:				
Program services	1,044,930	-	**1,044,930**	**750,316**
Management and general	186,711	-	**186,711**	**103,114**
Fundraising	199,753	-	**199,753**	**108,577**
Total expenses	**1,431,394**	**-**	**1,431,394**	**962,007**
Change in net assets	**34,856**	**(411,880)**	**(377,024)**	**2,463,047**
Net assets at beginning of year	1,673,271	1,098,473	**2,771,744**	**308,697**
Net assets at end of year	**$ 1,708,127**	**$ 686,593**	**$ 2,394,720**	**$ 2,771,744**

See accompanying independent auditors' report and notes to financial statements.

REVISION INTERNATIONAL
Statements of Functional Expenses
For the Year Ended December 31, 2015 with Summarized Comparative Totals for 2014

	Program services	Management and general	Fundraising	**2015 Total expenses**	**2014 (Summarized)**
Salaries	$ 246,699	$ 115,634	$ 74,736	**$ 437,069**	**$ 247,321**
Payroll taxes and benefits	34,400	25,232	8,442	**68,074**	**43,595**
Total salaries and related expenses	**281,099**	**140,866**	**83,178**	**505,143**	**290,916**
Professional services	328,966	6,015	38,048	**373,029**	**248,073**
Community services	235,192	-	-	**235,192**	**158,636**
Program supplies	78,687	-	-	**78,687**	**61,172**
Office rent	26,876	12,259	8,016	**47,151**	**45,119**
Meeting expense	-	157	34,795	**34,952**	**-**
Repairs and maintenance	10,898	4,971	3,250	**19,119**	**21,967**
Insurance	7,938	3,621	2,367	**13,926**	**6,988**
Depreciation	11,830	1,260	824	**13,914**	**14,012**
Printing	7,142	960	5,552	**13,654**	**8,669**
Marketing	11,171	1,395	-	**12,566**	**13,213**
Transportation	11,614	63	41	**11,718**	**10,889**
Miscellaneous	1,120	838	8,315	**10,273**	**8,894**
Technology and software	5,682	2,592	1,925	**10,199**	**5,893**
Telephone	5,601	2,555	1,671	**9,827**	**5,813**
Bank fees	5,093	2,166	1,518	**8,777**	**2,023**
Office supplies	2,124	969	4,421	**7,514**	**3,870**
COGS-program food costs	7,487	-	-	**7,487**	**7,259**
Intern stipends	1,751	4,418	630	**6,799**	**16,996**
Staff development	1,137	-	1,985	**3,122**	**6,017**
Education	1,577	719	470	**2,766**	**3,296**
Taxes and licenses	1,148	524	342	**2,014**	**311**
Fundraising	-	-	1,444	**1,444**	**2,813**
Bad debt expense	600	274	179	**1,053**	**4,252**
Postage	86	39	588	**713**	**976**
Interest expense	111	50	194	**355**	**502**
Loss on disposal of fixed asset	-	-	-	**-**	**7,702**
Program site work	-	-	-	**-**	**5,736**
Total other operating expenses	**763,831**	**45,845**	**116,575**	**926,251**	**671,091**
Total expenses	**$ 1,044,930**	**$ 186,711**	**$ 199,753**	**$ 1,431,394**	**$ 962,007**

See accompanying independent auditors' report and notes to financial statements.

REVISION INTERNATIONAL
Statements of Cash Flows
For the Years Ended December 31, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
Change in net assets	$ (377,024)	$ 2,463,047
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	13,914	14,012
Loss on disposal of fixed assets	-	7,702
Decrease (increase) in operating assets:		
Accounts and contracts receivable	26,783	(48,707)
Grants receivable	614,158	(750,143)
Prepaid expenses	(3,026)	827
Inventory	(1,665)	385
(Decrease) increase in operating liabilities:		
Accounts payable	142,907	73,633
Accrued payroll and other liabilities	10,473	4,273
Net cash provided by operating activities	**426,520**	**1,765,029**
Cash flows from investing activities:		
Purchase of land, property and equipment	(172,635)	(1,288,907)
Net cash used in investing activities	**(172,635)**	**(1,288,907)**
Cash flows from financing activities:		
Borrowings on long-term debt	5,447	10,150
Payments on long-term debt	(10,150)	-
Borrowings on line of credit	20,000	-
Payments on line of credit	(20,000)	-
Payments on capital lease	(1,125)	-
Net cash (used in) provided by financing activities	**(5,828)**	**10,150**
Net change in cash and cash equivalents	**248,057**	**486,272**
Cash and cash equivalents, beginning of year	510,185	23,913
Cash and cash equivalents, end of year	**$ 758,242**	**$ 510,185**
Supplemental disclosure of cash flow information:		
Cash paid for interest	**$ 194**	**$ -**
Supplemental disclosure of non-cash items:		
Property and equipment purchase lease	**$ 7,876**	**$ -**

See accompanying independent auditors' report and notes to financial statements.

Note 1: Nature of Activities

Revision International (the Organization) is a nonprofit organization incorporated in 2007 to address the root cause of global climate change, resource depletion, and extreme poverty by creating a global network of local initiatives through working 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.

Note 2: Summary of Significant Accounting Policies

This summary of significant accounting policies of Revision International (the Organization) is presented to assist in the understanding of the Organization's financial statements. The financial statements and notes are representations of the Organization's management, who are responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis of Accounting

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

Financial Statement Presentation

Financial statement presentation follows the standard *Not-For-Profit Entities.* Under this standard, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets. For the years ending December 31, 2015 and 2014, the Organization had no permanently restricted net assets.

Use of 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. It is reasonably possible that the Organization's estimates may change in the near term.

Note 2: Summary of Significant Accounting Policies, continued

Fair Value of Financial Statements

Financial instruments consist primarily of cash and cash equivalents, receivables, and accounts payable. The amounts reported in the financial statements approximate fair values.

Cash and Cash Equivalents

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

Accounts and Contracts Receivable

Accounts and contracts receivable represent amounts due from program services and other services performed and from expenditures of government contracts. Accounts receivable are considered to be past due based on contractual terms. Accounts deemed uncollectible are charged to bad debt expense when that determination is made. There was no allowance for uncollectible accounts receivable at December 31, 2015 and 2014.

Grants Receivable and Related Grant Income

The Organization accounts for grants and contributions in accordance with the *Not-for-Profit Entity* standards. In accordance with the standard, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending upon the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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.

Inventory

Inventory items such as food supplies are valued at cost. These items are used within the Organization's food distribution program. As of December 31, 2015 and 2014, inventory was $4,399 and $2,734, respectively.

Note 2: Summary of Significant Accounting Policies, continued

Property and Equipment

The Organization capitalizes property and equipment purchases over $500, as well as donations of property and equipment with estimated fair market values exceeding $500 as of the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the furniture, fixtures and equipment ranging from five to ten years. Building and improvements represents the building which was purchased in 2014 at 3738 Morrison Rd, Denver, Colorado, along with the on-going improvements to the building. As of December 31, 2015 the building was not in use and the building and improvements of $1,206,761 are not being depreciated. Depreciation expense for the years ended December 31, 2015 and 2014 was $13,914 and $14,012, respectively.

Functional Allocation of Expenses

The costs of providing 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 appropriate programs and supporting services benefited.

Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction pursuant to Sections 509(a)(1) and 170 (b)(1)(A)(vi). Income from activities not directly related to its tax-exempt purpose is subject to taxation as unrelated business income. There was no unrelated taxable income for the years ended December 31, 2015 and 2014.

The Organization has evaluated its tax positions for all open tax years. Currently, the tax years open for tax authority examination are 2012 through 2014 by the Internal Revenue Service. However, the Organization is not currently under audit nor has it been contacted by this taxing authority. Based on the evaluation of the Organization's tax positions, management believes all tax positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions have been recorded for the years ended December 31, 2015 and 2014.

Off Balance Sheet Credit Risk

The Organization has a potential concentration of credit risk in that it maintains deposits with financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC). The maximum deposit insurance amount is $250,000 per institution per account holder. As of December 31, 2015 the Organization had $441,775 in excess of FDIC limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

Note 2: Summary of Significant Accounting Policies, continued

Comparative Financial Data

The financial statements include certain prior year summarized comparative information in total but not by 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, 2014, from which the summarized information was derived.

Note 3: Capital Lease

During the year, the Organization leased office equipment under a capital lease that included a buyout option of its operating lease. Equipment under the capital lease had a capitalized cost of $7,876. Accumulated depreciation on the balance sheet relating to the office equipment was $1,125 at December 31, 2015. The lease includes a $1 purchase option at the end of the lease period. Future minimum lease payments as of December 31, 2015 are as follows:

2016	$ 1,500
2017	1,500
2018	1,500
2019	1,500
2020	751
	6,751
Less amount representing interest	-
Present value of lease payments	$ 6,751

Note 4: Line of Credit

The Organization has available a revolving line of credit with a bank for $100,000 that matures in July 2016. Amounts borrowed bear interest, payable monthly, at a rate of 1.75% over the JP Morgan Chase bond prime rate of 3.25% as of December 31, 2015 and 2014, not to exceed 24%. This line is secured by substantially all asset of the Organization. The outstanding balance as of December 31, 2015 and 2014 was $-0-.

Note 5: Notes Payable

On July 16, 2014, the Organization entered into a loan with a finance company for $10,150 with a 3% interest rate. The outstanding balance as of December 31, 2014 was $10,150. The loan was paid in full as of December 31, 2015.

Note 5: Notes Payable, continued

On November 20, 2015, the Organization received a recoverable grant from a grantor in the amount of $5,447. The Organization agreed to pay back the grantor at the end of 3 years after the grant date, if the Organization has the funds to do so. The Organization has the intention to repay this grant.

Note 6: Restrictions on Net Assets

At December 31, 2015 and 2014, certain net assets have been classified as temporarily restricted form the following sources:

	2015	2014
Westwood Healthy Places Initiative	$ 469,162	$ 942,127
Colorado Health Foundation	150,000	-
Delta Dental	33,585	-
Westwood Educational Kitchen	18,748	156,346
Denver Foundation	9,820	-
Energy Outreach Colorado	5,000	-
Denver Yoga Coop	278	-
	$ 686,593	$ 1,098,473

Note 7: In-Kind Contributions and Expense

Donated items are recorded at estimated fair value as revenue and expense or as capitalized assets, depending on the nature of the donation. The contribution of services is recognized if the services received either create or enhance non-financial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. In-kind donations of equipment and services recognized for the years ending December 31, 2015 and 2014 were $39,846 and $140,146, respectively.

Note 8: Commitments – Operating Lease

The Organization leases equipment under a cancelable operating lease on a month to month bias. For the years ended December 31, 2015 and 2014, the Organization incurred equipment rent expense of $5,037 and $6,341, respectively.

In addition, the Organization leases office spaces under an operating lease agreement that expires on March 31, 2016. The monthly rental amount for this lease is $1,825. Amounts paid for office rent totaled $30,651 and $43,224 for the years ended December 31, 2015 and 2014, respectively.

Note 9: Contingencies

On September 15, 2014, the City and County of Denver (CCD) issued a promissory note to the Organization in the amount of $1,200,000 for the purchase of land and building. Per agreement, the Organization must continue to use the 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 the trust will be released by the CCD. If the Organization ceases to use the property as a community facility or commits a material breach in the CCD's contract, the note will become due and payable in full. The Organization recorded this transaction as an increase in grant income during 2014.

On May 11, 2015, the Organization entered into a loan agreement to receive $100,000 incurring interest at 2% per annum and maturing in May 2018. All principal and accumulated interest will be due at maturity. If at any time prior to the maturity of the loan agreement, the Organization has completed a "proof of concept" for a grocery retail operation, the loan shall convert to a grant such that no repayment will be required. The grocery retail operation must remain in operations for a continued period of at least one calendar year from the initial operating date. The Organization recorded this transaction as an increase in grant income during 2015.

Management feels the possibility that the conditions in each of the above contingencies will not be met is remote. Consequently, in accordance with generally accepted accounting principles, *Revenue Recognition – Conditional Promises to Give*, management considered the promissory note and loan agreement as grant revenue and the conditional promise as an unconditional promise to give. The Organization recognized the amounts received as revenue for the years ended December 31, 2015 and 2014.

Note 10: Concentrations

The Organization has certain concentrations in specific categories; these concentrations represent 10% or more of total revenues. If a significant reduction in the level of these revenue sources occurs, it may have an effect on the Organization's program and activities.

	2015	2014
Grant income (78% and 92%)	$ 883,988	$ 3,152,629
Contributions (13% and 6%)	141,374	186,772
Receivables related to grant income	$ 373,985	$ 988,143
Receivables related to contributions	50,512	57,699

Note 11: Prior Period Adjustment

The accompanying financial statements for the year ended December 31, 2014 have been restated to correspond with the classification of net assets at December 31, 2015. The result of the restatement decreased unrestricted net assets by $6,397. The restatement was performed to record the accrued payroll liability as of December 31, 2014.

Note 12: Reclassification

Certain reclassifications have been made to the 2014 financial statement presentation to correspond to the current year's format. Specifically, construction in progress was allocated as land in the amount of $221,000 and building and improvements in the amount of $941,500. Total change in net assets is unchanged due to these reclassifications.

Note 13: Evaluation of Subsequent Events

The Organization has evaluated subsequent events through July 22, 2016 the date at which the financial statements were available to be issued, and determined that no events have occurred subsequent to that date that required disclosure.