RE:VISION

Financial Statements

For the Years Ended December 31, 2016 and 2015

INDEX TO FINANCIAL STATEMENTS

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

Independent Auditors' Report

Board of Directors
Re:Vision

We have audited the accompanying financial statements of Re:Vision (a Colorado nonprofit corporation), which comprise the statement of financial position as of December 31, 2016, 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.

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Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Re:Vision as of December 31, 2016, 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 Re:Vision's 2015 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 22, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent in all material respects, with the audited financial statements from which it has been derived.

Ryan, Gunsauls & O'Connell, LLC

Denver, Colorado
May 5, 2017

RE:VISION
Statements of Financial Position
December 31, 2016 and 2015

ASSETS

		2016		2015
Current assets:				
Cash and cash equivalents	$	889,111	$	758,242
Accounts and contracts receivable		427		30,916
Grants receivable - restricted and unrestricted		933,529		373,985
Pledge receivable		500		-
Prepaid expenses		7,154		4,738
Inventory		-		4,399
Total current assets		**1,830,721**		**1,172,280**
Land		**472,805**		**221,000**
Property and equipment:				
Building and improvements		1,342,841		1,206,761
Furniture, fixtures, equipment		130,519		94,338
		1,473,360		1,301,099
Less: accumulated depreciation		(47,503)		(27,223)
Property and equipment, net		**1,425,857**		**1,273,876**
Other assets:				
Deposits		-		2,265
Total other assets		**-**		**2,265**
Total assets	**$**	**3,729,383**	**$**	**2,669,421**

(continued)

RE:VISION
Statements of Financial Position, continued
December 31, 2016 and 2015

LIABILITIES AND NET ASSETS

	2016	2015
Current liabilities:		
Line of credit	$ 48,242	$ -
Accounts payable	70,477	217,149
Accrued payroll and other liabilities	43,019	45,354
Capital lease obligation, current portion	1,500	1,500
Notes payable, current portion	11,856	-
Total current liabilities	**175,094**	**264,003**
Long-term liabilities:		
Capital lease obligation, net of current portion	3,626	5,251
Notes payable, net of current portion	25,562	5,447
Total long term liabilities	**29,188**	**10,698**
Total liabilities	**204,282**	**274,701**
Net assets:		
Unrestricted	1,816,028	1,708,127
Temporarily restricted	1,709,073	686,593
Total net assets	**3,525,101**	**2,394,720**
Total liabilities and net assets	**$ 3,729,383**	**$ 2,669,421**

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

RE:VISION
Statements of Activities
For the Year Ended December 31, 2016 with Summarized Comparative Totals for 2015

	Unrestricted	Temporarily restricted	**2016 Total**	**2015 Summarized**
Revenue and support:				
Grant income	$ 521,706	$ 1,833,118	**$ 2,354,824**	**$ 811,761**
Contributions	76,573	-	**76,573**	**141,374**
Other income	26,278	-	**26,278**	**36,299**
Program income	24,091	-	**24,091**	**41,430**
Special events	-	-	**-**	**23,506**
Released from restrictions	810,638	(810,638)	**-**	**-**
Total revenue and support	**1,459,286**	**1,022,480**	**2,481,766**	**1,054,370**
Functional expenses:				
Program services	1,169,023	-	**1,169,023**	**1,044,930**
Management and general	128,751	-	**128,751**	**186,711**
Fundraising	53,611	-	**53,611**	**199,753**
Total functional expenses	**1,351,385**	**-**	**1,351,385**	**1,431,394**
Change in net assets	**107,901**	**1,022,480**	**1,130,381**	**(377,024)**
Net assets at beginning of year	1,708,127	686,593	**2,394,720**	**2,771,744**
Net assets at end of year	**$ 1,816,028**	**$ 1,709,073**	**$ 3,525,101**	**$ 2,394,720**

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

RE:VISION
Statements of Functional Expenses
For the Year Ended December 31, 2016 with Summarized Comparative Totals for 2015

	Program services	Management and general	Fundraising	**2016 Total expenses**	**2015 (Summarized)**
Salaries	$ 570,063	$ 81,247	$ 29,031	**$ 680,341**	**$ 437,069**
Payroll taxes and benefits	85,819	19,195	5,031	**110,045**	**68,074**
Total salaries and related expenses	**655,882**	**100,442**	**34,062**	**790,386**	**505,143**
Professional services	256,998	(970)	9,243	**265,271**	**373,029**
Program supplies	111,349	449	-	**111,798**	**78,687**
Office rent	35,589	4,985	2,063	**42,637**	**47,151**
Community services	29,257	1,159	336	**30,752**	**235,192**
Depreciation	4,908	15,113	259	**20,280**	**13,914**
Insurance	15,699	1,867	911	**18,477**	**13,926**
Printing	11,000	576	392	**11,968**	**13,654**
Education	10,116	-	-	**10,116**	**2,766**
Technology and software	8,126	910	442	**9,478**	**10,199**
Interest expense	6,115	679	270	**7,064**	**355**
Intern stipends	4,369	-	-	**4,369**	**6,799**
Taxes and licenses	3,721	264	131	**4,116**	**2,014**
Fundraising	-	32	3,609	**3,641**	**1,444**
Telephone	2,738	400	149	**3,287**	**9,827**
Miscellaneous	2,875	176	1	**3,052**	**10,273**
Repairs and maintenance	2,205	520	255	**2,980**	**19,119**
Office supplies	1,292	236	1,071	**2,599**	**7,514**
Marketing	2,049	431	36	**2,516**	**12,566**
Bank fees	1,765	226	76	**2,067**	**8,777**
Meeting expense	1,554	384	73	**2,011**	**34,952**
Transportation	1,133	249	107	**1,489**	**11,718**
Staff development	545	629	104	**1,278**	**3,122**
Postage	511	106	36	**653**	**713**
COGS-program food costs	-	-	-	**-**	**7,487**
Bad debt expense	(773)	(112)	(15)	**(900)**	**1,053**
Total other operating expenses	**513,141**	**28,309**	**19,549**	**560,999**	**926,251**
Total expenses	**$ 1,169,023**	**$ 128,751**	**$ 53,611**	**$ 1,351,385**	**$ 1,431,394**

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

RE:VISION
Statements of Cash Flows
For the Years Ended December 31, 2016 and 2015

	2016	2015
Cash flows from operating activities:		
Change in net assets	$ 1,130,381	$ (377,024)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	20,280	13,914
Decrease (increase) in operating assets:		
Accounts and contracts receivable	30,489	26,783
Grants receivable	(559,544)	614,158
Pledge receivable	(500)	-
Prepaid expenses	(2,416)	(3,026)
Inventory	4,399	(1,665)
Deposits	2,265	-
(Decrease) increase in operating liabilities:		
Accounts payable	(146,672)	142,907
Accrued payroll and other liabilities	(2,335)	10,473
Net cash provided by operating activities	**476,347**	**426,520**
Cash flows from investing activities:		
Purchase of land, property and equipment	(393,791)	(172,635)
Net cash used in investing activities	**(393,791)**	**(172,635)**
Cash flows from financing activities:		
Borrowings on line of credit	140,000	20,000
Payments on line of credit	(91,758)	(20,000)
Payments on capital lease	(1,625)	(1,125)
Borrowings on notes payable	13,000	5,447
Payments on notes payable	(11,304)	(10,150)
Net cash provided by (used in) financing activities	**48,313**	**(5,828)**
Net change in cash and cash equivalents	**130,869**	**248,057**
Cash and cash equivalents, beginning of year	758,242	510,185
Cash and cash equivalents, end of year	**$ 889,111**	**$ 758,242**
Supplemental disclosure of cash flow information:		
Cash paid for interest	**$ 7,064**	**$ 194**
Supplemental disclosure of non-cash items:		
Property and equipment purchase	**$ 30,275**	**$ 7,876**

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

Note 1: Nature of Activities

Re:Vision (the Organization) is a nonprofit incorporated in 2007 working in Southwest Denver. The Organization's mission is to work with people in marginalized neighborhoods to develop local leaders, cultivate community food systems, and grow resilient local economies. Since its inception, the Organization has hired and trained more than 20 local residents (mostly women) as promotoras who have empowered over 600 low-income families to start their own backyard gardens, and taught more than 700 class participants in the areas of nutrition, food preservation, and cooking skills. The Organization is pioneering an innovative, holistic model for community wealth building by incubating a community-owned grocery store - the Westwood Food Cooperative, and investing millions of dollars in converting an old junk-ridden commercial property in the heart of the community into a property where local residents will be able to shop for healthy, affordable food, and find the resources they need to start their own businesses.

Note 2: Summary of Significant Accounting Policies

This summary of significant accounting policies of 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, 2016 and 2015, 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, 2016 and 2015.

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. At December 31, 2016 and 2015, total grants receivable were $933,529 and $373,985, of which $587,302 and $371,391 were temporarily restricted, respectively.

Inventory

Inventory items such as food supplies are valued at cost. These items are used within the Organization's food distribution program. During 2016, the Organization stopped tracking inventory costs and started expensing food supplies due to the total value and low cost of individual items. As of December 31, 2016 and 2015, inventory was $-0- and $4,399, 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 Road, Denver, Colorado, along with the on-going improvements to the building. As of December 31, 2016 the building was not in use and the building and improvements of $1,342,841 are not being depreciated. Depreciation expense for the years ended December 31, 2016 and 2015 was $20,280 and $13,914, 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, 2016 and 2015.

The Organization has evaluated its tax positions for all open tax years. Currently, the tax years open for tax authority examination are 2013 through 2015 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, 2016 and 2015.

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, 2015, from which the summarized information was derived.

Note 3: 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, 2016 and 2015 the Organization had $634,163 and $441,775, respectively, 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 4: Line of Credit

The Organization has available a revolving line of credit with a bank for $50,000 that matures in July 2017. Amounts borrowed bear interest, payable monthly, at a rate of 1.75% over the JP Morgan Chase bond prime rate of 3.75% and 3.5% as of December 31, 2016 and 2015, respectively, not to exceed 24%. This line is secured by substantially all asset of the Organization. The outstanding balance as of December 31, 2016 and 2015 was $48,242 and $-0-, respectively.

Note 5: Capital Lease

During the year, the Organization leased office equipment under a capital lease that included a $1 buyout option at the end of the 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, 2016. Future minimum lease payments as of December 31, 2016 are as follows:

2017	$ 1,500
2018	1,500
2019	1,500
2020	626
	5,126
Less amount representing interest	-
Present value of lease payments	$ 5,126

Note 6: Notes Payable

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 at zero percent interest.

Note 6: Notes Payable, continued

On January 26, 2016, the Organization entered into a loan with a finance company for $30,275 with a 5.95% interest rate. Monthly payments are $588 with a maturity date of December 1, 2020. The outstanding balance as of December 31, 2016 was $25,459. This loan is secured by equipment with a net book value of $26,674 at December 31, 2016.

On July 7, 2016, the Organization entered into a unsecured loan with an individual for $13,000 with a 0.71% interest rate. The loan matures on May 1, 2017. The outstanding balance as of December 31, 2016 was $6,512.

The future minimum debt payments are as follows at December 31, 2016:

2017	$ 11,856
2018	11,473
2019	6,394
2020	7,695
	$ 37,418

Note 7: Restrictions on Net Assets

At December 31, 2016 and 2015, certain net assets have been classified as temporarily restricted form the following sources:

	2016	2015
Colorado Health Foundation	$ 848,066	$ 150,000
Westwood Healthy Places Initiative	319,663	469,162
Denver: OED	314,798	-
Kaiser	61,766	-
Department of Agriculture	32,563	-
Denver Foundation	35,365	9,820
Rose	27,132	-
New Belgium	22,000	-
Colorado Trust	15,096	-
Livewell Westwood: Delta Dental	10,580	-
Livewell Westwood: FINI	7,494	-
Livewell Westwood: NRDC	3,478	-
Westwood Educational Kitchen	5,824	18,748
Energy Outreach Colorado	5,000	5,000
Denver Yoga Coop	248	278
Delta Dental	-	33,585
	$ 1,709,073	$ 686,593

Note 8: 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, 2016 and 2015 were $10,096 and $39,846, respectively.

Note 9: Commitments – Operating Lease

The Organization leases equipment under a cancelable operating lease on a month to month basis. For the years ended December 31, 2016 and 2015, the Organization incurred equipment rent expense of $9,568 and $5,037, respectively.

In addition, the Organization leases office spaces under operating lease agreements that expired on March 31, 2016 and May 15, 2017. The monthly rental amount for these leases are $1,825 and $950, respectively. Amounts paid for office rent totaled $21,911 and $30,651 for the years ended December 31, 2016 and 2015, respectively. Future minimum lease payments for all leases are $3,800 through 2017.

Note 10: 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.

Note 10: Contingencies, continued

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, 2016 and 2015.

Note 11: 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.

	2016	2015
Grant income (95% and 78%)	$ 2,354,824	$ 883,988
Contributions (3% and 13%)	76,573	141,374
Receivables related to grant income	$ 933,529	$ 373,985
Receivables related to contributions	427	30,916

Note 12: Reclassification

Certain reclassifications have been made to the December 31, 2015 financial statement presentation to correspond to the current year's format. Total equity is unchanged due to these classifications.

Note 13: Subsequent Event

The Organization has evaluated subsequent events through May 5, 2017 the date at which the financial statements were available to be issued, and determined the following event has occurred that requires disclosure.

In April 2017, the Organization purchased property for a total price of $450,000 (excluding related transaction costs) with a corresponding secured interest only loan with a lender on April 14, 2017 in the amount of $411,590 due on April 14, 2021.