

# **REVISION INTERNATIONAL**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

TOGETHER WITH

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

**REVISION INTERNATIONAL**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

**CONTENTS**

	<b><u>Page</u></b>
Independent Accountants' Review Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6

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

April 8, 2013

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors  
Revision International  
Denver, Colorado

We have reviewed the accompanying statement of financial position of **Revision International** (a Colorado nonprofit corporation) as of December 31, 2012, and the related statements of activities, functional expenses, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization management. It is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion. Information for the year ended December 31, 2011 is presented for informational purposes and was extracted from the financial statements presented by net asset class for that year on which a review report with no material modifications dated October 25, 2012 was issued.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing and maintaining internal control relevant to the preparation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the financial statements for the year ended December 31, 2012, in order for them to be in conformity with generally accepted accounting principles.

  
TAYLOR, ROTH AND COMPANY, PLLC  
CERTIFIED PUBLIC ACCOUNTANTS

**REVISION INTERNATIONAL**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2012**  
**(WITH COMPARATIVE TOTALS FOR 2011)**

	<u>2012</u>	<u>2011</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 3,174	\$ 12,342
Grants and accounts receivable (Note 3)	73,061	31,770
Prepaid expenses	5,035	8,964
Net furniture and equipment (Note 4)	27,229	12,740
Inventory (Note 5)	4,418	2,870
Total assets	<u>\$ 112,917</u>	<u>\$ 68,686</u>
<u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 15,259	\$ 29,192
Payroll liabilities	11,105	8,367
Line of credit (Note 6)	19,970	17,500
Total liabilities	<u>\$ 46,333</u>	<u>\$ 55,059</u>
<u>Net assets</u>		
Unrestricted		
Operating	<u>66,584</u>	<u>13,627</u>
Total net assets	<u>66,584</u>	<u>13,627</u>
Total liabilities and net assets	<u>\$ 112,917</u>	<u>\$ 68,686</u>

See accompanying notes and independent accountants' review report

**REVISION INTERNATIONAL**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
**(WITH COMPARATIVE TOTALS FOR 2011)**

	2012			2011
	Unrestricted	Temporarily Restricted	Total	Total
<u>Revenue and other support</u>				
Foundations and contributions	\$ 157,140	\$ 10,000	\$ 167,140	\$ 79,041
Government grants	152,034	-	152,034	116,026
Individuals	20,742	-	20,742	17,000
Program income	9,719	-	9,719	23,341
Corporations	5,425	-	5,425	8,120
Tee shirt sales	1,083	-	1,083	594
Net special events	(688)	-	(688)	(847)
Other income	5,584	-	5,584	-
In-kind contributions (Note 7)	15,868	-	15,868	35,619
Net assets released from restrictions (Note 8)	10,000	(10,000)	-	-
Total revenue and other support	376,907	-	376,907	278,894
<u>Expense</u>				
Program services	258,231	-	258,231	240,373
Supporting services				
Management and general	31,385	-	31,385	24,858
Fund-raising	34,334	-	34,334	26,377
Total expense	323,950	-	323,950	291,608
Change in net assets	52,957	-	52,957	(12,714)
Net assets, beginning of year	13,627	-	13,627	26,341
Net assets, end of year	\$ 66,584	\$ -	\$ 66,584	\$ 13,627

See accompanying notes and independent accountants' review report

**REVISION INTERNATIONAL**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
**(WITH COMPARATIVE TOTALS FOR 2011)**

	2012				2011
	Supporting Services				
	Program Services	Manage- ment and General	Fundraising	Total	Total
Salaries	\$ 90,339	\$ 14,650	\$ 17,091	\$ 122,080	\$ 80,639
Payroll taxes and benefits	9,752	1,581	1,845	13,178	7,587
Community services (Note 9)	76,730	-	-	76,730	76,038
Program supplies	34,646	5,618	6,555	46,819	36,963
Office rent	15,502	2,514	2,932	20,948	9,054
Professional services	11,080	1,797	2,096	14,973	31,770
Repair and maintenance	4,154	674	785	5,613	2,080
Office supplies	2,961	480	560	4,001	8,781
Telephone	2,351	381	445	3,177	2,437
Transportation	1,775	288	335	2,398	7,952
Insurance	1,652	268	313	2,233	2,811
Interest expense	-	1,952	-	1,952	-
Staff development	1,222	198	231	1,651	2,709
Bank fees	750	122	141	1,013	783
Printing	628	102	118	848	1,465
Taxes and licenses	39	6	8	53	195
Office equipment	36	6	6	48	2,247
COGS - teeshirts	-	-	-	-	2,381
Marketing	-	-	-	-	5,541
Community outreach	-	-	-	-	3,448
Bad debt expense	-	-	-	-	2,244
All other	1,858	301	352	2,511	3,248
	255,475	30,938	33,813	320,226	290,373
Depreciation	2,756	447	521	3,724	1,235
Total expenses	\$ 258,231	\$ 31,385	\$ 34,334	\$ 323,950	\$ 291,608

See accompanying notes and independent accountants' review report

**REVISION INTERNATIONAL**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**  
**(WITH COMPARATIVE TOTALS FOR 2011)**

	<u>2012</u>	<u>2011</u>
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 52,957	\$ (12,714)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	3,724	1,235
Change in donated inventory	(1,548)	(2,870)
Donated fixed assets	(12,500)	-
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in accounts and grants receivable	(41,291)	(20,527)
(Increase)decrease in prepaid expenses	3,929	(7,370)
(Increase)decrease in other assets	-	7,672
Increase(decrease) in accounts payable	(13,933)	27,102
Increase(decrease) in payroll liabilities	2,738	4,613
Increase(decrease) in deferred revenue	-	(350)
Net cash provided(used) by operating activities	<u>(5,925)</u>	<u>(3,209)</u>
<u>Cash flows from investing activities</u>		
Additions to fixed assets	<u>(5,713)</u>	<u>(12,617)</u>
Net cash provided(used) by investing activities	<u>(5,713)</u>	<u>(12,617)</u>
<u>Cash flows from financing activities</u>		
Borrowing on line of credit	<u>2,470</u>	<u>17,500</u>
Net cash provided(used) by financing activities	<u>2,470</u>	<u>17,500</u>
Net increase(decrease) in cash and cash equivalents	(9,168)	1,674
Cash and cash equivalents, beginning of year	12,342	10,668
Cash and cash equivalents, end of year	<u>\$ 3,174</u>	<u>\$ 12,342</u>

See accompanying notes and independent accountants' review report

**REVISION INTERNATIONAL**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

**NOTE 1 - DESCRIPTION OF THE ORGANIZATION**

Revision International (the Organization) is a nonprofit organization incorporated in 2007 to educate, inspire, connect and empower individuals and communities to achieve transformational change through locally created, scalable models that contribute to global sustainability. The Organization is supported primarily through government grants, foundations and contributions.

**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.

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.



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

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.

8. Functional Reporting of Expenses

For the year ended December 31, 2012, 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, 2011, from which the summarized information was derived.

10. Subsequent Events

Management has evaluated subsequent events through April 8, 2013, 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 AND ACCOUNTS RECEIVABLE

Included in grants and accounts receivable is \$65,000 due from the Colorado Health Foundation.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

<u>Description</u>	<u>Amount</u>
Furniture and equipment	\$ 16,923
Greenhouse	10,184
Truck	<u>5,200</u>
Total	32,307
Less: accumulated depreciation	<u>(5,078)</u>
Net property and equipment	<u>\$ 27,229</u>

Depreciation expense for the year was \$3,724.

NOTE 5 - Inventory

Inventory is valued at cost and consists of:

<u>Description</u>	<u>Amount</u>
Tee shirts	<u>\$ 4,418</u>

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%. The balance at December 31, 2012 is \$19,970.

NOTE 7 - 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:

<u>Description</u>	<u>Amount</u>
Donated office furniture	\$ 12,500
Donated plant and seed material	3,108
Donated bookkeeping	<u>260</u>
Total	<u>\$ 15,868</u>

NOTE 8 - NET ASSETS RELEASED FROM RESTRICTIONS

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

<u>Description</u>	<u>Amount</u>
Farmers' Market	\$ 5,000
Westwood Backyard Garden program	<u>5,000</u>
Total	<u>\$ 10,000</u>

NOTE 9 - 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.