

# **REVISION INTERNATIONAL**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

TOGETHER WITH

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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

February 21, 2014

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

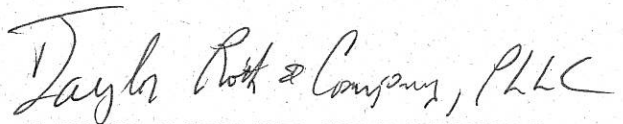
Board of Directors  
Revision International  
Denver, Colorado

We have reviewed the accompanying statement of financial position of **Revision International** (a Colorado nonprofit corporation) as of December 31, 2013, 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, 2012 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 April 8, 2013 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, 2013, 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, 2013**  
**(WITH COMPARATIVE TOTALS FOR 2012)**

	<u>2013</u>	<u>2012</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 23,913	\$ 3,174
Grants and accounts receivable (Note 3)	238,776	73,061
Prepaid expenses	2,600	5,035
Net furniture and equipment (Note 4)	61,086	27,229
Inventory (Note 5)	3,119	4,418
Total assets	<u>\$ 329,494</u>	<u>\$ 112,917</u>
<u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 17,159	\$ 15,259
Payroll liabilities	7,661	11,105
Line of credit (Note 6)	-	19,970
Commitments (Note 7)		
Total liabilities	<u>\$ 24,820</u>	<u>\$ 46,333</u>
<u>Net assets</u>		
Unrestricted		
Operating	243,588	39,355
Net investment in fixed assets	61,086	27,229
Total net assets	<u>304,674</u>	<u>66,584</u>
Total liabilities and net assets	<u>\$ 329,494</u>	<u>\$ 112,917</u>

See accompanying notes and independent accountants' review report

**REVISION INTERNATIONAL**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
**(WITH COMPARATIVE TOTALS FOR 2012)**

	2013			2012
	Unrestricted	Temporarily Restricted	Total	Total
<u>Revenue and other support</u>				
Foundations and contributions	\$ 304,008	\$ 25,600	\$ 329,608	\$ 152,640
Government grants	119,822	-	119,822	152,034
Corporations	58,849	-	58,849	5,425
Individuals	52,424	-	52,424	35,242
Program income	38,346	-	38,346	9,719
Tee shirt sales	175	-	175	1,084
Net special events	(1,056)	-	(1,056)	(688)
Other income	647	-	647	5,583
In-kind contributions (Note 8)	26,607	-	26,607	15,868
Net assets released from restrictions (Note 9)	25,600	(25,600)	-	-
Total revenue and other support	625,422	-	625,422	376,907
<u>Expense</u>				
Program services	320,042	-	320,042	258,231
Supporting services				
Management and general	33,700	-	33,700	31,385
Fund-raising	33,590	-	33,590	34,334
Total expense	387,332	-	387,332	323,950
Change in net assets	238,090	-	238,090	52,957
Net assets, beginning of year	66,584	-	66,584	13,627
Net assets, end of year	\$ 304,674	\$ -	\$ 304,674	\$ 66,584

See accompanying notes and independent accountants' review report

**REVISION INTERNATIONAL**  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2013  
(WITH COMPARATIVE TOTALS FOR 2012)

	2013				2012
	Supporting Services				
	Program Services	Management and General	Fundraising	Total	Total
Salaries	\$ 61,242	\$ 9,931	\$ 11,586	\$ 82,759	\$ 122,080
Payroll taxes and benefits	9,257	1,501	1,752	12,510	13,178
Community services (Note 10)	135,839	-	-	135,839	76,730
Program supplies	27,465	4,454	5,196	37,115	46,819
Office rent (Note 8)	26,867	4,357	5,083	36,307	20,948
Professional services	17,190	2,788	3,252	23,230	14,973
Repair and maintenance	5,641	915	1,067	7,623	5,613
Intern stipends	6,560	-	-	6,560	-
Printing	3,884	630	735	5,249	848
Interest expense	-	4,908	-	4,908	1,952
Insurance	3,397	551	642	4,590	2,233
Telephone	2,887	468	547	3,902	3,177
Office supplies	2,103	341	398	2,842	4,001
Staff development	1,721	279	325	2,325	1,651
Transportation	1,678	272	317	2,267	2,398
Office equipment	1,153	187	218	1,558	48
Postage	1,001	162	190	1,353	12
Education	814	132	154	1,100	-
Bank fees	656	106	124	886	1,013
Marketing	454	74	85	613	-
Taxes and licenses	281	46	53	380	53
All other	6,040	964	1,126	8,130	2,499
	316,130	33,066	32,850	382,046	320,226
Depreciation	3,912	634	740	5,286	3,724
Total expenses	\$ 320,042	\$ 33,700	\$ 33,590	\$ 387,332	\$ 323,950

See accompanying notes and independent accountants' review report

**REVISION INTERNATIONAL**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**  
**(WITH COMPARATIVE TOTALS FOR 2012)**

	<u>2013</u>	<u>2012</u>
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 238,090	\$ 52,957
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	5,286	3,724
Change in inventory	1,299	(1,548)
Donated fixed assets	(9,700)	(12,500)
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in grants and accounts receivable	(165,715)	(41,291)
(Increase)decrease in prepaid expenses	2,435	3,929
Increase(decrease) in accounts payable	1,900	(13,933)
Increase(decrease) in payroll liabilities	<u>(3,444)</u>	<u>2,738</u>
Net cash provided(used) by operating activities	<u>70,152</u>	<u>(5,924)</u>
<u>Cash flows from investing activities</u>		
Additions to fixed assets	<u>(29,443)</u>	<u>(5,713)</u>
Net cash provided(used) by investing activities	<u>(29,443)</u>	<u>(5,713)</u>
<u>Cash flows from financing activities</u>		
Borrowing (repayment) on line of credit	<u>(19,970)</u>	<u>2,470</u>
Net cash provided(used) by financing activities	<u>(19,970)</u>	<u>2,470</u>
Net increase(decrease) in cash and cash equivalents	20,739	(9,168)
Cash and cash equivalents, beginning of year	<u>3,174</u>	<u>12,342</u>
Cash and cash equivalents, end of year	<u>\$ 23,913</u>	<u>\$ 3,174</u>
Cash paid during the period for interest	<u>\$ 4,908</u>	<u>\$ 1,952</u>

See accompanying notes and independent accountants' review report

**REVISION INTERNATIONAL**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

**NOTE 1 - DESCRIPTION OF THE ORGANIZATION**

Revision International 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 corporate and individual contributions.

In 2013, Revision accomplished the following:

- Helped 200 low-income families in southwest Denver establish their own household vegetable garden, resulting in 94% of households increasing their vegetable consumption, and an average weekly households savings of \$23.
- Worked with 40 Somali Bantu refugee families to run an urban farm in southwest Denver. Over 7,000 pounds of produce was grown.
- Distributed over 7,000 pounds of produce through a community supported agriculture (CSA) model that reached 22 low-income households.
- Employed 9 *promotoras* – or community health workers – that live in the communities where Revision works.
- Began constructing an educational kitchen that will help low-income families learn healthy cooking and eating habits, as well as learn how to start small food enterprises.
- Held 6-week cooking classes for 60 households.
- Began community engagement for a community-owned cooperative business model in Westwood.

**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, 2013, 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, 2012, from which the summarized information was derived.



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

10. Subsequent Events

Management has evaluated subsequent events through February 21, 2014, 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 \$238,000 due from the Colorado Health Foundation. The period for which support is granted is from November, 2013 through November, 2015.

Estimated future payments are scheduled as follows:

<u>Approximate payment date</u>	<u>Amount</u>
January 9, 2014	\$ 119,000
December 25, 2014	<u>119,000</u>
Total award	<u>\$ 238,000</u>

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

<u>Description</u>	<u>Amount</u>
Greenhouses and programmatic equipment	\$ 22,884
Kitchen remodel	18,629
Office furniture and equipment	17,437
Vehicles	<u>12,500</u>
Total	71,450
Less: accumulated depreciation	<u>(10,364)</u>
Net property and equipment	<u>\$ 61,086</u>

Depreciation expense for the year was \$5,286.

NOTE 5 - INVENTORY

Inventory is valued at cost and consists of:

<u>Description</u>	<u>Amount</u>
Tee shirts	<u>\$3,119</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%. There was no outstanding balance at December 31, 2013.

NOTE 7 - COMMITMENTS

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

Rent payments are as follows:

<u>Year</u>	<u>Amount</u>
2014	\$ 24,324
2015	<u>14,189</u>
Total	<u>\$ 38,513</u>

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 8 - 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 rent	\$ 16,200
Donated equipment	9,700
Donated plant and seed material	<u>707</u>
Total	<u>\$ 26,607</u>

NOTE 9 - 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>
Westwood Backyard Garden program	\$ 15,600
Kitchen installation	<u>10,000</u>
Total	<u>\$ 25,600</u>

NOTE 10 - 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.