

IDIGNITY, INC.
Financial Statements
December 31, 2016 and 2015
(With Independent Auditors' Report Thereon)

IDIGNITY, INC.
Table of Contents

	Page
Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Cash Flows	6
Notes to Financial Statements	7



Steven Davis, Managing Partner
Cheryl Morrison, Partner
Amy Goodman, Partner
Gwen Granet, Partner
Erin Perdue, Partner

Independent Auditors' Report

Board of Directors
IDignity, Inc.

We have audited the accompanying financial statements of IDignity, Inc., which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and changes in net assets and cash flows for the years 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 IDignity, Inc. as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Davis Group, P.A.

Davis Group, P.A.
November 3, 2017

IDIGNITY, INC.

Statements of Financial Position

December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
Cash	\$ 202,825	\$ 150,061
Restricted cash	111,500	60,500
Grants receivable	89,357	-
Total assets	<u>\$ 403,682</u>	<u>\$ 210,561</u>
<u>Liabilities and Net Assets</u>		
Liabilities -		
Accounts payable and accrued expenses	\$ 23,447	\$ 29,773
Total liabilities	<u>23,447</u>	<u>29,773</u>
Net assets:		
Unrestricted:		
Undesignated	268,735	120,288
Board-designated operating reserve	24,000	24,000
Total unrestricted net assets	292,735	144,288
Temporarily restricted	87,500	36,500
Total net assets	<u>380,235</u>	<u>180,788</u>
Total liabilities and net assets	<u>\$ 403,682</u>	<u>\$ 210,561</u>

See accompanying notes to financial statements.

IDIGNITY, INC.

Statement of Activities and Changes in Net Assets

Year ended December 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue:			
Direct public support	\$ 456,498	\$ -	\$ 456,498
Direct public grants	130,800	87,500	218,300
In-kind donations	79,158	-	79,158
Assets released from restriction	36,500	(36,500)	-
Program income	6,508	-	6,508
Total support and revenue	709,464	51,000	760,464
Expenses:			
Program services:			
Salaries and wages	142,906	-	142,906
Legal services	71,230	-	71,230
ID cards and birth certificates	45,004	-	45,004
Direct program expense	39,932	-	39,932
Volunteer related	9,279	-	9,279
Event printing and supplies	6,029	-	6,029
Costs of goods sold	3,852	-	3,852
Event security	1,856	-	1,856
Total program services	320,088	-	320,088
Supporting services:			
Management and general	168,804	-	168,804
Fundraising	72,125	-	72,125
Total supporting services	240,929	-	240,929
Total expenses	561,017	-	561,017
Changes in net assets	148,447	51,000	199,447
Net assets, at beginning of year	144,288	36,500	180,788
Net assets, at end of year	\$ 292,735	\$ 87,500	\$ 380,235

See accompanying notes to financial statements.

IDIGNITY, INC.

Statement of Activities and Changes in Net Assets

Year ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue:			
Direct public support	\$ 307,800	\$ -	\$ 307,800
In-kind donations	89,584	-	89,584
Direct public grants	65,000	-	65,000
Program Income	13,872	-	13,872
Total support and revenue	476,256	-	476,256
Expenses:			
Program services:			
Salaries and wages	181,241	-	181,241
Legal services	82,780	-	82,780
ID cards and birth certificates	60,255	-	60,255
Direct program expense	37,820	-	37,820
Volunteer related	7,655	-	7,655
Event security	3,544	-	3,544
Event printing and supplies	3,304	-	3,304
Total program services	376,599	-	376,599
Supporting services:			
Management and general	132,102	-	132,102
Fundraising	57,350	-	57,350
Total supporting services	189,452	-	189,452
Total expenses	566,051	-	566,051
Changes in net assets	(89,795)	-	(89,795)
Net assets, at beginning of year	234,083	36,500	270,583
Net assets, at end of year	\$ 144,288	\$ 36,500	\$ 180,788

See accompanying notes to financial statements.

IDIGNITY, INC.

Statements of Cash Flows

December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Changes in net assets	\$ 199,447	\$ (89,795)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	-	615
Increases (decreases) in cash due to changes in:		
Grants receivable	(89,357)	13,000
Accounts payable and accrued expenses	<u>(6,326)</u>	<u>11,346</u>
Net cash provided by (used in) operating activities	103,764	(64,834)
Increase (Decrease) increase in cash	103,764	(64,834)
Cash, beginning of year	<u>210,561</u>	<u>275,395</u>
Cash, end of year	<u>\$ 314,325</u>	<u>\$ 210,561</u>
Cash		
Cash	\$ 202,825	\$ 150,061
Restricted cash	<u>111,500</u>	<u>60,500</u>
Total cash	<u>\$ 314,325</u>	<u>\$ 210,561</u>

See accompanying notes to financial statements.

IDIGNITY, INC.

Notes to Financial Statements

December 31, 2016 and 2015

(1) Organization

IDignity, Inc. (the Organization) is a not-for-profit corporation founded in December 2008 and established with a mission to assist the poor in navigating the complexities of obtaining one's legal identification documents essential to accessing education, employment, healthcare and housing, through collaboration with government agencies, churches and the community.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

(b) Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted – Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily restricted – Net assets whose use by the Organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

Permanently restricted – Net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization. There are no permanently restricted net assets as of December 31, 2016 and 2015.

Contributions received with donor-imposed restrictions that are met in the same year as they are received are reported as unrestricted. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

(c) Promises to Give

Unconditional promises to give are recognized as revenues in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Promises to give are recorded at their estimated net realizable value.

IDIGNITY, INC.

Notes to Financial Statements

December 31, 2016 and 2015

(2) Summary of Significant Accounting Policies, Continued

(d) Property and Equipment

Property and equipment consists of office furniture and equipment. Property and equipment in excess of \$2,500 is capitalized and recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the assets, which range from three to seven years. Major additions and improvements are capitalized, and more routine expenditures for repairs and maintenance are charged to expense as incurred.

(e) Donated Materials, Facilities and Services

Some of the operations of the Organization are conducted in facilities provided for use rent-free. Contributed services are recognized if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by contributions. Contributed materials are recorded at their fair value at the date of the gift.

The estimated fair value of contributed materials, facilities, and services is reflected as support services and expenses in the accompanying statements of activities and changes in net assets in the period in which the materials, use of facilities, and services are received. For the years ended December 31, 2016 and 2015, contributed materials, facilities and services totaled \$79,158 and \$89,584, respectively.

(f) Income Taxes

The Organization has been classified as an other-than-private foundation and is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. The Organization is subject to a tax on income from any unrelated business.

The Organization has adopted the recognition requirements for uncertain income tax positions as required by accounting principles generally accepted in the United States of America (GAAP), with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, result of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2016. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

IDIGNITY, INC.

Notes to Financial Statements

December 31, 2016 and 2015

(2) Summary of Significant Accounting Policies, Continued

(g) *Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of support and revenue and expenses during the reporting period. Actual results could differ from these estimates.

(h) *Subsequent Events*

The Organization has performed an evaluation of subsequent events through November 3, 2017, which is the date the financial statements were available to be issued.

(3) Grant Contingencies

The Organization receives significant financial assistance from public agencies in the form of grants. Expenditures of funds under those programs require compliance with the grant agreements and are subject to audit. Any disallowed expenditures resulting from such audits become a liability of the Organization. In the opinion of management such adjustments, if any, are not expected to materially affect the financial position of the Organization.

During the year ended December 31, 2015 the Organization received a grant totaling \$50,000 which was designated to be used for the purpose of generating earned income as defined by the agreement. The grant defines earned income as income not generated by corporate, public or foundation grants, individual contributions or in-kind donations. Under the agreement, the Organization must pay back 5% of its earned income, as determined by the grantor, on a quarterly basis beginning after the first year of the agreement and continuing until the earlier of the five year anniversary of the agreement or it has paid back a total of \$100,000 under the terms of the agreement. There were no payments due under the agreement as of and for the years ended December 31, 2016 and 2015.

IDIGNITY, INC.

Notes to Financial Statements

December 31, 2016 and 2015

(4) Property and Equipment, Net

Property and equipment consisted of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Furniture and equipment	\$ 3,210	\$ 3,210
Less: accumulated depreciation	<u>(3,210)</u>	<u>(3,210)</u>
Total property and equipment, net	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense for the year ended December 31, 2015, totaled \$615.

(5) Restricted Net Assets

Temporarily restricted net assets consisted of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Homeless Services Network of Central Florida	\$ 50,000	\$ -
City of Orlando	37,500	-
Points of Light Foundation	<u>-</u>	<u>36,500</u>
Total temporarily restricted net assets	<u>\$ 87,500</u>	<u>\$ 36,500</u>

(6) Management and General Expenses

Management and general expenses consisted of the following as of December 31:

	<u>2016</u>	<u>2015</u>
Salaries and payroll taxes	\$ 78,836	\$ 40,555
Office supplies and services	40,701	37,908
Building occupancy	12,690	16,826
Professional fees	11,245	16,662
Insurance	8,774	7,973
Meetings and travel	4,566	3,922
Telephone	4,262	3,921
Postage and shipping	4,127	1,748
Miscellaneous	2,912	1,972
Printing and publications	691	-
Depreciation	<u>-</u>	<u>615</u>
Total expenses	<u>\$ 168,804</u>	<u>\$ 132,102</u>