



STEVENS
ACCOUNTING
LLC

Financial Review

TINY
HOUSES
COMMUNIT
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DEVELOPM
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Financial
Statements
with
Independent
Accountant's
Review Report

Tiny Houses Community

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of Tiny Houses Community

We have reviewed the accompanying financial statements of Tiny Houses Community Development Inc., (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in accordance with accounting principles generally accepted in the United States of America.

***Stevens Accounting
Greensboro, NC
January 30, 2024***

**Tiny Houses Community
Statement of Financial Position
As of December 31, 2022**

CURRENT Assets

	\$66,105.10
Cash and Equivalents	
Prepaid Expenses	\$880.37
Undeposited Funds	\$12,233.30
Fixed Assets	\$1,369,119.89
Total Assets	<u>\$1,448,338.66</u>

Liabilities and Net Assets

CURRENT Liabilities

Accounts Payable	\$48,740.47
Payroll Liabilities	\$53,520.14
Credit Card Payable	\$10,101.79
Other Current Liabilities	\$439,072.35
Long Term Liabilities	\$100,400.00
Total Current Liabilities	<u>\$598,314.61</u>

Equity

Opening Balance Equity	\$1,331,634.61
Retained Earnings	-\$457,310.33
Net Revenue	-\$24,300.23

Total Equity \$850,024.05

Total Liabilities & Equity **\$1,448,338.66**

Revenues

Business and Foundation Grants	\$234,406.47
Fundraisers	\$97,728.88
Individual and Business Donations	\$87,699.09
Recycling Revenue	\$16,592.11

Rents Received -Real Estate	\$79,236.95
Sales	\$33,480.49
Shipping, Delivery Income	\$1,100.00
Total Revenues	\$550,243.99

Cost and Expenses

Contract Services/Professional Fees	\$11,609.10
507 Smith street	\$9,637.70
Advertising	\$26,517.82
Bank Charges	\$3,037.00
Breakfast 4 Our Friends	\$5,613.57
Builders Risk	\$1,785.00
Cash Advance	\$1,700.00
Causey St Expenses	-\$246.65
Landscaping	\$44.83
Causey St Operating Expenses	\$4,484.78
Hay St Development Construction Expenses	\$84,447.59
Hay St Operating Expenses	\$23.00
Hope Center	\$1,719.39
Insurances	\$15,817.27
Interest Expense	\$21,415.37
Legal & Professional Fees	-\$13,416.28
Meals & Entertainment	\$3,390.33
Medical Expense	\$40.00
Mileage	\$200.98
Miscellaneous Expense	-\$557.30
NCCER Training	\$1,200.31
Office Expenses	\$8,069.71
Paid Internship	\$1,500.00
PayPal Processing Fees	\$265.88
Payroll Expenses	\$180,173.65
Postage	\$721.22
Property and Sales Taxes	\$17,657.60
Purchases	\$3.68
Recycling	\$2,563.76
Registration Fee	\$94.00
Rent or Lease	\$910.00
Repair & Maintenance	\$5,099.98
Other Expenses	\$58,472.61

Total Expenditures	\$574,666.97
Changes in Net Assets	\$24,422.98
Net Assets Beginning of the Year	-\$17,389.72
Net Assets End of the Year	\$850,024.05

1. Summary of Significant Accounting Policies

Nature of the Organization

Tiny Houses Community Development (the “Organization”) is a non-profit corporation.

Tiny House Community Development's mission is to be a coalition of diverse individuals and local organizations who aim to reduce homelessness by engaging in public and private partnerships to create tiny home communities. Working alongside people experiencing homelessness, our goal is to encourage positive community engagement and foster an educational experience in a welcoming environment.

THCD Workforce Development Program provides a 16-to-24-week job training program for some of our clients experiencing homelessness that equips them with case management, job and life skills training, and a reference at the end of the program. Workforce Development finds clients through our street outreach at “Breakfast 4 Our Friends” on Saturdays. We look for people experiencing homelessness who need some supportive services and job preparation skills in order to find a sustaining job and housing. THCD has both full and part-time positions where clients learn basic construction skills through building tiny homes, chicken coops, garden boxes, and condensing foam through the Triad Non-Profit Foam Recycling Project. Along with construction basics, clients learn about banking, budgeting, and interview skills, and once they become housed, housekeeping and neighborhood living lifestyle changes!

Most of the Organization’s revenue is derived from grants, fundraisers and donations from businesses and individuals.

Basis of Accounting

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

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: current assets and fixed assets.

**Tiny Houses Community Development
Notes to Financial Statements
December 31, 2022**

1. Summary of Significant Accounting Policies (continued)

Contributions and Grants Receivable

Contributions and grants receivable are recognized as revenue in the period the pledge is received. Contributions are recognized as well in the period they are received. There were no outstanding contributions as of December 31, 2022.

Prepaid Expenses

Prepaid expenses consist of expenses paid in advance of services or goods provided.

Property and Equipment

Property and equipment are stated at cost, or fair value if contributed. Depreciation of property and equipment is charged to expense over the estimated useful lives of the respective assets on a straight-line basis. Estimated useful lives are three to seven years.

Contributions and Support

Contributions/pledges are recorded as fundraising. Business, In-kind, Corporate, Foundation and Individual donations are recorded in the products and services account as donations.

Contributed Goods and Services

Many individuals volunteer their time and perform a variety of tasks that assist the Organization with its programs such as Construction and the Triad Non-Profit Foam Remodeling Project.

1. Summary of Significant Accounting Policies (continued)

Contributed Goods and Services (continued)

Donated goods and services meeting the criteria for recognition in the financial statements are reflected as in-kind contributions at their estimated fair market value on the date of receipt. For the year ended December 31, 2022, donated services amounted to \$322,105.56. Of this amount, Grants and Donations amounted to \$304,192.01 and Corporate Donations were \$17,913.55.

Advertising

Advertising and marketing costs are expensed when incurred. For the year ended December 31, 2022, advertising expenses amounted to \$26,517.82.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, receivables, payables, and deferred revenue of the Organization are approximately fair value because of the short maturity of these instruments.

Concentrations of Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consists of cash and cash equivalents and receivables.

The Organization places its cash accounts with creditworthy, high-quality financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC). Such account balances may, at times, exceed the federally insured limit. As of December 31, 2022, there were no amounts in any of the banking institutions that exceeded this limit.

Credit risk with respect to receivables is limited due to the number and credit worthiness of the individuals and entities for whom the amounts are due.

Functional Allocation of Expenses

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.

Tiny Houses Community Development

Notes to Financial Statements

December 31, 2022

**Tiny Houses Community Development
Notes to Financial Statements
December 31, 2022**

1. Summary of Significant Accounting Policies (continued)

Income Tax Status

The Organization qualifies as a tax-exempt, not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code (the “Code”), and accordingly, is exempt from federal income taxes or related income pursuant to Section 501(a) of the Code. Therefore, no provision for federal income tax is recorded in the accompanying financial statements. Income from activities not directly related to the Organization’s tax-exempt purpose is subject to taxation as unrelated business income. The Organization did not have unrelated business income subject to tax during the year ended December 31, 2022.