



STEVENS  
ACCOUNTING  
LLC

Financial Audit

TINY HOUSES  
COMMUNITY  
DEVELOPME  
NT

Financial  
Statements  
with  
Independent  
Accountant's  
Audit Report

# **Tiny Houses Community**

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## **INDEPENDENT ACCOUNTANTS' AUDIT REPORT**

### **To the Board of Directors of Tiny Houses Community**

We have audited the accompanying financial statements of Tiny Houses Community Development Inc., (a nonprofit organization), in the county of Guilford, State of North Carolina, which comprise of assets, liabilities and bank balances, as of December 31, 2023, and the related statement 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 auditor's 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 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.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the statement of assets, liabilities and bank balances - statutory basis of Tiny Houses Community, Guilford County, State of North Carolina as of December 31, 2023, and its support and revenue, expenses and the changes in bank balances for the year then ended in accordance with the financial reporting provisions.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Tiny Houses Community's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under the audit requirements.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with the audit requirements prescribed by the State of North Carolina, in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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Robin A Stevens  
Greensboro, NC  
February 16, 2024  
Stevens Accounting LLC

## **Accountants' Conclusion**

Based on our audit, 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  
February 16, 2024***

**Tiny Houses Community  
Statement of Financial Position  
As of December 31, 2023**

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CURRENT Assets

Cash and Equivalents	\$26,796.06
Accounts Receivable	-\$2450.00
Prepaid Expenses	\$880.37
Other Current Assets	\$800.00
Cash Advance Repayments	-\$330.56
Undeposited Funds	\$6,962.00
Fixed Assets	\$1,372,644.89

Total Assets **\$1,405,302.76**

**Liabilities and Net Assets**

CURRENT Liabilities

Accounts Payable	\$68,344.32
Credit Cards Payable	\$9,980.45
Other Current Liabilities	\$113,821.33
Long Term Liabilities	\$493,372.61

Total Liabilities **\$685,518.71**

Equity

Opening Balance Equity	\$1,332,434.61
Retained Earnings	-\$481,610.56
Net Revenue	-\$131,040.00

Total Equity \$719,784.05

Total Liabilities & Equity **\$1,405,302.76**

**Tiny Houses Communities Development  
Statement of Activities  
For the Year Ended December 31, 2023**

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Revenues

Business and Foundation Grants	\$130,444.80
Fundraisers	\$77,370.86
Discounts	\$815.44
Individual and Business Donations	\$73,811.21
Recycling Revenue	\$15,844.64
Rents Received -Real Estate	\$114,528.92
Shipping, Delivery Income	\$9,962.68
Refunds and Allowances	\$19,148.81
<b>Total Revenues</b>	<b>\$441,927.36</b>

Cost and Expenses

2023 Peak Adventure Build	\$4,301.91
507 Smith Street	\$9,550.15
4120 Causey Street Woodshed	-\$51.74
Accountant Fees	\$6,700.12
Advertising	\$1,791.24
Bank Charges	\$2,446.78
Breakfast 4 Our Friends	\$11,672.78
Builders Risk	\$1,247.16
Cash Advance	\$100.00
Causey St Operating Expenses	\$5,381.58
Causey St Repair & Maintenance	\$367.00
Chicken Coop	\$21,749.49
Client Assistance	\$2,224.15
Clothing	\$2,241.70
Credit Card Fee	\$66.33
DMV	\$503.11
Dues & Subscriptions	\$6,573.33
Equipment Rental	\$1,902.82
Freeman Mill Rd	\$7,524.24
Freight & Delivery	\$3,547.80
Fuel	\$12,647.75
Fundraiser Expense	\$990.47
Furnishing	\$300.00
Garden Box	\$3660.19
Garden Shed	\$2,532.44

Grimsley Tiny House	\$221.21
Hay St Development Construction Expenses	\$5669.65
Hay St Operating Expenses	\$12,744.46
Hope Center	\$42,467.07
Insurances	\$20,022.63
Interest Expense	\$25,713.40
Legal & Professional Fees	\$17,743.25
Late Fee	\$340.78
Meals & Entertainment	\$3,559.25
Medical Expense	\$736.12
Miscellaneous Expense	\$525.79
NCCER Training	\$1,551.76
Office Expenses	\$1,727.76
Office Equipment & Technology	\$3870.27
PayPal Processing Fees	\$203.69
Payroll Expenses	\$200,435.70
Postage	\$218.64
Post Office Box Payment	\$248.00
Property and Sales Taxes	\$8,223.52
Recycling	\$377.73
Registration Fee	\$315.00
Rent or Lease	\$28,000.00
Repair & Maintenance	\$5,553.34
Shipping & Delivery Expense	\$74.10
Southern Guilford Tiny House	\$957.04
Square Processing Fee	\$1,673.02
Subcontractors	\$40,735.14
Supplies & Materials	\$160.00
Taxes & Licenses	\$320.00
Tools	\$930.92
Training & Recycle Center	\$1,826.26
Training/Class	\$1,555.35
Travel	\$3,115.86
Travel Meals	\$662.94
Utilities	\$20,792.28
Weaver Tiny House	\$1,310.27
Workforce Development Labor	\$8,536.19
Total Expenditures	\$573,289.19
Interest Earned	\$321.83
Net Operating Revenue	-\$131,361.83
<b>Net Revenue</b>	<b><u>-\$131,040.00</u></b>

**Tiny Houses Community Development  
Notes to Financial Statements  
December 31, 2023**

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1. Summary of Significant Accounting Policies

**Nature of the Organization**

Tiny Houses Community Development (the “Organization”) is a non-profit corporation established in 2018; formed under the laws of the State of North Carolina and is located in Greensboro, North Carolina.

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 are looking 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!

The majority 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, 2023**

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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, 2023.

**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.

**NOTE 1**

A summary of fixed assets follows:

Freeman Mill Rd Houses (Greensboro)	\$311,781.57
Hay Street Houses (High Point)	\$555,545.00
Causey Street Houses (Greensboro)	\$267,122.99
Auburndale Street Houses (Winston-Salem)	\$93,500.00
Smith Street Houses (High Point)	\$22,600.00
Equipment and Furniture	\$107,095.33
Leased Assets (Portable Potties)	\$15,000.00

**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 Recycling Project.

**Tiny Houses Community Development  
Notes to Financial Statements  
December 31, 2023**

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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, 2023, donated services amounted to \$73,811.21. Grants amounted to \$130,444.80 and fundraisers amounted to \$77,370.86.

**Advertising**

Advertising and marketing costs are expensed when incurred. For the year ended December 31, 2023, advertising expenses amounted to \$1,791.24.

**Fair Value of Financial Instruments**

The carrying amounts of cash and cash equivalents, receivables, payables, and deferred revenue of the Organization approximate 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, 2023, 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, 2023**

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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, 2023.