

August 6, 2015

To the Board of Directors
Shelter Providers of Orange County, Inc.
DBA HomeAid Orange County

We have audited the financial statements of Shelter Providers of Orange County, Inc., DBA HomeAid Orange County for the years ended December 31, 2014 and 2013, and have issued our report thereon dated August 6, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 27, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Finding

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Shelter Providers of Orange County, Inc., DBA HomeAid Orange County are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financials statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Pledges Receivable

Difficulties Encountered in Performing Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of our audit procedures that were corrected by management:

1. Investment activity was not properly recorded.
2. Cash donations not properly accounted for at year-end.

Disagreements with Management

For purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 6, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statement or a determination of the type of auditors opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Finding or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our response were not a condition to our retention.

This information is intended solely for the use of Board of Directors and management of Shelter Providers of Orange County, Inc., DBA HomeAid Orange County and is not intended to be and should be used by anyone other than these specified parties.

Sincerely,

Roger A. Warren, CPA
Of Stafford & Warren, LLP

To the Senior Management and
The Board of Directors of
Shelter Providers of Orange County, Inc.
DBA HomeAid Orange County, Inc.

In planning and performing our audit of the financial statements of Shelter Providers of Orange County, Inc., DBA HomeAid Orange County, Inc. for the years ended December 31, 2014 and 2013, we considered the organization's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated August 6, 2015 on the financial statements of Shelter Providers of Orange County, Inc., DBA HomeAid Orange County, Inc.

A *material weakness* is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement to the financial statements will not be prevented or detected and corrected on a timely basis.

A *significant deficiency* is deficiency or a combination of deficiencies in internal control that is less severe than a material weakness.

We believe the control deficiencies listed below for investments and cut-off procedures are material weaknesses and the control deficiency listed below for in-kind donations is a significant deficiency.

Investments

Observation

The investment activity in the First Republic Trust and OCCF Endowment account was not recorded properly in the general ledger. It appears as though the First Republic account was not periodically reconciled as required by internal control policies.

Recommendation

All activity in the investment accounts should be reconciled, monthly or quarterly, and be recorded based on components of investment income, realized and unrealized gains or losses, and fees charged.

Cut-Off Procedures

Observation

We noted that donations that were received in January 2015 were booked as received in 2014. These donations should have been reflected as pledges receivable as of year-end.

Recommendation

The organization should develop cut-off procedures to ensure that cash donations are properly accounted for in the proper accounting period.

Donations

Observation

The Organization did not have In-Kind Donor Forms to substantiate a majority of the in-kind donations.

Recommendation

All in-kind donors should be provided a donation form to fill out the value of the donated items.

We wish to thank the staff at Shelter Providers of Orange County, Inc., DBA HomeAid Orange County, Inc. for their support and assistance during our audit.

This report is intended solely for the information and use of the Board of Directors, management, and others within the organization.

Roger A. Warren, CPA
of Stafford & Warren, LLP
August 6, 2015

Shelter Providers of Orange County, Inc.
DBA HomeAid Orange County, Inc.
Financial Statements
December 31, 2014 and 2013

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Shelter Providers of Orange County, Inc.
DBA HomeAid Orange County, Inc.

We have audited the accompanying financial statements of HomeAid Orange County, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, statements of cash flows, and statements of functional expenses 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.

Auditor's 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 of 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 risk 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HomeAid Orange County, Inc. as of December 31, 2014 and 2013, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Stafford & Warren, LLP
Irvine, CA
August 6, 2015

Shelter Providers of Orange County, Inc.
 DBA HomeAid Orange County, Inc.
 Statements of Financial Position
 December 31, 2014 and 2013

	2014	2013
Assets		
Current assets:		
Cash (Note 2)	\$ 543,558	\$ 551,909
Cash from pass-through grant (Note 7)	2,776,191	6,250,000
Investment from pass-through grant (Note 7)	3,427,280	-
Investments (Note 5)	8,812	8,563
Accounts receivable	-	88,152
Grant receivable	12,500	8,333
Pledges receivable (Note 6)	42,323	24,380
Interest receivable (Note 7)	36,073	-
Security deposits and other assets	5,864	5,205
Total current assets	6,852,601	6,936,542
Furniture and equipment, net of accumulated depreciation of \$4,883 and \$55,670, respectively (Note 4)	26,590	-
Total Assets	\$ 6,879,191	\$ 6,936,542
 Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 98,925	\$ 64,417
Pass-through grant (Note 7)	6,239,544	6,250,000
Total liabilities	6,338,469	6,314,417
 Net Assets		
Net assets - unrestricted	497,111	546,626
Net assets - temporarily restricted (Note 12)	34,799	66,936
Net assets - permanently restricted (Note 12)	8,812	8,563
Total net assets	540,722	622,125
Total Liabilities and Net Assets	\$ 6,879,191	\$ 6,936,542

Shelter Providers of Orange County, Inc.
 DBA HomeAid Orange County, Inc.
 Statements of Activities and Change in Net Assets
 For the Years Ended December 31, 2014 and 2013

	2014	2013
UNRESTRICTED NET ASSETS		
Support and Revenue		
Donated program materials and services (Note 8)	\$ 569,853	\$ 396,390
Donations (Note 8)	481,336	334,558
Investment income (Note 5)	61	59
Grants	75,000	75,000
Net assets released from restrictions	32,137	49,297
Subtotal support and revenue	1,158,387	855,304
Fundraising Activity		
Fundraising revenue	336,866	293,938
Less direct fundraising costs	(127,331)	(148,177)
Net Fundraising Activity	209,535	145,761
Total Support and revenue	1,367,922	1,001,065
Expenses		
Housing development program costs	621,081	482,534
In the Community program costs	524,293	299,058
Fundraising costs	177,932	124,962
Management and administrative costs	94,131	125,570
Total expenses	1,417,437	1,032,124
Increase (decrease) in unrestricted net assets	(49,515)	(31,059)
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	-	100,225
Net assets released from restrictions	(32,137)	(49,297)
Increase (decrease) in temporarily restricted net assets	(32,137)	50,928
PERMANENTLY RESTRICTED NET ASSETS		
Investment income (Note 5)	159	174
Unrealized gain (loss) from investments (Note 5)	214	724
Management fee on OCCF Endowment	(124)	(123)
Increase (decrease) in permanently restricted net assets	249	775
Increase (decrease) in net assets	(81,403)	20,644
Net assets - beginning of year	622,125	601,481
Net assets - end of year	\$ 540,722	\$ 622,125

Shelter Providers of Orange County, Inc.
 DBA HomeAid Orange County, Inc.
 Statements of Functional Expenses
 For the Year Ended December 31, 2014

Supporting Activities

	<u>Programs</u>			<u>Management and Administrative</u>	<u>2014 Total</u>
	<u>Housing Development</u>	<u>In the Community</u>	<u>Fundraising</u>		
Donated materials and services	\$ 269,397	\$ 300,456	\$ 251	\$ 2,640	\$ 572,744
Shelter project expenditures	82,180	24,713	-	-	106,893
Salaries and related costs	219,360	146,245	86,447	48,101	500,153
Accounting	-	-	-	13,100	13,100
Administrative	-	186	14,886	1,763	16,835
Advertising	1,751	7,179	9,389	1,751	20,070
Auction expense	-	-	8,737	-	8,737
Audio and Visual	-	-	3,342	-	3,342
Automobile expenses	3,363	1,565	706	841	6,475
Awards and recognition	295	9,674	132	607	10,708
Bank and city fees	-	347	1,869	488	2,704
Chapter assessment	625	625	625	625	2,500
Computer expenses	5,688	5,688	5,688	5,687	22,751
Conferences and seminars	1,925	499	69	6	2,499
Depreciation	2,789	698	698	698	4,883
Direct mail expenses	-	-	993	-	993
Insurance	1,159	331	331	497	2,318
Meals and entertainment	565	1,873	1,229	1,808	5,475
Office expenses	20,444	5,111	5,111	5,111	35,777
Office supplies	101	2,736	249	304	3,390
Outside services	1,563	3,133	13,313	2,453	20,462
Photography & P/R costs	4,852	7,504	4,757	4,152	21,265
Postage	-	520	891	538	1,949
Printing	-	2,554	6,002	1,533	10,089
Rentals	-	662	1,164	-	1,826
Storage facilities	1,670	278	557	278	2,783
Telephone	3,354	1,714	1,331	1,150	7,549
Other costs	-	2	9,165	-	9,167
	<u>\$ 621,081</u>	<u>\$ 524,293</u>	<u>\$ 177,932</u>	<u>\$ 94,131</u>	<u>\$ 1,417,437</u>

Shelter Providers of Orange County, Inc.
 DBA HomeAid Orange County, Inc.
 Statements of Functional Expenses
 For the Year Ended December 31, 2013

Supporting Activities

	<u>Programs</u>			<u>Management and Administrative</u>	<u>2013 Total</u>
	<u>Housing Development</u>	<u>In the Community</u>	<u>Fundraising</u>		
Donated materials and services	\$ 216,433	\$ 179,957	\$ -	\$ 48,222	\$ 444,612
Shelter project expenditures	19,709	8,753	-	-	28,462
Salaries and related costs	214,862	70,888	50,590	46,671	383,011
Accounting	-	-	-	11,700	11,700
Administrative	-	513	41	793	1,347
Advertising	1,364	5,589	4,119	1,364	12,436
Auction expense	-	-	11,023	-	11,023
Audio and Visual	-	-	10,331	-	10,331
Automobile expenses	3,824	1,644	432	956	6,856
Awards and recognition	295	7,288	65	-	7,648
Bank and city fees	-	380	4,105	529	5,014
Chapter assessment	625	625	625	625	2,500
Computer expenses	3,194	3,194	3,194	3,194	12,776
Conferences and seminars	762	60	185	15	1,022
Direct mail expenses	-	-	718	-	718
Insurance	487	487	487	487	1,948
Meals and entertainment	607	2,549	972	2,164	6,292
Office expenses	12,563	4,711	3,141	4,710	25,125
Office supplies	90	3,313	183	270	3,856
Outside services	188	254	13,288	188	13,918
Photography & P/R costs	2,575	2,075	4,493	1,874	11,017
Playhouse costs	-	-	-	-	-
Postage	-	337	579	134	1,050
Printing	-	4,024	4,595	480	9,099
Rentals	-	-	3,271	-	3,271
Storage facilities	1,670	278	557	278	2,783
Telephone	3,286	2,139	1,833	916	8,174
Other costs	-	-	6,135	-	6,135
	<u>\$ 482,534</u>	<u>\$ 299,058</u>	<u>\$ 124,962</u>	<u>\$ 125,570</u>	<u>\$ 1,032,124</u>

Shelter Providers of Orange County, Inc.
 DBA HomeAid Orange County, Inc.
 Statements of Cash Flows
 For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating Activities		
Change in net assets	\$ (81,403)	\$ 20,644
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	4,883	-
Unrealized (gain) loss from investments	(214)	(724)
Changes in operating assets and liabilities		
Accounts receivable	88,152	(88,152)
Grants receivable	(4,167)	91,667
Pledges receivable	(17,943)	(10,430)
Interest receivable	(36,073)	-
Security deposits and other assets	(659)	4,000
Accounts payable and accrued liabilities	34,508	8,982
Pass-through grant	(10,456)	6,250,000
Net cash provided (used) by operating activities	(23,372)	6,275,987
Investing Activities		
Purchase of fixed assets	(31,473)	-
Purchase of investments	(3,427,315)	(51)
Net cash provided (used) by investing activities	(3,458,788)	(51)
Net Increase (Decrease) In Cash	(3,482,160)	6,275,936
Cash - beginning of year	6,801,909	525,973
Cash - end of year	<u>\$ 3,319,749</u>	<u>\$ 6,801,909</u>
Supplemental Disclosure of Noncash Activities		
Donated materials and services	<u>\$ 638,552</u>	<u>\$ 530,863</u>
Cash paid for interest	None	None
Cash paid for taxes	None	None

Shelter Providers of Orange County, Inc.
DBA HomeAid Orange County, Inc.
Notes to Financial Statements
December 31, 2014 and 2013

1. Organization and Operations

Organization

Shelter Providers of Orange County, Inc., DBA HomeAid Orange County, Inc. (the “Organization”) is an Internal Revenue Code Section 501(c)(3) charitable, public benefit, not-for-profit organization formed by the Building Industry Association and incorporated in 1989 for the purpose of building and renovating shelters for the transitionally homeless.

Operations

The Organization receives a substantial portion of its financial support from donated materials and services from third parties and fundraising events. The financial condition of the Organization depends significantly on its ability to raise funds from contributors. A significant reduction in the level of contributor support could affect the Organization’s programs and activities. Management of the Organization believes it will continue to have adequate funding sources to maintain its present level of operations.

The Organization’s revenue and support generally comes from five sources: donated materials and services, fundraising events, cash donations, grants, and project fees from service providers. Donated materials include construction materials, household items, and items for HomeAid’s Essentials and CareKit programs. Fundraising income includes, among other things, opportunity drawings, auctions, event sponsorships, event ticket sales and registration fees. Grant income normally is generated from government grants for the building or renovation of shelter projects. Donations represent funds received by the Organization or unconditional promises from third parties.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Shelter Providers of Orange County, Inc.
DBA HomeAid Orange County, Inc.
Notes to Financial Statements (continued)
December 31, 2014 and 2013

2. Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of December 31, 2014 and 2013, and revenues and expenses for the years then ended. Actual results could materially differ from these estimates in the near term.

Concentration of credit risk

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts.

Cash Equivalents

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

Fixed Assets and Depreciation

Purchased furniture and equipment is recorded at cost. Furniture and equipment is depreciated on a straight-line basis over the estimated useful lives of the respective assets, generally five to seven years.

Revenues and Expenses

Revenues and expenses from donated materials and services are recorded in the period the materials are provided based on management and donors' estimates of the fair value of the materials and services provided. Revenues and expenses related to fund-raising events are recorded in the period in which the event takes place. Revenues from cash donations are recorded in the period in which an unconditional promise is given or the funds are received by the Organization. Grants are recorded when an award is approved by a foundation or a governmental agency. Other expenses are recorded when incurred.

Shelter Providers of Orange County, Inc.
DBA HomeAid Orange County, Inc.
Notes to Financial Statements (continued)
December 31, 2014 and 2013

2. Summary of Significant Accounting Policies (continued)

Recognition of Donor Restricted Contributions

Contributions that are restricted by the donor are reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. If the restriction expires in the reporting period in which the contribution is recognized, it is reported as an increase in unrestricted net assets.

Income Taxes

The Organization does not provide for income taxes, as it is a tax-exempt not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code.

3. Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an ordinary transaction between market participants on the measurement date. Assets recorded at fair value in the statement of activities and changes in net assets are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs, are as follows:

Level Input	Input Definition
Level 1	Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
Level 2	Inputs, other than quoted prices included in Level 1, which are observable for the asset or liability through corroboration with market data at the measurement date.
Level 3	Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

Shelter Providers of Orange County, Inc.
 DBA HomeAid Orange County, Inc.
 Notes to Financial Statements (continued)
 December 31, 2014 and 2013

4. Property and Equipment

The following is a summary of property and equipment at December 31, 2014 and 2013:

		2014		2013
Office equipment	\$	11,411	\$	55,670
Furniture and fixtures		20,062		-
Subtotal		31,473		55,670
Less: Accumulated depreciation		4,883		55,670
	\$	26,590	\$	-

Depreciation for the years ended December 31, 2014 and 2013 amounted to \$4,833 and \$0, respectively.

5. Investments-Permanently Restricted

Investments consist of mutual funds and bond funds and are stated at fair market value. The fair values of investments that are measured on a recurring basis are listed below. The values presented are based on quoted prices in active markets (Level 1 inputs) as follows:

		2014		2013
Mutual Funds	\$	6,609	\$	6,679
Bond Funds		2,203		1,884
Total Investments	\$	8,812	\$	8,563

Unrealized Gains for the years ended December 31, 2014 and 2013 amounted to \$214 and \$724, respectively. Interest and dividend income for the years ended December 31, 2014 and 2013 amounted to \$220 and \$233, respectively, and was classified as unrestricted net assets and permanently restricted net assets in the statements of activities.

Shelter Providers of Orange County, Inc.
 DBA HomeAid Orange County, Inc.
 Notes to Financial Statements (continued)
 December 31, 2014 and 2013

6. Pledges Receivable

Pledges receivable at December 31, 2014 and 2013, which are all due within one year, were \$42,323 and \$24,380, respectively.

7. Pass-Through Grant

The Organization received a designated grant from the Children and Families Commission of Orange County in the amount of \$6,250,000 at the end of 2013. This grant will be administered by the Organization and passed to other non-profits to support the construction and operation of emergency shelters to assist homeless families with children ages 0 to 5 over a five year period. The Organization will receive a management fee to be determined later.

Reconciliation of the pass-through grant amount is as follows:

Beginning balance	\$	6,250,000
Interest earned		1,935
Unrealized losses		(38,889)
Management fees		<u>(9,575)</u>
Ending cash and investments	\$	<u><u>6,203,471</u></u>

During the current year, the Organization held some of these funds in debt securities. In accordance with generally accepted accounting principles, the investment activity, including earned interest, unrealized gains and losses, and accrued interest in the amount of \$36,073 that occurred in the account has been reflected in the Pass-through grant liability account since the Organization is acting as an agent for these funds.

Cash from the pass-through grant consist of cash and bonds with a maturity date of three months or less totaling \$2,776,191. Investments in the pass-through grant consist of certificates of deposit and corporate and other bonds. They are stated at fair market value. The fair values of investments that are measured on a recurring basis are listed below. The values presented are based on quoted prices in active markets (Level 1 inputs) as follows:

	<u>2014</u>	<u>2013</u>
Certificates of Deposit	\$ 991,000	\$ -
Corporate and Other Bonds	<u>2,436,280</u>	<u>-</u>
Total Investments	<u><u>\$ 3,427,280</u></u>	<u><u>\$ -</u></u>

Shelter Providers of Orange County, Inc.
 DBA HomeAid Orange County, Inc.
 Notes to Financial Statements (continued)
 December 31, 2014 and 2013

8. Donated Materials and Services

The Organization recognizes contribution revenues for certain services received at the fair value of those services. Contributed services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donors and sponsors make contributions of materials and services to develop and renovate the Organization's shelter projects as well as donating fundraising items. Donated materials and services included in the Organization's statements of activities and changes in net assets for the years ended December 31, 2014 and 2013 totaling \$638,552 and \$530,863, respectively is based on management and donors' estimates of the fair value of the materials and services provided. The breakdown of donated materials and services reflected in the statements of activities are as follows:

	2014	2013
Donated shelter program materials and services	\$ 569,853	\$ 396,390
Fundraising events	66,059	86,251
Donations	2,640	48,222
Total	\$ 638,552	\$ 530,863

General cash donations (non-donated materials and services) amounted to \$478,696 and \$286,336 for the years ending December 31, 2014 and 2013, respectively. Total general cash donations and general donated materials and services amounted to \$481,336 and \$334,558 for the years ended December 31, 2014 and 2013, respectively.

9. Related Party Transactions

Certain members of the Board of Directors and their affiliated companies have made cash and in-kind contributions to the Organization for the years ended December 31, 2014 and 2013 totaling \$57,121 and \$33,723, respectively, which have been included in support and revenue in the Organization's statement of activities and change in net assets.

Shelter Providers of Orange County, Inc.
DBA HomeAid Orange County, Inc.
Notes to Financial Statements (continued)
December 31, 2014 and 2013

10. 403(b) Plan

The Organization sponsors a 403(b) Retirement Savings plan covering all full-time employees who have attained the age of 21 and have completed 90 days of service with the Organization. The Organization makes discretionary matching contributions up to 50% of employee contributions, subject to the approval of the executive committee. The Organization's contribution to the plan was \$0 for the years ended December 31, 2014 and 2013, respectively.

11. Commitments and Contingencies

The Organization leases its office space on a month to month basis. Current monthly lease payments are \$3,355 for 2015. The Organization also leases storage space on a month to month basis for \$232 per month. Rent expense for the years ended December 31, 2014 and 2013 amounted to \$27,426 and \$20,151, respectively.

12. Temporarily Restricted and Permanently Restricted Net Assets

The Organization had temporarily restricted net assets of \$34,799 and \$66,936 for the years ended December 31, 2014 and 2013 respectively. These net assets are restricted for specific shelter projects. The Organization has established an endowment fund. The fund is managed by the Orange County Community Foundation. The balance in this fund's investment (refer to Note 5) was \$8,812 and \$8,563 at December 31, 2014 and December 31, 2013, respectively.

13. Subsequent Events

Management has evaluated subsequent events through August 6, 2015, the date which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.