

**COMPEER, INC.**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012**

# COMPEER, INC.

## TABLE OF CONTENTS

	<u>Page No.</u>
Independent auditors' report	1
Financial statements	
Statements of financial position	2
Statements of activities and changes in net assets	3
Statements of functional expenses	4
Statements of cash flows	5
Notes to financial statements	6-9
Supplementary information	
Statements of changes in unrestricted net deficit	10



## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Compeer, Inc.  
Rochester, NY

We have audited the accompanying financial statements of Compeer, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2013 and 2012, and the related statements of activities and changes in net assets, functional expenses 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.

### **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 involved 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 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 Compeer, Inc. as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental statement of changes in unrestricted net deficit for the year ended December 31, 2013 and 2012 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Gray Loney CPA, PC*

March 20, 2014

# COMPEER, INC.

## STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2013 AND 2012

### ASSETS

	<u>2013</u>	<u>2012</u>
Current assets		
Cash	\$ 7,100	\$ 43,186
Accounts receivable	23,350	13,500
Prepaid expenses	<u>1,441</u>	<u>1,078</u>
Total current assets	31,891	57,764
Office equipment - net of accumulated depreciation of \$4,877 in 2013 and \$4,611 in 2012	<u>533</u>	<u>799</u>
	<u>\$ 32,424</u>	<u>\$ 58,563</u>

### LIABILITIES AND NET ASSETS (DEFICIT)

Current liabilities		
Accounts payable	1,196	435
Accrued payroll and payroll taxes	4,525	5,665
Payable to affiliate	0	3,591
Deferred revenue	<u>23,200</u>	<u>70,923</u>
Total current liabilities	<u>28,921</u>	<u>80,614</u>
Net assets (deficit)		
Unrestricted	3,503	(25,551)
Temporarily restricted	<u>0</u>	<u>3,500</u>
	<u>3,503</u>	<u>(22,051)</u>
	<u>\$ 32,424</u>	<u>\$ 58,563</u>

See accompanying notes and independent auditors' report

# COMPEER, INC.

## STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2013 Total</u>	<u>2012 Total</u>
Support and revenue				
Program services	\$ 0	\$ 235,398	\$ 235,398	\$ 235,399
Contributions	12,269	0	12,269	11,560
Grants	0	0	0	3,500
Fundraising	5,555	0	5,555	0
Membership dues	27,323	0	27,323	26,101
Net assets released from restrictions	<u>238,898</u>	<u>(238,898)</u>	<u>0</u>	<u>0</u>
 Total support and revenue	 <u>284,045</u>	 <u>(3,500)</u>	 <u>280,545</u>	 <u>276,560</u>
 Expenses				
Program services	220,507	0	220,507	235,590
Management and general	<u>34,484</u>	<u>0</u>	<u>34,484</u>	<u>45,526</u>
 Total expenses	 <u>254,991</u>	 <u>0</u>	 <u>254,991</u>	 <u>281,116</u>
 Change in net assets before other income (expense)	 29,054	 (3,500)	 25,554	 (4,556)
 Other income (expense)				
In-kind donation - Compeer Rochester, Inc.	0	0	0	12,360
Forgiveness of debt	0	0	0	64,920
Interest expense	<u>0</u>	<u>0</u>	<u>0</u>	<u>(4,182)</u>
 Total other income (expense)	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>73,098</u>
 Increase (decrease) in net assets	 29,054	 (3,500)	 25,554	 68,542
 Net assets (deficit) - beginning	 <u>(25,551)</u>	 <u>3,500</u>	 <u>(22,051)</u>	 <u>(90,593)</u>
 Net assets - ending	 <u>\$ 3,503</u>	 <u>\$ 0</u>	 <u>\$ 3,503</u>	 <u>\$ (22,051)</u>

See accompanying notes and independent auditors' report

# COMPEER, INC.

## STATEMENTS OF FUNCTIONAL EXPENSES FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	NYS Program	Livingston County Program	International Program	Management and General	2013 Total	2012 Total
Bad debt	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,500	\$ 0
Client enrichment	1,325	590	87	0	2,002	1,646
Conferences	378	0	0	0	378	3,156
Consultants	0	0	0	5,939	5,939	9,295
Depreciation	0	0	0	266	266	327
Dues and subscriptions	911	264	246	0	1,421	1,436
Employee benefits	379	4,131	0	1,634	6,144	6,511
Equipment rental	375	0	375	0	750	700
Fundraising	0	0	4,435	0	4,435	0
Insurance	2,493	1,691	582	0	4,766	4,275
Janitorial	105	0	105	0	210	160
Legal and professional	0	0	0	6,000	6,000	7,800
Meetings and travel	4,792	1,398	328	0	6,518	9,822
Occupancy	7,083	3,133	163	0	10,379	9,838
OMH pass through	95,180	0	0	0	95,180	92,652
Payroll services	264	756	113	0	1,133	2,319
Payroll taxes	2,265	3,192	1,187	1,467	8,111	8,996
Postage and shipping	624	577	51	0	1,252	1,085
Printing	293	0	46	0	339	771
Public relations	53	1,460	0	0	1,513	1,389
Salaries	32,962	30,000	7,790	19,178	89,930	113,353
Service charges	0	0	0	0	0	133
Subcontractors	666	185	31	0	882	185
Supplies	1,727	575	274	0	2,576	1,576
Telephone and internet	546	2,758	63	0	3,367	3,691
	<u>\$ 152,421</u>	<u>\$ 50,710</u>	<u>\$ 17,376</u>	<u>\$ 34,484</u>	<u>\$ 254,991</u>	<u>\$ 281,116</u>

See accompanying notes and independent auditors' report.

# COMPEER, INC.

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Net increase in net assets	\$ 25,554	\$ 68,542
Adjustments to reconcile net increase in net assets to net cash provided (used) by operating activities:		
Depreciation	266	327
(Increase) decrease in:		
Accounts receivable	(9,850)	4,365
Prepaid expenses	(363)	(160)
Increase (decrease) in:		
Accounts payable	761	(1,753)
Accrued payroll and payroll taxes	(1,140)	(1,237)
Payable to affiliate	(3,591)	3,148
Deferred revenue	(47,723)	(3,252)
Net cash provided (used) by operating activities	(36,086)	69,980
Cash flows from investing activities:		
Capital expenditures	0	(600)
Cash flows from financing activities:		
Repayments on loan payable - Compeer Rochester, Inc.	0	(73,650)
Net decrease in cash	(36,086)	(4,270)
Cash - beginning	43,186	47,456
Cash - ending	\$ <u>7,100</u>	\$ <u>43,186</u>

See accompanying notes and independent auditors' report.



# COMPEER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

### Note 1: Summary of Significant Accounting Policies

#### Nature of Business

Compeer, Inc. (the Organization) is a not-for-profit organization that supports and disseminates, on a national and international basis, the Compeer model for providing volunteer companion services to individuals being treated for mental illnesses or other emotional issues.

#### Method of Accounting

The financial statements are prepared using the accrual basis of accounting, which recognizes income when earned and expenses when incurred.

#### Basis of Presentation

In accordance with accounting principles generally accepted in the United States of America, the Organization reports information regarding its financial positions and activities according to the existence and nature of donor restrictions in three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

The Organization also records contributions received as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions.

The following are descriptions of the Organization's net asset classifications:

Unrestricted Net Assets: Unrestricted net assets include resources that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets: Temporarily restricted net assets include resources from contributions where use by the Organization is subject to donors' restrictions that expire with the passage of time or by actions of the Organization.

When donor restrictions from prior years expire, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets: Permanently restricted net assets include resources from contributions where donors have imposed restrictions which do not expire with the passage of time and are not removed by actions of the Organization.

See independent auditors' report.

# COMPEER, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013 AND 2012

### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Income Taxes**

The Internal Revenue Service has determined that the Organization is qualified as a charity exempt under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income.

Accounting standards require entities to disclose in their financial statements the nature of any uncertain tax positions. Tax years including the year ended December 31, 2010 and later are subject to examination by tax authorities. Areas that IRS and state tax authorities consider when examining tax returns of a charity include, but may not be limited to, tax-exempt status and the existence and amount of unrelated business income. The Organization does not believe that it has any uncertain tax positions with respect to these or other matters, and has not recorded any unrecognized tax benefits or liability for penalties or interest.

#### **Accounts Receivable and Allowance for Doubtful Accounts**

The Company is on the allowance method for writing off bad debts. The Company considers all receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required.

#### **Office Equipment**

Office equipment is recorded at cost. Depreciation is computed using the straight-line method over estimated useful lives ranging from three to five years.

#### **Deferred Revenue**

Membership dues are recorded as revenues when earned. Accordingly, amounts billed and paid prior to being earned are recorded as deferred revenue and recognized when services are rendered. Deferred revenue is also comprised of amounts received in advance of contract periods.

#### **Member Agencies**

Compeer, Inc. allocates funds to member agencies which provide community based services to support social inclusion for men, women, and children receiving mental health care, and their families.

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from these estimates.

See independent auditors' report.

# COMPEER, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

### Note 1: Summary of Significant Accounting Policies (Continued)

#### Reclassifications

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year presentation. Total net assets and net increase (decrease) in net assets are unchanged due to these reclassifications.

### Note 2: Cash Flow Information

Cash paid for interest during 2013 and 2012 was as follows:

	<u>2013</u>	<u>2012</u>
Interest	\$ <u>          0</u>	\$ <u>      4,182</u>

### Note 3: Pension Plans

The Organization had a defined contribution plan covering all employees who have reached the age of 21 years, worked at least 1,000 hours, and completed one year of service. Compeer, Inc. matched 100% of employee contributions up to 3% of employee wages. In addition, the Board of Directors may approve a discretionary contribution to the plan. The Organization made matching contributions of \$1,691 in 2012. There were no discretionary contributions during 2012. The plan was terminated on December 31, 2012.

### Note 4: Related Party Transactions

Compeer Rochester, Inc. is an affiliate member of Compeer, Inc. The Organization had a term loan due to Rochester in monthly installments of \$1,076, including interest at 6%, due December 2018. Interest expense was \$0 in 2013 and \$4,182 in 2012. The balance of \$64,920 on the loan at December 31, 2012 was forgiven by Compeer Rochester, Inc.

In addition, the Organization received an in-kind donation from Compeer Rochester, Inc. of \$0 in 2013 and \$12,360 in 2012.

The Organization subleases its office space from Compeer Rochester, Inc. The lease expired on January 1, 2014, at which point the lease converted to a month to month basis. Rental payments were \$6,413 in 2013 and \$0 in 2012. The Organization is responsible for all insurance and repairs.

See independent auditors' report.

# COMPEER, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

### **Note 5: Lease Commitments**

Compeer's Livingston County program rents office space from an unrelated company on a month-to-month basis with a required 30 day notice given to renegotiate the lease at a future time. The program also pays a portion of the utilities under another co-tenant agreement with another unrelated company. Rent expense under these agreements total \$2,400 for 2013 and 2012.

### **Note 6: Concentrations**

Approximately 84% of the Organization's revenues are received from two funding sources.

The Organization's financial instruments that are exposed to concentration of credit risk consist primarily of cash and accounts receivable. The Organization places its cash and temporary cash investments with high credit quality institutions. At times, such investments may be in excess of the FDIC insurance limit. The Organization routinely assesses the financial strength of its customers and, as a consequence, believes credit risk exposure is limited.

### **Note 7: Subsequent Events**

Management performed an evaluation of the Organization's activity through March 20, 2014, and concluded that there are no significant subsequent events requiring disclosure through the date these financial statements were available to be issued.

See independent auditors' report.

**SUPPLEMENTARY INFORMATION**

# COMPEER, INC.

## SUPPLEMENTAL STATEMENTS OF CHANGES IN UNRESTRICTED NET DEFICIT FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	NYS <u>Program</u>	Livingston County <u>Program</u>	International <u>Program</u>	Management and <u>General</u>	2013 <u>Total</u>	2012 <u>Total</u>
<b>Revenues</b>						
Contributions, contracts, and grants	\$ 185,303	\$ 53,365	\$ 8,999	\$ 0	\$ 247,667	\$ 250,459
Other income	0	0	5,555	0	5,555	0
Membership dues	0	0	27,323	0	27,323	26,101
Forgiveness of debt	0	0	0	0	0	64,920
In-kind donation- Compeer Rochester, Inc.	0	0	0	0	0	12,360
	<u>185,303</u>	<u>53,365</u>	<u>41,877</u>	<u>0</u>	<u>280,545</u>	<u>353,840</u>
Released from restrictions	<u>0</u>	<u>0</u>	<u>3,500</u>	<u>0</u>	<u>3,500</u>	<u>1,500</u>
<b>Total revenues and other support</b>	<u>185,303</u>	<u>53,365</u>	<u>45,377</u>	<u>0</u>	<u>284,045</u>	<u>355,340</u>
<b>Expenses</b>						
OMH pass through	95,180	0	0	0	95,180	92,652
Salaries	32,962	30,000	7,790	19,178	89,930	113,353
Occupancy (rent and utilities)	7,083	3,133	163	0	10,379	9,838
Payroll taxes	2,265	3,192	1,187	1,467	8,111	8,996
Meetings and travel	4,792	1,398	328	0	6,518	9,822
Employee benefits	379	4,131	0	1,634	6,144	6,511
Legal and professional	0	0	0	6,000	6,000	7,800
Consultants	0	0	0	5,939	5,939	9,295
Insurance	2,493	1,691	582	0	4,766	4,275
Fundraising	0	0	4,435	0	4,435	0
Telephone and internet	546	2,758	63	0	3,367	3,691
Supplies	1,727	575	274	0	2,576	1,576
Client enrichment	1,325	590	87	0	2,002	1,646
Public relations	53	1,460	0	0	1,513	1,389
Bad debt	0	0	1,500	0	1,500	0
Dues and subscriptions	911	264	246	0	1,421	1,436
Postage and shipping	624	577	51	0	1,252	1,085
Payroll services	264	756	113	0	1,133	2,319
Subcontractors	666	185	31	0	882	185
Equipment rental	375	0	375	0	750	700
Conferences	378	0	0	0	378	3,156
Printing	293	0	46	0	339	771
Depreciation	0	0	0	266	266	327
Janitorial	105	0	105	0	210	160
Interest	0	0	0	0	0	4,182
Service charge	0	0	0	0	0	133
Overhead allocation	35,172	2,723	(3,411)	(34,484)	0	0
<b>Total expenses</b>	<u>187,593</u>	<u>53,433</u>	<u>13,965</u>	<u>0</u>	<u>254,991</u>	<u>285,298</u>
Increase (decrease) in net assets	(2,290)	(68)	31,412	0	29,054	70,042
Net assets (deficit) - beginning	<u>(12,047)</u>	<u>(17,348)</u>	<u>3,844</u>	<u>0</u>	<u>(25,551)</u>	<u>(95,593)</u>
Net assets (deficit) - ending	<u>\$ (14,337)</u>	<u>\$ (17,416)</u>	<u>\$ 35,256</u>	<u>\$ 0</u>	<u>\$ 3,503</u>	<u>\$ (25,551)</u>

See accompanying notes and independent auditors' report.