

**SHARE**

Audited Financial Statements,  
Supplementary Information and Reports  
on Compliance and Internal Control

December 31, 2015 and 2014

**SHARE**

Audited Financial Statements,  
Supplementary Information and  
Reports on Compliance and Internal Control

December 31, 2015 and 2014

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## Independent Auditor's Report

Board of Directors  
Share  
Vancouver, Washington

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Share (a nonprofit organization) (the "Organization") which comprise the statements of financial position as of December 31, 2015 and 2014 and the related statements of activities, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 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 Organization'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 Organization'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 Share as of December 31, 2015 and 2014 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.

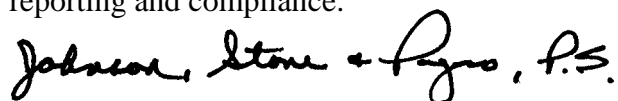
**Other Matters**

***Other Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, 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 relates 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.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2016 on our consideration of Share's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Share's internal control over financial reporting and compliance.



**JOHNSON, STONE & PAGANO, P.S.**

June 30, 2016

AUDITED FINANCIAL STATEMENTS

## SHARE

### STATEMENTS OF FINANCIAL POSITION

December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b><u>ASSETS</u></b>		
Cash and cash equivalents	\$ 825,969	\$ 621,359
Contract payments receivable	631,810	602,080
Contributions receivable	33,793	76,658
Prepaid expenses and other assets	17,115	20,249
Beneficial interest in assets held by the Community Foundation for Southwest Washington	881,240	886,597
Property and equipment, net	<u>6,423,253</u>	<u>6,512,709</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 8,813,180</u></b>	<b><u>\$ 8,719,652</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 74,836	\$ 36,507
Accrued payroll and related expenses	192,441	185,152
Deferred revenue	306,702	327,340
Funds held on behalf of others	<u>291,903</u>	<u>265,422</u>
<b>Total Liabilities</b>	865,882	814,421
<b>NET ASSETS</b>		
Unrestricted		
Available for programs and general operations	528,270	493,974
Designated by Board	342,592	344,303
Net investment in property and equipment and replacement reserves	<u>6,825,972</u>	<u>6,921,043</u>
	7,696,834	7,759,320
Temporarily restricted	211,756	107,203
Permanently restricted	<u>38,708</u>	<u>38,708</u>
<b>Total Net Assets</b>	<b><u>7,947,298</u></b>	<b><u>7,905,231</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 8,813,180</u></b>	<b><u>\$ 8,719,652</u></b>

The accompanying notes are an integral part of these financial statements.

**SHARE**

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2015 and 2014

	2015			2014				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>OPERATING REVENUES, GAINS AND OTHER SUPPORT</b>								
<b>OPERATING REVENUES</b>								
Government grants and contracts	\$ 4,631,102			\$ 4,631,102	\$ 3,999,187			\$ 3,999,187
Private grants and contributions	490,448	\$ 133,614		624,062	548,454	\$ 77,515	\$ 9,608	635,577
In-kind contributions	1,084,562			1,084,562	992,169			992,169
Special events, net of direct expenses (2015 - \$341,023; 2014 - \$297,941)	34,516			34,516	42,328			42,328
Interest income	2,921			2,921	2,360			2,360
Rental income	113,883			113,883	106,154			106,154
Other revenue	4,960			4,960	15,272			15,272
<b>Total Operating Revenues</b>	<b>6,362,392</b>	<b>133,614</b>		<b>6,496,006</b>	<b>5,705,924</b>	<b>77,515</b>	<b>9,608</b>	<b>5,793,047</b>
<b>GAINS AND OTHER SUPPORT</b>								
Net assets released from restrictions - operating	27,378	(27,378)			114,112	(114,112)		
<b>Total Operating Revenues, Gains and Other Support</b>	<b>6,389,770</b>	<b>106,236</b>		<b>6,496,006</b>	<b>5,820,036</b>	<b>(36,597)</b>	<b>9,608</b>	<b>5,793,047</b>
<b>EXPENSES</b>								
Program services								
Shelters	1,108,487			1,108,487	1,097,411			1,097,411
Hunger response	1,154,103			1,154,103	1,261,481			1,261,481
Street outreach	331,926			331,926	167,041			167,041
Transitional and permanent housing	3,047,078			3,047,078	2,718,383			2,718,383
	<u>5,641,594</u>			<u>5,641,594</u>	<u>5,244,316</u>			<u>5,244,316</u>
Supporting services								
Management and general	549,591			549,591	484,195			484,195
Fundraising	258,378			258,378	295,888			295,888
	<u>807,969</u>			<u>807,969</u>	<u>780,083</u>			<u>780,083</u>
<b>Total Expenses</b>	<b>6,449,563</b>			<b>6,449,563</b>	<b>6,024,399</b>			<b>6,024,399</b>
<b>INCREASE (DECREASE) IN NET ASSETS BEFORE NONOPERATING ACTIVITIES</b>								
	(59,793)	106,236		46,443	(204,363)	(36,597)	9,608	(231,352)
<b>NONOPERATING ACTIVITIES</b>								
Private contributions for capital acquisition					983			983
Net change in beneficial interest in assets held by the Community Foundation for Southwest Washington	(2,693)	(1,683)		(4,376)	49,550	2,526		52,076
<b>Total Nonoperating Revenues (Losses)</b>	<b>(2,693)</b>	<b>(1,683)</b>		<b>(4,376)</b>	<b>50,533</b>	<b>2,526</b>		<b>53,059</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>(62,486)</b>	<b>104,553</b>		<b>42,067</b>	<b>(153,830)</b>	<b>(34,071)</b>	<b>9,608</b>	<b>(178,293)</b>
<b>Net Assets at Beginning of the Year</b>	<b>7,759,320</b>	<b>107,203</b>	<b>\$ 38,708</b>	<b>7,905,231</b>	<b>7,913,150</b>	<b>141,274</b>	<b>29,100</b>	<b>8,083,524</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 7,696,834</b>	<b>\$ 211,756</b>	<b>\$ 38,708</b>	<b>\$ 7,947,298</b>	<b>\$ 7,759,320</b>	<b>\$ 107,203</b>	<b>\$ 38,708</b>	<b>\$ 7,905,231</b>

The accompanying notes are an integral part of these financial statements.

**SHARE**

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2015 with Comparative Totals for 2014

	Program Services					Supporting Services			2015	2014
	Shelters	Hunger Response	Street Outreach	Transitional and Permanent Housing	Total	Management and General	Fundraising	Total	Total Expenses	Total Expenses
Salaries and related expenses	\$ 639,982	\$ 97,176	\$ 187,175	\$ 567,316	\$ 1,491,649	\$ 420,836	\$ 135,847	\$ 556,683	\$ 2,048,332	\$ 1,977,672
Client assistance	2,991	190	111,874	2,363,527	2,478,582	383	(90)	293	2,478,875	2,022,819
Food and supplies	96,233	914,191	10,014	10,426	1,030,864	9,788	5,150	14,938	1,045,802	1,080,749
Rent	168,922	1,345	2,000		172,267		105	105	172,372	170,542
Advertising	245	503	228	735	1,711	918	32,888	33,806	35,517	19,284
Utilities	83,681	16,400	3,866	20,790	124,737	25,439	348	25,787	150,524	151,244
Professional fees	1,419	1,306	5,578	2,259	10,562	38,586	55,580	94,166	104,728	171,587
Repairs and maintenance	45,865	13,297	2,157	3,822	65,141	5,691	72	5,763	70,904	63,830
Taxes and licenses	6,444	313	146	1,999	8,902	4,149	4,787	8,936	17,838	20,820
Mileage and travel expenses	1,346	7,346	3,704	9,690	22,086	5,732	1,547	7,279	29,365	30,617
Insurance	5,725	3,667	1,050	7,634	18,076	26,153	137	26,290	44,366	39,056
Bank fees						10,326	3,931	14,257	14,257	10,677
Postage	85	6		2,871	2,962	354	1,567	1,921	4,883	4,651
Printing	976	366	200	2,585	4,127	1,224	2,849	4,073	8,200	6,912
Other	609	1,200	205	3,585	5,599	1,007	4,887	5,894	11,493	43,837
<b>Total Expenses before Depreciation and Allocations</b>	<b>1,054,523</b>	<b>1,057,306</b>	<b>328,197</b>	<b>2,997,239</b>	<b>5,437,265</b>	<b>550,586</b>	<b>249,605</b>	<b>800,191</b>	<b>6,237,456</b>	<b>5,814,297</b>
Depreciation	27,369	29,120	3,284	37,135	96,908	113,181	2,018	115,199	212,107	210,102
Allocations of volunteer support	26,595	67,677	445	12,704	107,421	(114,176)	6,755	(107,421)		
<b>TOTAL EXPENSES</b>	<b>\$ 1,108,487</b>	<b>\$ 1,154,103</b>	<b>\$ 331,926</b>	<b>\$ 3,047,078</b>	<b>\$ 5,641,594</b>	<b>\$ 549,591</b>	<b>\$ 258,378</b>	<b>\$ 807,969</b>	<b>\$ 6,449,563</b>	<b>\$ 6,024,399</b>

The accompanying notes are an integral part of these financial statements.



**SHARE**

STATEMENTS OF FUNCTIONAL EXPENSES (Continued)

Year Ended December 31, 2014

	Program Services				Supporting Services			2014 Total Expenses	
	Shelters	Hunger Response	Street Outreach	Transitional and Permanent Housing	Total	Management and General	Fundraising		Total
Salaries and related expenses	\$ 644,425	\$ 101,738	\$ 106,719	\$ 570,745	\$ 1,423,627	\$ 423,207	\$ 130,838	\$ 554,045	\$ 1,977,672
Client assistance	8,135		41,743	1,973,767	2,023,645	(1,321)	495	(826)	2,022,819
Food and supplies	88,709	962,595	3,808	13,300	1,068,412	11,315	1,022	12,337	1,080,749
Rent	168,922	1,260			170,182	270	90	360	170,542
Advertising	100	1,156	25	175	1,456	1,241	16,587	17,828	19,284
Utilities	85,409	20,525	1,021	24,651	131,606	18,895	743	19,638	151,244
Professional fees	3,199	3,316	2,820	16,384	25,719	38,445	107,423	145,868	171,587
Repairs and maintenance	33,164	13,325	274	6,694	53,457	9,974	399	10,373	63,830
Taxes and licenses	2,689	794	984	2,474	6,941	5,773	8,106	13,879	20,820
Mileage and travel expenses	1,850	8,535	3,718	8,630	22,733	6,468	1,416	7,884	30,617
Insurance	4,265	4,609	519	7,051	16,444	22,383	229	22,612	39,056
Bank fees						9,261	1,416	10,677	10,677
Postage	20	6		2,402	2,428	289	1,934	2,223	4,651
Printing	1,047	294	126	2,672	4,139	1,531	1,242	2,773	6,912
Other	827	401	292	31,997	33,517	3,702	6,618	10,320	43,837
<b>Total Expenses before Depreciation and Allocations</b>	<b>1,042,761</b>	<b>1,118,554</b>	<b>162,049</b>	<b>2,660,942</b>	<b>4,984,306</b>	<b>551,433</b>	<b>278,558</b>	<b>829,991</b>	<b>5,814,297</b>
Depreciation	23,606	47,304	4,339	50,934	126,183	79,771	4,148	83,919	210,102
Allocations of volunteer support	31,044	95,623	653	6,507	133,827	(147,009)	13,182	(133,827)	
<b>TOTAL EXPENSES</b>	<b>\$ 1,097,411</b>	<b>\$ 1,261,481</b>	<b>\$ 167,041</b>	<b>\$ 2,718,383</b>	<b>\$ 5,244,316</b>	<b>\$ 484,195</b>	<b>\$ 295,888</b>	<b>\$ 780,083</b>	<b>\$ 6,024,399</b>

The accompanying notes are an integral part of these financial statements.

**SHARE****STATEMENTS OF CASH FLOWS**

Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from governmental agencies, contributors and others	\$ 6,827,585	\$ 6,044,154
Cash paid to employees, suppliers and others	(6,504,156)	(6,068,633)
Interest received	2,921	2,360
Interest paid	<u>(70)</u>	<u>(95)</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	326,280	(22,214)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(122,651)	(20,784)
Proceeds from sale of investments		19,395
Transfers to the Community Foundation for Southwest Washington	<u>981</u>	<u>(95,021)</u>
<b>Net Cash Used by Investing Activities</b>	(121,670)	(96,410)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contributions permanently restricted by donor		9,608
Contributions restricted for capital acquisition		983
Payments on notes payable		<u>(3,929)</u>
<b>Net Cash Provided by Financing Activities</b>		<u>6,662</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	204,610	(111,962)
Cash and cash equivalents at beginning of year	<u>621,359</u>	<u>733,321</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 825,969</u>	<u>\$ 621,359</u>

The accompanying notes are an integral part of these financial statements.

**SHARE**

## STATEMENTS OF CASH FLOWS (Continued)

Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>RECONCILIATION OF NET INCREASE (DECREASE) IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ 42,067	\$ (178,293)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	212,107	210,102
Net change in beneficial interest in assets held by the Community Foundation for Southwest Washington	4,376	(52,076)
Proceeds from contributions permanently restricted by donor		(9,608)
Proceeds from contributions restricted for capital acquisition		(983)
(Increase) decrease in assets		
Contract payments receivable	(29,730)	(248,179)
Contributions receivable	42,865	167,805
Prepaid expenses and other assets	3,134	(979)
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities	38,329	5,071
Accrued payroll and related expenses	7,289	33,855
Deferred revenue	(20,638)	2,179
Funds held on behalf of others	26,481	48,892
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 326,280</u>	<u>\$ (22,214)</u>

The accompanying notes are an integral part of these financial statements.

## **SHARE**

### **NOTES TO FINANCIAL STATEMENTS**

December 31, 2015 and 2014

#### **NOTE 1 - ORGANIZATION**

Share (the "Organization") was formed in 1983 as a nonprofit organization in the state of Washington by a group of caring people coming together with the common goal of caring for the homeless and hungry in the Vancouver area. The mission of Share is to lead the hungry and homeless to self-sufficiency by providing food, shelter, housing, education and compassion through the strength of its community. Share envisions a community without hunger, where all people have safe and adequate housing and the skills to enhance their quality of life. Share provides temporary, emergency, transitional and permanent housing as well as food, clothing, street outreach, case management and counseling to men, women and children. During the years ended December 31, 2015 and 2014, the Organization incurred program service expenses in the following major categories:

##### ***Shelters***

Share provides temporary, emergency housing at three shelters. Share Orchards and Share Homestead shelter homeless families and are operated by the Organization but owned by the Vancouver Housing Authority. The Share House for single men is both owned and operated by Share.

##### ***Hunger Response***

Share provides daily meals for the homeless and low-income members of the community. The program serves more than 90,000 meals each year. Much of the food used in the program is donated through food drives or by area grocery stores and is prepared each day by volunteers and staff.

What going hungry means for a child - research indicates that even mild under-nutrition experienced by young children during critical periods of growth impacts their behavior, school performance and overall cognitive development.

Share's Backpack Program provides weekend food packs to children at 90 schools in eight school districts every week that school is in session. While increased from the original 75 food packs per week to 1,850 food packs per week, the program is still meeting less than the need in local area school districts. Share provides recipes and nutritional information in the food packs. Share has added fresh food pantries, some stationary at schools and some mobile, for a total of 10 fresh food pantries in 2015.

Share's Summer Lunch Program partners with Vancouver Parks & Recreation, Vancouver and Evergreen School Districts as well as several church groups and apartment management firms to provide meals during a time that children do not receive breakfast or lunch at school. In 2015, Share provided nearly 25,000 meals to children and their families for this program.

## **SHARE**

### NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

#### **NOTE 1 - ORGANIZATION (Continued)**

##### ***Street Outreach***

Street Outreach was established in 1996, the result of a taskforce formed by community leaders to find solutions to the issues of transiency in downtown Vancouver. The program provides street outreach to more than 800 hard-to-reach and hard-to-serve homeless individuals each year. Services such as access to showers, laundry facilities, clothing, mail and transportation are made available on a walk-in basis. In addition, case managers meet with clients on a one-to-one basis to assist them in accessing existing social services, stable housing situations or to assist with whatever needs they may have. Work is focused on the area of addressing issues pertaining to mental illness and alcohol and chemical dependencies. Share added a permanent housing first component to this program, providing housing to chronically homeless individuals. In 2015, Street Outreach housed eight chronically homeless individuals and has been providing them with on-going support, including rental subsidies.

##### ***Rapid Re-housing, Prevention, Transitional and Permanent Housing***

Share Achieving Self-sufficiency Personal Improvement and Resource Education ("ASPIRE") provides supported housing through case management to families and single adults on their way to stability and self-sufficiency. ASPIRE is a coordinated system for providing case management, housing and connection to supportive services in the community for homeless families and individuals. Currently, the ASPIRE program serves 138 households each month. The program served 543 people in 2015.

Share also has received funding for Individual Development Accounts ("IDAs") for eligible people in our community. The IDAs are savings accounts for a future asset such as a down payment on a home, start a business or pursue higher education. Share also records a liability for amounts held on behalf of participants in this program.

Share purchased four homes to provide group living environments for single individuals. Share provides case management to these homes (two serving single women, one serving single men and one serving single Veteran men). Share also owns a duplex of two 3 bedroom homes for families which are rented at less than half of fair market value.

In the fall of 2011, Share began a Housing and Essential Needs Program for individuals found by the State to be temporarily unable to work due to a mental health or physical health issues. This program was originally an entitlement program offered by the Department of Health and Social Services. In November of 2011, it was reallocated to nonprofit organizations and counties across the State as a non-entitlement program that could pay rent, utilities and provide essential needs such as hygiene products, toilet paper and other such needs. This program served 500 clients per month in 2015.

## **SHARE**

### **NOTES TO FINANCIAL STATEMENTS**

December 31, 2015 and 2014

#### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### ***Basis of Accounting***

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

##### ***Basis of Presentation***

Share is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets based on the existence or absence of donor-imposed restrictions.

##### ***Revenue Recognition and Contributions***

Revenues are reported as increases in unrestricted net assets unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor or contractor restrictions or law.

Contributions received are recorded as unrestricted, temporarily or permanently restricted support, depending on the existence or nature of any donor restrictions and are recorded in the period made. All unconditional contributions received are available for unrestricted use unless specifically restricted by the donor. Unconditional promises in the next year are recorded at their net realizable value. Unconditional promises in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization reports contributions of property and equipment as unrestricted support. Contributions of cash or other assets that must be used to acquire long-lived assets are reported as unrestricted revenue provided the long-lived assets are placed in service in the same reporting period; otherwise, the contributions would be reported as an increase in temporarily restricted net assets until the assets are acquired and placed in service.

##### ***In-Kind Contributions***

Share receives contributions of food, clothing, supplies, materials, rent, advertising and professional services. These contributions represent a significant portion of the Organization's operations, and are reflected as in-kind contributions with offsetting expenses at their estimated fair values (see Note 10).

## **SHARE**

### NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

#### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### ***In-Kind Contributions (Continued)***

In-kind contributions of equipment are recorded where there is an objective basis upon which to value these contributions and where the contributions are an essential part of the Organization's activities. No amounts have been recorded in the accompanying financial statements for such in-kind contributions.

In addition, the Organization regularly receives contributed services from a large number of volunteers who assist in program activities and other supporting efforts. The value of such services has not been recognized in the accompanying financial statements as they do not meet the criteria for such recognition. Significant services received which create or enhance a non-financial asset or require specialized skills that the Organization would have purchased if not donated are recognized in the statements of activities.

##### ***Cash and Cash Equivalents***

The Organization considers cash to be cash on hand, in checking accounts and savings accounts. Cash equivalents represent short-term, highly liquid investments with original maturities of three months or less.

##### ***Investments***

Investments consist primarily of certificates of deposit with initial maturities of greater than three months. Certificates of deposit are carried at cost plus accrued interest. Interest income, if significant is accrued as earned.

##### ***Contract Payments and Grants Receivable***

Contract payments and grants receivable are recorded when the Organization incurs allowable expenses that are reimbursable under the provisions of the corresponding grant or other activity. The Organization believes accounts and grants receivable are fully collectible; therefore, no allowance for uncollectible amounts has been established.

##### ***Beneficial Interest in Assets Held by the Community Foundation for Southwest Washington***

The Organization records its interest in these funds at fair value which approximates the present value of the expected future cash flows that will inure to the Organization.

##### ***Property and Equipment***

Property and equipment are recorded at cost or fair market value on the date of the gift. Depreciation is computed using straight-line and accelerated methods over the estimated useful life of the assets ranging from 5 to 39 years. Maintenance and repairs are charged to current operations as incurred and major improvements and replacements of property and equipment are capitalized.

## **SHARE**

### **NOTES TO FINANCIAL STATEMENTS**

December 31, 2015 and 2014

#### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### ***Accounting for Long-Lived Assets***

The Organization periodically reviews the recorded value of its long-lived assets. Such assets are generally evaluated for impairment based on estimated fair market value of long-lived assets. In the event that the carrying value of long-lived assets exceeds estimated fair market value, the assets would be written down to fair value. No adjustments due to impairment of long-lived assets were recorded by the Organization at December 31, 2015 or 2014, as management of the Organization is of the opinion that fair market value is substantially in excess of carrying value.

##### ***Deferred Revenue***

Deferred revenue represents amounts received on contracts or grants that will be earned in a future period.

##### ***Net Assets Designated by Board***

Prior to January 1, 2007, the Board of Directors of the Organization designated a portion of its unrestricted net assets for future major capital purchases deemed necessary to expand or improve its program activities and created an operating reserve. During the year ended December 31, 2008, the Organization purchased two such pieces of property. The majority of the funding for these purchases was obtained from two government agencies; the remaining funding was obtained from investments related to the designated unrestricted net assets that had been set aside for such purposes. The Board of Directors determined the purchase of this property in 2008 as well as a portion of the upgrades to the Andresen property in 2013 met the criteria of the prior unrestricted net asset designation and therefore removed the related designations. The remaining board designation for an operating reserve is \$342,592 and \$344,303 at December 31, 2015 and 2014, respectively.

##### ***Income Taxes***

The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The Organization's federal information returns for the years previous to December 31, 2012 are closed to examination.

##### ***Use of Estimates***

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



## **SHARE**

### **NOTES TO FINANCIAL STATEMENTS**

December 31, 2015 and 2014

#### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### ***Outstanding Legacies***

The Organization is the beneficiary under various will and trust agreements, the total realizable amounts of which are not presently determinable. The Organization's share of such bequests is recorded when the probate courts declare the testamentary instrument valid and the proceeds measurable. Distributions from revocable trusts are recorded as revenue in the period the distribution is received.

##### ***Advertising and Marketing Expenses***

Advertising and marketing costs are charged to expense as they are incurred. Advertising expenses for the years ended December 31, 2015 and 2014 totaled \$35,517 and \$19,284, respectively (including donated advertising expenses valued at \$25,919 and \$7,043, respectively).

##### ***Functional Expenses***

Functional expenses are allocated between program and supporting services based on management's estimates and studies of the costs attributable to the various programs or support services.

##### ***Reclassifications***

Certain amounts reported in prior years have been reclassified to conform to the presentation at December 31, 2015.

##### ***Subsequent Events***

Management evaluated for subsequent events and transactions for potential recognition and disclosure through June 30, 2016, the date the financial statements were available to be issued.

#### **NOTE 3 - CONCENTRATION OF CREDIT RISK**

The Organization maintains cash balances at financial institutions. Accounts at each of the financial institutions are insured by the Federal Deposit Insurance Corporation ("FDIC") with basic coverage up to \$250,000. At December 31, 2015, Share's cash balances did not exceed the insured amounts.

The Organization receives a majority of its revenues from various federal, state and local government agencies, and is subject to certain risks of the legislative process in securing continued funding for the Organization's programs. A significant reduction in the level of this funding could adversely affect the Organization's ability to provide programs and services.

## SHARE

### NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

#### NOTE 4 - CONTRACT AND CONTRIBUTIONS RECEIVABLE

Contract payments receivable consist of the following at December 31:

	<u>2015</u>	<u>2014</u>
Clark County Department of Community Services	\$ 231,008	\$ 83,300
Vancouver Housing Authority	16,190	14,335
U.S. Department of Housing and Urban Development	58,477	67,252
WA State Department of Commerce	11,690	86,254
City of Vancouver	216,354	279,962
Various other	<u>98,091</u>	<u>70,977</u>
	<u>\$ 631,810</u>	<u>\$ 602,080</u>

Contributions receivable as of December 31, 2015 and 2014 consist of the following:

	<u>2015</u>	<u>2014</u>
Unconditional promises expected to be collected in:		
Less than one year	\$ 34,500	\$ 48,365
One year to five years	<u>34,500</u>	<u>29,000</u>
	77,365	77,365
Less discount	<u>(707)</u>	<u>(707)</u>
	<u>\$ 33,793</u>	<u>\$ 76,658</u>

#### NOTE 5 - BENEFICIAL INTEREST

Beneficial interest in assets consists of a pooled investment account managed by the Community Foundation for Southwest Washington ("CFSW"). The pooled investment account consists of common stocks and other equity securities, fixed income securities, mutual funds, publicly traded partnerships and limited liability companies. The Organization is allocated a prorata portion of interest, dividends, realized and unrealized gains and losses and service fees on a quarterly basis.

The funds were established through a transfer of assets to CFSW in return for the contractual promise of a perpetual stream of future distributions back to Share, based on CFSW's spending rate and related policies (described below). Although CFSW accepted the transferred assets subject to its own variance power, the Organization has retained a future economic beneficial interest in the transferred assets, having named itself as the beneficiary of the transferred fund and related future investment return. As of December 31, 2015, management believes that future distributions from CFSW are capable of fulfillment and consistent with CFSW's mission.

## SHARE

### NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

#### NOTE 5 - BENEFICIAL INTEREST (Continued)

Under the terms of its agreement with CFSW, the funds are invested at the discretion of CFSW and are held in a mixture of asset classes designed to maximize return while minimizing risk. The Organization receives semi-annual distributions of investment return from its endowment fund totaling 5% of the fund's value based on a three-year rolling average. The Organization can request distributions in writing from the operating reserve fund at any time.

The balances in these investment funds are as follows as of December 31:

	<u>2015</u>	<u>2014</u>
Operating reserve fund	\$ 415,940	\$ 417,650
Endowment fund	62,582	60,613
Replacement reserve fund	<u>402,718</u>	<u>408,334</u>
	<u>\$ 881,240</u>	<u>\$ 886,597</u>

The changes in the Organization's beneficial interest in the funds above for the years ended December 31, 2015 and 2014 are summarized as follows:

	<u>2015</u>	<u>2014</u>
Balance at January 1	\$ 886,597	\$ 739,501
Increase (decrease) in the fair value of the funds	(4,376)	52,076
Additions to the funds	8,108	103,530
Fees	<u>(9,089)</u>	<u>(8,510)</u>
Balance at December 31	<u>\$ 881,240</u>	<u>\$ 886,597</u>

#### NOTE 6 - ENDOWMENTS

The Organization has designated unrestricted net assets to recognize capital and endowment investments which function as endowments. Net assets associated with endowment funds, including funds designated by the Organization to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Donor-restricted funds are classified as permanently restricted net assets and are subject to the Washington State Uniform Prudent Management of Institutional Funds Act ("UPMIFA").

**SHARE**

## NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

**NOTE 6 - ENDOWMENTS** (Continued)

The composition of endowment net assets by type of fund at December 31, 2015 and 2014 is as follows:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowments at December 31, 2015	\$ <u>23,874</u>	\$ <u>38,708</u>	\$ <u>62,582</u>
Endowments at December 31, 2014	\$ <u>29,013</u>	\$ <u>38,708</u>	\$ <u>67,721</u>

Changes in endowment net assets for the year ended December 31, 2015 are as follows:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets at January 1, 2015	\$ 29,013	\$ 38,708	\$ 67,721
Net change in beneficial interest in assets held by Community Foundation for Southwest Washington	(1,683)		(1,683)
Appropriation of endowment assets for expenditure	<u>(3,456)</u>	_____	<u>(3,456)</u>
Endowment Net Assets at December 31, 2015	\$ <u>23,874</u>	\$ <u>38,708</u>	\$ <u>62,582</u>

Changes in endowment net assets for the year ended December 31, 2014 are as follows:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets at January 1, 2014	\$ 30,077	\$ 29,100	\$ 59,177
Contributions		9,608	9,608
Net change in beneficial interest in assets held by Community Foundation for Southwest Washington	2,526		2,526
Appropriation of endowment assets for expenditure	<u>(3,590)</u>	_____	<u>(3,590)</u>
Endowment Net Assets at December 31, 2014	\$ <u>29,013</u>	\$ <u>38,708</u>	\$ <u>67,721</u>

## **SHARE**

### NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

#### **NOTE 6 - ENDOWMENTS (Continued)**

##### ***Funds with Deficiencies***

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the Board, donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are to be reported as a reduction in unrestricted net assets with subsequent restorations reported as an increase until such deficiencies are eliminated. There were no deficient amounts to report in 2015 or 2014.

##### ***Return Objectives and Risk Parameters***

The Organization has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets that are board-designated funds. Under this policy, as approved by the Organization, the endowment assets are invested in a manner that is intended to produce results that equal or exceed the long-term certificate of deposit interest rate while assuming a moderate level of investment risk. The Organization expects its endowment funds, over time, to provide an average rate of return of approximately 5% annually. Actual returns in any given year may vary from this amount.

##### ***Strategies Employed for Achieving Objective***

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization has invested its endowments with a community foundation meeting its overall investment objectives.

##### ***Spending Policy and How the Investment Objectives Relate to Spending Policy***

The Organization provides funding to its various programs supported by its endowment funds. The permanently restricted net assets are held such that the corpus is maintained per the donor restrictions; there is no requirement to increase the corpus through earnings. All earnings are available for expenditure when earned and are transferred to its unrestricted net assets in the year earned.

## SHARE

### NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

#### NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2015</u>	<u>2014</u>
Land	\$ 1,288,332	\$ 1,288,332
Building and improvements	6,130,271	6,086,334
Equipment	<u>428,048</u>	<u>392,670</u>
	7,846,651	7,767,336
Less accumulated depreciation	<u>1,423,398</u>	<u>1,254,627</u>
	<u>\$ 6,423,253</u>	<u>\$ 6,512,709</u>

Depreciation expense was \$212,107 and \$210,102 for the years ended December 31, 2015 and 2014, respectively.

#### NOTE 8 - UNRESTRICTED NET ASSETS SUBJECT TO REQUIREMENTS

Over its history, Share has received significant financing in the form of grants from government agencies to assist in underwriting the acquisition, development and renovation of its program facilities. If the properties are sold, transferred, refinanced or changed as to use, the grants generally become immediately payable. As of December 31, 2015, Share has complied with all asset restrictions referred to above and also has the intention and ability to continue to comply with those restrictions. Accordingly, no liability has been recorded in the accompanying financial statements.

As of December 31, 2015 and 2014, Share has received grants from the following agencies with continuing compliance requirements:

State of Washington, Department of Community, Trade and Economic Development 1 (until 2018)	\$ 1,382,500
Washington State Housing Assistance Program and HOME Investment Partnership Program 2 (until 2049)	763,410
Clark County HOME and Community Development Block Grant 3 (until 2038)	198,450
Clark County Community Development Block Grant 4 (until 2031)	438,250
City of Vancouver Community Development Block Grant 5 (until 2031)	225,000
City of Vancouver Community Development Block Grant 6 (until 2020)	<u>95,000</u>
	<u>\$ 3,102,610</u>

## SHARE

### NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

#### NOTE 9 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at December 31:

	<u>2015</u>	<u>2014</u>
Various other programs	\$ 187,881	\$ 73,195
Unrestricted purpose in a future period	<u>23,875</u>	<u>34,008</u>
	\$ <u>211,756</u>	\$ <u>107,203</u>

#### NOTE 10 - IN-KIND CONTRIBUTIONS OF FOOD SUPPLIES

The Organization receives substantially all food supplies from the Surplus Food Commodities, local area grocers and public donations. In addition, the Organization is qualified to purchase food from the Oregon Food Bank at a reduced rate. The fair market value of donated items and discounts has been estimated and recorded in the statements of activities. The fair market value of such items was approximately \$740,000 and \$716,500 for 2015 and 2014, respectively. The continued availability of these food supply resources is essential to the Organization's program services.

#### NOTE 11 - LEASE AGREEMENTS

During 2013, the Organization entered into a lease agreement with Council for the Homeless to lease a portion of the Andresen building. The term is February 1, 2013 through December 31, 2017 with rent of \$1,000 per month for the first year, increasing each year by 3%. The Council for the Homeless is also required to reimburse the Organization \$50,000 for its share of the build out at \$12,500 per year. Rental income and reimbursement over the life of the agreement is expected to be as follows:

2016	\$ 25,613
2017	<u>26,006</u>
Total	\$ <u>51,619</u>

The Organization also receives rents from various tenants under month-to-month agreements. Total rental income under all agreements for the years ended December 31, 2015 and 2014 was approximately \$113,900 and \$106,200, respectively.

## **SHARE**

### **NOTES TO FINANCIAL STATEMENTS**

December 31, 2015 and 2014

#### **NOTE 11 - LEASE AGREEMENTS (Continued)**

The Organization also entered into a lease agreement with CDM Long-Term Care Services ("CDM"). The lease term is from January 1, 2013 to December 31, 2018. The Organization received the full payment of \$300,000 during 2013 which is the total lease payment for six years. The agreement includes an option for the lessee to purchase the property at the end of six years. Per the agreement, CDM is entitled to a refund of all lease payments if CDM fails to receive approval of the short plat application necessary to build on the property; as such, the Organization recorded the lease payments as deferred revenue at December 31, 2015.

The Organization has entered into various operating lease agreements for its shelters and administrative facilities. Certain lease agreements provide the Organization with donated rent. The leases extend for various periods up to six years.

The Organization has recorded the actual lease payments and fair market value of donated rent in rent expense with value of the donated rent recorded as a contribution. Contributions were \$168,900 for 2015 and 2014. Cash paid for leases was approximately \$3,450 and \$1,600 for 2015 and 2014, respectively.

#### **NOTE 12 - RETIREMENT PLAN**

The Organization makes available to its regular employees a Simple IRA (the "Plan") and will match eligible employee contributions to the Plan up to 3% of gross salary. Employees are eligible to participate in the Plan after one year of employment with annual earnings of at least \$5,000. Contributions made by the Organization to the Plan were approximately \$32,950 and \$27,200 for the years ended December 31, 2015 and 2014, respectively.



**SUPPLEMENTARY INFORMATION**

**SHARE****SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended December 31, 2015

	<u>CFDA Number</u>	<u>Expenditures</u>
<b>Department of Housing and Urban Development</b>		
Community Development Block Grants / Entitlement Grants		
Passed through Clark County		
ASPIRE	14.218	\$ 49,999
Passed through the City of Vancouver		
ASPIRE	14.218	37,853
Outreach	14.218	<u>104,324</u>
		192,176
Home Investment Partnerships Programs		
Direct Award		
Story Street	14.239	68,170
Passed through Clark County		
HOME	14.239	348,110
Passed through City of Vancouver		
HOME	14.239	<u>166,086</u>
		582,366
Emergency Solutions Grant Programs		
Direct Award		
ASPIRE	14.231	198,912
Continuum of Care Program		
Direct Awards		
B2H Match	14.267	37,628
Outreach	14.267	56,675
Step Forward	14.267	<u>159,988</u>
		<u>254,291</u>
Total Department of Housing and Urban Development		1,227,745

**SHARE****SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**

Year Ended December 31, 2015

	<u>CFDA Number</u>	<u>Expenditures</u>
<b>Department of Health and Human Services</b>		
Direct Award		
Assets for Independence	93.602	\$ 44,956
Passed through Clark County		
Health Assister	93.569	<u>133,000</u>
Total Department of Health and Human Services		177,956
<b>Department of Homeland Security</b>		
Direct award		
Emergency Food and Shelter National Board Program	97.024	50,054
<b>Department of Agriculture</b>		
Direct award		
Child Nutrition	10.558	<u>107,529</u>
		<u>\$ 1,563,284</u>

## **SHARE**

### **NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended December 31, 2015

#### **NOTE A - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Share under programs of the federal government for the year ended December 31, 2015. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Share, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Share.

#### **NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- 1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- 2) Share has elected to not use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

REPORTS ON COMPLIANCE AND  
INTERNAL CONTROL



1501 Regents Blvd., Suite 100  
Fircrest, WA 98466-6060

Independent Auditor's Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

Board of Directors  
Share  
Vancouver, Washington

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Share (a nonprofit organization) (the "Organization") which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements and have issued our report thereon dated June 30, 2016.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Share's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Share's internal control. Accordingly, we do not express an opinion on the effectiveness of Share's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

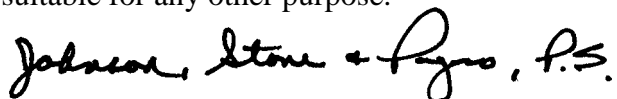
Board of Directors  
Share

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Share'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 *Government Auditing Standards*.

***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 *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**JOHNSON, STONE & PAGANO, P.S.**

June 30, 2016



1501 Regents Blvd., Suite 100  
Fircrest, WA 98466-6060

Independent Auditor's Report on Compliance for  
Each Major Program and on Internal Control over  
Compliance Required by the Uniform Guidance

Board of Directors  
Share  
Vancouver, Washington

**Report on Compliance for Each Major Federal Program**

We have audited Share's (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Share's major federal programs for the year ended December 31, 2015. Share's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Share's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Share's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Share's compliance.



Board of Directors  
Share

***Opinion on Each Major Federal Program***

In our opinion, Share complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

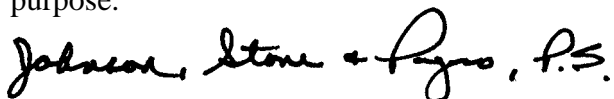
**Report on Internal Control over Compliance**

Management of Share is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Share's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Share's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



**JOHNSON, STONE & PAGANO, P.S.**

June 30, 2016

## SHARE

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS AND PRIOR YEAR AUDIT FINDINGS

Year Ended December 31, 2015

#### Section I - Summary of Auditor's Results

##### Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting: Material weaknesses identified?	No
Significant deficiencies identified that are not considered material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

##### Federal Awards

Internal control over financial reporting: Material weaknesses identified?	No
Significant deficiencies identified that are not considered material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No
Identification of major programs: 14.218 Community Development Block Grants/Entitlement Grants 14.231 Emergency Solutions Grant Program	
Dollar threshold used to distinguish between type A and type B programs:	\$ 300,000
Auditee qualified as a low-risk auditee?	Yes

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS AND  
PRIOR YEAR AUDIT FINDINGS (Continued)**

Year Ended December 31, 2015

**Section II - Financial Statement Findings**

No matters were noted.

**Section III - Federal Award Findings and Questioned Costs**

No matters were noted.

**Section IV - Prior Federal Award Audit Findings**

No matters were noted.