

THE CAMPUS FOR HUMAN DEVELOPMENT

FINANCIAL STATEMENTS

June 30, 2014 and 2013

THE CAMPUS FOR HUMAN DEVELOPMENT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Campus for Human Development
Nashville, Tennessee

We have audited the accompanying financial statements of the Campus for Human Development (a nonprofit organization), which comprise the statements of financial position as of June 30, 2014 and 2013, 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. 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 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 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 the Campus for Human Development as of June 30, 2014 and 2013, 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.

Francis Dem & Harold, PLLC

November 21, 2014

THE CAMPUS FOR HUMAN DEVELOPMENT
STATEMENTS OF FINANCIAL POSITION
June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and cash equivalents	\$ 3,361,359	\$ 2,973,246
Contract and grants receivable	91,271	93,051
Contributions receivable, net	<u>96,126</u>	<u>290,610</u>
Total current assets	3,548,756	3,356,907
Contributions receivable, net of current portion	605,318	634,306
Land, building and equipment, net	<u>12,505,251</u>	<u>12,903,604</u>
Total assets	<u><u>\$ 16,659,325</u></u>	<u><u>\$ 16,894,817</u></u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 176,834	\$ 252,018
Notes payable, current portion	<u>173,153</u>	<u>173,153</u>
Total current liabilities	349,987	425,171
Notes payable, noncurrent portion	<u>2,462,568</u>	<u>2,635,720</u>
Total liabilities	<u>2,812,555</u>	<u>3,060,891</u>
Net assets:		
Unrestricted	12,920,326	12,909,010
Temporarily restricted	<u>926,444</u>	<u>924,916</u>
Total net assets	<u>13,846,770</u>	<u>13,833,926</u>
Total liabilities and net assets	<u><u>\$ 16,659,325</u></u>	<u><u>\$ 16,894,817</u></u>

See accompanying notes.

THE CAMPUS FOR HUMAN DEVELOPMENT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues:			
Contributions	\$ 1,252,681	\$ 320,400	\$ 1,573,081
Grants and contracts	1,415,130	-	1,415,130
In-kind contributions	658,760	-	658,760
Other	176,327	-	176,327
Net assets released from restrictions	318,872	(318,872)	-
	<u>3,821,770</u>	<u>1,528</u>	<u>3,823,298</u>
Expenses:			
Program services	3,322,317	-	3,322,317
Supporting services	488,137	-	488,137
	<u>3,810,454</u>	<u>-</u>	<u>3,810,454</u>
Change in net assets	11,316	1,528	12,844
Net assets - beginning of year	<u>12,909,010</u>	<u>924,916</u>	<u>13,833,926</u>
Net assets - end of year	<u><u>\$ 12,920,326</u></u>	<u><u>\$ 926,444</u></u>	<u><u>\$ 13,846,770</u></u>

See accompanying notes.

THE CAMPUS FOR HUMAN DEVELOPMENT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues:			
Contributions	\$ 1,414,866	\$ 387,757	\$ 1,802,623
Grants and contracts	1,400,840	-	1,400,840
In-kind contributions	697,198	-	697,198
Other	396,401	-	396,401
Net assets released from restrictions	<u>671,251</u>	<u>(671,251)</u>	<u>-</u>
Total revenues	<u>4,580,556</u>	<u>(283,494)</u>	<u>4,297,062</u>
Expenses:			
Program services	3,354,848	-	3,354,848
Supporting services	<u>600,130</u>	<u>-</u>	<u>600,130</u>
Total expenses	<u>3,954,978</u>	<u>-</u>	<u>3,954,978</u>
Change in net assets	625,578	(283,494)	342,084
Net assets - beginning of year	<u>12,283,432</u>	<u>1,208,410</u>	<u>13,491,842</u>
Net assets - end of year	<u><u>\$12,909,010</u></u>	<u><u>\$ 924,916</u></u>	<u><u>\$13,833,926</u></u>

See accompanying notes.

THE CAMPUS FOR HUMAN DEVELOPMENT
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2014

	Program Services								Supporting Services			
	Day Center	Veterans	Guest House	Respite	Permanent Housing	Odyssey	Room in the Inn	Total	Management and General	Fundraising and Community Development	Total	Total
Salaries and related expenses	\$ 472,935	\$ 312,554	\$ 212,969	\$ 206,417	\$ 53,616	\$ 105,767	\$ 110,356	\$ 1,474,614	\$ 127,829	\$ 236,146	\$ 363,975	\$ 1,838,589
Depreciation	125,982	55,479	50,854	40,444	152,568	27,740	-	453,067	9,239	-	9,239	462,306
Food (including \$302,577 in-kind)	6,791	105,381	59,494	144,544	-	39,620	-	355,830	132	46	178	356,008
Utilities	70,577	22,325	20,464	14,883	51,978	13,321	-	193,548	3,341	3,334	6,675	200,223
Professional fees	71,107	11,247	13,112	15,231	3,217	2,206	10,783	126,903	6,679	40,540	47,219	174,122
Supplies (including \$132,179 in-kind)	40,165	19,176	33,358	16,035	314	15,946	33,610	158,604	1,243	1,129	2,372	160,976
Insurance	38,814	18,839	19,239	16,319	30,105	7,057	4,363	134,736	3,457	4,887	8,344	143,080
Rent expense in-kind	-	57,438	50,258	16,154	-	16,154	-	140,004	-	-	-	140,004
Maintenance and security	29,391	10,895	9,823	7,654	24,376	6,123	-	88,262	999	1,536	2,535	90,797
Laundry in-kind	-	24,864	35,784	14,028	-	9,324	-	84,000	-	-	-	84,000
Transportation	28,538	8,858	673	2,526	-	7,175	-	47,770	-	-	-	47,770
Miscellaneous	6,258	2,064	2,969	56	111	795	7,826	20,079	21,146	3,207	24,353	44,432
Program materials	12,115	4,607	5,029	1,964	744	2,268	1,276	28,003	2,276	-	2,276	30,279
Bad debt expense	-	-	-	-	-	-	-	-	18,900	-	18,900	18,900
Office equipment maintenance	2,013	2,804	2,370	2,528	307	475	1,570	12,067	853	1,218	2,071	14,138
Birth certificates and fees	4,693	137	-	-	-	-	-	4,830	-	-	-	4,830
	<u>\$ 909,379</u>	<u>\$ 656,668</u>	<u>\$ 516,396</u>	<u>\$ 498,783</u>	<u>\$ 317,336</u>	<u>\$ 253,971</u>	<u>\$ 169,784</u>	<u>\$ 3,322,317</u>	<u>\$ 196,094</u>	<u>\$ 292,043</u>	<u>\$ 488,137</u>	<u>\$ 3,810,454</u>

See accompanying notes.

THE CAMPUS FOR HUMAN DEVELOPMENT
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2013

	Program Services								Supporting Services			
									Fundraising and Community Development			
	Day Center	Veterans	Guest House	Respite	Odyssey	Permanent Housing	Room in the Inn	Total	Management and General	Community Development	Total	Total
Salaries and related expenses	\$ 429,981	\$ 270,626	\$ 192,453	\$ 170,592	\$ 205,804	\$ 62,232	\$ 147,823	\$ 1,479,511	\$ 266,980	\$ 57,213	\$ 324,193	\$ 1,803,704
Depreciation	124,008	50,874	54,576	54,605	29,769	163,728	-	477,560	9,923	-	9,923	487,483
Food (including \$367,485 in-kind)	-	124,628	165,154	83,344	46,591	-	210	419,927	797	-	797	420,724
Utilities	54,322	20,636	18,917	13,757	12,588	60,867	250	181,337	4,861	-	4,861	186,198
Professional fees	40,244	19,108	9,327	10,953	6,880	3,989	6,773	97,274	48,987	-	48,987	146,261
Rent expense in-kind	-	57,438	50,258	16,154	16,154	-	-	140,004	-	-	-	140,004
Supplies (including \$108,149 in-kind)	32,149	15,190	25,771	14,516	13,337	522	33,767	135,252	3,418	-	3,418	138,670
Insurance	30,781	15,389	13,466	11,724	8,244	28,314	3,296	111,214	7,874	-	7,874	119,088
Miscellaneous	1,660	3,637	750	1,516	580	108	7,770	16,021	95,374	-	95,374	111,395
Maintenance and security	22,433	10,145	9,503	7,564	6,886	27,463	40	84,034	2,231	-	2,231	86,265
Laundry in-kind	-	23,940	33,535	14,861	9,224	-	-	81,560	-	-	-	81,560
Bad debt expense	-	-	-	-	-	-	-	-	70,599	-	70,599	70,599
Program materials	10,790	18,329	7,249	6,286	13,502	1,844	3,130	61,130	4,735	-	4,735	65,865
Transportation	29,044	7,787	2,354	2,921	12,433	-	-	54,539	-	-	-	54,539
Fundraising expenses	-	-	-	-	-	-	-	-	-	25,334	25,334	25,334
Office equipment maintenance	2,228	1,591	1,478	1,485	955	318	955	9,010	1,804	-	1,804	10,814
Birth certificates and fees	6,234	95	-	-	146	-	-	6,475	-	-	-	6,475
	<u>\$ 783,874</u>	<u>\$ 639,413</u>	<u>\$ 584,791</u>	<u>\$ 410,278</u>	<u>\$ 383,093</u>	<u>\$ 349,385</u>	<u>\$ 204,014</u>	<u>\$ 3,354,848</u>	<u>\$ 517,583</u>	<u>\$ 82,547</u>	<u>\$ 600,130</u>	<u>\$ 3,954,978</u>

See accompanying notes.

THE CAMPUS FOR HUMAN DEVELOPMENT
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Change in net assets	\$ 12,844	\$ 342,084
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	462,306	487,483
Gain on disposal of land, building and equipment	-	(240,581)
Contributions restricted for capital campaign	(85,400)	(313,382)
Provision for loss on uncollectible contributions	-	70,599
Change in operating assets and liabilities:		
Contract and grants receivable	1,780	(2,141)
Contributions receivable for operations	83,872	(74,375)
Accounts payable and accrued expenses	(75,184)	52,746
Net cash provided by operating activities	<u>400,218</u>	<u>322,433</u>
Cash flows from investing activities:		
Proceeds from the sale of land, building and equipment	-	240,581
Purchase of land, building and equipment	(63,953)	(1,829)
Net cash (used in) provided by investing activities	<u>(63,953)</u>	<u>238,752</u>
Cash flows from financing activities:		
Proceeds from contributions restricted for capital campaign	225,000	600,652
Payments on long-term debt	(173,152)	(164,279)
Net cash provided by financing activities	<u>51,848</u>	<u>436,373</u>
Net increase in cash and cash equivalents	388,113	997,558
Cash and cash equivalents - beginning of year	<u>2,973,246</u>	<u>1,975,688</u>
Cash and cash equivalents - end of year	<u><u>\$3,361,359</u></u>	<u><u>\$2,973,246</u></u>

See accompanying notes.

THE CAMPUS FOR HUMAN DEVELOPMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

The Organization

The Campus for Human Development (“Campus”) is a religious non-profit organization based in Nashville, Tennessee. Campus is committed to providing enhanced services to the homeless while improving the system by which these services are delivered. Campus administers a variety of programs to provide a continuum of care that is emergency and long-term, residential and educational. Following is a description of selected Campus programs. The Day Center serves homeless individuals with daytime shelter and educational opportunities throughout the year. The Guest House serves homeless substance abusers by offering shelter to individuals who are undergoing alcohol and drug addiction treatment through a partnership with United Neighborhood Health and the chronic homeless program through the Veteran’s Administration. The Veterans program provides transitional housing and supportive services to homeless veterans. The Permanent Housing program provides income-based housing for up to 38 homeless participants. The Odyssey program provides transitional housing and supportive services for homeless men from the general population. Respite offers homeless individuals who are medically fragile a place to recover. Room In The Inn, in partnership with more than 180 Middle Tennessee congregations, provides shelter for an average of 250 men, women, and children each evening during the winter months.

Basis of Presentation

In accordance with Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”) guidance, Campus 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. In addition, Campus is required to present a statement of cash flows. Net assets of Campus are presented as follows:

Unrestricted net assets – net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – net assets subject to donor-imposed stipulations that may or will be met, either by actions of Campus and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently restricted net assets – net assets subject to donor-imposed stipulations that they be maintained permanently by Campus. Generally, donors of these assets may permit Campus to use all or part of the income earned for general or specific purposes. Campus currently has no permanently restricted net assets.

THE CAMPUS FOR HUMAN DEVELOPMENT
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2014 and 2013

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Cash and Cash Equivalents

For purposes of the statements of cash flows, Campus considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. The cash accounts are held primarily by financial institutions and at times may exceed amounts that are federally insured.

Contributions Receivable

Contributions are recognized when the donor makes a promise to give to Campus that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Campus uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

Land, Building and Equipment

Campus capitalizes all expenditures for land, building and equipment in excess of \$1,000. Purchases of land, building and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over estimated useful lives of 5 – 39 years.

Income Taxes

Campus is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and is not a private foundation.

Campus follows FASB ASC guidance related to unrecognized tax benefits. The guidance clarifies the accounting for uncertainty in income taxes recognized in an organization's financial statements. This guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. Campus has no tax penalties or interest reported in the accompanying financial statements. Tax years that remain open for examination include years ended June 30, 2011 through June 30, 2014.

THE CAMPUS FOR HUMAN DEVELOPMENT
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2014 and 2013

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

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 and 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.

Donated Materials and Services

Donated materials and equipment, if any, are reflected as contributions in the accompanying financial statements at their estimated values at the date of receipt.

Donated use of facilities is recorded at the estimated fair market value.

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Additionally, a number of non-professional volunteers donated approximately 270,000 and 181,000 hours during the years ended June 30, 2014 and 2013, respectively, to Campus' program services. However, these services do not meet the requirements above and have not been recorded.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among program and support services based on estimates by management.

Subsequent Events

Campus evaluated subsequent events through November 21, 2014, when these financial statements were available to be issued. Except as discussed in Note 9, management is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to the filing of this report that would have a material impact on the financial statements.

THE CAMPUS FOR HUMAN DEVELOPMENT
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2014 and 2013

NOTE 2 – CONTRIBUTIONS RECEIVABLE

Contributions receivable are as follows at June 30:

	<u>2014</u>	<u>2013</u>
Contributions receivable	\$ 769,526	\$ 1,087,410
Less: Discount on contributions receivable	(52,182)	(55,695)
Allowance for doubtful accounts	<u>(15,900)</u>	<u>(106,799)</u>
Net contributions receivable	<u><u>\$ 701,444</u></u>	<u><u>\$ 924,916</u></u>

The discount rates used to determine the present value of contributions receivable ranged from 1.14% to 3.53% at June 30, 2014 and 2013, respectively.

Contributions receivable are scheduled to be received as follows at June 30:

	<u>2014</u>	<u>2013</u>
Receivable in less than one year, net	\$ 96,126	\$ 290,610
Receivable in one to five years, net	571,710	604,843
Receivable in more than five years, net	<u>33,608</u>	<u>29,463</u>
	<u><u>\$ 701,444</u></u>	<u><u>\$ 924,916</u></u>

During the year ended June 30, 2014, outstanding contributions receivable totaling \$109,799 were written off against the allowance for doubtful accounts. A provision for loss on uncollectible contributions of \$70,599 has been recorded in the accompanying statement of activities for the year ended June 30, 2013, based on management's evaluation of uncollectible promises to give at June 30, 2013.

NOTE 3 – LAND, BUILDING AND EQUIPMENT

Land, building and equipment is summarized as follows at June 30:

	<u>2014</u>	<u>2013</u>
Real estate	\$ 709,072	\$ 709,072
Buildings	9,764,334	9,764,334
Leasehold improvements – Eighth Avenue South	3,571,181	3,571,181
Furniture and laundry equipment	610,372	588,962
Automobiles	57,450	57,450
Office equipment	<u>554,039</u>	<u>511,496</u>
	15,266,448	15,202,495
Less: accumulated depreciation	<u>(2,761,197)</u>	<u>(2,298,891)</u>
	<u><u>\$ 12,505,251</u></u>	<u><u>\$ 12,903,604</u></u>

THE CAMPUS FOR HUMAN DEVELOPMENT
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2014 and 2013

NOTE 3 – LAND, BUILDING AND EQUIPMENT (Continued)

There are restrictions on certain property owned by Campus. The real estate restrictions by the Department of Housing and Urban Development (“HUD”) require Campus to operate the transitional housing facilities for a period of ten years from the initial occupancy. Additionally, Metropolitan Development and Housing Agency (“MDHA”) grant funds have placed restrictions on leasehold improvements and office equipment that require Campus to use the assets for the benefit of homeless individuals.

During the year ended June 30, 2013, Campus received a court awarded settlement totaling \$240,581, net of legal fees, related to the sale of donated property which was condemned by the State of Tennessee during 2012. This amount has been recorded as other revenue in the accompanying 2013 statement of activities.

NOTE 4 – NOTES PAYABLE

In conjunction with the construction of its new building, Campus had notes payable consisting of the following at June 30:

	<u>2014</u>	<u>2013</u>
Note payable to a financial institution payable in monthly principal installments of \$4,442. Interest is calculated at the bank’s prime rate less 400 basis points not to fall below 0.00%. The note matures December 2016 and is secured by a deed of trust.	\$ 932,747	\$ 986,047
Note payable to a financial institution payable in monthly principal installments of \$4,432. Interest is calculated at the bank’s prime rate less 400 basis points not to fall below 0.00%. The note matures December 2016 and is secured by a deed of trust.	930,752	983,937
Note payable to a financial institution payable in monthly principal installments of \$5,556. Interest is calculated at the bank’s prime rate less 400 basis points not to fall below 0.00%. The note matures January 2026 and is secured by a deed of trust.	<u>772,222</u>	<u>838,889</u>
Total notes payable	<u>\$ 2,635,721</u>	<u>\$ 2,808,873</u>

THE CAMPUS FOR HUMAN DEVELOPMENT
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2014 and 2013

NOTE 4 – NOTES PAYABLE (Continued)

Future principal payments on the notes are as follows at June 30, 2014:

Year Ending <u>June 30,</u>	
2015	\$ 173,153
2016	173,153
2017	1,717,194
2018	66,667
2019	66,667
Thereafter	<u>438,887</u>
	<u>\$ 2,635,721</u>

NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods at June 30:

	<u>2014</u>	<u>2013</u>
Unconditional promises to give due in future periods	\$ 701,444	\$ 924,916
Future housing programs	<u>225,000</u>	<u>-</u>
	<u>\$ 926,444</u>	<u>\$ 924,916</u>

NOTE 6 – DONATED MATERIALS AND SERVICES

Campus received in-kind contributions as follows during the years ended June 30:

	<u>2014</u>	<u>2013</u>
Food	\$ 302,577	\$ 367,485
Rental facilities	140,004	140,004
Supplies	132,179	108,149
Laundry services	<u>84,000</u>	<u>81,560</u>
	<u>\$ 658,760</u>	<u>\$ 697,198</u>

THE CAMPUS FOR HUMAN DEVELOPMENT
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2014 and 2013

NOTE 6 – DONATED MATERIALS AND SERVICES (Continued)

The property located at Eighth Avenue South is leased on a long-term basis from MDHA. The payment of monthly rent is currently suspended and Campus recorded in-kind rent of \$89,479 for 2014 and 2013, respectively. The lease requires the property to be used for programs to help the homeless and the Guest House operations. The property at 625 Benton Avenue is used by Campus programs. This property is provided to Campus by MDHA, and requires the property to be used to assist the homeless. The payment of monthly rent is suspended and Campus recorded in-kind rent of \$36,000 for 2014 and 2013, respectively. The property located on Fifteenth Avenue is used by Campus programs. The property is provided to Campus by Belmont University and requires the property to be used for transitional housing. The payment of monthly rent is suspended and Campus recorded in-kind rent of \$14,525 for 2014 and 2013, respectively.

In-kind food represents donations of food to Campus and meals provided to individuals participating in Campus' various programs.

NOTE 7 – CONCENTRATIONS

Campus receives a significant amount of its support from contracts and grants from government agencies. Campus also receives a significant amount of financial and other support from religious organizations. A major reduction of support from these organizations, should this occur, could have a material effect on the financial position of Campus.

In addition, cash and cash equivalent balances are held primarily by financial institutions and at times may exceed federally insured limits.

NOTE 8 – EMPLOYEE RETIREMENT PLAN

Campus adopted a defined contribution plan effective January 1, 1997. The Plan covers all employees who are at least 21 years of age and have completed 90 days of service. Campus does not match employee contributions to the defined contribution plan.

NOTE 9 – SUBSEQUENT EVENT

During August 2014, Campus officially changed its name to Room in the Inn, Inc.