

ALMOST HOME, INC.
(a non-profit corporation)

FINANCIAL STATEMENTS and
INDEPENDENT AUDITORS' REPORT

JUNE 30, 2020

**ALMOST HOME, INC.
(a non-profit corporation)**

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COLORADO SOCIETY OF CPAs

ROBERT R. FEIS, CPA

INDEPENDENT AUDITORS' REPORT

Board of Directors
Almost Home, Inc.
Brighton, Colorado

We have audited the accompanying financial statements of Almost Home, Inc. (a non-profit corporation), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 Almost Home, Inc. as of June 30, 2020, 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.

Feis & Co., P.C.

**CERTIFIED PUBLIC ACCOUNTANTS
Brighton, CO**

December 21, 2020

ALMOST HOME, INC.
(a non-profit corporation)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020

ASSETS

Current Assets	
Cash - Unrestricted	\$ 70,751
Beneficial interest in Community First Foundation	604,811
Grants and accounts receivable (net of allowance for doubtful accounts of \$0)	227,231
Prepaid expenses and deposits	799
Total Current Assets	903,592
 Property and Equipment (Note 1)	
Shelter and improvements	442,127
Office furniture and equipment	23,319
Total Property and Equipment	465,446
Less Accumulated Depreciation	(243,685)
Net Property and Equipment	221,761
Total Assets	\$ 1,125,353

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	\$ 11,533
Other payable - PPP loan (Note 8)	46,886
Total Current Liabilities	58,419
Long-Term Debt	-
Total Liabilities	58,419
 Net Assets (Note 2)	
Without donor restrictions	970,708
With donor restrictions	96,226
Total Net Assets	1,066,934
Total Liabilities and Net Assets	\$ 1,125,353

See independent auditors' report.
The accompanying notes on pages 6 to 13 are an
integral part of the financial statements.

ALMOST HOME, INC.
(a non-profit corporation)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Totals
<u>Support & Other Revenue</u>			
Grants and contributions	\$ 277,137	\$ 766,561	\$ 1,043,698
Fundraising	64,945	-	64,945
Net assets released from restriction	766,561	(766,561)	-
Total General Support	1,108,643	-	1,108,643
Investment Income			
Interest & dividend income	353	-	353
Investment income - Community First	21,136	-	21,136
Net Investment Income	21,489	-	21,489
Total Support & Other Revenue	1,130,132	-	1,130,132
<u>Expenses</u>			
Program Services			
Rental assistance	704,257	-	704,257
Shelter assistance	123,396	-	123,396
Total Program Services	827,653	-	827,653
Supporting Services			
General and administrative	142,055	-	142,055
Fundraising events	114,001	-	114,001
Total Supporting Services	256,056	-	256,056
Total Expenses	1,083,709	-	1,083,709
<u>Other Income (Expenses)</u>			
Gain(Loss) on sale of assets	-	-	-
Total Other Income	-	-	-
Increase (decrease) in Net Assets	46,423	-	46,423
Net assets, beginning of year	924,285	96,226	1,020,511
Net assets, end of year	\$ 970,708	\$ 96,226	\$ 1,066,934

See independent auditors' report.
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ALMOST HOME, INC.
(a non-profit corporation)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

<u>Functional Expenses</u>	<u>PROGRAM SERVICES</u>		<u>SUPPORTING SERVICES</u>		<u>Total</u>
	<u>Rental Assistance</u>	<u>Shelter Assistance</u>	<u>General and Administrative</u>	<u>Fundraising Events</u>	
Client assistance	\$ 566,101	\$ -	\$ -	\$ -	\$ 566,101
Shelter supplies	-	16,344	-	-	16,344
Fund raising expenses	-	-	-	23,584	23,584
Salaries	125,584	53,680	10,474	81,330	271,068
Payroll taxes	12,572	5,374	1,049	8,142	27,137
Insurance	-	-	11,063	-	11,063
Employee benefits	-	-	32,507	-	32,507
General & administrative	-	2,835	32,814	917	36,566
Office expenses	-	-	12,653	28	12,681
Professional fees	-	-	31,458	-	31,458
Repairs and maintenance	-	11,700	2,809	-	14,509
Utilities	-	9,654	5,386	-	15,040
Depreciation & amortization	-	23,809	1,842	-	25,651
Totals	\$ <u>704,257</u>	\$ <u>123,396</u>	\$ <u>142,055</u>	\$ <u>114,001</u>	\$ <u>1,083,709</u>

See independent auditors' report.
The accompanying notes on pages 6 to 13 are an
integral part of the financial statements.

STATEMENT OF CASH FLOWS

ALMOST HOME, INC.
(a non-profit corporation)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

DIRECT METHOD

Cash flows from operating activities	
Cash contributions and grants received	\$ 932,504
Interest received on cash funds	353
Cash operating expenses paid	<u>(1,054,437)</u>
Net cash provided (used) by operating activities	<u>(121,580)</u>
Cash flows from investing activities	
Purchases of property and equipment	(5,911)
Proceeds from investments	<u>22,000</u>
Net cash provided (used) by investing activities	<u>16,089</u>
Cash flows from financing activities	
Net proceeds (payments) of long-term debt	<u>46,886</u>
Net cash provided (used) by financing activities	<u>46,886</u>
Net increase (decrease) in cash and cash equivalents	(58,605)
Cash and cash equivalents at beginning of year	<u>129,356</u>
Cash and cash equivalents at end of year	\$ <u><u>70,751</u></u>

**Reconciliation of Net Cash Provided (Used) by
Operating Activities to Increase (Decrease) in Net Assets**

Increase (Decrease) in Net Assets	\$	46,423
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation & amortization		25,651
Investment income - Community First		(21,136)
Changes in assets and liabilities		
(Increase) decrease in grants and accounts receivable		(176,139)
(Increase) decrease in prepaid expenses		1,381
Increase (decrease) in accounts payable		4,841
Increase (decrease) in accrued vacation		<u>(2,601)</u>
Net cash provided (used) by operating activities	\$	<u><u>(121,580)</u></u>

See independent auditors' report.
The accompanying notes on pages 6 to 13 are an
integral part of the financial statements.

ALMOST HOME, INC.
(a non-profit corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

1. Summary of Significant Accounting Policies

A. Purpose

Almost Home, Inc. is a Colorado non-profit corporation established in March 1993 to provide emergency shelter and housing assistance to low-income individuals and families. Case management services are also provided to clients in order to link them with the appropriate services and to increase their self-sufficiency. Program Services include the following:

Rental Assistance- The Organization provides rental and mortgage assistance to persons in need. These funds help to provide stability for those who found themselves unable to pay for rent. In some cases, the Organization can provide assistance towards a deposit when securing new housing.

Shelter Assistance- The Organization operates one of only three Family Emergency Shelters in all of Adams County. The family shelter can accommodate up to seven families at a time.

B. Basis of Accounting

The accrual basis of accounting is used for financial statement presentation. Under the accrual method of accounting, revenues and the related assets are recognized when earned rather than when received, and expenses and the related liabilities are recognized when incurred rather than when paid.

Annual operating budgets are prepared by management and approved by the Board of Directors. The budget is used as a guideline and control document for financial operations.

C. Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over an estimated useful life of five to forty years. The half-year convention is used whereby one-half year's depreciation is taken in the year the asset is acquired and one-half year is taken in the year of disposition. Depreciation expense for the year was \$25,651. The Organization capitalizes all property and equipment with a cost (or fair value, if contributed) exceeding \$250 and having a useful life exceeding one year.

See independent auditors' report

ALMOST HOME, INC.
(a non-profit corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

1. Summary of Significant Accounting Policies (continued)

D. Support

The Organization reports gifts of cash and other assets as restricted support if they are received with donor or grantor stipulations that limit the use of the donated assets. When a donor or grantor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction. Grants and contributions restricted to future years are considered net assets with donor restriction.

E. Income Taxes

Almost Home, Inc. is exempt from income tax under Internal Revenue Code Section 501(c)(3). In accordance with accounting principles generally accepted in the United States of America, a private entity is required to disclose any material uncertain tax positions that management believes does not meet a “more-likely-than-not” standard of being sustained under an income tax audit and to record a liability for any such income tax, including penalties and related interest expense. Management has not identified any uncertain tax positions that require the recording of a liability mentioned above or further disclosure. Tax years 2017 through 2020 remain subject to inspection by the Internal Revenue Service.

F. Financial Statement Presentation

In accordance with the provisions of Statement of Financial Accounting Standards Codification 958, *Financial Statements of Not-for-Profit Organizations*, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

G. Estimates in the Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) 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.

See independent auditors' report

ALMOST HOME, INC.
(a non-profit corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

1. Summary of Significant Accounting Policies (continued)

H. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

I. Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

J. Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. The Organization places its cash and cash equivalents with creditworthy, high-quality, financial institutions. Uninsured deposits are principally in the form of interest-bearing money market accounts. Concentration risks associated with accounts receivable are limited as no significant balances are due from any single entity.

As of June 30, 2020, the organization's cash deposits had a carrying balance of \$70,751 and corresponding bank balances as follows:

Insured Deposits	\$ 70,701
Cash on Hand	50
Uninsured Deposits	<u>---</u>
Total cash and cash equivalents	\$ <u>70,751</u>

See independent auditors' report

ALMOST HOME, INC.
(a non-profit corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

1. Summary of Significant Accounting Policies (continued)

K. Asset Liquidity

From time to time, the Organization receives support from restricted contributions. Because a donors' restriction requires resources to be used in a particular manner in a future period, The Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year. As part of The Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short term investments.

Financial assets at year end	\$ 902,793
Less: current liabilities	<u>(58,419)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 844,374</u>

L. Investments

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

2. Net Assets

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. In addition, contributions received are recorded as with donor restrictions support based on the existence and nature of any donor restrictions. The two classes of net assets are as follows:

Without donor restrictions

Without donor restrictions are net assets currently available at the discretion of the Board for the use in the Organization's operations.

See independent auditors' report

ALMOST HOME, INC.
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

2. Net Assets (continued)

With donor restrictions

With donor restrictions are net assets which are stipulated by donors or grantors for specific operating purposes or future periods. As of June 30, 2020, the Organization held \$96,226 of net assets with donor restrictions.

3. Beneficial Interest in Community First Foundation

The Organization has an agreement with Community First Foundation (Community First) to manage an endowment fund. This fund is reported on the statement of financial position as a beneficial interest in Community First. The endowment fund is a board-designated endowment and annual withdrawals are limited to 4% of the current value of the investment.

Investments are stated at their fair values and consist of the following at June 30, 2020:

Equity securities	\$604,811
Total	\$604,811

Investment income is summarized as follows:

	2020
Interest and dividend income	\$ 13,440
Net realized and unrealized gains/(losses)	13,666
Less: investment management fees	(5,970)
	\$ 21,136

4. Fair Value Measurements

The carrying amounts reported in the statement of financial position for cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate fair value because of the immediate or short-term maturities of these financial instruments.

See independent auditors' report

ALMOST HOME, INC.
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

4. Fair Value Measurements (continued)

In accordance with Statement of Financial Accounting Standards Codification 820, *Fair Value Measurements*, the Organization's investments are measured at fair value using a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1- Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments included in Level 1 include mutual funds, listed equities, listed derivatives, cash, and cash equivalents.

Level 2- Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate and government bonds, less liquid and restricted equity securities, certain over-the-counter derivatives, and money market funds.

Level 3- Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include limited partnership interests in corporate private equity and real estate funds, funds of hedge funds, and distressed debt. In certain cases, the inputs used to measure fair value may fall in to different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

See independent auditors' report

ALMOST HOME, INC.
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

4. Fair Value Measurements (continued)

The following table summarizes the valuation of the Organization's investments by the above fair value hierarchy levels:

As of June 30, 2020:

	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Equity securities	\$ 604,811	\$ 604,811	\$ -	\$ -
Totals	\$ 604,811	\$ 604,811	\$ -	\$ -

5. Accrued Vacation

As of June 30, 2020, the outstanding liability for unused employee vacation time totaling \$0. There is no allowance for the carryover of unused sick time.

6. Office Lease

The Organization leases administrative office space and use of the community center through a signed lease agreement. The lease agreement states that the Organization has an option to renew this lease for an additional four (4) five (5) year terms totaling (20) twenty years. The current lease agreement began on December 28, 2017 and ends on December 27, 2022 and is for a (5) year term with annual lease payments totaling \$1 per year. In addition, the Organization pays shared costs for utilities, maintenance, etc. Lease expense for the year ended June 30, 2020 was \$15,408.

7. Payment Protection Program Loan (PPP Loan)

The Organization received a loan from TBK Bank in the amount of \$46,886 under the Paycheck Protection Program (PPP Loan) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is subject to a note dated April 28, 2020 and may be forgiven to the extent proceeds of the loan are used for eligible expenditures such as payroll and other expenses described in the CARES Act. No determination has been made as to whether the Organization will be eligible for forgiveness, in whole or in part. The loan bears interest at a rate of 1% and is payable in monthly installments of principal and interest over 17 months beginning November 28, 2020. The loan may be repaid at any time with no prepayment penalty. Management believes that all expenditures were eligible under the CARES Act and the PPP Loan will be forgiven in its entirety.

See independent auditors' report

ALMOST HOME, INC.
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

8. Disruption due to Pandemic

The COVID-19 outbreak, which was declared a worldwide pandemic on March 11, 2020 by the World Health Organization (“WHO”), has caused business disruption in a variety of industries, markets and geographic regions. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. The extent to which Almost Home, Inc.’s operational and financial performance will be affected is also uncertain. Therefore, while Almost Home, Inc. expects this matter to negatively impact their business, results of operations, and financial position, the related financial impact cannot be reasonably estimated at this time.

9. Subsequent Events

In accordance with the provisions of Statement of Financial Accounting Standards Codification 855, Subsequent Events, management is required to evaluate, through the date the financial statements are issued or are available to be issued, events or transactions that may require recognition or disclosure in the financial statements, and to disclose the date through which subsequent events were evaluated. Almost Home, Inc. financial statements were available to be issued on the date of the attached independent auditors’ report, and this is the date through which subsequent events were evaluated. Management has not identified any subsequent events requiring disclosure.

See independent auditors' report