

Almost Home, Inc.
Financial Statements
and Supplemental Information
For the Year Ended June 30, 2024

CONTENTS

Independent Auditors' Report	1
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets.....	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to Financial Statements	7
Independent Auditors' 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.....	12
Independent Auditors' Report on Compliance for each Major Program and Report on Internal Control over Compliance Required by the Uniform Guidance.....	14
Schedule of Expenditures of Federal Awards.....	18
Schedule of Findings and Questioned Costs.....	20



ALEXANDER & WILLIAMS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Almost Home, Inc.
Brighton, Colorado

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Almost Home, Inc., which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Almost Home, Inc. as of June 30, 2024, 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.

Basis for Opinion

We conducted our audit 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. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Almost Home, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Almost Home, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Alexander & Williams, PLLC
5050 Quorum Drive, Suite 700
Dallas, Texas 75254

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Almost Home, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Almost Home, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements and Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the financial statements. The Schedule of Expenditures of Federal Awards 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. Such 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 Schedule of Expenditures of Federal Awards 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 April 30, 2025, on our consideration of Almost Home, Inc.'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 solely 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 the effectiveness of Almost Home, Inc.'s 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 Almost Home, Inc.'s internal control over financial reporting and compliance.

Alexander E Williams, PLLC

Dallas, Texas
April 30, 2025

ALMOST HOME, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

ASSETS

Current assets:	
Cash - unrestricted	\$ 351,251
Cash - restricted	51,956
Grants and promises to give	292,814
Total current assets	<u>696,021</u>
Property and equipment:	
Shelter and improvements	480,570
Office furniture and equipment	70,794
Total property and equipment	<u>551,364</u>
Accumulated depreciation	(354,817)
Net property and equipment	<u>196,547</u>
Other assets:	
Beneficial interest in Community First Foundation	<u>616,191</u>
Total other assets	<u>616,191</u>
Total assets	<u><u>\$ 1,508,759</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable and accrued expenses	\$ 100,397
Deferred income	696,821
Total current liabilities	<u>797,218</u>
Total liabilities	<u>797,218</u>
Commitments and contingencies (Note 5)	
Net assets:	
With donor restrictions	51,956
Without donor restrictions	659,585
Total net assets	<u>711,541</u>
Total liabilities and net assets	<u><u>\$ 1,508,759</u></u>

The accompanying notes are an integral part of these financial statements

ALMOST HOME, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and support:			
Contributions	\$ 1,022,064	\$ 162,238	\$ 1,184,302
Government grants	3,891,013	-	3,891,013
Change in fair value of beneficial interest	23,194	-	23,194
Interest income	510	-	510
Net assets released from restrictions	206,508	(206,508)	-
Total revenue and support	<u>5,143,289</u>	<u>(44,270)</u>	<u>5,099,019</u>
Costs and expenses:			
Program services:			
Rental assistance	2,335,592	-	2,335,592
Shelter assistance	2,163,864	-	2,163,864
Total program services	<u>4,499,456</u>	<u>-</u>	<u>4,499,456</u>
Supporting services:			
Management and general	472,780	-	472,780
Fundraising	345,434	-	345,434
Total supporting services	<u>818,214</u>	<u>-</u>	<u>818,214</u>
Total costs and expenses	<u>5,317,670</u>	<u>-</u>	<u>5,317,670</u>
Change in net assets	(174,381)	(44,270)	(218,651)
Net assets at beginning of year	<u>833,966</u>	<u>96,226</u>	<u>930,192</u>
Net assets at end of year	<u>\$ 659,585</u>	<u>\$ 51,956</u>	<u>\$ 711,541</u>

The accompanying notes are an integral part of these financial statements

ALMOST HOME, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

Cash flows from operating activities:	
Change in net assets	\$ (218,651)
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Change in beneficial interest	(23,194)
Depreciation	28,780
Changes in operating assets and liabilities:	
Grants and accounts receivable	739,066
Accounts payable and accrued expenses	(38,293)
Deferred revenue	128,216
Net cash provided by operating activities	<u>615,924</u>
Cash flows from investing activities:	
Purchases of property and equipment	<u>(25,760)</u>
Net cash used in investing activities	<u>(25,760)</u>
Cash flows from financing activities:	
Proceeds from note payable	585,000
Repayment of note payable	<u>(880,000)</u>
Net cash used in financing activities	<u>(295,000)</u>
Net increase in cash, restricted deposits and equivalents	295,164
Beginning of year cash, restricted deposits and equivalents	<u>108,043</u>
End of year cash, restricted deposits and equivalents	<u>\$ 403,207</u>
<u>Supplemental Cash Flow Disclosures</u>	
Interest paid	<u>\$ 12,135</u>
Income taxes paid	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

ALMOST HOME, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services		Supporting Services		Total
	Rental Assistance	Shelter Assistance	Management and General	Fundraising Events	
Costs and expenses:					
Client assistance	\$ 1,531,870	\$ -	\$ -	\$ -	\$ 1,531,870
Salaries	734,393	455,324	44,062	235,006	1,468,785
Shelter supplies	-	1,289,472	-	-	1,289,472
Bad debt	-	288,347	-	-	288,347
Employee benefits	-	-	151,923	-	151,923
General and administrative	4,670	7,262	118,130	13,289	143,351
Payroll taxes	64,659	34,439	16,743	20,283	136,124
Office expenses	-	-	96,032	6,441	102,473
Fund raising expenses	-	-	-	70,415	70,415
Repairs and maintenance	-	39,150	-	-	39,150
Utilities	-	21,090	7,987	-	29,077
Depreciation	-	28,780	-	-	28,780
Professional fees	-	-	22,350	-	22,350
Insurance	-	-	15,553	-	15,553
Total costs and expenses	<u>\$ 2,335,592</u>	<u>\$ 2,163,864</u>	<u>\$ 472,780</u>	<u>\$ 345,434</u>	<u>\$ 5,317,670</u>

The accompanying notes are an integral part of these financial statements

ALMOST HOME, INC.
NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Almost Home, Inc. (the Organization) 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. The Organization's mission is fulfilled by focusing its efforts in two primary service areas.

Rental Assistance

The Organization provides rental and mortgage assistance to persons in need. These funds help to provide stability for those who find 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.

Basis of Presentation

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

Use of Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Organization to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts receivable and promises to give are limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies, and foundations supportive of the Organization's mission.

Cash and Cash Equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition. As of June 30, 2024, the Organization had no cash or cash equivalents which were restricted for long-term purposes.

ALMOST HOME, INC.
NOTES TO FINANCIAL STATEMENTS

Grants and Promises to Give

The Organization records grants for which it has been awarded and unconditional promises to give that are expected to be collected within one year at net realizable value. Grants and unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. Allowance for credit losses related to grants and promises to give is determined based on historical experience, an assessment of economic conditions incorporating expected future losses and a review of subsequent collections. Promises to give are written off when deemed uncollectable. As of June 30, 2023, the Organization's grants and promises to give were \$1,031,880. At June 30, 2024, the allowance for credit losses was \$-0-.

Beneficial Interests in Charitable Trust Held by Community First Foundation

The Organization established an endowment fund that is perpetual in nature (the Fund) under a community foundation (the CF) and named the Organization as beneficiary. The Organization granted variance power to the CF, which allows the CF to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the CF's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The fund is held and invested by the CF for the Organization's benefit and is reported at fair value in the statements of financial position, with distributions and changes in fair value recognized in the statement of activities.

Property and Equipment

Property and equipment are recorded at cost, or if donated, at fair value on the date of donation. Depreciation is computed using straight-line methods over estimated useful lives for financial reporting purposes. Expenditures for normal maintenance and repairs are expensed as incurred. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. Depreciation expense for the year ended June 30, 2024, was approximately \$29,000.

The estimated useful lives of the Organization's remaining depreciable assets are as follows:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Shelter and improvements	5 – 40 years
Office furniture and equipment	5 – 20 years

Impairment of Long-Lived Assets

The Organization evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate possible impairment. If the carrying amount for the asset is not recoverable, an impairment loss is recorded to adjust the carrying amount of the asset and the adjusted carrying amount becomes the new cost basis. For a depreciable long-lived asset, the new cost basis will be depreciated over the remaining estimated useful life of the asset. There were no impairments recognized during the year ended June 30, 2024.

ALMOST HOME, INC.
NOTES TO FINANCIAL STATEMENTS

Revenue and Support

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred income in the statement of financial position. The Organization received cost-reimbursable grants of \$652,021 that have not been recognized at June 30, 2024, because qualifying expenditures have not yet been incurred. No amounts have been received in advance under our federal and state contracts and grants.

In-kind Contributions

Contributed nonfinancial assets include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. The Organization does not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by GAAP. Contributed goods are recorded at fair value at the date of donation. No significant contributions of such goods or services were received during the year ended June 30, 2024

Fair Value Measurements

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, defines fair value, establishes a framework for measuring fair value in accordance with U.S. generally accepted accounting principles, and requires certain disclosures about fair value measurements. In general, fair values of financial instruments are based upon quoted market prices, where available. If such quoted market prices are not available, fair value is based upon internally developed models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. Any such valuation adjustments are applied consistently over time.

Fair Value of Financial Instruments

In accordance with the reporting requirements of ASC Topic 825, *Financial Instruments*, the Organization calculates the fair value of its assets and liabilities which qualify as financial instruments under this standard and includes this additional information in the notes to the financial statements when the fair value is different than the carrying value of those financial instruments. The Organization does not have any assets or liabilities measured at fair value on a recurring or a non-recurring basis, consequently, the Organization did not have any fair value adjustments for assets and liabilities measured at fair value at the statement of financial position date, nor gains or losses reported in the statement of activities that are attributable to the change in unrealized gains or losses relating to those assets and liabilities still held during the year ended June 30, 2024.

ALMOST HOME, INC.
NOTES TO FINANCIAL STATEMENTS

Classification of Net Assets

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets With Donor Restrictions – Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization. Certain restrictions may need to be maintained in perpetuity.

Earnings related to restricted net assets will be included in net assets without donor restrictions unless otherwise specifically required to be included in donor restricted net assets by the donor or by applicable state law.

Income Tax Status

The Organization is organized as a Colorado nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(a) as organizations described in IRC Section 501(c)(3), qualify for the charitable contribution deduction, and have been determined not to be private foundations. Each entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, entities are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Organization determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management believes that the Organization has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred. The Organization's Forms 990, 990-T and other income tax filings required by state, local, or non-U.S. tax authorities are no longer subject to tax examination for years before 2021.

Subsequent Events

The Organization has evaluated subsequent events through April 30, 2025, the date that the financial statements were issued, for events requiring recognition or disclosure in the Organization's financial statements.

Recent Accounting Pronouncements

As of June 30, 2024, and through April 30, 2025, there were several new accounting pronouncements issued by the Financial Accounting Standards Board. Each of these pronouncements, as applicable, has been or will be adopted by the Organization. Management does not believe the adoption of any of these accounting pronouncements has had or will have a material impact on the Organization's financial statements. The Organization will monitor these emerging issues to assess any potential future impact on its financial statements.

ALMOST HOME, INC.
NOTES TO FINANCIAL STATEMENTS

2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash - unrestricted	\$ 351,251
Grants and promises to give	292,814
	<u>\$ 644,065</u>

The Organization manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. In general, the Organization maintains sufficient financial assets on hand to meet 30 days' worth of normal operating expenses.

3. FUNCTIONAL EXPENSES

The costs of program and supporting services activities have been summarized on a functional basis in the statement of functional expenses by function. Accordingly, certain costs have been allocated among the program(s) and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

The Organization provides low-income housing to its tenants. The cost of providing program services and supporting activities has been summarized on a functional basis in the table below. Expenses directly attributable to a specific functional activity of the Organization are reported as expenses of those functional activities. Allocations of expenses were made on a direct allocation basis.

4. 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 fair value and consist entirely of equity securities.

5. COMMITMENTS AND CONTINGENCIES

Office lease

The Organization leases administrative office space from the City of Brighton through a signed lease agreement. The original lease agreement began on October 31, 2022, and ended on October 31, 2023. The lease was renewed for a subsequent one-year term with monthly lease payments totaling \$0 per month. During the year ended June 30, 2024, the Organization recognized \$19,728 as an in-kind contribution and a corresponding expense equal related to this lease based on the estimated fair value of the leased space.

6. BORROWINGS

The Organization had a \$300,000 note payable through Bank of Colorado beginning May 27, 2022, and maturing on May 27, 2024, with a variable interest rate at 4%. Accrued interest and all principal was repaid at maturity on May 27, 2024.

On August 16, 2023, the Organization entered into a new note payable with Bank of Colorado maturing on August 16, 2025. The loan had an annual interest rate of 8.50% and was secured by the Organization's assets. The balance due on this loan as of June 30, 2024, was \$-0-.



ALEXANDER & WILLIAMS

INDEPENDENT AUDITORS' 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

To the Board of Directors of
Almost Home, Inc.
Brighton, Colorado

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 Almost Home, Inc., which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 30, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Almost Home, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 Almost Home, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Almost Home, Inc.'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 entity'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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024.01 and 2024.02.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Almost Home, Inc.'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 financial statements. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2024.01 and 2024.02.

**Alexander & Williams, PLLC
5050 Quorum Drive, Suite 700
Dallas, Texas 75254**

Almost Home, Inc.'s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Almost Home, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Almost Home, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Alexander & Williams, PLLC

Dallas, Texas
April 30, 2025



ALEXANDER & WILLIAMS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of
Almost Home, Inc.
Brighton, Colorado

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited Almost Home, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Almost Home, Inc.'s major federal programs for the year ended June 30, 2024. Almost Home, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on Temporary Assistance for Needy Families

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, Almost Home, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on Temporary Assistance for Needy Families and Community Development Block Grants for the year ended June 30, 2024.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, Almost Home, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditors' Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of Almost Home, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Almost Home, Inc.'s compliance with the compliance requirements referred to above.

Matter(s) Giving Rise to Qualified Opinion on Temporary Assistance for Needy Families

As described in the accompanying schedule of findings and questioned costs, Almost Home, Inc. did not comply with requirements regarding Assistance Listing 93.558 under 2 CFR Part 200, as described in finding 2024.02 for Eligibility. Compliance with such requirements is necessary, in our opinion, for Almost Home, Inc. to comply with the requirements applicable to that program.

**Alexander & Williams, PLLC
5050 Quorum Drive, Suite 700
Dallas, Texas 75254**

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Almost Home, Inc.'s federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Almost Home, Inc.'s compliance based on our audit.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Almost Home, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Almost Home, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Almost Home, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Almost Home, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Almost Home, Inc.'s response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Almost Home, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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 a 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.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024.01 and 2024.02 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Almost Home, Inc.'s response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Almost Home, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Alexander E Williams, PLLC

Dallas, Texas
April 30, 2025

SUPPLEMENTAL INFORMATION

ALMOST HOME, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
CDBG – Entitlement/Special Purpose Grants Cluster			
Community Development Block Grants/State's program and Non-Entitlement Grants - City of Thornton CDBG	14.218	CDBG	\$ 73,490
Community Development Block Grants/State's program and Non-Entitlement Grants - Adams County CDBG	14.218	CDBG	92,215
Total CDBG – Entitlement/Special Purpose Grants Cluster			<u>165,705</u>
Community Development Block Grants/Entitlement Grants - Adams County ARPAN NS2G	21.027	ARPAN NS2G	41,524
Community Development Block Grants/Entitlement Grants - Adams County ARPAN	21.027	ARPAN	672,345
Community Development Block Grants/Entitlement Grants - Adams County ARPAN SWAP	21.027	ARPAN SWAP	128,908
Emergency Solutions Grant Program - State of Colorado DOLA DOH ESG	14.231	DOLA DOH ESG	294,808
Emergency Solutions Grant Program - State of Colorado DOLA DOH HSP	14.231	DOLA DOH HSP	44,262
Emergency Solutions Grant Program - State of Colorado DOLA DOH NS2G	14.231	DOLA DOH NS2G	153,926
Total U.S. Department of Housing and Urban Development			<u>\$ 1,501,478</u>
U.S. Department of Health and Human Services			
477 Cluster			
Temporary Assistance for Needy Families - Adams County TANF	93.558	TANF	\$ 1,196,995
Total 477 Cluster			<u>1,196,995</u>
Total U.S. Department of Health and Human Services			<u>\$ 1,196,995</u>
U.S. Department of Homeland Security			
Emergency Food and Shelter National Board Program - Adams County EFSP	97.024	EFSP	\$ 108,814
Emergency Food and Shelter National Board Program - Weld County EFSP	97.024	EFSP	13,098
Total U.S. Department of Homeland Security			<u>\$ 121,912</u>
Total Expenditure of Federal Awards			<u><u>\$ 2,820,385</u></u>

ALMOST HOME, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Almost Home, Inc. under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of 2 CFR, 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 Almost Home, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Almost Home, Inc.

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 2 CFR, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.

NOTE C - SUBRECIPIENTS

Of the federal expenditures presented in the schedule, Almost Home, Inc. has not provided federal awards to subrecipients.

NOTE D - INDIRECT COST RATE

Almost Home, Inc. did not elect to use the 10% de minimis cost rate allowed under the Uniform Guidance.

ALMOST HOME, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

I. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Almost Home, Inc.
2. No material weaknesses were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Almost Home, Inc. were disclosed during the audit.
4. No material weaknesses in internal control over major programs were identified during the audit.
5. The auditors' report on compliance for the major federal award program for Almost Home, Inc. expresses a qualified opinion.
6. There are two audit findings that are required to be reported in accordance with Section 2 CFR 200.561(a).
7. The programs tested as a major program were:
 - Community Development Block Grants/Entitlement Grants, Assistance Listing 21.027
 - Temporary Assistance for Needy Families, Assistance Listing 93.558
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Almost Home, Inc. was not determined to be a low-risk auditee.

II. FINDINGS RELATED TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS:

2024.01 Preparation of the Schedule of Expenditures of Federal Awards

Condition:

During the audit, it was noted that the organization did not have sufficient knowledge or formal procedures in place to accurately prepare the Schedule of Expenditures of Federal Awards (SEFA) as required under 2 CFR § 200.510(b). The initial SEFA provided to auditors contained errors, including incomplete or incorrect reporting of federal expenditures.

Criteria:

In accordance with 2 CFR § 200.510(b), auditees must prepare a SEFA for the period covered by the auditee's financial statements. The SEFA must be complete and accurate and include all federal awards expended, including federal agency name, assistance listing number (formerly CFDA), and amounts expended.

Cause:

The organization does not currently have formalized procedures to ensure accurate SEFA preparation. There is limited oversight or review of the SEFA prior to submission to the auditors.

Effect:

Inaccurate or incomplete reporting of federal expenditures on the SEFA may result in noncompliance with federal requirements, misstatement of expenditures, and potential issues with the Federal Audit Clearinghouse or federal granting agencies.

Questioned Costs

None noted.

Recommendation

We recommend the organization develop and implement formal procedures for preparing the SEFA, including staff training, reconciliation processes, and supervisory review. The organization should also consider periodic internal reviews and utilize available guidance to ensure compliance with 2 CFR § 200.510(b).

Management's Response

See corrective action plan.

III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS

2024.02 Eligibility for Temporary Assistance for Needy Families

Condition:

During our audit of the Temporary Assistance for Needy Families (TANF) program, it was noted that the organization did not maintain adequate supporting documentation for determining client eligibility. In several client case files reviewed, critical documents relating to legal residency in the United States of America were missing or incomplete.

Criteria:

In accordance with TANF program requirements and 2 CFR § 200.303 (internal controls), recipients must maintain sufficient records to support eligibility determinations. Adequate supporting documentation is essential to ensure compliance with federal guidelines and to prevent improper payments.

Cause:

The organization's internal controls over eligibility documentation and file retention were not consistently followed or were inadequately designed.

Effect:

Failure to maintain adequate eligibility documentation increases the risk of providing benefits to ineligible individuals, leading to noncompliance and potential questioned costs. It also hinders the ability to demonstrate compliance during audits or monitoring reviews.

Questioned Costs

None specifically identified during testing; however, the lack of documentation presents a risk for potential future questioned costs.

Recommendation

We recommend the organization update their intake forms to incorporate all required eligibility criteria for the TANF program.

Management's Response

See corrective action plan.



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April 30, 2025

Corrective Action Plan

Finding 2024.01

Schedule of Expenditure of Federal Awards (SEFA)

Corrective Action: Almost Home has begun establishing and finalizing a formal SEFA preparation schedule. Almost Home will also be retaining a CPA/Audit Consultant to work with the staff and conduct periodic reviews of the audit process and status.

Corrective Action Plan

Finding 2024.02

Eligibility for Temporary Assistance for Needy Families

Corrective Action: After FY2024, Almost Home ceased using Temporary Assistance for Needy Families (TANF) to cover the cost of Severe Weather Activation Vouchers (SWAP) for TANF-eligible families. From this point forward, TANF will only be used for clients meeting all TANF eligibility requirements.

Sincerely,

Dr. Jessica Fiedler, Executive Director

Almost Home, Inc.

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720-463-8413

