# ALMOST HOME

## FINANCIAL STATEMENTS

*December 31, 2013 and 2012*

ZIELINSKI & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

# Almost Home

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ZIELINSKI & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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# Independent Auditors' Report

Board of Directors
Almost Home
St. Louis, Missouri

We have audited the accompanying financial statements of Almost Home (a nonprofit organization), which comprise the statements of financial position as of December 31, 2013 and 2012, 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 as of December 31, 2013 and 2012, 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.

Zielinski & Associates

March 26, 2014

# ALMOST HOME

## STATEMENTS OF FINANCIAL POSITION

*December 31, 2013 and 2012*

| | 2013 | 2012 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | $ 158,253 | $ 146,009 |
| Accounts receivable (Note B) | 197,939 | 146,007 |
| Prepaid expenses | 11,790 | 10,812 |
| Property, plant, and equipment—net (Note C) | 1,228,581 | 1,291,801 |
| Other investments | | |
| Almost Home Permanent Housing, L.P. (Note D) | 234,613 | 234,613 |
| Other assets | 802 | 1,235 |
| **TOTAL ASSETS** | $ 1,831,978 | $ 1,830,477 |
| **Liabilities and Net Assets** | | |
| Liabilities | | |
| Accounts payable and accrued expenses | $ 68,956 | $ 59,822 |
| Lease payable (Note F) | 2,995 | 2,768 |
| Deferred revenue | - | 1,000 |
| Other liabilities—Small Dollar IDA Program | 4,500 | 5,000 |
| **TOTAL LIABILITIES** | 76,451 | 68,590 |
| Net assets | | |
| Unrestricted | 1,686,621 | 1,705,015 |
| Temporarily restricted (Note H) | 68,906 | 56,872 |
| **TOTAL NET ASSETS** | 1,755,527 | 1,761,887 |
| **TOTAL LIABILITIES AND NET ASSETS** | $ 1,831,978 | $ 1,830,477 |

See notes to financial statements.

ALMOST HOME

STATEMENTS OF ACTIVITIES

*For the years ended December 31, 2013 and 2012*

| | 2013 | | | 2012 | | |
|---|---|---|---|---|---|---|
| | Unrestricted | Temporarily Restricted | Total | Unrestricted | Temporarily Restricted | Total |
| **Support and Revenue** | | | | | | |
| Participant fees | $ 19,260 | - | $ 19,260 | $ 17,404 | - | $ 17,404 |
| Government grants and fees | 403,003 | - | 403,003 | 432,984 | - | 432,984 |
| United Way | 110,313 | - | 110,313 | 98,713 | - | 98,713 |
| Donations, net of direct donor benefits of $20,863 and $10,116 in 2013 and 2012, respectively. | 270,466 | $ 169,270 | 439,736 | 219,655 | $ 56,702 | 276,357 |
| Interest | 18 | - | 18 | 29 | - | 29 |
| Gifts in-kind | 49,748 | - | 49,748 | 48,409 | - | 48,409 |
| | 852,808 | 169,270 | 1,022,078 | 817,194 | 56,702 | 873,896 |
| Net assets released from restrictions | | | | | | |
| Satisfaction of program restrictions | 157,236 | (157,236) | -0- | 53,380 | (53,380) | -0- |
| TOTAL NET ASSETS RELEASED FROM RESTRICTIONS | 157,236 | (157,236) | -0- | 53,380 | (53,380) | -0- |
| TOTAL SUPPORT AND REVENUE | 1,010,044 | 12,034 | 1,022,078 | 870,574 | 3,322 | 873,896 |
| **Expenses** | | | | | | |
| Program services | 786,420 | - | 786,420 | 752,616 | - | 752,616 |
| Management and general | 160,452 | - | 160,452 | 152,395 | - | 152,395 |
| Fundraising | 81,566 | - | 81,566 | 77,142 | - | 77,142 |
| TOTAL EXPENSES | 1,028,438 | - | 1,028,438 | 982,153 | - | 982,153 |
| CHANGES IN NET ASSETS | (18,394) | 12,034 | (6,360) | (111,579) | 3,322 | (108,257) |
| **Net Assets, Beginning of Year** | 1,705,015 | 56,872 | 1,761,887 | 1,816,594 | 53,550 | 1,870,144 |
| NET ASSETS, END OF YEAR | $ 1,686,621 | $ 68,906 | $ 1,755,527 | $ 1,705,015 | $ 56,872 | $ 1,761,887 |

See notes to financial statements.

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STATEMENTS OF FUNCTIONAL EXPENSES

*For the years ended December 31, 2013 and 2012*

| | 2013 | | | | 2012 | | | |
|---|---|---|---|---|---|---|---|---|
| | Program Services | Management and General | Fundraising | Total | Program Services | Management and General | Fundraising | Total |
| Bank charges | - | $ 1,945 | - | $ 1,945 | - | $ 1,677 | - | $ 1,677 |
| Interest expense | $ 246 | 90 | $ 59 | 395 | $ 209 | 78 | $ 49 | 336 |
| Food | 25,685 | - | - | 25,685 | 30,868 | - | - | 30,868 |
| Supplies | 9,981 | 288 | 144 | 10,413 | 12,343 | 432 | 216 | 12,991 |
| Advertising and marketing | 8,343 | 6,826 | 893 | 16,062 | - | - | 4,090 | 4,090 |
| Dues and subscriptions | 3,339 | 1,219 | 804 | 5,362 | 2,412 | 880 | 581 | 3,873 |
| Utilities | 30,454 | 2,655 | 1,582 | 34,691 | 26,245 | 2,380 | 1,427 | 30,052 |
| Miscellaneous | 3,935 | 7,737 | 317 | 11,989 | 4,487 | 8,542 | 121 | 13,150 |
| Postage and office supplies | 3,343 | 1,221 | 806 | 5,370 | 5,768 | 2,105 | 1,389 | 9,262 |
| Insurance | 18,036 | 767 | 384 | 19,187 | 8,737 | 372 | 186 | 9,295 |
| Repairs and maintenance | 33,353 | 3,367 | 2,087 | 38,807 | 35,556 | 2,816 | 1,695 | 40,067 |
| Salaries and payroll taxes | 417,332 | 79,768 | 61,237 | 558,337 | 435,394 | 114,585 | 64,266 | 614,245 |
| Donation in-kind labor | 39,735 | 7,012 | - | 46,747 | 43,359 | 3,445 | - | 46,804 |
| Benefits | 24,476 | 2,451 | 1,415 | 28,342 | 18,530 | 1,776 | 640 | 20,946 |
| Education | 4,480 | 1,528 | 1,008 | 7,016 | 7,998 | 1,162 | 767 | 9,927 |
| Counseling | 11,939 | - | - | 11,939 | 32,352 | - | - | 32,352 |
| Transportation | 6,846 | 486 | 8 | 7,340 | 10,514 | 101 | 67 | 10,682 |
| Taxes and licenses | 280 | 379 | - | 659 | 407 | - | - | 407 |
| Professional fees | 68,005 | 39,453 | 9,192 | 116,650 | - | 8,750 | - | 8,750 |
| Depreciation | 76,612 | 3,260 | 1,630 | 81,502 | 77,437 | 3,294 | 1,648 | 82,379 |
| **TOTAL EXPENSES** | $ 786,420 | $ 160,452 | $ 81,566 | $ 1,028,438 | $ 752,616 | $ 152,395 | $ 77,142 | $ 982,153 |

See notes to financial statements.

## ALMOST HOME

## STATEMENTS OF CASH FLOWS

*For the years ended December 31, 2013 and 2012*

| | | 2013 | | 2012 |
|---|---|---|---|---|
| **Cash Flows from Operating Activities** | | | | |
| Changes in net assets | $ | (6,360) | $ | (108,257) |
| Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities: | | | | |
| Depreciation | | 81,502 | | 82,379 |
| Increase in accounts receivable | | (51,932) | | (3,948) |
| Decrease in prepaid expenses and other assets | | (545) | | (1,771) |
| Increase in accounts payable and other liabilities | | 7,861 | | 19,898 |
| **NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES** | | 30,526 | | (11,699) |
| **Cash Flows from Investing Activities** | | | | |
| Property and equipment—net | | (18,282) | | (2,813) |
| **NET CASH USED IN INVESTING ACTIVITIES** | | (18,282) | | (2,813) |
| **NET INCREASE (DECREASE) IN CASH** | | 12,244 | | (14,512) |
| **Cash and Cash Equivalents, Beginning of Year** | | 146,009 | | 160,521 |
| **CASH AND CASH EQUIVALENTS, END OF YEAR** | $ | 158,253 | $ | 146,009 |
| **Interest Paid** | $ | 395 | $ | 336 |

See notes to financial statements.

## NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Organization

Almost Home (the Organization), a not-for-profit corporation, is a transitional living experience for young women with children, coming from inadequate housing or other agencies, who want to develop personal and economic independence and stability. Almost Home commits to provide an environment of trust and respect where women may develop concrete skills which will enable them to achieve their individual goals. Almost Home is located in St. Louis, Missouri.

### Basis of Presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

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

*Temporarily restricted net assets*—net assets that may be used only after the passage of a donor-stipulated period of time or for a donor-stipulated purpose.

### Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking, savings, and money market accounts. At times, cash may be in excess of the FDIC limits.

### Accounts Receivable

The Organization considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

### Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 26, 2014, the date the financial statements were available to be issued.

## NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### Property, Plant, and Equipment

Property, plant, and equipment are stated at cost or fair market value at date of donation. All expenditures for property and equipment in excess of $500 are capitalized. Major renewals and improvements are capitalized while replacements, maintenance, and repairs which do not improve or extend the lives of the assets are expensed currently. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, on a straight-line basis as follows:

| | Years |
|---|---|
| Buildings | 20-40 |
| Furniture and equipment | 3-10 |
| Land improvements | 20 |
| Automobiles | 5 |

### Use of Estimates

In preparing the Organization's financial statements, in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Comparative Statements

The financial statements for the prior period are presented for comparative purposes.

### Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and from comparable state law whereby only unrelated business income when earned, as defined by Section 509(a)(1) of the Code, is subject to federal income tax. The Organization currently has no unrelated business income.

The Organization does not believe there are any material uncertain tax positions and, accordingly, they will not recognize any liability for them. For the year ended December 31, 2013, there were no penalties or interest recorded or included in the financial statements.

The Organization's Form 990, Return of Organization Exempt from Income Taxes for the years ending December 31, 2013, 2012, and 2011, are subject to examination by the IRS, generally three years after they were filed.

## NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

### Functional Expenses

The Organization allocates certain of its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program or support service are allocated directly to that function.

### Contributed Services

Contributed services are reflected in the financial statements at the fair value of the services received. Contributed services are recognized if the services require specialized skills and would need to be purchased if not provided by donation. Contributed services of $46,747 and $46,804 were received during the years ended December 31, 2013 and 2012, respectively.

## NOTE B—ACCOUNTS RECEIVABLE

As of December 31, accounts receivable consist of:

| | 2013 | 2012 |
|---|---|---|
| United Way | $ 97,713 | $ 97,713 |
| CACFP | 10,784 | 7,477 |
| St. Louis County | 35,215 | 9,745 |
| Division of Family Services | - | 7,059 |
| Affordable Housing Trust Fund | 31,865 | 9,061 |
| Almost Home Permanent Housing, L.P. | 14,596 | 14,517 |
| Other | 7,766 | 435 |
| **TOTAL** | $ 197,939 | $ 146,007 |

The amounts due from the United Way represent the grant awarded in the current year for the following year. This grant has consistently been included in the revenue during the year it was awarded.

## NOTE C—PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment consisted of the following at December 31:

| | 2013 | 2012 |
|---|---|---|
| Land | $ 46,763 | $ 46,763 |
| Buildings | 1,762,883 | 1,761,946 |
| Furniture and equipment | 172,501 | 210,981 |
| Land improvements | 202,354 | 202,354 |
| Automobiles | 41,162 | 41,162 |
| | 2,225,663 | 2,263,206 |
| Less: accumulated depreciation | (997,082) | (971,405) |
| **TOTAL** | $ 1,228,581 | $ 1,291,801 |

Depreciation expense was $81,502 and $82,379 for the years ended December 31, 2013 and 2012, respectively.

## NOTE D—INVESTMENT IN PARTNERSHIP

Almost Home is the general partner (0.01%) in Almost Home Permanent Housing, L.P. (Partnership). The limited partner is a bank (99.98%) and its affiliate (0.01%). The Partnership owns and operates an apartment building to be used as transitional housing for women. The investment in the Partnership is accounted for using the cost method. During the construction of the transitional housing, certain transactions occurred between (the Partnership) and the Organization.

As of December 31, 2013 and 2012, the Investment in Partnership consists of:

| | |
|---|---|
| Cash advances to the Partnership | $ 82,859 |
| Cash contributed to Partnership | 45,571 |
| Land contributed to Partnership | 61,754 |
| Expenses paid during construction | 44,429 |
| **TOTAL** | $ 234,613 |

## NOTE E—LINE OF CREDIT

At October 1, 2012, the Organization had access to a demand line of credit up to a maximum of $100,000. On October 1, 2013, the line of credit was renewed. The interest rate charged on any outstanding balance will be LIBOR plus 2.00 percent. The Franciscan Sisters of Mary is the unconditional guarantor and has agreed to guarantee the line of credit in exchange for a Deed of Trust on the Organization's property. There have been no draws on the line of credit to date.

## NOTE F—LEASE PAYABLE

During the year ended December 31, 2010, the Organization entered into a capital lease agreement for an office copier. The equipment has a value of $6,153. As of December 31, 2013, the accumulated depreciation on the copier was $4,615. The copier is being depreciated over the term of the capital lease, which is five years.

During the year ended December 31, 2013, the Organization entered into a capital lease agreement for an office copier. The equipment has a value of $1,693. As of December 31, 2013, the accumulated depreciation on the copier was $-0-. The copier will be depreciated over five years.

During the year ended December 31, 2013, the Organization entered into a non-cancelable operating lease for computer equipment and hosting. The term of the lease is three years. The first year of payments were paid in advance. The required monthly payment during the second year is $1,838.

The future minimum lease payments as of December 31, 2013 are as follows:

| **Year Ended December 31** | |
|---|---|
| 2014 | $ 23,997 |
| 2015 | 23,072 |
| 2016 | 11,501 |
| | $ 58,570 |

Interest paid on the leases was $395 and $336, respectively, for the years ended December 31, 2013 and 2012.

## NOTE G—RELATED-PARTY TRANSACTIONS

Almost Home is sponsored by the Franciscan Sisters of Mary. Chiara Corporation was established by the Franciscan Sisters of Mary to provide funding for ministries that promote, enhance, and provide for the spiritual, religious, physical or mental wellbeing of members of society. Almost Home is a general partner in Almost Home Permanent Housing, L.P. The following significant transactions occurred between Almost Home, Chiara Corporation, the Franciscan Sisters of Mary, and Almost Home Permanent Housing, L.P. for the years ended December 31:

| | 2013 | 2012 |
|---|---|---|
| Franciscan Sisters of Mary | | |
| Contributions received | $ 5,000 | $ 3,555 |
| Chiara Corporation | | |
| Contributions received | $ 5,000 | $ -0- |

Accounts receivable of $97,455 and $97,376 at December 31, 2013 and 2012, respectively, is due from Almost Home Permanent Housing, L.P. for expenses paid and a general partner advance. Of these amounts, $14,596 and $14,517 at December 31, 2013 and 2012, respectively, are due for operating expenses and $82,859 is an advance from the General Partner.

## NOTE H—TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes at December 31:

| | 2013 | 2012 |
|---|---|---|
| Scholarship Fund | $ 23,788 | $ 24,529 |
| Reserve Fund | 10,925 | 10,925 |
| Flooring repairs | 5,000 | - |
| HVAC units | 5,000 | - |
| Operating programs—subsequent year's activities | 24,193 | 21,418 |
| TOTAL | $ 68,906 | $ 56,872 |

## NOTE I—CONTINGENT LIABILITIES

Almost Home receives State, St. Louis County, and City of St. Louis grant funding for specific purposes that are subject to review and audit by the grantor or their representatives. These reviews and audits could lead to requests for reimbursements or to withholding of future funding for expenditures disallowed under or other noncompliance with the terms of the grants and funding. Almost Home is not aware of any noncompliance with State, St. Louis County, and City of St. Louis provisions that might require Almost Home to provide reimbursements that would be significant to the Almost Home financial statements.

Almost Home (general partner) and Almost Home Development, L.L.C. (guarantor) have certain obligations for operating deficits and certain other costs in connection with Almost Home Permanent Housing, L.P. (Project). The Project was completed during 2004 and began operations in September 2004.

## NOTE J—CONCENTRATION OF CREDIT RISK

The Organization receives support from various sources. For 2013 and 2012, 27 percent and 28 percent, respectively, of the Organization's support was from a single source.

## NOTE K—RECLASSIFICATION

As of December 31, 2012, certain balances have been reclassified for comparative purposes.