

ASPIRE 3D
FINANCIAL STATEMENTS
December 31, 2019

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JOHN CUTLER & ASSOCIATES

Board of Directors
Aspire 3D
Loveland, Colorado

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of Aspire 3D, which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, cash flows, and functional expenses 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 the 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 audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the Aspire 3D as of December 31, 2019, and the changes in its net assets, its cash flows and functional expenses for the year then ended in accordance with accounting principles generally accepted in the United States of America.

John Cutler & Associates, LLC

April 20, 2020

ASPIRE 3D

STATEMENT OF FINANCIAL POSITION

December 31, 2019

	<u>2019</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 22,715
Grants Receivable	32,841
Prepaid Expense	<u>1,729</u>
TOTAL ASSETS	<u>\$ 57,285</u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts Payable	\$ 8,472
Accrued Expenses	<u>19,571</u>
TOTAL LIABILITIES	<u>28,043</u>
NET ASSETS	
Without Donor Restrictions	29,242
With Donor Restrictions	<u>-</u>
TOTAL NET ASSETS	<u>29,242</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 57,285</u>

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

ASPIRE 3D

STATEMENT OF ACTIVITIES

Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Individual Donations	\$ 8,211	\$ 650	\$ 8,861
Grants: Foundation	8,549	51,541	60,090
Grants: Government	237,408	112,081	349,489
Corporate Contribution	13,512	3,830	17,342
Interest Income	17	-	17
Fundraising	1,284	-	1,284
Net Assets Released From Restrictions	168,102	(168,102)	-
	<u>437,083</u>	<u>-</u>	<u>437,083</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT			
EXPENSES			
Program Services			
Vets, Families and Seniors	<u>279,716</u>	<u>-</u>	<u>279,716</u>
Supporting Services			
General and Administrative	125,162	-	125,162
Fundraising	<u>2,963</u>	<u>-</u>	<u>2,963</u>
Total Supporting Services	<u>128,125</u>	<u>-</u>	<u>128,125</u>
	<u>407,841</u>	<u>-</u>	<u>407,841</u>
TOTAL EXPENSES			
CHANGE IN NET ASSETS	29,242	-	29,242
NET ASSETS, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS, Ending	<u>\$ 29,242</u>	<u>\$ -</u>	<u>\$ 29,242</u>

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

ASPIRE 3D

STATEMENT OF CASH FLOWS
December 31, 2019

	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 29,242
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities	
(Increase) in Grants Receivable	(32,841)
(Increase) in Prepaid Expense	(1,729)
Increase (Decrease) in Accounts Payable	8,472
Increase in Accrued Expenses	<u>19,571</u>
Net Cash Provided by Operating Activities	<u>22,715</u>
NET INCREASE (DECREASE) IN CASH	22,715
CASH, Beginning	<u>-</u>
CASH, Ending	<u><u>\$ 22,715</u></u>

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

ASPIRE 3D

STATEMENT OF FUNCTIONAL EXPENSES

December 31, 2019

	Program Services	General and Administrative	Fundraising	Total
Salaries	\$ 164,866	\$ 87,329	\$ 1,376	\$ 253,571
Benefits and Payroll Expense	25,681	12,530	142	38,353
Grant Expense	10,642	18	-	10,660
Program Costs	33,274	-	-	33,274
Professional Fees	228	4,780	1,402	6,410
Marketing	-	2,764	43	2,807
Office Expense	2,494	1,221	-	3,715
Travel and Training	3,063	3,704	-	6,767
Supplies	4,027	-	-	4,027
Insurance	29,939	12,481	-	42,420
Misc	5,502	335	-	5,837
	<u>\$ 279,716</u>	<u>\$ 125,162</u>	<u>\$ 2,963</u>	<u>\$ 407,841</u>

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

ASPIRE 3D

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – Aspire 3D (the “Corporation”) was organized in 2018 to connect residents of the Loveland Housing Authority to multidimensional resources that will inspire the community to dare, dream, and do activities that elevate their quality of life. The Corporation receives support from various grants and contributions from the community.

Basis of Reporting – The Corporation’s financial statements have been prepared using the accrual basis of accounting.

Financial Statement Presentation – The financial statements of the Corporation have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”), which require the organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents – For financial statement purposes, the Corporation considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Property and Equipment – Property and equipment are recorded at cost. Donated property and equipment are recorded at fair value at the date of donation. Depreciation is recorded using the straight-line method over the estimated useful life of thirty years for buildings, five years for vehicles and equipment, and three years for computers. The Corporation capitalizes all property and equipment with a useful life of more than one year, and a unit cost of \$5,000 or greater. If donors stipulate the use of property and equipment, it is recorded as restricted.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Compensated Absences – The Organization does not employ their own staff. They contract with the Loveland Housing Authority (LHA) for service coordination (staffing). Included in staffing costs the Organization has an obligation to pay its employees for any unused paid time off (“PTO”) that they have accrued. An employee may accrue a maximum of two years’ worth of PTO, depending on the employee’s length of service. Once an employee reaches the maximum amount, no additional PTO is accrued. These compensated absences are recognized as a liability when earned.

Contributions – Contributions received as well as collectible unconditional promises to give are recognized in the period received. All contributions are available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support. Support that is restricted by the donor is reported as unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. Contributions with donor restrictions are reclassified to unrestricted net assets when the donor restriction is satisfied. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Fair value measurements – Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Organization groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

- Level 2 Other observable inputs, either directly or indirectly, including:
 - Quoted prices for similar assets/liabilities in active markets;
 - Quoted prices for identical or similar assets in non-active markets;
 - Inputs other than quoted prices that are observable for the asset/liability; and,
 - Inputs that are derived principally from or corroborated by other observable market data.

- Level 3 Unobservable inputs that cannot be corroborated by observable market data.

The Organization has no investments requiring categorization at December 31, 2019.

ASPIRE 3D

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition – Reimbursable grant revenues are recognized when the required expenses are incurred, while other grant revenues are recognized when the grant is awarded. Other revenue is recognized as earned.

Functional Allocation of Expenses – The costs of providing the 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.

Income Tax Status – The Corporation is recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

Estimates – Preparation of the Corporation’s financial statements in conformity with generally accepted accounting principles requires the use of management’s estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2: IN-KIND DONATIONS

A number of entities have donated goods and services to the Corporation, these amounts are reflected in the financial statements. Additionally, a number of volunteers have donated time in connection with Corporation’s activities. No amounts have been reflected in the financial statements for these donated services as they do not meet the criteria for recognition under SFAS No. 116.

ASPIRE 3D

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 3: AVAILABILITY AND LIQUIDITY

As of December 31, 2019, the Organization has a working capital of \$234,780 and average days (based on normal expenditures) cash on hand of 20.

Financial assets available for general expenditure within one year of the balance sheet date, consist of the following:

	<u>2019</u>
Cash and Cash Equivalents	\$ 22,715
Grants Receivable	<u>238,379</u>
Total Financial Assets	<u>261,094</u>
Less amounts not available to be used within a year:	
Net Assets with donor restrictions	148,028
Less net assets with purpose restrictions to be met in than a year	<u>(57,424)</u>
Financial Assets available to meet general expenditures over the next twelve months	<u>\$ 170,490</u>

There were no board restricted funds for the years ending 2019.

NOTE 4: SUBSEQUENT EVENTS

Management has considered all subsequent events through April 20, 2020. No subsequent events were noted.

NOTE 5: ADMINISTRATIVE SERVICES AGREEMENT

The Organization entered into Memorandum of Understanding with Loveland Housing Authority (the “Authority”) under which the Organization reimburses the Authority for salaries and benefits. The memorandum remains in effect until rescinded in writing by one of parties. Parties must provide a 90-day written notice to partner agency of intent to rescind. These contracted services have been classified as functional expenses in the financial statements for better reporting purposes. The Organization reimbursed the Authority through a revolving fund. The fund is used by the Authority to cover payroll and other expenses accrued by the Organization and paid on their behalf by the Authority. As of December 31, 2019, \$19,571.06 was due to the Authority for payroll and benefits.

ASPIRE 3D

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

NOTE 6: RETIREMENT PLAN

The Organization does not employ their own staff. They contract with the Loveland Housing Authority for service coordination (staffing). Included in staffing costs that the Organization agrees to pay is a 5% match for the Authority employees. The cost for the Organization was \$14,814 for the year ended December 31, 2019. The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457.