

**ASPIRE 3D**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**  
**WITH**  
**REPORT OF INDEPENDENT AUDITORS**

**ASPIRE 3D**  
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**YEAR ENDED DECEMBER 31, 2020**

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## REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of  
Aspire 3D:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Aspire 3D (the "Organization"), which comprise the statement of financial position as of December 31, 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 auditors 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 auditors consider internal control relevant to the Organization'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 Organization'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 Organization as of December 31, 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.



March 15, 2021  
Toms River, New Jersey

## **FINANCIAL STATEMENTS**

**ASPIRE 3D**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2020**

ASSETS

Current assets:		
Cash and cash equivalents	\$	122,779
Accounts receivable		31,402
Prepaid expenses		<u>1,837</u>
Total assets	\$	<u><u>156,018</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$	21,393
Accrued expenses		<u>30,039</u>
Total liabilities		<u>51,432</u>
Net assets:		
Without donor restrictions		<u>104,586</u>
Total liabilities and net assets	\$	<u><u>156,018</u></u>

See accompanying notes to financial statements.

**ASPIRE 3D**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and other support:			
Individual donations	\$ 4,183	\$ 3,070	\$ 7,253
Grants: Foundations	1,953	33,094	35,047
Grants: Government	56,798	403,777	460,575
Corporate Contributions	8,385	1,550	9,935
Fundraising	63,429	-	63,429
Interest income	108	-	108
Net assets released from restrictions	<u>441,491</u>	<u>(441,491)</u>	<u>-</u>
 Total revenue and other support	 <u>576,347</u>	 <u>-</u>	 <u>576,347</u>
Expenses:			
Program services	438,727	-	438,727
Administrative and support	59,457	-	59,457
Fundraising	<u>2,819</u>	<u>-</u>	<u>2,819</u>
 Total expenses	 <u>501,003</u>	 <u>-</u>	 <u>501,003</u>
 Change in net assets	 <u>75,344</u>	 <u>-</u>	 <u>75,344</u>
Net assets, beginning of year	<u>29,242</u>	<u>-</u>	<u>29,242</u>
Net assets, end of year	<u>\$ 104,586</u>	<u>\$ -</u>	<u>\$ 104,586</u>

See accompanying notes to financial statements.

**ASPIRE 3D**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2020**

	<u>Program Services</u>	<u>Administrative and Support</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 275,139	\$ 33,456	\$ 1,041	\$ 309,636
Benefits and payroll	37,987	4,318	-	42,305
Grant expense	11,838	163	-	12,001
Program costs	48,043	396	138	48,577
Professional fees	4,036	7,963	1,470	13,469
Marketing	-	4,742	170	4,912
Office expenses	11,350	1,959	-	13,309
Travel and training	2,870	307	-	3,177
Supplies	2,409	-	-	2,409
Insurance	45,055	5,833	-	50,888
Miscellaneous	-	320	-	320
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Totals	\$ <u>438,727</u>	\$ <u>59,457</u>	\$ <u>2,819</u>	\$ <u>501,003</u>

See accompanying notes to financial statements.

**ASPIRE 3D**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2020**

Cash Flows from Operating Activities:	
Cash received from support and revenue	\$ 577,786
Cash paid to suppliers and employees	<u>(477,722)</u>
Net cash provided by operating activities	<u>100,064</u>
Net increase in cash and cash equivalents	100,064
Cash and cash equivalents, beginning of year	<u>22,715</u>
Cash and cash equivalents, end of year	<u>\$ 122,779</u>
Reconciliation of change in net assets to net cash provided by operating activities:	
Change in net assets	\$ 75,344
Changes in operating assets and liabilities:	
Accounts receivable	1,439
Prepaid expenses	(108)
Accounts payable	12,921
Accrued expenses	<u>10,468</u>
Net cash provided by operating activities	<u>\$ 100,064</u>

See accompanying notes to financial statements.

**ASPIRE 3D**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**1. Organization**

Aspire 3D (the "Organization") is a non-profit corporation organized and existing under the laws of the State of Colorado to connect residents of the Loveland Housing Authority (the "Authority") to multidimensional resources that will inspire the community to dare, dream, and perform activities that will elevate their quality of life. The Organization receives support from various grants and contributions from the community.

**2. Summary of Significant Accounting Policies**

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Organization is required 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, which will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Contributions that are restricted by the donor are reported as an increase to net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized.

As of December 31, 2020, the Organization had net assets in only the net assets without donor restrictions classification. These net assets are not subject to donor imposed restrictions.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consists of all cash balances and highly liquid investments with a maturity of three months or less at the time of acquisition.

Concentration of Credit Risk

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

**ASPIRE 3D**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2020**

**2. Summary of Significant Accounting Policies (continued)**

Accounts Receivable

The Organization receives grants and contracts awarded by state and local governments for program services. These funds are recognized when the services have been performed.

Allowance for Doubtful Accounts

Management evaluated the collectability of outstanding receivables on a regular bases and establishes an allowance for doubtful accounts based on its assessment of outstanding accounts.

Prepaid Expenses

Prepaid expenses represent amounts paid as of year-end that will benefit future operations.

Accounts Payable

The Organization recognizes a liability for goods and services received but not paid for as of year-end.

Accrued Expenses

The Organization has contracted with the Authority for staffing of service coordinators and does not employ their own staff. Included in the staffing costs, the Organization has an obligation to pay the Authority's 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 accrued compensated absences are recognized as a liability when earned and are included in accrued expenses on the statement of financial position.

Revenue Recognition

Grants and other contributions of cash and other assets are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods for specific purposes are reported as revenue with donor restrictions. Support that is restricted by the donor is reported as net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. Net assets with donor restrictions are reclassified to net assets without donor restrictions when the donor restriction is satisfied. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions.

Income Taxes

The organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Organization to report information regarding its exposure to various tax positions taken by the Organization. The Organization has determined whether any tax positions have met the recognition threshold and has measured the Organization's exposure to those tax positions.

Management believes that the Organization has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Organization are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

Economic Concentrations

The Organization operates in a heavily regulated environment. The operations of the Organization are subject to the administrative directives, rules and regulations of state and local regulatory agencies. Such administrative directives, rules and regulations are subject to change by an act of administrative change mandated and may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

**ASPIRE 3D**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2020**

**2. Summary of Significant Accounting Policies (continued)**

Functional Expenses

The costs of providing program services and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services, administrative and support, and fundraising. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries	Time and effort
Benefits and payroll	Time and effort
Grant expense	Usage
Program costs	Time and effort
Professional fees	Time and effort
Marketing	Usage
Office expenses	Usage
Travel and training	Usage
Insurance	Usage

Vulnerability - Impact of COVID-19

The severity of the impact of the Coronavirus ("COVID-19") on the Organization's operations will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on the Organization's donors and contributors, all of which are uncertain and cannot be predicted. The Organization's future results could be adversely impacted by delays in contributions and donations. Management is unable to predict with absolutely certainty the impact of COVID-19 on its financial condition, results of operations or cash flows.

Subsequent Events

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Subsequent events have been evaluated through TBD, which is the date the financial statements were available to be issued. No subsequent events have occurred that would require recognition in the financial statements or disclosures in the notes to the financial statements.

**3. Cash and Cash Equivalents**

As of December 31, 2020, the Organization had funds on deposit in checking and savings accounts. The carrying amount of the Organization's cash and cash equivalents was \$122,779 and the bank balances approximated \$122,779.

**4. Accounts Receivable**

Accounts receivable totaled \$31,402 as of December 31, 2020. Accounts receivable consisted of amounts awarded or promised to the Organization by donors and contributors. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

**ASPIRE 3D**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2020**

**5. Liquidity and Availability of Financial Assets**

The following represents the Organization's financial assets at December 31, 2020:

Financial assets at year end:

Cash and cash equivalents and restricted cash	\$	122,779
Accounts receivable, net		<u>31,402</u>
 Total financial assets		 <u>154,181</u>
 Less amounts not available to be used within one year:		
None		<u>-</u>
 Financial assets available to meet general expenditures over the next twelve months	 \$	 <u>154,181</u>

The Organization's goal is generally to maintain financial assets to meet 120 days of operating expenses.

**6. Accounts Payable**

As of December 31, 2020, accounts payable totaled \$21,393 and consisted of accounts payable to vendors. Vendors accounts payables represents amounts payable to contractors and vendors for materials received or services rendered.

**7. Accrued Expenses**

The Organization entered into a Memorandum of Understanding (the "Memorandum") with the Authority, under which the Organization reimburses the Authority for salaries and benefits. The Memorandum remains in effect until rescinded in writing by either the Organization or Authority and must provide a 90-day written notice of intent to rescind. The Organization reimburses the Authority through a revolving fund, which is used to cover payroll and other expenses accrued by the Organization. As of December 31, 2020, these accrued expenses totaled \$30,039.

**8. Retirement Plan**

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. As part of the Memorandum with the Authority, the Organization has agreed to pay a 5% match of the Authority employees' contributions. The cost of these expenditures totaled \$13,761 for the year ended December 31, 2020.

**9. Net Assets**

Net assets without donor restrictions consist of the following as of December 31, 2020:

<u>Category</u>	<u>Amount</u>
Board-designated	\$ -
Undesignated	<u>104,586</u>
 Total net assets without donor restrictions	 <u>\$ 104,586</u>