

**Attention, Inc.**  
**d/b/a TGTHR**

(a nonprofit Colorado corporation)

Boulder, Colorado

**Financial Statements**

September 30, 2021 and 2020

# Attention, Inc. d/b/a TGTHR

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## **Independent Auditor's Report**

To the Board of Directors  
TGTHR  
Boulder, Colorado

We have audited the accompanying financial statements of Attention, Inc. d/b/a TGTHR (a nonprofit Colorado corporation), which comprise the statements of financial position as of September 30, 2021, and the related statements of activities, changes in net assets, 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.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Independent Auditor's Report (continued)**

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Attention, Inc. d/b/a TGTHR as of September 30, 2021, 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.

**Other Matter**

The financial statements of Attention, Inc. d/b/a TGTHR for the year ended September 30, 2020, were audited by another auditor who expressed an unmodified opinion on those statements on January 26, 2021.

Certified Public Accountants

Fort Collins, Colorado  
March \_\_, 2022

# Attention, Inc. d/b/a TGTHR

## Statements of Financial Position

September 30	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 169,467	\$ 811,346
Investments, fair value	891,808	770,009
Grants receivable	188,028	168,762
Pledges receivable, current	100,000	-
Accounts receivable	110,812	52,250
Prepaid expenses and other current assets	40,204	13,821
Total current assets	<u>1,500,319</u>	<u>1,816,188</u>
<b>Property and Equipment</b>		
Land	40,340	40,340
Buildings and improvements	954,791	958,960
Furniture and fixtures	199,372	291,649
Vehicles	54,186	54,186
	<u>1,248,689</u>	<u>1,345,135</u>
Less accumulated depreciation	(607,804)	(659,896)
Net property and equipment	<u>640,885</u>	<u>685,239</u>
<b>Other Assets</b>		
Beneficial interest in assets held by Community Foundations	93,164	80,107
Pledges receivable, net of current	388,210	-
Total other assets	<u>481,374</u>	<u>80,107</u>
Total assets	<u>\$ 2,622,578</u>	<u>\$ 2,581,534</u>

The accompanying Notes are an integral part of these financial statements.

# Attention, Inc. d/b/a TGTHR

## Statements of Financial Position (continued)

September 30	2021	2020
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 20,109	\$ 11,902
Accrued expenses	102,442	73,064
Payroll Protection Program loan	-	303,400
Total current liabilities	<u>122,551</u>	<u>388,366</u>
<b>Net Assets</b>		
Without donor restrictions		
Undesignated	1,156,818	1,397,351
Board-designated endowment	93,164	80,107
Board-designated, operating reserves	761,835	715,710
With donor restrictions	<u>488,210</u>	<u>-</u>
Total net assets	<u>2,500,027</u>	<u>2,193,168</u>
Total liabilities and net assets	<u>\$ 2,622,578</u>	<u>\$ 2,581,534</u>

The accompanying Notes are an integral part of these financial statements.

# Attention, Inc. d/b/a TGTHR

## Statements of Activities

Years ended September 30	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support, Other Revenue and Gains</b>						
<b>Support</b>						
Contributions	\$ 1,353,838	\$ 488,210	\$ 1,842,048	\$ 1,481,909	\$ 10,000	\$ 1,491,909
Government grants	1,658,326	-	1,658,326	1,712,351	-	1,712,351
In-kind contributions	52,324	-	52,324	114,804	-	114,804
Special event income	420,340	-	420,340	453,197	-	453,197
Special event expense	(80,577)	-	(80,577)	(38,137)	-	(38,137)
Net assets released from restrictions	-	-	-	101,917	(101,917)	-
Total support	<u>3,404,251</u>	<u>488,210</u>	<u>3,892,461</u>	<u>3,826,041</u>	<u>(91,917)</u>	<u>3,734,124</u>
<b>Other Revenue and Gains</b>						
Debt forgiveness, Paycheck Protection Program loan	303,400	-	303,400	-	-	-
Supportive services fees	58,562	-	58,562	52,250	-	52,250
Unrealized gain on investments	110,108	-	110,108	34,482	-	34,482
Realized gain on investments	211	-	211	-	-	-
Interest and dividends	6,838	-	6,838	20,712	-	20,712
Other revenue	23,362	-	23,362	23,896	-	23,896
Total other revenue and gains	<u>502,481</u>	<u>-</u>	<u>502,481</u>	<u>131,340</u>	<u>-</u>	<u>131,340</u>
Total support, other revenue and gains	<u>3,906,732</u>	<u>488,210</u>	<u>4,394,942</u>	<u>3,957,381</u>	<u>(91,917)</u>	<u>3,865,464</u>
<b>Functional Expenses and Loss</b>						
<b>Functional Expenses</b>						
Program services	3,052,249	-	3,052,249	2,874,240	-	2,874,240
Supporting services						
General and administrative	422,037	-	422,037	442,352	-	442,352
Fundraising	612,039	-	612,039	514,440	-	514,440
Total supporting services	<u>1,034,076</u>	<u>-</u>	<u>1,034,076</u>	<u>956,792</u>	<u>-</u>	<u>956,792</u>
Total functional expenses	<u>4,086,325</u>	<u>-</u>	<u>4,086,325</u>	<u>3,831,032</u>	<u>-</u>	<u>3,831,032</u>
<b>Loss</b>						
Loss on disposal of equipment	1,758	-	1,758	-	-	-
Total functional expenses and loss	<u>4,088,083</u>	<u>-</u>	<u>4,088,083</u>	<u>3,831,032</u>	<u>-</u>	<u>3,831,032</u>
<b>Change in Net Assets</b>	<u>\$ (181,351)</u>	<u>\$ 488,210</u>	<u>\$ 306,859</u>	<u>\$ 126,349</u>	<u>\$ (91,917)</u>	<u>\$ 34,432</u>

The accompanying Notes are an integral part of these financial statements.

# Attention, Inc. d/b/a TGTHR

## Statements of Changes in Net Assets

Years ended September 30	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Net Assets, Beginning of Year, As Previously Presented</b>	\$ 2,193,168	\$ -	\$ 2,193,168	\$ 2,083,704	\$ 91,917	\$ 2,175,621
Prior period adjustment	-	-	-	(16,885)	-	(16,885)
<b>Net Assets, Beginning of Year, As Restated</b>	2,193,168	-	2,193,168	2,066,819	91,917	2,158,736
Change in Net Assets	(181,351)	488,210	306,859	126,349	(91,917)	34,432
<b>Net Assets, End of Year</b>	<u>\$ 2,011,817</u>	<u>\$ 488,210</u>	<u>\$ 2,500,027</u>	<u>\$ 2,193,168</u>	<u>\$ -</u>	<u>\$ 2,193,168</u>

The accompanying Notes are an integral part of these financial statements.



# Attention, Inc. d/b/a TGTHR

## Statement of Functional Expenses

Year ended September 30, 2021

	Supporting Services				Total Expenses
	Program Services	General and Administrative	Fundraising	Total	
Salaries	\$ 1,872,273	\$ 214,595	\$ 432,910	\$ 647,505	\$ 2,519,778
Payroll taxes and employee benefits	281,237	70,336	40,165	110,501	391,738
Total personnel	<u>2,153,510</u>	<u>284,931</u>	<u>473,075</u>	<u>758,006</u>	<u>2,911,516</u>
Youth assistance	287,925	-	-	-	287,925
Contract labor	183,932	16,094	29,889	45,983	229,915
Marketing and public relations	81,698	8,832	19,873	28,705	110,403
Building repairs and small equipment	67,892	3,772	3,772	7,544	75,436
Utilities	62,594	3,477	3,477	6,955	69,549
Technology support	41,928	11,792	11,792	23,585	65,513
Depreciation	45,549	9,704	9,697	19,401	64,950
Miscellaneous	2,257	42,572	176	42,749	45,006
Professional fees	33,716	2,950	5,479	8,429	42,145
Office expenses	18,173	5,452	12,721	18,173	36,345
Insurance	29,413	1,634	1,634	3,268	32,681
Rent	13,661	8,284	9,495	17,779	31,440
Staff development and appreciation	13,957	5,945	5,945	11,889	25,846
Training costs	11,271	4,801	4,801	9,601	20,872
Donation processing fees	1,382	-	12,442	12,442	13,824
Fundraising expense	-	-	7,772	7,772	7,772
Board development	-	6,635	-	6,635	6,635
Bad debt expense	-	5,162	-	5,162	5,162
Youth facility	3,390	-	-	-	3,390
Total expenses	<u>\$ 3,052,249</u>	<u>\$ 422,037</u>	<u>\$ 612,039</u>	<u>\$ 1,034,076</u>	<u>\$ 4,086,325</u>

The accompanying Notes are an integral part of these financial statements.

# Attention, Inc. d/b/a TGTHR

## Statement of Functional Expenses

Year ended September 30, 2020

	<u>Supporting Services</u>				<u>Total Expenses</u>
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>	
Salaries	\$ 1,623,577	\$ 214,595	\$ 270,586	\$ 485,181	\$ 2,108,758
Payroll taxes and employee benefits	143,378	70,336	81,607	151,943	295,321
Total personnel	<u>1,766,955</u>	<u>284,931</u>	<u>352,193</u>	<u>637,124</u>	<u>2,404,079</u>
Youth assistance	314,710	-	-	-	314,710
Contract labor	201,528	17,634	32,748	50,382	251,910
Marketing & public relations	124,504	13,460	30,285	43,744	168,248
Building repairs and small equipment	121,288	6,738	6,738	13,476	134,764
Technology support	58,569	16,473	16,473	32,945	91,514
Utilities	57,546	3,197	3,197	6,394	63,940
Depreciation	43,934	9,359	9,353	18,712	62,646
Youth facility	52,155	-	-	-	52,155
Insurance	44,080	2,449	2,449	4,898	48,978
Office expenses	19,921	5,976	13,945	19,921	39,842
Professional fees	31,086	2,720	5,051	7,771	38,857
Staff development and appreciation	16,046	6,834	6,834	13,668	29,714
Rent	12,639	7,665	8,785	16,450	29,089
Miscellaneous	2,647	23,379	260	23,640	26,287
Return of funds	-	25,647	-	25,647	25,647
Donation processing fees	1,314	-	11,825	11,825	13,139
Fundraising expense	-	-	12,038	12,038	12,038
Training costs	5,320	2,266	2,266	4,531	9,851
Board development	-	8,100	-	8,100	8,100
Bad debt expense	-	5,524	-	5,524	5,524
Total expenses	<u>\$ 2,874,240</u>	<u>\$ 442,352</u>	<u>\$ 514,440</u>	<u>\$ 956,792</u>	<u>\$ 3,831,032</u>

The accompanying Notes are an integral part of these financial statements.

# Attention, Inc. d/b/a TGTHR

## Statements of Cash Flows

Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash

Years ended September 30	2021	2020
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 306,859	\$ 34,432
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	64,950	62,646
Unrealized gain on investments	(110,108)	(34,482)
Realized gain on investments	(211)	-
Debt forgiveness, Paycheck Protection Program loan	(303,400)	-
Bad debt expense	5,162	5,524
Loss on disposal of equipment	1,758	-
Increase (decrease) from changes in assets and liabilities		
Grants receivable	(24,428)	54,080
Pledges receivable	(488,210)	9,375
Accounts receivable	(58,562)	(52,250)
Prepaid expenses and other current assets	(26,383)	77,320
Accounts payable	8,207	(161)
Accrued expenses	29,378	39,216
Deferred revenue	-	(4,850)
Net cash provided (used) by operating activities	<u>(594,988)</u>	<u>190,850</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of investments	(27,862)	(118,970)
Proceeds from sale and maturity of investments	3,325	-
Purchases of property and equipment	(22,354)	(138,243)
Net cash used by investing activities	<u>(46,891)</u>	<u>(257,213)</u>
<b>Cash Flows From Financing Activities</b>		
Borrowings on long-term debt, Paycheck Protection Program loan	-	303,400
Net cash provided by financing activities	<u>-</u>	<u>303,400</u>
<b>Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash</b>	<b>(641,879)</b>	<b>237,037</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>811,346</b>	<b>574,309</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 169,467</b>	<b>\$ 811,346</b>

The accompanying Notes are an integral part of these financial statements.

# Attention, Inc. d/b/a TGTHR

## Notes to Financial Statements

September 30, 2021 and 2020

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### Note 1 – Nature of Organization and Significant Accounting Policies

*Nature of Organization.* Attention, Inc. d/b/a TGTHR, was incorporated on August 30, 1966, in the State of Colorado. The organization envisions a world in which all young people are valued, empowered, and safe, and has a mission to build a movement that galvanizes communities, empowers young people, and puts an end to youth homelessness.

TGTHR's programs support Colorado youth aged 12-24 who are experiencing or at risk of homelessness as they work toward stability and independence. TGTHR is a resource hub with services available 24-7, 365 days per year. Services center around case management, education and employment support, behavioral health and substance use counseling, family coaching services, and a range of pro-social activities that build individual living skills and promote social connections. TGTHR's housing specialists work with youth to navigate a range of housing opportunities.

TGTHR offers four programs for youth experiencing or at risk of homelessness:

*The Source.* The Source is a 14-bed overnight shelter for youth ages 12-21, and a daytime drop-in center for young people ages 12 to 24.

*Street Outreach.* The Street Outreach program offers street-based engagement with young people who are unsheltered. Teams refer young people to local resources, offer food and basic supplies, and provide case management that connects young people to community support.

*Housing Program.* The housing program for transition-age youth aged 18 to 24 includes two services:

- 1440 Pine, a 40-unit complex in downtown Boulder offering non-time-limited supportive
- Transitional Living Program (TLP), 25 scattered-site apartments across Boulder County, plus case management and other supportive services to help participants remain stably housed.

*Basis of Accounting.* The financial statements of TGTHR have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

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

# Attention, Inc. d/b/a TGTHR

## Notes to Financial Statements

September 30, 2021 and 2020

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### Note 1 – Nature of Organization and Significant Accounting Policies (continued)

*Net Asset Classification.* TGTHR distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. TGTHR complies with established standards for external reporting by not-for-profit organizations, which requires that resources be classified for reporting purposes into two net asset categories according to externally (donor) imposed restrictions. The two net asset categories are as follows:

*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, 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.

*Functional Allocation of Expenses.* Direct expenses have been allocated to the applicable program for which the expenses were incurred. Indirect expenses have been allocated among program, general and administrative, and fundraising activities based on estimated relative usage of resources attributable to these activities.

*Cash and Cash Equivalents.* TGTHR considers all highly liquid investments, including demand deposits and money market funds, with a maturity of three months or less, to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

*Investments.* TGTHR's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. TGTHR's management determines the valuation policies utilizing information provided by the investment advisors and custodians.

Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

# Attention, Inc. d/b/a TGTHR

## Notes to Financial Statements

September 30, 2021 and 2020

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### Note 1 – Nature of Organization and Significant Accounting Policies (continued)

*Fair Value Measurements.* TGTHR reports using fair value measurements, which requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2021 and 2020.

*Certificates of Deposit.* TGTHR values certificates of deposit at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer. Early withdrawal charges may apply in the event the instruments are liquidated prior to their scheduled maturity date.

*Beneficial Interest in Assets Held by The Denver Foundation.* Valued at the net asset value ("NAV") of units held by TGTHR at year end. The NAV, as provided by The Denver Foundation (the Foundation), is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the Foundation less its liabilities. This practical expedient is not used when it is determined to be probable that the Foundation will sell the investment for an amount different than the reported NAV.

*Equities.* U.S. equities and mutual funds are publicly traded and are valued using quoted prices in active markets.

# Attention, Inc. d/b/a TGTHR

## Notes to Financial Statements

September 30, 2021 and 2020

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### Note 1 – Nature of Organization and Significant Accounting Policies (continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while TGTHR believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statements of financial position.

*Pledges and Grants Receivable.* Pledges and grants receivable are stated net of allowances for uncollectible accounts. At the time receivables are originated, TGTHR considers an allowance for doubtful accounts based on the creditworthiness of the donor or grantor. The allowance is continually reviewed and adjusted to maintain the allowance at a level considered adequate to cover future uncollectible amounts. The allowance is management's best estimate of uncollectible amounts and is determined based on historical performance that is tracked by TGTHR on an ongoing basis. The Organization has recorded an allowance of \$27,571 and \$22,408 at September 30, 2021 and 2020.

*Property and Equipment.* It is TGTHR's policy to capitalize property and equipment at cost for purchases over \$1,000, while repair and maintenance items are charged to expense. Donations of property and equipment are capitalized at their estimated fair value at the date of gift. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose.

Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets. In general, asset lives are as follows:

	<u>Life in Years</u>
Buildings and improvements	7 - 30
Furniture and fixtures	3 - 10
Vehicles	3 - 5

Depreciation expense for the years ended September 30, 2021 and 2020 was \$64,950 and \$62,646, respectively.

*Impairment of Long-lived Assets.* In the event that facts and circumstances indicate that property and equipment, or other assets, may be impaired, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying amount to determine if a write-down to market value would be necessary. No impairment losses were recorded during the years ended September 30, 2021 and 2020.

# Attention, Inc. d/b/a TGTHR

## Notes to Financial Statements

September 30, 2021 and 2020

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### Note 1 – Nature of Organization and Significant Accounting Policies (continued)

*Revenue Recognition.* The Organization's revenues from contracts with customers consist of fees for supportive services provided to residents of 1440 Pine Street. Revenue is recognized upon the transfer of services to customers in amount that reflects the consideration that is expected to be received in exchange for those services. Supportive service fees are recognized ratably over the period to which the fees apply as the Organization satisfies its performance obligation to provide its program services. Amounts are invoiced on a monthly basis.

*Contributions.* Contributions are recognized when the promise to give is received. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions and grants that are restricted by the donor or grantor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

*Contributed Services.* Contributed services are recognized if the services received satisfy the criteria for recognition. The contributions of services are recognized if services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. There were no contributed services for the years ended September 30, 2021 and 2020.

*Income Taxes.* TGTHR is a nonprofit corporation exempt from income taxes as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made.

TGTHR utilizes the provisions of ASC 740, pertaining to accounting for uncertainty in income taxes. The pronouncement requires the use of a more-likely-than-not recognition criteria before and separate from the measurement of a tax position. An entity shall initially recognize the financial statement effects of a tax position when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. With respect to TGTHR, this would primarily relate to the determination of unrelated business taxable income and to the maintenance of its tax exempt status.

Management has evaluated the adopted policies and procedures that have been implemented to provide assurance that income is properly characterized and activities that jeopardize its tax exempt status are within limits established under existing tax code and regulations. Management has determined the effects of uncertain tax positions are not material to TGTHR for recognition or disclosure in the accompanying financial statements and, accordingly, no income tax liability has been recorded for uncertain income tax positions in the accompanying financial statements.

Income taxes for all open years are open for examination. Penalties and interest may be assessed on income taxes that are delinquent.

*Reclassifications.* Certain amounts from the financial statements for the year ended September 30, 2020 have been reclassified to conform to current year presentation, without affecting the change in net assets.



# Attention, Inc. d/b/a TGTHR

## Notes to Financial Statements

September 30, 2021 and 2020

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### Note 1 – Nature of Organization and Significant Accounting Policies (continued)

*Subsequent Events.* TGTHR evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through March \_\_, 2022, the date at which the financial statements were available for release.

### Note 2 - Prior Period Adjustment

Subsequent to issuance of the financial statements as of September 30, 2020, and for the year then ended, management discovered errors in the accounting for supportive service fee revenues and accounts receivable, including allowance for doubtful accounts and bad debt expenses. Amounts from the financial statements for the year ended September 30, 2020 have been adjusted to increase accounts receivable by \$29,842, increase revenues by \$52,250, and increase expenses by \$5,523 at September 30, 2020 and for the year then ended, and decrease net assets by \$16,885 at October 1, 2019.

### Note 3 - Availability and Liquidity

The following represents the Organization's financial assets for the years ended September 30:

	<u>2021</u>	<u>2020</u>
Financial assets at year end		
Cash and cash equivalents	\$ 169,467	\$ 811,346
Investments	891,808	770,009
Grants, pledges, and accounts receivable, current	<u>398,840</u>	<u>221,012</u>
Total financial assets	<u>1,460,115</u>	1,802,367
 Less amounts not available to be used within one year With donor restrictions	   <u>100,000</u>	   <u>-</u>
 Financial assets available to meet general expenditures, current	   <u>\$ 1,360,115</u>	   <u>\$ 1,802,367</u>

The Organization's goal is generally to maintain financial assets to meet 120 days of operating expenses, which would approximate \$1,300,000. Additionally, the Organization has a Board designated endowment. If necessary, the Board of Directors may approve a withdrawal request from the endowment.

# Attention, Inc. d/b/a TGTHR

## Notes to Financial Statements

September 30, 2021 and 2020

### Note 4 – Fair Value Measurements and Investments

The following table sets forth by level, within fair value hierarchy, TGTHR's investments, at fair value, as of September 30, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	\$ -	\$ 157,630	\$ -	\$ 157,630
U.S. Equities	385,851	-	-	385,851
Mutual Funds				
Domestic fixed income	8,127	-	-	8,127
Domestic equities	130,866	-	-	130,866
Corporate bonds	209,334	-	-	209,334
	<u>734,178</u>	<u>157,630</u>	-	<u>891,808</u>
Investments measured at net asset value				<u>93,164</u>
Total investments valued at fair value				<u>\$ 984,972</u>

The following table sets forth by level, within fair value hierarchy, TGTHR's investments, at fair value, as of September 30, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	\$ -	\$ 156,692	\$ -	\$ 156,692
U.S. Equities	277,286	-	-	277,286
Mutual Funds				
Domestic fixed income	25,952	-	-	25,952
Domestic equities	99,418	-	-	99,418
Corporate bonds	210,661	-	-	210,661
	<u>613,317</u>	<u>156,692</u>	-	<u>770,009</u>
Investments measured at net asset value				<u>80,107</u>
Total investments valued at fair value				<u>\$ 850,116</u>

The following sets forth a summary of TGTHR's beneficial interest in assets held by The Denver Foundation reported at NAV at September 30, 2021 and The Community Foundation Serving Boulder County reported at NAV at September 30, 2020:

<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Other Redemption Restrictions</u>	<u>Redemption Notice Period</u>
<u>2021</u>				
\$ 93,164	N/A	Immediate	Redemptions will only be made upon written request of TGTHR	None
<u>2020</u>				
\$ 80,107	N/A	Immediate		None

# Attention, Inc. d/b/a TGTHR

## Notes to Financial Statements

September 30, 2021 and 2020

### Note 4 – Fair Value Measurements and Investments (continued)

*Changes in Fair Value Levels.* The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Organization evaluated the significance of transfers between levels based upon the nature of the financial instruments and size of the transfer relative to total net assets available for benefits. For the years ended September 30, 2021 and 2020, there were no significant transfers in or out of fair value levels.

Investment income, including interest earned on cash and money market funds, consisted of the following for the years ended September 30:

	2021	2020
Unrealized gain on investments	\$ 110,108	\$ 34,482
Realized gain on investments	211	-
Investment interest and dividends	6,838	20,712
Investment management fees	(4,672)	(3,832)
Net investment gain	<u>\$ 112,485</u>	<u>\$ 51,362</u>

### Note 5 – Pledges Receivable

During 2021, TGTHR received a long-term pledge to fund an endowment with donor restrictions. Pledges receivable for the endowment fund consist of the following for the years ended September 30, 2021:

	Amount
Due in less than one year	\$ 100,000
Due in one to four years	400,000
Valuation allowance	(11,790)
	<u>\$ 488,210</u>

### Note 6 – Note Payable

The Organization had a long-term note with BOK Financial, provided under the Paycheck Protection Program (PPP), established by the U.S. Small Business Administration under the Coronavirus, Aid, Relief, and Economic Security Act (CAREs Act). The PPP loan program provides for forgiveness of the loan if the Organization expends the proceeds for qualified purposes and complies with other requirements. The Organization has expended all funds as of September 30, 2020 and received loan forgiveness in November 2020. The total loan amount of \$303,400 has been recognized as debt forgiveness in the statement of activities.

# Attention, Inc. d/b/a TGTHR

## Notes to Financial Statements

September 30, 2021 and 2020

### Note 7 – Net Assets With Donor Restrictions and Board Designated Net Assets

The following summarizes the changes in net assets with donor restrictions:

	October 1, 2020 Balance	Receipts	Releases	September 30, 2021 Balance
Endowment pledge	\$ -	\$ 488,210	\$ -	\$ 488,210
	October 1, 2019 Balance	Receipts	Releases	September 30, 2020 Balance
Furniture purchases	\$ 66,917	\$ 10,000	\$ (76,917)	\$ -
Education	25,000	-	(25,000)	-
	\$ 91,917	\$ 10,000	\$ (101,917)	\$ -

The following summarizes the changes in endowment net assets for the years ended September 30, 2021 and 2020:

	With Donor Restrictions, In Perpetuity	Without Restrictions, Board Designated	Total Endowments
Endowment net assets, October 1, 2019	\$ -	\$ 74,764	\$ 74,764
Interest and dividends	-	887	887
Net realized and unrealized gains	-	5,196	5,196
Investment advisory fees	-	(740)	(740)
Change in endowment net assets	-	5,343	5,343
Endowment net assets, September 30, 2020	\$ -	\$ 80,107	\$ 80,107
Contributions	488,210	-	488,210
Interest and dividends	-	1,176	1,176
Net realized and unrealized gains	-	12,779	12,779
Investment advisory fees	-	(898)	(898)
Change in endowment net assets	488,210	13,057	501,267
Endowment net assets, September 30, 2021	\$ 488,210	\$ 93,164	\$ 581,374

# Attention, Inc. d/b/a TGTHR

## Notes to Financial Statements

September 30, 2021 and 2020

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### Note 8 – Non-Endowment Board Designated Net Assets

*Operating Reserves.* The Board of Directors has designated \$761,835 and \$715,710 of net assets without donor restrictions for current operating needs at September 30, 2021 and 2020, respectively. These amounts are the totals of specified investment and money market funds. These funds are restricted designations imposed internally and are recorded as net assets without donor restrictions.

### Note 9 – Special Event

TGTHR derived net proceeds from the following special fundraising events as of September 30:

	<u>2021</u>	<u>2020</u>
<b>Gala</b>		
Gross proceeds	\$ 274,582	\$ 270,279
Direct costs	(72,617)	(23,157)
Net proceeds	<u>\$ 201,965</u>	<u>\$ 247,122</u>
<b>Sleep Out</b>		
Gross proceeds	\$ 136,224	\$ 146,486
Direct costs	(5,009)	(3,671)
Net proceeds	<u>\$ 131,215</u>	<u>\$ 142,815</u>
<b>Other events</b>		
Gross proceeds	\$ 9,534	\$ 36,432
Direct costs	(2,952)	(11,309)
Net proceeds	<u>\$ 6,582</u>	<u>\$ 25,123</u>
<b>Total</b>		
Gross proceeds	\$ 420,340	\$ 453,197
Direct costs	(80,577)	(38,137)
Net proceeds	<u>\$ 339,763</u>	<u>\$ 415,060</u>

### Note 10 – Retirement Plan

TGTHR has a 403(b) defined contribution salary deferral plan offered to all full-time employees that have successfully completed the introductory period. Contributions from the Organization are at the discretion of management. Contributions to the plan were \$14,578 and \$9,633 during the years ended September 30, 2021 and 2020, respectively.

# Attention, Inc. d/b/a TGTHR

## Notes to Financial Statements

September 30, 2021 and 2020

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### Note 11 – Commitments and Related Party Transactions

*Operating Leases.* TGTHR leases office space in Boulder, Colorado from a related party. The lease requires monthly payments of \$1,530, subject to yearly escalation, and expires in April 2035. Total rent expense for operating lease was \$18,240 and \$6,375 for the years ended September 30, 2021 and 2020, respectively. Rent expense for expired leases during the year ended September 30, 2020 totaled \$22,714.

TGTHR leases a commercial space in Boulder, Colorado from a related party. The lease requires monthly payments of \$1,110 and expires in October 2023. The lease is eligible for renewal at the end of each year long term. Total rent expense for the lease was \$13,200 for the year ended September 30, 2021.

Future minimum lease payments on operating leases are as follows for the years ended September 30:

Year	Amount
2022	\$ 31,955
2023	20,118
2024	19,388
2025	19,776
2026	20,172
Thereafter	350,732
	<u>\$ 462,141</u>

### Note 12 – Building Partnership, Contingency, and Related Party Transactions

In December 2017, the Organization obtained an equity interest in a partnership, Attention Homes Residences, LP, which was formed to finance, construct and manage a forty-unit permanent supportive housing complex in Boulder, Colorado. The Organization created a wholly owned subsidiary, Source Housing LLC, which was granted a nominal administrative general partner interest in Attention Homes Residences, LP. The partnership is controlled by an unrelated general partner.

The Organization served as a co-developer during the construction of the building, and assisted in securing subordinate financing and community engagement. TGTHR also serves as the supportive service provider to the partnership, participates in tenant selection, and provides program services to the tenants of the building.

The Organization received conditional grants from three state and local agencies totaling \$3,850,000 to fund the construction and development of the building through loans to the partnership. All grants received include permanent covenants that require the building be used to serve the youth population, and that the Organization comply with affordability requirements, such as rent and income limitations as defined in the agreements, for 99 years.

# Attention, Inc. d/b/a TGTHR

## Notes to Financial Statements

September 30, 2021 and 2020

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### **Note 12 – Building Partnership, Contingency, and Related Party Transactions (continued)**

The Organization entered into promissory notes for the full amount of grant funding received with Attention Homes Residences, LP in order to support construction and development of the building, as stipulated in the grant agreements. The promissory notes contain a collateral assignment to the City and County of Boulder, and the State of Colorado for funds they contributed. The promissory notes are due in full in December 2057, or until the partnership's senior note payable to NEF/Capital One has been repaid.

The Organization did not record the grants, and subsequent loans, as contribution revenues or notes receivable. Repayment of these funds to the Organization is uncertain and is contingent on the partnership and the Organization performing on the grant conditions for a term of 99 years. Payments received, if any, will be recognized upon receipt.

The Organization has a service agreement with the general partner to provide its program services to tenants of the building, as defined in the grant agreement with the City and County of Boulder and the State of Colorado. The service agreement has a term of 15 years. Revenues earned in connection with the service agreement totaled \$52,250 and \$58,562 for the years ended September 30, 2021 and 2020, respectively.

### **Note 13 – Subsequent Event**

In January 2022, the Organization obtained a line of credit agreement with JPMorgan Chase Bank with a borrowing limit of \$500,000. The variable rate note requires interest at 1.00% over the bank's index rate. The note matures in January 2027.

### **Note 14 – Uncertainty**

In March 2020, the World Health Organization declared the outbreak of the COVID19 pandemic. The pandemic has continued into 2021. In response to the crisis, the federal, state, and municipal governments have enacted various policies to curtail group gatherings until the risk has diminished. Both the United States and the global economy have been negatively impacted. Significant uncertainties may arise with respect to potential shutdowns of operations or government orders to cease activities, loss of donors or funding, inability to operate, or employee shortages, claims for business interruption insurance, etc. At this time, no reliable estimate of the ultimate effect of the pandemic can be made.