Attention, Inc.
d/b/a TGTHR

(a nonprofit Colorado corporation)

Boulder, Colorado

Financial Statements

September 30, 2022 and 2021

Attention, Inc. d/b/a TGTHR

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agn INTERNATIONAL

Independent Auditor's Report

To the Board of Directors
Attention, Inc. d/b/a TGTHR
Boulder, Colorado

Opinion

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, 2022 and 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Attention, Inc. d/b/a TGTHR as of September 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Attention, Inc. d/b/a TGTHR, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Attention, Inc. d/b/a TGTHR's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Attention, Inc. d/b/a TGTHR's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April _, 2023, on our consideration of TGTHR's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TGTHR's internal control over financial reporting and compliance.

Brock and Company, CPAs, P.C.

Certified Public Accountants

Fort Collins, Colorado
May 9, 2023

Attention, Inc. d/b/a TGTHR

Statements of Financial Position

September 30	**2022**	2021
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 129,180**	$ 169,467
Investments, fair value	**574,633**	891,808
Grants and contributions receivable	**541,546**	379,695
Pledges receivable, current	**100,000**	100,000
Accounts receivable	**-**	110,812
Prepaid expenses and other current assets	**38,247**	40,204
Total current assets	**1,383,606**	1,691,986
Property and Equipment, net	**605,098**	640,885
Other Assets		
Beneficial interest in assets held by Community Foundations	**153,896**	93,164
Pledges receivable, net of current	**275,180**	388,210
Total other assets	**429,076**	481,374
Total assets	**$ 2,417,780**	$ 2,814,245
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	**$ 60,846**	$ 20,109
Accrued expenses	**177,100**	102,442
Note payable, line of credit	**272,091**	-
Total current liabilities	**510,037**	122,551
Net Assets		
Without donor restrictions		
Undesignated	**716,289**	1,348,485
Board-designated endowment	**75,215**	93,164
Board-designated, operating reserves	**640,682**	761,835
With donor restrictions	**475,557**	488,210
Total net assets	**1,907,743**	2,691,694
Total liabilities and net assets	**$ 2,417,780**	$ 2,814,245

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

Attention, Inc. d/b/a TGTHR

Statements of Activities

Years ended September 30	**2022** Without Donor Restrictions	**2022** With Donor Restrictions	**2022** Total	2021 Without Donor Restrictions	2021 With Donor Restrictions	2021 Total
Support, Other Revenue and Gains						
Support						
Government grants	**$ 1,743,110**	**$ -**	**$ 1,743,110**	$ 1,658,326	$ -	$ 1,658,326
Contributions	**1,416,921**	**6,970**	**1,423,891**	1,453,838	488,210	1,942,048
In-kind contributions	**77,227**	**-**	**77,227**	52,324	-	52,324
Special event income	**318,270**	**-**	**318,270**	420,340	-	420,340
Special event expense	**(124,537)**	**-**	**(124,537)**	(80,577)	-	(80,577)
Total support	**3,430,991**	**6,970**	**3,437,961**	3,504,251	488,210	3,992,461
Other Revenue and Gains						
Debt forgiveness, Paycheck Protection Program loan	**-**	**-**	**-**	303,400	-	303,400
Supportive services fees	**60,318**	**-**	**60,318**	58,562	-	58,562
Residential treatment program fees	**223,250**	**-**	**223,250**	-	-	-
Unrealized gain on investments	**-**	**-**	**-**	110,108	-	110,108
Realized gain on investments	**663**	**720**	**1,383**	211	-	211
Interest and dividends	**19,735**	**810**	**20,545**	6,838	-	6,838
Other revenue	**18,746**	**-**	**18,746**	23,362	-	23,362
Total other revenue and gains	**322,712**	**1,530**	**324,242**	502,481	-	502,481
Total support, other revenue and gains	**3,753,703**	**8,500**	**3,762,203**	4,006,732	488,210	4,494,942
Functional Expenses and Losses						
Functional Expenses						
Program services	**2,879,035**	**-**	**2,879,035**	3,052,249	-	3,052,249
Supporting services						
General and administrative	**1,135,726**	**-**	**1,135,726**	422,037	-	422,037
Fundraising	**438,009**	**-**	**438,009**	612,039	-	612,039
Total supporting services	**1,573,734**	**-**	**1,573,734**	1,034,076	-	1,034,076
Total functional expenses	**4,452,770**	**-**	**4,452,770**	4,086,325	-	4,086,325
Losses						
Loss on disposal of equipment	**-**	**-**	**-**	1,758	-	1,758
Unrealized loss on investments	**72,231**	**21,153**	**93,384**	-	-	-
Total functional expenses and losses	**4,525,001**	**21,153**	**4,546,154**	4,088,083	-	4,088,083
Change in Net Assets	**$ (771,298)**	**$ (12,653)**	**$ (783,951)**	$ (81,351)	$ 488,210	$ 406,859

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

Attention, Inc. d/b/a TGTHR

Statement of Changes in Net Assets

Years ended September 30	**2022**			2021		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets, Beginning of Year, as Originally Reported	**$ 2,203,484**	**$ 488,210**	**$ 2,691,694**	$ 2,193,168	$ -	$ 2,193,168
Prior period adjustment	**-**	**-**	**-**	91,667	-	91,667
Net Assets, Beginning of Year, as Restated	**2,203,484**	**488,210**	**2,691,694**	2,284,835	-	2,284,835
Change in net assets	**(771,298)**	**(12,653)**	**(783,951)**	(81,351)	488,210	406,859
Net Assets, End of Year	**$ 1,432,186**	**$ 475,557**	**$ 1,907,743**	$ 2,203,484	$ 488,210	$ 2,691,694

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, 2022

	Program Services	Supporting Services: General and Administrative	Supporting Services: Fundraising	Supporting Services: Total	Total Expenses
Salaries	$ 1,959,876	$ 614,096	$ 340,808	$ 954,904	$ 2,914,780
Payroll taxes and employee benefits	278,986	119,553	41,808	161,361	440,347
Total personnel	2,238,862	733,648	382,616	1,116,265	3,355,127
Youth assistance	307,662	-	-	-	307,662
Contract labor	28,587	92,713	-	92,713	121,300
Technology support	45,956	23,159	12,494	35,653	81,610
Utilities	57,509	15,404	1,083	16,487	73,997
Staff development and appreciation	18,702	49,156	150	49,306	68,008
Professional fees	11,337	49,204	7,013	56,217	67,554
Depreciation	49,187	16,702	-	16,702	65,889
Marketing and public relations	456	37,459	21,864	59,323	59,779
Insurance	20,717	21,740	2,382	24,121	44,838
Building repairs and small equipment	40,514	3,807	-	3,807	44,321
Rent	23,426	18,526	-	18,526	41,952
Travel	15,800	13,872	4,361	18,233	34,032
Bad debt expense	10,422	17,130	-	17,130	27,553
Office expenses	6,198	17,799	243	18,042	24,239
Donation processing fees	-	5,194	5,602	10,796	10,796
Recruitment	3,081	5,420	-	5,420	8,500
Miscellaneous	115	6,400	200	6,600	6,715
Volunteer expenses	504	4,252	-	4,252	4,756
Interest expense	-	4,141	-	4,141	4,141
Total expenses	$ 2,879,035	$ 1,135,726	$ 438,009	$ 1,573,734	$ 4,452,770

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

	Program Services	Supporting Services: General and Administrative	Supporting Services: Fundraising	Supporting Services: Total	Total Expenses
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	2,153,510	284,931	473,075	758,006	2,911,516
Youth assistance	287,925	-	-	-	287,925
Contract labor	183,932	16,094	29,889	45,983	229,915
Marketing & 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	$ 3,052,249	$ 422,037	$ 612,039	$ 1,034,076	$ 4,086,325

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 and Cash Equivalents

Years ended September 30	**2022**	2021
Cash Flows From Operating Activities		
Change in net assets	**$ (783,951)**	$ 406,859
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation	**65,889**	64,950
Unrealized (gain) loss on investments	**93,384**	(110,108)
Realized gain on investments	**(1,383)**	(211)
Debt forgiveness, Paycheck Protection Program loan	**-**	(303,400)
Bad debt expense	**27,553**	5,162
Loss on disposal of equipment	**-**	1,758
Increase (decrease) from changes in assets and liabilities		
Grants and contributions receivable	**(189,404)**	(124,428)
Pledges receivable	**113,030**	(488,210)
Accounts receivable	**110,812**	(58,562)
Prepaid expenses and other current assets	**1,957**	(26,383)
Accounts payable	**40,737**	8,207
Accrued expenses	**74,658**	29,378
Net cash used by operating activities	**(446,718)**	(594,988)
Cash Flows From Investing Activities		
Purchase of investments	**(105,232)**	(27,862)
Proceeds from sale and maturity of investments	**269,674**	3,325
Purchases of property and equipment	**(30,102)**	(22,354)
Net cash provided (used) by investing activities	**134,340**	(46,891)
Cash Flows From Financing Activities		
Borrowings on note payable, line of credit	**384,428**	-
Payments on note payable, line of credit	**(112,337)**	-
Net cash provided by financing activities	**272,091**	-
Net Decrease in Cash and Cash Equivalents,	**(40,287)**	(641,879)
Cash and Cash Equivalents, Beginning of Year	**169,467**	811,346
Cash and Cash Equivalents, End of Year	**$ 129,180**	$ 169,467

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

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 housing

- 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.

Future Accounting Pronouncements. In February 2016, the FASB issued amended guidance for the treatment of leases. The guidance requires lessees to recognize a right-of-use asset and a corresponding lease liability for all operating and finance leases with lease terms greater than one year. The guidance also requires both qualitative and quantitative disclosures regarding the nature of the entity's leasing activities. The guidance will initially be applied using a modified retrospective approach. The amendments in the guidance are effective for fiscal years beginning after December 15, 2021.

Management is evaluating the impact of the new accounting pronouncement on the Organization's financial statements.

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

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.

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.

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, 2022 and 2021.

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.

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 at September 30, 2022 and 2021.

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:

	Life in Years
Buildings and improvements	7 - 30
Furniture and fixtures	3 - 10
Vehicles	3 - 5

Depreciation expense for the years ended September 30, 2022 and 2021 was $65,889 and $64,950, 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, 2022 and 2021.

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.

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.

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 May 9, 2023, 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, 2021, and for the year then ended, management discovered an error in accounting for a previously unknown conditional contribution related to the supportive services agreement, as described in Note 12, and net assets without restrictions. Amounts in the financial statements for the year ended September 30, 2021 have been adjusted to properly record the contribution in the applicable years. The prior period adjustments increased grants receivable by $191,667, increased contribution revenue by $100,000, and increased net assets by $91,667 at September 30, 2021 and for the year then ended.

Note 3 - Availability and Liquidity

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

	2022	2021
Financial assets at year end		
Cash and cash equivalents	**$ 129,180**	$ 169,467
Investments	**574,633**	891,808
Grants, pledges, and accounts receivable, current	**641,546**	590,507
Total financial assets	**1,345,359**	1,651,782
Less amounts not available to be used within one year		
With donor restrictions	**475,557**	488,210
Financial assets available to meet general expenditures, current	**$ 869,802**	$ 1,163,572

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.

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, 2022:

	Level 1	Level 2	Level 3	Total
U.S. Equities	$ 321,428	$ -	$ -	$ 321,428
International Equities	5,887	-	-	5,887
Mutual Funds				
Domestic fixed income	24,008	-	-	24,008
Domestic equities	85,388	-	-	85,388
Real estate	2,851	-	-	2,851
Corporate bonds	135,071	-	-	135,071
	$ 574,633	$ -	$ -	574,633
Investments measured at net asset value				153,896
Total investments valued at fair value				$ 728,529

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

	Level 1	Level 2	Level 3	Total
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
	$ 734,178	$ 157,630	$ -	891,808
Investments measured at net asset value				93,164
Total investments valued at fair value				$ 984,972

The following sets forth a summary of TGTHR's beneficial interest in assets held by The Denver Foundation reported at NAV at September 30, 2022 and 2021:

Fair Value	Unfunded Commitments	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
2022				
$ 153,896	N/A	Immediate	Redemptions will only be made upon written request of TGTHR	None
2021				
$ 93,164	N/A	Immediate		None

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, 2022 and 2021, there were no significant transfers in or out of fair value levels.

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

	2022	2021
Unrealized gain (loss) on investments	**$ (93,384)**	$ 110,108
Realized gain on investments	**1,383**	211
Investment interest and dividends	**20,545**	6,838
Investment management fees	**(6,400)**	(4,672)
Net investment gain (loss)	**$ (77,856)**	$ 112,485

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:

	2022	2021
Due in less than one year	**$ 100,000**	$ 100,000
Due in one to four years	**300,000**	400,000
Valuation allowance	**(24,820)**	(11,790)
	$ 375,180	$ 488,210

Note 6 – Note Payable, Line of Credit

The Organization obtained a $500,00 line of credit agreement with JPMorgan Chase Bank in January 2022. There were outstanding borrowings at September 30, 2022 of $272,091. The variable rate note requires interest at 1.00% over the bank's index rate, for a rate of 7.25%. The note mis collateralized by substantially all business assets and matures in January 2027.

Note 7 – Net Assets With Donor Restrictions and Non-Endowment Board Designated Net Assets

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

	October 1, 2021 Balance	Receipts	Releases	September 30, 2022 Balance
Endowed funds	$ 488,210	$ -	$ (32,653)	$ 455,557
Vehicle purchase	-	20,000	-	20,000
	$ 488,210	$ 20,000	$ (32,653)	$ 475,557

	October 1, 2020 Balance	Receipts	Releases	September 30, 2021 Balance
Endowed funds	$ -	$ 488,210	$ -	$ 488,210

Operating Reserves. The Board of Directors has designated $640,682 and $761,835 of net assets without donor restrictions for current operating needs at September 30, 2022 and 2021, 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 8 – Endowment Fund and Board Designated Endowment

The Board of Directors has determined that a portion of the Organization's net assets meet the definition of endowment funds under the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA), adopted by the State of Colorado in 2008. The Organization has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Organization generally classifies as net assets with donor restrictions to be maintained in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as net assets with donor restrictions to be maintained in perpetuity is classified as net assets without donor restriction as appropriations for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA occur. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

Note 8 – Endowment Fund and Board Designated Endowment (continued)

The following summarizes the changes in endowment net assets for the years ended September 30, 2022 and 2021:

	With Donor Restrictions, In Perpetuity	Without Restrictions, Board Designated	Total Endowments
Endowment net assets, October 1, 2020	$ -	$ 80,107	$ 80,107
Contributions and pledges	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
Change in valuation allowance	**(13,030)**	**-**	**(13,030)**
Interest and dividends	**1,560**	**1,427**	**2,987**
Net realized and unrealized losses	**(20,433)**	**(18,690)**	**(39,123)**
Investment advisory fees	**(750)**	**(686)**	**(1,436)**
Change in endowment net assets	**(32,653)**	**(17,949)**	**(50,602)**
Endowment net assets, September 30, 2022	**$ 455,557**	**$ 75,215**	**$ 530,772**

Endowment Investment Policies. The Organization has adopted investment policies that include conservative risk tolerance to ensure the long-term stability of its endowment fund. To achieve the objective of the endowment, the Organization has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a diversified asset mix that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make annual distributions, while growing the fund if possible. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Endowment Spending Policies. Provided that there are annual earnings from the investments of the endowment fund with donor restrictions, the Organization expends the earnings in accordance with the direction of the applicable donor gift instrument. Spending from the board designated endowment is at the discretion and direction of the Board of Directors.

Note 8 – Endowment Fund and Board Designated Endowment (continued)

Underwater Endowment Fund. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration, also known as underwater endowments. As of September 30, 2022, deficiencies of this nature existed in the single, donor-restricted endowment fund created with an original pledged gift of $488,210, including a valuation allowanve of $11,790 on the date of the pledge. The fair value of assets restricted in perpetuity, adjusted for the change in valuation allowance, totaled $455,557 as of September 30, 2022, which generated amounts underwater of $19,623. These deficiencies resulted from unfavorable market conditions, which occurred shortly after the investment of the gift.

Note 9 – Special Events

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

	2022	2021
Gala		
Gross proceeds	**$ 215,851**	$ 274,582
Direct costs	**(101,757)**	(72,617)
Net proceeds	**$ 114,094**	$ 201,965
Sleep Out		
Gross proceeds	**$ 102,419**	$ 136,224
Direct costs	**(22,780)**	(5,009)
Net proceeds	**$ 79,639**	$ 131,215
Other events		
Gross proceeds	**$ -**	$ 9,534
Direct costs	**-**	(2,952)
Net proceeds	**$ -**	$ 6,582
Total		
Gross proceeds	**$ 318,270**	$ 420,340
Direct costs	**(124,537)**	(80,577)
Net proceeds	**$ 193,733**	$ 339,763

Note 10 – In-Kind Contributions

TGTHR received the following contributions of nonfinancial assets for the years ended December 31:

	2022	2021
Professional services, IT	**$ 40,000**	$ -
Program and other materials	**37,227**	52,234
	$ 77,227	$ 52,234

Note 10 – In-Kind Contributions (continued)

The Organization receives contributed professional services that are reported using current rates for similar services. Contributed materials and supplies received by the Organization are valued at the current price for similar items.

All donated services and materials and supplies were utilized by the Organization's programs and supporting services. There were no donor-imposed restrictions associated with the in-kind contributions.

Note 11 – 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 TGTHR are at the discretion of management. Contributions to the plan were $26,341 and $14,578 during the years ended September 30, 2022 and 2021, respectively.

Note 12 – Commitments and Related Party Transactions

Operating Leases. TGTHR leases office space in Boulder, Colorado from a related party. The lease requires monthly payments of $1,560, subject to yearly escalation, and expires in April 2035. Total rent expense for operating lease was $18,574 and $18,240 for the years ended September 30, 2022 and 2021, respectively.

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 $12,160 and $13,200 for the years ended September 30, 2022 and 2021.

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

Year	Amount
2023	$ 20,118
2024	19,388
2025	19,776
2026	20,172
2027	20,575
Thereafter	309,170
	$ 409,199

Attention, Inc. d/b/a TGTHR

Notes to Financial Statements

September 30, 2022 and 2021

Note 13 – 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.

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 $60,318 and $58,562 for the years ended September 30, 2022 and 2021, respectively.

As a part of the supportive services agreement, the general partner is required to hold $500,000 in a special reserve that the Organization may request up to $100,000 per year until the funds held in reserve have been exhausted. The general partner will approve any request for disbursement if the Organization is not in any default of any requirements of the supportive services agreement. The funds from the special reserve have been recorded as conditional contributions, recognized as contribution revenues upon satisfaction of the contribution barrier, represented by the performance of services described in the agreement. Contribution revenues of $100,000 were recognized for the year ended September 30, 2022. A prior period adjustment, described in Note 2, was recorded during 2022 to recognize $100,000 of contribution revenues for the year ended September 30, 2021, and $91,667 in additional net assets for the period prior to October 1, 2020.

Note 14 – Subsequent Events

In October 2022, employees of Chase House approved the formation of a union. The union negotiations are ongoing as of the date of these financial statements.

In January 2023, TGTHR entered into a settlement agreement, totaling $27,732, related to a claim from the National Labor Relations Board pertaining to the termination of three former employees.