

**Audited Financial Statements**



**December 31, 2021 and 2020**

**Quigley & Miron**

Suite 1660  
3550 Wilshire Boulevard  
Los Angeles, California 90010

Telephone: (213) 639-3550  
Facsimile: (213) 639-3555

Suite 700  
1999 South Bascom Avenue  
Campbell, California 95008

Telephone: (408) 614-0100  
Facsimile: (213) 639-3555

## Independent Auditor's Report

Board of Directors  
**HomeAid America**  
Irvine, California

### Opinion

We have audited the accompanying financial statements of HomeAid America (HomeAid), a nonprofit organization, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HomeAid as of December 31, 2021 and 2020, and the changes in its net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

### Basis of Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 HomeAid 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 HomeAid's ability to continue as a going concern for 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 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 statements.

In performing an audit in accordance with GAAS, 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 HomeAid'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 HomeAid'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.

A handwritten signature in black ink that reads "Twiggley & Miron". The signature is written in a cursive, flowing style.

Los Angeles, California  
April 6, 2022

**HomeAid America**  
**Statements of Financial Position**  
**December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 966,571	\$ 895,072
Restricted cash—PPP funds	82,188	80,600
Investments—Note 3	350,270	424,282
Accounts receivable	48,037	12,538
Pledges receivable—Note 4	115,306	72,625
Prepaid expenses	95,634	149,847
Property and equipment, net—Note 5	3,302	4,686
	<u>1,661,308</u>	<u>1,639,650</u>
<b>Total Assets</b>	<b>\$ 1,661,308</b>	<b>\$ 1,639,650</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 40,647	\$ 21,408
Accrued expenses	71,935	48,230
Liability insurance deductible fund—Note 6	25,000	29,404
Due to related party	1,169	13,350
PPP advance—Note 7	82,188	80,600
	<u>220,939</u>	<u>192,992</u>
<b>Total Liabilities</b>	<b>220,939</b>	<b>192,992</b>
<b>Net Assets</b>		
Without donor restrictions	1,165,442	1,129,011
With donor restrictions—Note 9	274,927	317,647
	<u>1,440,369</u>	<u>1,446,658</u>
<b>Total Net Assets</b>	<b>1,440,369</b>	<b>1,446,658</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,661,308</b>	<b>\$ 1,639,650</b>

See notes to financial statements.



HomeAid America  
Statement of Activities  
Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Operating Activities</b>			
<b>Support and Revenue</b>			
Contributions and grants	\$ 1,430,091	\$ 207,093	\$ 1,637,184
CARES Act grant—Note 7	80,600		80,600
In-kind contributions	12,877		12,877
Affiliate fees and reimbursements	45,000		45,000
Reimbursed insurance	77,340		77,340
Accounting service fees	12,609		12,609
Interest income	1,721		1,721
	<u>1,660,238</u>	<u>207,093</u>	<u>1,867,331</u>
<b>Total Support and Revenue Before Reclassifications</b>	<b>1,660,238</b>	<b>207,093</b>	<b>1,867,331</b>
<b>Reclassifications</b>			
Net assets released from restrictions	249,813	(249,813)	
	<u>249,813</u>	<u>(249,813)</u>	
<b>Total Support and Revenue After Reclassifications</b>	<b>1,910,051</b>	<b>(42,720)</b>	<b>1,867,331</b>
<b>Expenses</b>			
Program services			
Community outreach	1,070,978		1,070,978
Program development and support	545,848		545,848
Management and general	150,782		150,782
Fundraising and development	104,332		104,332
	<u>1,871,940</u>		<u>1,871,940</u>
<b>Total Expenses</b>	<b>1,871,940</b>		<b>1,871,940</b>
<b>Change in Net Assets from Operations</b>	<b>38,111</b>	<b>(42,720)</b>	<b>(4,609)</b>
<b>Nonoperating Activities</b>			
Investment return, net	(1,680)		(1,680)
	<u>(1,680)</u>		<u>(1,680)</u>
<b>Total Nonoperating Activities</b>	<b>(1,680)</b>		<b>(1,680)</b>
<b>Change in Net Assets</b>	<b>36,431</b>	<b>(42,720)</b>	<b>(6,289)</b>
<b>Net Assets at Beginning of Year</b>	<u>1,129,011</u>	<u>317,647</u>	<u>1,446,658</u>
<b>Net Assets at End of Year</b>	<u>\$ 1,165,442</u>	<u>\$ 274,927</u>	<u>\$ 1,440,369</u>

See notes to financial statements.

HomeAid America  
Statement of Activities  
Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Operating Activities</b>			
<b>Support and Revenue</b>			
Contributions and grants	\$ 657,371	\$ 147,625	\$ 804,996
In-kind contributions	18,588		18,588
Affiliate fees and reimbursements	46,020		46,020
Reimbursed insurance	82,974		82,974
Accounting service fees	14,170		14,170
Interest income	2,481		2,481
Other income	1,413		1,413
Special events			
Gross revenue	100,734		100,734
Less cost of direct benefit to donors	(15,722)		(15,722)
<b>Special Events, Net</b>	<b>85,012</b>		<b>85,012</b>
<b>Total Support and Revenue Before Reclassifications</b>	<b>908,029</b>	<b>147,625</b>	<b>1,055,654</b>
<b>Reclassifications</b>			
Net assets released from restrictions	195,004	(195,004)	
<b>Total Support and Revenue After Reclassifications</b>	<b>1,103,033</b>	<b>(47,379)</b>	<b>1,055,654</b>
<b>Expenses</b>			
Program services			
Community outreach	459,407		459,407
Program development and support	454,960		454,960
Management and general	179,256		179,256
Fundraising and development	109,580		109,580
<b>Total Expenses</b>	<b>1,203,203</b>		<b>1,203,203</b>
<b>Change in Net Assets from Operations</b>	<b>(100,170)</b>	<b>(47,379)</b>	<b>(147,549)</b>
<b>Nonoperating Activities</b>			
Investment return, net	4,235		4,235
<b>Total Nonoperating Activities</b>	<b>4,235</b>		<b>4,235</b>
<b>Change in Net Assets</b>	<b>(95,935)</b>	<b>(47,379)</b>	<b>(143,314)</b>
<b>Net Assets at Beginning of Year</b>	<b>1,224,946</b>	<b>365,026</b>	<b>1,589,972</b>
<b>Net Assets at End of Year</b>	<b>\$ 1,129,011</b>	<b>\$ 317,647</b>	<b>\$ 1,446,658</b>

See notes to financial statements.

HomeAid America  
Statement of Functional Expenses  
Year Ended December 31, 2021

Expenses	Community Outreach	Program Development and Support	Total Program Services	Management and General	Fundraising and Development	Total
Salaries	\$ 122,934	\$ 325,462	\$ 448,396	\$ 103,347	\$ 70,148	\$ 621,891
Employee benefits	19,985	52,908	72,893	16,800	11,403	101,096
Payroll taxes	9,063	23,992	33,055	7,618	5,171	45,844
<b>Total Personnel Expenses</b>	<b>151,982</b>	<b>402,362</b>	<b>554,344</b>	<b>127,765</b>	<b>86,722</b>	<b>768,831</b>
Accounting and legal						
Bank and merchant fees	2,669	7,066	9,735	2,242	1,523	13,500
Affiliate, donor, and volunteer recognition				375	1,425	1,800
Affiliate grants and designated funding	739,395	1,368	1,368	75	429	1,872
Affiliate insurance		68,982	68,982			68,982
Computer expense		181	181			399
Consultants and independent contractors	112,248	14,387	126,635	218		131,548
Delivery and shipping expense	1,232	33	1,265	32	4,913	1,297
Depreciation				1,384		1,384
Equipment purchases	1,464	99	1,563			1,995
In-kind services and materials		5,065	5,065	7,812	432	12,877
Insurance				1,068		1,068
Meetings and conferences	489	24,606	25,095	3,812		28,907
Meals and entertainment	90	65	155	2,134	172	2,461
Memberships and subscriptions	6,181	2,143	8,324	1,773	7,583	17,680
Office expense		61	61	765		826
Office supplies	373	988	1,361	313	213	1,887
Postage	171	43	214	125	52	391
Printing	28,876	44	28,920		208	29,128
Public relations	5,492		5,492			5,492
Repairs and maintenance	767	2,030	2,797	644	438	3,879
Telecommunications and internet	293	775	1,068	245	167	1,480
Travel	15,781	15,550	31,331		55	31,386
Website expenses	3,475		3,475			3,475
<b>Total Expenses</b>	<b>\$ 1,070,978</b>	<b>\$ 545,848</b>	<b>\$ 1,616,826</b>	<b>\$ 150,782</b>	<b>\$ 104,332</b>	<b>\$ 1,871,940</b>

See notes to financial statements.

HomeAid America  
Statement of Functional Expenses  
Year Ended December 31, 2020

Expenses	Community Outreach	Program Development and Support	Total Program Services	Management and General	Fundraising and Development	Special Events	Total
Salaries	\$ 101,046	\$ 285,987	\$ 387,033	\$ 118,505	\$ 76,878	\$	\$ 582,416
Employee benefits	15,495	43,856	59,351	18,173	11,789		89,313
Payroll taxes	7,424	21,010	28,434	8,704	5,648		42,786
<b>Total Personnel Expenses</b>	<b>123,965</b>	<b>350,853</b>	<b>474,818</b>	<b>145,382</b>	<b>94,315</b>		<b>714,515</b>
Accounting and legal				9,000			9,000
Bank and merchant fees				360	1,113		1,473
Affiliate, donor, and volunteer recognition		1,011	1,011		28		1,039
Affiliate grants and designated funding	239,004		239,004				239,004
Affiliate insurance		51,443	51,443				51,443
Computer expense	1,101		1,101				1,101
Consultants and independent contractors	65,503		65,503				65,503
Cost of direct benefits to donors						15,722	15,722
Delivery and shipping expense				149			149
Depreciation				867			867
Equipment purchases				403			403
In-kind services and materials	1,087		9,403	9,184			18,587
Insurance		8,316	6,208	610			6,818
Meetings and conferences	8	18,080	18,088	3,078	49		21,215
Meals and entertainment	160		160		111		271
Memberships and subscriptions	3,529	1,110	4,639	2,070	8,766		15,475
Office expense		417	417	691			1,108
Office supplies				1,177			1,177
Postage		5	5	95	67		167
Printing	1,706	348	2,054		1,161		3,215
Public relations	929		929				929
Rent	3,695	10,494	14,189	4,325	2,833		21,347
Repairs and maintenance	1,061	3,015	4,076	1,242	814		6,132
Telecommunications and internet	421	1,195	1,616	623	323		2,562
Trade shows	11,800		11,800				11,800
Travel	343	2,465	2,808				2,808
Website expenses	5,095		5,095				5,095
<b>Total Expenses by Function</b>	<b>459,407</b>	<b>454,960</b>	<b>914,367</b>	<b>179,256</b>	<b>109,580</b>	<b>15,722</b>	<b>1,218,925</b>
Less expenses included with revenues on the statement of activities						(15,722)	(15,722)
Cost of direct benefits to donors							
<b>Total Expenses</b>	<b>\$ 459,407</b>	<b>\$ 454,960</b>	<b>\$ 914,367</b>	<b>\$ 179,256</b>	<b>\$ 109,580</b>	<b>\$</b>	<b>\$ 1,203,203</b>

See notes to financial statements.

**HomeAid America**  
**Statements of Cash Flows**  
**Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Cash Flows from Operations</b>		
Change in net assets	\$ (6,289)	\$ (143,314)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,384	867
Realized and unrealized gain (loss) on investments	1,680	(4,235)
Loss on disposal of property		
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(35,499)	39,481
Increase in pledges receivable	(42,681)	(52,625)
(Increase) decrease in prepaid expenses	54,213	(125,569)
(Increase) decrease in deposits		1,173
Increase (decrease) in accounts payable	19,239	(5,805)
Increase in accrued expenses	23,705	17,098
Increase (decrease) in liability insurance deductible fund	(4,404)	4,404
Decrease in due to related party	(12,181)	(46,650)
Decrease in deferred revenue		(18,400)
Increase in PPP advance	1,588	80,600
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>755</b>	<b>(252,975)</b>
Purchases of property and equipment		(2,814)
Purchases of investments in securities	(240,000)	(429,589)
Proceeds from sales of investments in securities	312,332	9,542
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>72,332</b>	<b>(422,861)</b>
<b>Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash</b>	<b>73,087</b>	<b>(675,836)</b>
<b>Cash, Cash Equivalents, and Restricted Cash at Beginning of Year</b>	<b>975,672</b>	<b>1,651,508</b>
<b>Cash, Cash Equivalents, and Restricted Cash at End of Year</b>	<b><u>\$ 1,048,759</u></b>	<b><u>\$ 975,672</u></b>
<b>Supplementary Disclosures</b>		
Income taxes paid	<u>\$</u>	<u>\$</u>
Interest paid	<u>\$</u>	<u>\$</u>

See notes to financial statements.

**HomeAid America**  
**Notes to Financial Statements**  
**December 31, 2021 and 2020**

**Note 1—Organization and Summary of Significant Accounting Policies**

Organization—HomeAid America (HomeAid) is a 501(c)(3) charitable, non-profit corporation, which was incorporated in July 1995. HomeAid America was created for the purpose of establishing new HomeAid affiliates throughout the country and assisting existing affiliates in carrying out the HomeAid mission. It accomplishes this through the following:

- I. To establish and expand the number of HomeAid affiliates across the United States.
- II. To provide program and nonprofit management expertise through staff and volunteer resources to the affiliates to help them accomplish their missions.
- III. To enable the sharing of best practices among HomeAid affiliates.
- IV. To assist affiliates to be effective and consistent in their operating procedures as nonprofit community benefit organizations.
- V. To facilitate the availability of financial resources, in-kind donations of services and materials and engagement of other coalition partners for HomeAid affiliates from national sources and affiliations.
- VI. To promote and protect the HomeAid Program brand and identity as a national organization.

HomeAid’s mission is to help people experiencing or at risk of homelessness build new lives through construction, community engagement, and education. HomeAid uses the power of collaboration with local and national builders, trades, suppliers, and community partners to maximize resources and expertise for non-profit service providers to create safe and dignified housing and programmatic facilities to those without a home.

In 2021, through a network of 19 affiliates across 13 states, HomeAid completed 60 new developments, which included several tiny home projects, housing for victims of sex trafficking, foster youth, pregnant minors and their children, veterans, families, and those suffering from developmental disabilities, addictions or medical conditions. These developments created 900 beds, serving over 21,000 people, with a total project value of nearly \$43 million and a cost savings to the service providers of nearly \$3.5 million.

Despite the global pandemic, HomeAid, through its affiliates, continued its outreach programs by engaging over 1,000 volunteers to safely distribute over 1.8 million basic necessities such as diapers, wipes, clothing and food. HomeAid continues to expand its reach to serve people in communities across the country through community engagement, awareness and education programs. HomeAid assists its affiliate network with capacity building and programmatic support to ensure they are operating effectively and efficiently.

## HomeAid America

### Notes to Financial Statements—Continued

#### Note 1—Organization and Summary of Significant Accounting Policies—Continued

HomeAid currently has 70 new projects under development adding over 1,200 beds. To date, HomeAid has completed over 1,000 housing developments and has served over 500,000 people who otherwise would have been houseless. Additionally, HomeAid's public relations and community education programs work to support new initiatives in affiliate markets, that will not only house those who need housing, but also to provide training and skills to those who want to work in the building industry. The HomeAid WORKS program provides the environment, structure to succeed, and opportunities for quality meaningful work at a livable wage for those who are trainable in building industry skills.

Financial Statement Presentation—The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. HomeAid's net assets are classified based on the existence or absence of donor-imposed restrictions. As such, the net assets of HomeAid and changes therein are presented and reported as follows:

Net assets without donor restrictions—Net assets that are not subject to donor-imposed stipulations and that may be expended for any purpose in performing the primary objectives of HomeAid. These net assets may be used at the discretion of HomeAid'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; such restrictions that may or will be met either by actions of HomeAid and/or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. Generally, the donors of such assets permit HomeAid to use all or part of the income earned on related investments for general or specific purposes.

Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a time restriction expires or a purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. It is the policy of HomeAid to record contributions that are restricted by the donor as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized.

Measure of Operations—The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of HomeAid's community outreach efforts and program development and support. Nonoperating activities are limited to other resources that generate revenue from investments and other activities considered to be of a more unusual or nonrecurring nature.

## HomeAid America

### Notes to Financial Statements—Continued

#### Note 1—Organization and Summary of Significant Accounting Policies—Continued

Recently Adopted Accounting Principle—In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. ASU No. 2016-18 clarifies how entities should present restricted cash and restricted cash equivalents in the statement of cash flows. The guidance requires entities to present the change in restricted cash and restricted cash equivalents with cash and cash equivalents to reconcile amounts on the balance sheet to the statement of cash flows. Entities are required to disclose the nature of the restrictions, as well as reconcile the totals in the statement of cash flows to cash, cash equivalents, restricted cash, and restricted cash equivalents on the balance sheet when these are shown in more than one line item. HomeAid has adopted ASU No. 2016-18 for the year ended December 31, 2020, and has adjusted the presentation of the financial statements accordingly.

Income Taxes—The Internal Revenue Service (IRS) has classified HomeAid as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and HomeAid is exempt from California state income taxes from the Franchise Tax Board. Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered ‘more likely than not’ to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for a tax liability is not necessary at December 31, 2021 and 2020. Generally, HomeAid’s information returns remain open for examination for a period of three (federal) or four (state of California) years from the date of filing.

Cash, Cash Equivalents, and Restricted Cash—HomeAid considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Restricted cash consists of the PPP advance (see Note 7).

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position to the cash, cash equivalents, and restricted cash total shown in the statements of cash flows at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
<b>Cash Accounts Reported in Statement of Financial Position</b>		
Cash and cash equivalents	\$ 966,571	\$ 895,072
Restricted cash—PPP funds	82,188	80,600
<b>Total Cash, Cash Equivalents, and Restricted Cash Reported in Statement of Cash Flows</b>	<b><u>\$ 1,048,759</u></b>	<b><u>\$ 975,672</u></b>

Investments—Investments in securities are recorded at cost, if purchased, or fair market value, if received as a contribution. Subsequent to acquisition, investments in securities are reported at fair value. Investment income, gains and losses are reported as income without restrictions unless use of the earnings is restricted by the donor.



## HomeAid America

### Notes to Financial Statements—Continued

#### Note 1—Organization and Summary of Significant Accounting Policies—Continued

Property and Equipment—Purchased property and equipment are recorded at cost, and donated assets are recorded at the estimated fair value on the date of receipt. HomeAid depreciates its property and equipment using the straight-line-method over their useful lives, ranging from three to five years. Repairs and maintenance costs are expensed as incurred. It is HomeAid's policy to treat items under \$500 as operating expenses.

Concentration of Credit Risk—Financial instruments which potentially subject HomeAid to concentrations of credit risk consist of cash and cash equivalents, investments in securities, and receivables. HomeAid places its cash and cash equivalents with high credit quality financial institutions where the funds are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. Cash held in investment accounts at investment custodians / securities brokerage firms are insured by the Securities Investors Protection Corporation (SIPC) up to \$250,000 and the investments in securities are insured up to \$500,000, per institution. SIPC insurance protects the custody function of the investment custodian; it does not provide protection against fluctuations in market value. At times, such balances are in excess of the FDIC and SIPC coverage limits. Management regularly reviews the financial stability of its cash and money market fund depositories and its allocation of investments and deems the risk of loss due to these concentrations to be minimal. Accounts and pledges receivable consist of balances due from individuals, local foundations, and corporations. HomeAid had determined that no allowance for potential losses due to uncollectible receivables was necessary at December 31, 2021 and 2020.

During the year ended December 31, 2021, HomeAid received a contribution totaling \$450,000 from a donor in which HomeAid re-granted to a local affiliate. The amount granted to the local affiliate is reflected under the affiliate grants and designated funding caption on the statement of functional expenses.

Contributions and Grants—Contributions and grants are reported as support in the period received and as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expiration of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions in the accompanying statement of activities.

Revenue Recognition—HomeAid's revenue recognition policies are as follows:

Affiliate fees and reimbursed insurance—HomeAid charges charter and license fees to all HomeAid affiliates. In addition, HomeAid purchases liability insurance policies covering HomeAid building projects, special events and directors/officers. HomeAid is reimbursed by the HomeAid affiliates for the cost of these policies.

Accounting services fees—HomeAid provides accounting services to affiliates for a nominal fee. Revenues are recognized upon providing these services.

## HomeAid America

### Notes to Financial Statements—Continued

#### Note 1—Organization and Summary of Significant Accounting Policies—Continued

In-Kind Contributions—Contributed services are recorded at fair value at the date of donation only if the services (a) create or enhance nonfinancial 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.

In-kind donations consist of the following for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
In-kind services	\$ 12,877	\$ 11,956
In-kind materials		6,632
<b>Totals</b>	<b><u>\$ 12,877</u></b>	<b><u>\$ 18,588</u></b>

Benefits Provided to Donors at Special Events—HomeAid conducts special fundraising events in which a portion of the gross proceeds paid by the participants represents payment for the direct cost of the benefits received by participants at the event. HomeAid values benefits, primarily the meals and entertainment, at the actual cost.

## HomeAid America

### Notes to Financial Statements—Continued

#### Note 1—Organization and Summary of Significant Accounting Policies—Continued

Functional Expenses—HomeAid allocates its expenses on a functional basis among its programs and support services. Expenses that can be identified with a specific program or support service are charged directly according to their natural expenditures' classification. Certain costs have been allocated between the program services and supporting services benefitted. The method of expense allocation is as follows:

<u>Allocated Expense</u>	<u>Method of Allocation</u>
Salaries	Time and effort
Employee benefits	Time and effort
Payroll taxes	Time and effort
Accounting and legal	Time and effort
Bank and merchant fees	Time and effort
Consultants and independent contractors	Time and effort
Delivery and shipping expense	Time and effort
Equipment purchases	Time and effort
Insurance	Time and effort
In-kind services and materials	Time and effort
Meals and entertainment	Time and effort
Meetings and conferences	Time and effort
Memberships and subscriptions	Time and effort
Office expense	Time and effort
Office supplies	Time and effort
Postage	Time and effort
Printing	Time and effort
Rent	Square footage
Repairs and maintenance	Time and effort
Telecommunications and internet	Time and effort
Travel	Time and effort

## HomeAid America

### Notes to Financial Statements—Continued

#### Note 1—Organization and Summary of 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 certain estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Note 2—Availability and Liquidity

HomeAid’s goal is generally to maintain financial assets to meet six months of operating expenses (approximately \$600,000). As part of its liquidity plan, HomeAid places its cash in an interest-bearing savings account. The following represents the availability and liquidity of HomeAid’s financial assets for general expenditures within one year as of December 31, 2021:

Cash and cash equivalents	\$	889,138
Accounts receivable		48,037
Investments		350,270
Pledges and grants receivable		115,306
<b>Current Availability of Financial Assets</b>	<b>\$</b>	<b><u>1,402,751</u></b>

#### Note 3—Investments and Fair Value

In determining the fair value of investments, HomeAid utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. HomeAid determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are characterized in one of the following levels:

Level 1—Unadjusted quoted prices in active markets for identical assets or liabilities accessible to HomeAid at the measurement date.

Level 2—Valuations based on observable inputs (other than Level 1), such as quoted prices for similar assets at the measurement date, quoted prices in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement, and involve management judgment.

HomeAid may utilize a practical expedient for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value. The practical expedient used by HomeAid to value private investments is the Net Asset Value (NAV) per share, or its equivalent. In some instances, the NAV may not equal the fair value that would be calculated under fair value accounting standards. HomeAid had no assets or liabilities classified at NAV as a practical expedient during the years ended December 31, 2021 and 2020.

**HomeAid America**  
**Notes to Financial Statements—Continued**

**Note 3—Investments and Fair Value—Continued**

Assets measured at fair value on a recurring basis at December 31, 2021 and 2020 consist of the following:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>2021</b>				
Certificates of deposit	\$ 240,333	\$	\$ 240,333	\$
Fixed income funds	109,937	109,937		
	<u>\$ 350,270</u>	<u>\$ 109,937</u>	<u>\$ 240,333</u>	<u>\$</u>
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>2020</b>				
Fixed income funds	\$ 424,282	\$ 424,282	\$	\$
	<u>\$ 424,282</u>	<u>\$ 424,282</u>	<u>\$</u>	<u>\$</u>

Return on investments for the years ended December 31, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Realized gain (loss) on investments	\$ (1,546)	\$ 6,942
Unrealized gain (loss) on investments	46	(2,707)
Investment management fees	(180)	
<b>Investment Return, Net</b>	<b>(1,680)</b>	<b>4,235</b>
Investment interest and dividends	1,349	2,239
<b>Total Return on Investments</b>	<b>\$ (331)</b>	<b>\$ 6,474</b>

**Note 4—Pledges Receivable**

Pledges receivable at December 31, 2021 and 2020 consist of contributions received from donors not yet settled in cash. Since all amounts are received within one year from the date of the financial statements, no present value discount was recognized at December 31, 2021 and 2020.

## HomeAid America

### Notes to Financial Statements—Continued

#### Note 5—Property and Equipment, Net

The major classes of property and equipment, net at December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Office equipment	\$ 6,916	\$ 6,916
Furniture and fixtures	4,362	4,362
Less accumulated depreciation	<u>(7,976)</u>	<u>(6,592)</u>
<b>Net</b>	<b><u>\$ 3,302</u></b>	<b><u>\$ 4,686</u></b>

Total depreciation expense recorded for the years ended December 31, 2021 and 2020 was \$1,383 and \$867, respectively.

#### Note 6—Liability Insurance Deductible Fund

HomeAid's current wrap insurance policy, covering its affiliates' shelter projects, has a \$10,000 deductible. Management has adopted a policy requiring each affiliate to fund a pro-rata share of the deductible, with additions to the fund being received from new affiliates. HomeAid has collected money from each affiliate to cover up to two insurance claims and holds the funds in its bank account. The balance being held under this fund as of December 31, 2021 and 2020 was \$25,000 and \$29,404, respectively.

#### Note 7—PPP Advance

During the year ended December 31, 2020, HomeAid received a Paycheck Protection Program (PPP) advance in the amount of \$80,600 from the U.S. Small Business Administration (SBA). Upon receipt of the forgiveness letter from the SBA, HomeAid recognized the full amount as PPP grant revenue for the year ended December 31, 2021; this is reported under the CARES Act grant caption in the statement of activities. HomeAid received an additional PPP advance on March 5, 2021, in the amount of \$82,188. HomeAid is applying for forgiveness of the additional PPP advance in April 2022. Any amounts not forgiven by the SBA must be repaid by HomeAid.

#### Note 8—Commitments and Contingencies

HomeAid leased office space on a month-to-month basis including office space in Orange County and Colorado. Due to the COVID-19 pandemic (see Note 11), these leases were terminated in 2020. Furthermore, HomeAid has transitioned to having employees work on a remote basis indefinitely. Rent expense for the year ended December 31, 2020 totaled \$21,347.

**HomeAid America**  
**Notes to Financial Statements—Continued**

**Note 9—Net Assets With Donor Restrictions**

Net assets with donor restrictions at December 31, 2021 and 2020 consist of the following:

	<u>2021</u>	<u>2020</u>
Subject to purpose restrictions:		
HomeAid affiliates	\$ 83,000	\$ 75,000
WORKS program	<u>76,621</u>	<u>170,022</u>
<b>Total Subject to Purpose Restrictions</b>	<b>159,621</b>	<b>245,022</b>
Subject to time restrictions:		
General operations	<u>115,306</u>	<u>72,625</u>
<b>Total Net Assets With Donor Restrictions</b>	<b><u>\$ 274,927</u></b>	<b><u>\$ 317,647</u></b>

Net assets released from donor restrictions for the years ended December 31, 2021 and 2020 consist of the following:

	<u>2021</u>	<u>2020</u>
Satisfaction of purpose restrictions:		
WORKS program	\$ 110,188	\$ 115,004
HomeAid affiliates	67,000	50,000
Shelter projects		30,000
Satisfaction of time restrictions:		
General operations	<u>72,625</u>	
<b>Total Net Assets Released from Donor Restrictions</b>	<b><u>\$ 249,813</u></b>	<b><u>\$ 195,004</u></b>

**Note 10—Retirement Plan**

HomeAid has a 403(b) retirement program for its employees (program). The program calls for HomeAid to make a discretionary match of 50% of the employees' contribution up to 2% of the employees' annual salary. Employer matching contributions totaled \$7,504 and \$7,230 for the years ended December 31, 2021 and 2020, respectively.

**HomeAid America**  
**Notes to Financial Statements—Continued**

**Note 11—Risks and Uncertainties**

In early March 2020, the COVID-19 virus was declared a global pandemic. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, has been, and continues to be, severely impacted, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. HomeAid has continued to conduct its activities, primarily on a remote basis, and to monitor the ongoing impact of the pandemic response on its overall operations. At the time of this reporting, the cumulative financial impact of the pandemic on HomeAid, if any, cannot be fully determined, therefore no related adjustment has been made to these financial statements.

**Note 12—Recent Accounting Pronouncements**

Leases—In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is effective for nonprofit organizations with fiscal years beginning after December 15, 2021, with early adoption permitted. HomeAid is currently evaluating the impact that the adoption of ASU No. 2016-02 will have on its financial statements.

Gifts-in-Kind—In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires increased transparency around the use and valuation of contributed nonfinancial assets (also known as gifts-in-kind) received by not-for-profit entities. Under the updated guidance, gifts-in-kind are required to be presented as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, and to be disaggregated in the notes to the financial statements by the category that depicts the type of contributed nonfinancial assets. There are additional required disclosures regarding qualitative information denoting whether the gifts-in-kind were monetized or utilized during the reporting period; the entity's policy, if any, about monetizing rather than utilizing contributed nonfinancial assets; and the valuation techniques and inputs used to arrive at a fair value measure. ASU No. 2020-07 is to be applied retrospectively and is effective for annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. Early adoption is permitted. HomeAid is currently evaluating the impact that the adoption of ASU 2020-07 will have on its financial statements.

**Note 13—Subsequent Events**

Management evaluated all activities of HomeAid America through April 6, 2022, which is the date the financial statements were available to be issued, and concluded that no material subsequent events have occurred that would require adjustment to the financial statements or disclosure in the notes to the financial statements.