

## Help At Your Door

Financial Statements  
Together with  
Independent Auditors' Report

September 30, 2021

# HELP AT YOUR DOOR

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Help At Your Door  
Golden Valley, Minnesota

### Report on the Financial Statements

We have audited the accompanying financial statements of Help At Your Door (a nonprofit Organization), which comprise the statement of financial position as of September 30, 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.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Help At Your Door as of September 30, 2021 and 2020, 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.

Roseville, Minnesota  
November 22, 2021

*Olsen Thielen & Co., Ltd.*

**HELP AT YOUR DOOR**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2021 AND 2020**

ASSETS		
	2021	2020
CURRENT ASSETS:		
Cash	\$ 1,015,889	\$ 699,173
Accounts Receivable, Net	28,067	29,337
Grants and Contributions Receivable	98,977	174,201
Prepaid Expenses	12,240	15,144
Total Current Assets	1,155,173	917,855
PROPERTY AND EQUIPMENT, NET	14,154	40,671
TOTAL ASSETS	\$ 1,169,327	\$ 958,526
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts Payable	\$ 38,047	\$ 57,825
Accrued Payroll	27,527	30,233
Accrued PTO	9,507	17,125
Total Current Liabilities	75,081	105,183
NON CURRENT LIABILITIES:		
Notes Payable	-	106,000
Deferred Rent	3,992	7,913
Total Non Current Liabilities	3,992	113,913
NET ASSETS:		
Without Donor Restrictions	1,070,254	739,430
With Donor Restrictions	20,000	-
Total Net Assets	1,090,254	739,430
TOTAL LIABILITIES AND NET ASSETS	\$ 1,169,327	\$ 958,526

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

**HELP AT YOUR DOOR**  
**STATEMENT OF ACTIVITIES**  
**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT:						
Grocery Revenue	\$ 1,135,652	\$ -	\$ 1,135,652	\$ 1,100,672	\$ -	\$ 1,100,672
Less: Cost of Groceries Delivered	(1,076,720)	-	(1,076,720)	(1,056,166)	-	(1,056,166)
Net Grocery Revenues	58,932	-	58,932	44,506	-	44,506
Delivery Fees and Earned Income	237,565	-	237,565	238,272	-	238,272
Donations and Other Income	148,689	-	148,689	179,543	-	179,543
Fundraising Event Revenue	28,381	-	28,381	29,264	-	29,264
Grants and Contributions Revenue	501,773	20,000	521,773	840,246	-	840,246
Interest Income	819	-	819	132	-	132
In-Kind Contributions	1,440	-	1,440	4,542	-	4,542
Total Revenues and Support	<u>977,599</u>	<u>20,000</u>	<u>997,599</u>	<u>1,336,505</u>	<u>-</u>	<u>1,336,505</u>
NET ASSETS RELEASED FROM RESTRICTIONS:						
Restrictions Satisfied by Time	-	-	-	-	-	-
Total Net Assets Released from Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES AND SUPPORT	<u>977,599</u>	<u>20,000</u>	<u>997,599</u>	<u>1,336,505</u>	<u>-</u>	<u>1,336,505</u>
EXPENSES:						
Programs	646,414	-	646,414	774,036	-	774,036
Administration	66,000	-	66,000	125,595	-	125,595
Fundraising	40,361	-	40,361	55,113	-	55,113
Total Expenses	<u>752,775</u>	<u>-</u>	<u>752,775</u>	<u>954,744</u>	<u>-</u>	<u>954,744</u>
OTHER INCOME:						
Gain on Forgiveness of PPP Loan	106,000	-	106,000	-	-	-
CHANGE IN NET ASSETS	330,824	20,000	350,824	381,761	-	381,761
NET ASSETS, Beginning of Year	<u>739,430</u>	<u>-</u>	<u>739,430</u>	<u>357,669</u>	<u>-</u>	<u>357,669</u>
NET ASSETS, End of Year	<u>\$ 1,070,254</u>	<u>\$ 20,000</u>	<u>\$ 1,090,254</u>	<u>\$ 739,430</u>	<u>\$ -</u>	<u>\$ 739,430</u>

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

## HELP AT YOUR DOOR

### STATEMENT OF FUNCTIONAL EXPENSES YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	2021				2020			
	Programs	Administration	Fundraising	Total	Programs	Administration	Fundraising	Total
Personnel	\$ 490,891	\$ 32,949	\$ 34,942	\$ 558,782	\$ 538,930	\$ 78,757	\$ 43,121	\$ 660,808
Facility	50,087	2,701	4,689	57,477	51,848	4,172	3,576	59,596
Delivery	28,847	-	-	28,847	42,165	-	-	42,165
Depreciation	27,094	1,038	-	28,132	57,951	654	-	58,605
Professional/Consultant Fees	10	17,438	-	17,448	11,416	21,935	1,300	34,651
Bank and Credit Card Fees	15,091	1,090	20	16,201	13,916	2,527	1,204	17,647
Information Technologies	9,241	1,600	-	10,841	8,547	3,666	-	12,213
Business Insurance	4,380	6,134	-	10,514	5,302	4,445	-	9,747
Bad Debt	9,232	2	-	9,234	36,668	-	-	36,668
Supplies/Postage/Printing	4,116	1,983	710	6,809	5,652	6,540	754	12,946
Miscellaneous	1,912	1,065	-	2,977	1,220	1,888	-	3,108
Program	2,708	-	-	2,708	155	676	-	831
Marketing	2,058	-	-	2,058	261	335	2	598
Volunteer	747	-	-	747	5	-	-	5
Fundraising	-	-	-	-	-	-	5,156	5,156
<b>Total Expense</b>	<b><u>\$ 646,414</u></b>	<b><u>\$ 66,000</u></b>	<b><u>\$ 40,361</u></b>	<b><u>\$ 752,775</u></b>	<b><u>\$ 774,036</u></b>	<b><u>\$ 125,595</u></b>	<b><u>\$ 55,113</u></b>	<b><u>\$ 954,744</u></b>
Percent of Total Expense	<b><u>85.8%</u></b>	<b><u>8.8%</u></b>	<b><u>5.4%</u></b>	<b><u>100.0%</u></b>	<b><u>81.1%</u></b>	<b><u>13.2%</u></b>	<b><u>5.8%</u></b>	<b><u>100.0%</u></b>

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

## HELP AT YOUR DOOR

### STATEMENT OF CASH FLOWS YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 350,824	\$ 381,761
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:		
Depreciation	28,132	58,605
Gain on Forgiveness of PPP Loan	(106,000)	-
Changes in Assets and Liabilities:		
Accounts Receivable, Net	1,270	21,268
Pledges Receivable	-	2,755
Grants and Contributions Receivable	75,224	(129,144)
Prepaid Expenses	2,904	478
Accounts Payable	(19,778)	31,633
Accrued Payroll	(2,706)	5,445
Accrued PTO	(7,618)	7,272
Deferred Rent	(3,921)	(1,402)
Net Cash Flows From Operating Activities	<u>318,331</u>	<u>378,671</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property and Equipment	(1,615)	(1,200)
Net Cash Flows From Investing Activities	<u>(1,615)</u>	<u>(1,200)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Notes Payable	-	106,000
Net Cash Flows From Financing Activities	<u>-</u>	<u>106,000</u>
NET CHANGE IN CASH	316,716	483,471
CASH at Beginning of Year	<u>699,173</u>	<u>215,702</u>
CASH at End of Year	<u>\$ 1,015,889</u>	<u>\$ 699,173</u>

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

**HELP AT YOUR DOOR**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The mission of Help At Your Door (the Organization), a Minnesota non-profit organization, is enhancing opportunities for aging adults to live independently. The Organization shops for and delivers groceries to aging and homebound seniors in the Twin Cities seven county metropolitan area. The Organization also offers handyman and transportation services for aging adults. The majority of revenues are received through contributions, grants, donations, and earned income.

**Basis of Presentation**

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles. Revenues, expenses, gains and losses, and net assets are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of the Organization and related changes are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets without donor restrictions are resources available to support operations which the Board of Directors has discretionary control.

Net Assets with Donor Restrictions - Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions.

Net assets with donor restrictions released from restrictions were \$0 in 2021 and \$0 in 2020.

**Accounting Estimates**

The presentation 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 the reported amounts of assets and liabilities and 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.

**Subsequent Events**

In preparing these financial statements, the Organization has evaluated for recognition or disclosure the events or transactions that occurred through November 22, 2021, the date the financial statements were available to be issued.



**HELP AT YOUR DOOR**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Receivables**

Receivables are stated at the amounts the Organization expects to collect from outstanding balances. The Organization provides for probable uncollectible amounts through charges to earnings and credits to the valuation allowance based on prior experience and management's assessment of the current status of individual accounts. Balances that are still outstanding after the Organization has used reasonable collection efforts are written off through charges to the valuation allowance and credits to receivable accounts. As of September 30, 2021 and 2020, the balance of the valuation allowance was \$0 and \$5,000, respectively.

**Contributions, Grants and Pledges Receivable**

Receivables consist of unconditional promises to give and are recognized as revenue in the period made. Conditional promises to give are not recognized operationally until they become unconditional, that is, when the conditions on which they depend are substantially met.

**Property and Depreciation**

Property and equipment are carried at cost or, if donated, at the approximated fair value at the date of donation. Additions, improvements or major renewals are capitalized. If items of property are sold, retired or otherwise disposed of, they are removed from the asset and accumulated depreciation accounts and any gains or losses thereon are reflected in the statement of activities. The Organization capitalizes assets with a cost of \$500 or greater.

Depreciation is computed using the straight-line method at rates based on the estimated service lives of the various assets as follows:

Furniture, Equipment and Software	3-10 Years
Delivery Vehicles and Equipment	5 Years
Leasehold Improvements	5 Years

**Revenue Recognition**

Effective October 1, 2020, the Organization adopted Accounting Standards Update (ASU) 2014-09 *Revenue from Contracts with Customers* (Topic 606) and all subsequently issued clarifying ASU's which replaced most existing revenue recognition guidance in US Generally Accepted Accounting Principles (GAAP). The new guidance requires the Organization to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services. The new guidance also requires expanded disclosures related to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The adoption of this new guidance was done using the modified retrospective method. The Organization applied the new guidance using the practical expedient provided in Topic 606 that allows the guidance to be applied only to contracts that were not complete as of September 30, 2020. Results for reporting periods beginning after October 1, 2020, are presented under Topic 606 while prior periods amounts are not adjusted and continue to be reported in accordance with legacy GAAP.

The adoption of this new standard did not result in a material impact to the Organization's financial statements. There was no significant effect on the financial statements related to the adoption of this new standard which would require a cumulative effect adjustment to net assets at the date of adoption under the modified retrospective method.

**HELP AT YOUR DOOR**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue Recognition (Continued)**

The significant sources of revenue and support for the Organization are discussed below.

Grocery, Delivery, and Earned Income

The Organization shops for and delivers groceries to aging and homebound seniors in the Twin Cities seven county metropolitan area. The Organization also offers handyman and transportation services for aging adults. The Organization bills their clients at the time of the grocery delivery, handyman services, or transportation services are provided. Revenue is recognized as the performance obligation are satisfied which is when the services are performed. The Organization recognizes revenue from the grocery deliver, handyman, and transportation services at the point in time the services are rendered.

Contribution and Grant Revenue

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-imposed contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

State Grants and Contract Revenue

State grants and contract revenue are recognized when earned. Revenue is earned when eligible expenditures, as defined in each grant or contract, are made. Deferred revenue consists of grant revenue received but not yet expended and event revenue deferred for events to be held subsequent to the end of the fiscal year. Expenditures under state contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Organization will record such disallowance at the time the final assessment is made.

Contributed materials are recorded as contributions, when received, at their fair market value when such value can be objectively and accurately determined.

As a practical expedient, the Organization groups similar contracts or similar performance obligations together into portfolios of contracts if doing so does not result in a significant difference from applying the new accounting standard to the individual contracts.

There are no significant contract assets or liabilities recognized on the financial statements under the new standard.

## HELP AT YOUR DOOR

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### **Donated Services**

Many individuals have donated time and services to advance the Organization's programs and objectives. Volunteers serve in a program capacity such as taking customer orders and shopping for customers, transporting customers, and completing tasks around a customer's home. Volunteers also provide office and administrative support, and leadership roles including the Organization's Board, Committees, and outreach efforts. The estimated value of these services for 2021 was \$675,457 and for 2020 was \$620,669. The value of these services has not been recorded in the financial statements because it does not meet the definition of recognition under generally accepted accounting principles.

The Organization also recorded in-kind contributions of \$1,440 and \$4,542 in donated goods and pro-bono legal services they received in 2021 and 2020, respectively.

##### **Functional Allocation of Expenses**

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program are allocated directly according to their natural expenditure classification. General and administrative and fundraising that are common to several functions are allocated based on the proportion of each program's direct and personnel expenses to the total program direct and personnel expenses.

##### **Income Taxes**

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code, therefore, the statements do not include a provision for income taxes but is subject to income tax on unrelated business income. The Organization had no unrelated business income tax in 2021 and 2020.

The Organization reviews income tax positions taken or expected to be taken in income tax returns to determine if there are any income tax uncertainties. This includes positions that the entity is exempt from income taxes or not subject to income taxes on unrelated business income. The Organization recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by taxing authorities, based on the technical merits of the positions. The Organization has identified no income tax uncertainties. The Organization files information returns as a tax-exempt organization. Should that status be challenged in the future, all years since inception could be subject to review by the IRS.

##### **Credit Risk**

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization places its cash with high credit quality financial institutions and, by policy, generally limits the amount of credit exposure to any one financial institution. As of September 30, 2021, the Organization had a credit risk concentration as a result of depositing \$774,251 of funds in excess of insurance limits in a single bank.

**HELP AT YOUR DOOR**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Recently Issued Accounting Pronouncements**

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*, which provides guidance for accounting for leases. The new guidance requires companies to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. This ASU is effective for fiscal years beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022, with early adoption permitted. It is to be adopted using the modified retrospective approach. The Organization is currently evaluating this guidance to determine the impact it may have on its financial statements.

**NOTE 2 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

As of September 30, 2021 and 2020, the Organization has a working capital of \$1,080,092 and \$812,672 and average days cash on hand of approximately 492 and 267 days, respectively.

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

	<u>2021</u>	<u>2020</u>
Financial Assets:		
Cash and Cash Equivalents	\$ 1,015,889	\$ 699,173
Accounts Receivable, Net	28,067	29,337
Contributions Receivable, Net	<u>98,977</u>	<u>174,201</u>
Total Financial Assets Available for General Expenditure Within One Year	<u>\$ 1,142,933</u>	<u>\$ 902,711</u>

**NOTE 3 - PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at September 30:

	<u>2021</u>	<u>2020</u>
Furniture, Equipment and Software	\$ 176,749	\$ 175,135
Delivery Vehicles and Equipment	232,235	232,235
Leasehold Improvements	<u>12,231</u>	<u>12,231</u>
Total Property and Equipment	421,215	419,601
Less Accumulated Depreciation	<u>(407,061)</u>	<u>(378,930)</u>
Net Property and Equipment	<u>\$ 14,154</u>	<u>\$ 40,671</u>

**HELP AT YOUR DOOR**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 4 - NOTES PAYABLE**

In March 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law. Part of CARES was the Paycheck Protection Program (PPP) which allowed for organizations to apply for a potentially forgivable loan if the proceeds were used for the specified purposes. In April 2020, the Organization received a \$106,000 loan from the PPP program and expended it for the designated purposes.

In June 2020, the Payroll Protection Program Flexibility Act of 2020 was signed which amended certain terms of the loan program. If all or a portion of the loan is not forgiven, the Organization will be liable to repay the remaining loan balance in either 24 or 60 monthly installments after an initial deferment period at an interest rate of 1.00%. In April 2021, the Organization received forgiveness for the full PPP Loan which is recorded as a gain on the Statement of Activities as of September 30, 2021.

**NOTE 5 - LEASE COMMITMENTS**

The Organization rents its principal office space. The Organization entered into a new lease agreement beginning October 2018 extending through December 2023.

The lease provides for increases in future rentals based on increased expenses. In addition to rent, the Organization also pays real estate taxes, repairs and maintenance and insurance on leased property.

Rent expense and future minimum rental commitments for this lease are as follows:

Expense:	
2021	\$ 38,825
2020	40,728
Commitments:	
2022	\$ 42,700
2023	43,200
2024	<u>10,800</u>
Total Commitment	<u>\$ 96,700</u>

**NOTE 6 - RETIREMENT PLAN**

The Organization has a 401(k) profit sharing plan in effect for its employees who meet certain age and service requirements. Employees may elect to contribute up to 100% of their salaries up to applicable IRS limits. The Organization contributions to the plan are 2% of qualified employee salaries. Plan expense was \$8,695 for 2021 and \$5,307 for 2020.

**HELP AT YOUR DOOR**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 7 - NET ASSETS**

Donor restricted net assets consist of the following at September 30:

	<u>2021</u>	<u>2020</u>
Time Restricted - Operating Support for 2022	<u>\$ 20,000</u>	<u>\$ —</u>
	<u>\$ 20,000</u>	<u>\$ —</u>

Donor restricted net assets released from restriction were \$0 in 2021 and \$0 in 2020.

**NOTE 8 - MAJOR SUPPLIER**

The Organization currently purchases the majority of its groceries from a single supplier under a year-to-year agreement.