ALPHA HOUSE OF TAMPA, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
# ALPHA HOUSE OF TAMPA, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

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<td></td>
</tr>
</tbody>
</table>
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Alpha House of Tampa, Inc.
Tampa, Florida

We have audited the accompanying financial statements of Alpha House of Tampa, Inc. (Alpha House), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and changes in net assets, statements of functional expenses, and statements of 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.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alpha House as of December 31, 2017 and 2016, 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.
Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 29, 2018, on our consideration of Alpha House'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 Alpha House's internal control over financial reporting and compliance.

Leeds & Associates PA
Certified Public Accountants
May 29, 2018
## ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$136,172</td>
<td>$161,144</td>
</tr>
<tr>
<td>Grants receivable</td>
<td>142,598</td>
<td>120,992</td>
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<tr>
<td>Assets held for sale</td>
<td>1,895,952</td>
<td>1,895,952</td>
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<tr>
<td>Prepaid expenses</td>
<td>15,612</td>
<td>12,470</td>
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<tr>
<td><strong>Total Current Assets</strong></td>
<td>2,190,334</td>
<td>2,190,558</td>
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<tr>
<td>Beneficial interest in Community Foundation</td>
<td>625,173</td>
<td>566,193</td>
</tr>
<tr>
<td>Property and equipment, net of accumulated depreciation</td>
<td>97,618</td>
<td>114,451</td>
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<tr>
<td><strong>Total Noncurrent Assets</strong></td>
<td>722,791</td>
<td>680,644</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$2,913,125</td>
<td>$2,871,202</td>
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</tbody>
</table>

## LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$51,551</td>
<td>$58,641</td>
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<tr>
<td>Deferred revenue</td>
<td>65,369</td>
<td>72,974</td>
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<tr>
<td>Line of credit</td>
<td>215,000</td>
<td>70,000</td>
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<tr>
<td>Deferred payment mortgage</td>
<td>230,000</td>
<td>-</td>
</tr>
<tr>
<td>Current maturities of capital lease obligation</td>
<td>2,088</td>
<td>2,006</td>
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<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>564,008</td>
<td>203,621</td>
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<tr>
<td>Capital lease obligation</td>
<td>2,173</td>
<td>4,260</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>566,181</td>
<td>207,881</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted, undesignated</td>
<td>(37,538)</td>
<td>72,991</td>
</tr>
<tr>
<td>Unrestricted, invested in assets held for sale</td>
<td>1,865,952</td>
<td>1,895,952</td>
</tr>
<tr>
<td>Unrestricted, invested in property and equipment</td>
<td>93,357</td>
<td>108,185</td>
</tr>
<tr>
<td>Unrestricted, board designated</td>
<td>625,173</td>
<td>566,193</td>
</tr>
<tr>
<td><strong>Total Unrestricted Net Assets</strong></td>
<td>2,346,944</td>
<td>2,643,321</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>-</td>
<td>20,000</td>
</tr>
<tr>
<td>Permanently restricted</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>2,346,944</td>
<td>2,663,321</td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>$2,913,125</td>
<td>$2,871,202</td>
</tr>
</tbody>
</table>

Read Report of Independent Certified Public Accountants. The accompanying notes are an integral part of these financial statements.
## ALPHA HOUSE OF TAMPA, INC.
### STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

<table>
<thead>
<tr>
<th>CHANGES IN UNRESTRICTED NET ASSETS</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue and Support</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special events revenues</td>
<td>$8,786</td>
<td>$62,240</td>
</tr>
<tr>
<td>Less: direct cost of special events</td>
<td>(1,774)</td>
<td>(12,147)</td>
</tr>
<tr>
<td>Total special events, net of direct costs</td>
<td>7,012</td>
<td>50,093</td>
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<tr>
<td>U.S. Department of Housing and Urban Development</td>
<td>484,492</td>
<td>322,272</td>
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<tr>
<td>Children's Board of Hillsborough County</td>
<td>290,589</td>
<td>362,641</td>
</tr>
<tr>
<td>Foundation grants</td>
<td>163,099</td>
<td>165,453</td>
</tr>
<tr>
<td>United Way</td>
<td>118,697</td>
<td>133,891</td>
</tr>
<tr>
<td>Other grants and contracts</td>
<td>47,182</td>
<td>459,036</td>
</tr>
<tr>
<td>In-kind contributions</td>
<td>43,652</td>
<td>59,552</td>
</tr>
<tr>
<td>Cash contributions</td>
<td>158,675</td>
<td>110,363</td>
</tr>
<tr>
<td>Investment return, net of expenses</td>
<td>82,124</td>
<td>43,008</td>
</tr>
<tr>
<td>Loss on deferred payment mortgage</td>
<td>(230,000)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net assets released from restrictions</strong></td>
<td>1,158,510</td>
<td>1,656,216</td>
</tr>
<tr>
<td><strong>Total Revenues and Support</strong></td>
<td>1,185,522</td>
<td>1,706,309</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program Services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential Program</td>
<td>1,041,384</td>
<td>723,662</td>
</tr>
<tr>
<td>Children Development Services</td>
<td>205,994</td>
<td>620,290</td>
</tr>
<tr>
<td>Transitional Housing</td>
<td>-</td>
<td>122,936</td>
</tr>
<tr>
<td><strong>Total Program Services</strong></td>
<td>1,247,378</td>
<td>1,466,888</td>
</tr>
<tr>
<td><strong>Support Services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td>98,330</td>
<td>110,994</td>
</tr>
<tr>
<td>Fundraising</td>
<td>136,191</td>
<td>142,668</td>
</tr>
<tr>
<td><strong>Total Support Services</strong></td>
<td>234,521</td>
<td>253,662</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>1,481,899</td>
<td>1,720,550</td>
</tr>
<tr>
<td>Change in Unrestricted Net Assets</td>
<td>(296,377)</td>
<td>(14,241)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>-</td>
<td>20,000</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>(20,000)</td>
<td>-</td>
</tr>
<tr>
<td>Change in Temporarily Restricted Net Assets</td>
<td>(20,000)</td>
<td>20,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHANGE IN NET ASSETS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(316,377)</td>
<td>5,759</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS, BEGINNING OF YEAR</th>
<th>2,663,321</th>
<th>2,657,562</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET ASSETS, END OF YEAR</td>
<td>$2,346,944</td>
<td>$2,663,321</td>
</tr>
</tbody>
</table>

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# ALPHA HOUSE OF TAMPA, INC.
## STATEMENT OF FUNCTIONAL EXPENSES
### FOR THE YEAR ENDED DECEMBER 31, 2017

<table>
<thead>
<tr>
<th></th>
<th>Residential Program</th>
<th>Children Development Services</th>
<th>Total Program Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$574,484</td>
<td>$119,843</td>
<td>$694,327</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>55,112</td>
<td>12,093</td>
<td>67,205</td>
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<tr>
<td>Employee benefits</td>
<td>71,613</td>
<td>22,484</td>
<td>94,097</td>
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<tr>
<td>Other employee costs</td>
<td>706</td>
<td>1,149</td>
<td>1,855</td>
</tr>
<tr>
<td><strong>Total salaries and related expenses</strong></td>
<td><strong>701,915</strong></td>
<td><strong>155,569</strong></td>
<td><strong>857,484</strong></td>
</tr>
<tr>
<td>Occupancy</td>
<td>77,544</td>
<td>16,169</td>
<td>93,713</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>25,733</td>
<td>5,366</td>
<td>31,099</td>
</tr>
<tr>
<td>In-kind expenses</td>
<td>43,652</td>
<td>-</td>
<td>43,652</td>
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<tr>
<td>Supplies</td>
<td>4,361</td>
<td>388</td>
<td>4,749</td>
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<tr>
<td>Direct client assistance</td>
<td>53,409</td>
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<td>53,409</td>
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<tr>
<td>Insurance</td>
<td>26,081</td>
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<td>31,519</td>
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<td>Professional fees</td>
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<td>13,664</td>
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<td>Information technology</td>
<td>19,019</td>
<td>3,966</td>
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<tr>
<td>Travel and meetings</td>
<td>278</td>
<td>2,459</td>
<td>2,737</td>
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<tr>
<td>Transportation</td>
<td>10,356</td>
<td>-</td>
<td>10,356</td>
</tr>
<tr>
<td>Printing and postage</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Miscellaneous</strong></td>
<td>1,638</td>
<td>500</td>
<td>2,138</td>
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<tr>
<td><strong>Total expenses before depreciation and interest</strong></td>
<td><strong>1,029,517</strong></td>
<td><strong>203,519</strong></td>
<td><strong>1,233,036</strong></td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>11,867</td>
<td>2,475</td>
<td>14,342</td>
</tr>
<tr>
<td><strong>Interest</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>$1,041,384</strong></td>
<td><strong>$205,994</strong></td>
<td><strong>$1,247,378</strong></td>
</tr>
<tr>
<td>SUPPORT SERVICES</td>
<td>TOTAL SUPPORT SERVICES</td>
<td>TOTAL PROGRAM AND SUPPORT SERVICES</td>
<td></td>
</tr>
<tr>
<td>------------------</td>
<td>------------------------</td>
<td>-------------------------------------</td>
<td></td>
</tr>
<tr>
<td>ADMINISTRATIVE</td>
<td>FUNDRAISING</td>
<td></td>
<td></td>
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<tr>
<td>$37,939</td>
<td>$81,970</td>
<td>$119,909</td>
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<tr>
<td>4,295</td>
<td>8,542</td>
<td>12,837</td>
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<td>9,982</td>
<td>6,962</td>
<td>16,944</td>
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<td>885</td>
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<td>53,101</td>
<td>97,549</td>
<td>150,650</td>
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<td>5,169</td>
<td>11,109</td>
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<td>43,652</td>
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<td>3,561</td>
<td>321</td>
<td>3,882</td>
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<tr>
<td>2,827</td>
<td>-</td>
<td>2,827</td>
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</tr>
<tr>
<td>56,236</td>
<td></td>
<td>8,631</td>
<td></td>
</tr>
<tr>
<td>1,739</td>
<td>3,737</td>
<td>5,476</td>
<td></td>
</tr>
<tr>
<td>4,369</td>
<td>9,388</td>
<td>13,757</td>
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<td>4,039</td>
<td>246</td>
<td>4,285</td>
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<td></td>
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<td>7,022</td>
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</tr>
<tr>
<td>2,792</td>
<td>1,199</td>
<td>3,991</td>
<td></td>
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<tr>
<td>940</td>
<td>346</td>
<td>1,286</td>
<td></td>
</tr>
<tr>
<td>5,534</td>
<td>4,184</td>
<td>9,718</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>11,856</td>
<td></td>
</tr>
<tr>
<td>87,054</td>
<td>134,491</td>
<td>221,545</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>1,454,581</td>
<td></td>
</tr>
<tr>
<td>791</td>
<td>1,700</td>
<td>2,491</td>
<td></td>
</tr>
<tr>
<td>10,485</td>
<td>-</td>
<td>10,485</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>16,833</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>10,485</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>10,485</td>
<td></td>
</tr>
<tr>
<td><strong>$98,330</strong></td>
<td><strong>$136,191</strong></td>
<td><strong>$234,521</strong></td>
<td><strong>$1,481,899</strong></td>
</tr>
</tbody>
</table>

Read Report of Independent Certified Public Accountants. The accompanying notes are an integral part of these financial statements.
### ALPHA HOUSE OF TAMPA, INC.

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

#### PROGRAM SERVICES

<table>
<thead>
<tr>
<th></th>
<th>RESIDENTIAL PROGRAM</th>
<th>CHILDREN DEVELOPMENT SERVICES</th>
<th>TRANSITIONAL HOUSING</th>
<th>TOTAL PROGRAM SERVICES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salaries</strong></td>
<td>$415,993</td>
<td>$365,974</td>
<td>$76,839</td>
<td>$858,806</td>
</tr>
<tr>
<td><strong>Payroll taxes</strong></td>
<td>25,701</td>
<td>$21,845</td>
<td>$4,466</td>
<td>52,012</td>
</tr>
<tr>
<td><strong>Employee benefits</strong></td>
<td>44,491</td>
<td>51,904</td>
<td>7,944</td>
<td>104,339</td>
</tr>
<tr>
<td><strong>Other employee costs</strong></td>
<td>984</td>
<td>2,890</td>
<td>-</td>
<td>3,874</td>
</tr>
<tr>
<td><strong>Total salaries and related expenses</strong></td>
<td>487,169</td>
<td>442,613</td>
<td>89,249</td>
<td>1,019,031</td>
</tr>
<tr>
<td><strong>Occupancy</strong></td>
<td>46,127</td>
<td>40,667</td>
<td>8,579</td>
<td>95,373</td>
</tr>
<tr>
<td><strong>Repairs and maintenance</strong></td>
<td>18,890</td>
<td>16,655</td>
<td>3,513</td>
<td>39,058</td>
</tr>
<tr>
<td><strong>In-kind expenses</strong></td>
<td>42,227</td>
<td>-</td>
<td>-</td>
<td>42,227</td>
</tr>
<tr>
<td><strong>Supplies</strong></td>
<td>6,844</td>
<td>11,114</td>
<td>1,071</td>
<td>19,029</td>
</tr>
<tr>
<td><strong>Direct client assistance</strong></td>
<td>2,477</td>
<td>1,173</td>
<td>-</td>
<td>3,650</td>
</tr>
<tr>
<td><strong>Insurance</strong></td>
<td>16,404</td>
<td>14,462</td>
<td>3,051</td>
<td>33,917</td>
</tr>
<tr>
<td><strong>Professional fees</strong></td>
<td>37,038</td>
<td>34,707</td>
<td>6,889</td>
<td>78,634</td>
</tr>
<tr>
<td><strong>Information technology</strong></td>
<td>7,733</td>
<td>6,819</td>
<td>1,439</td>
<td>15,991</td>
</tr>
<tr>
<td><strong>Travel and meetings</strong></td>
<td>43</td>
<td>8,378</td>
<td>-</td>
<td>8,421</td>
</tr>
<tr>
<td><strong>Transportation</strong></td>
<td>8,421</td>
<td>-</td>
<td>-</td>
<td>8,421</td>
</tr>
<tr>
<td><strong>Printing and postage</strong></td>
<td>12</td>
<td>467</td>
<td>-</td>
<td>479</td>
</tr>
<tr>
<td><strong>Dues and subscriptions</strong></td>
<td>-</td>
<td>63</td>
<td>-</td>
<td>63</td>
</tr>
<tr>
<td><strong>Miscellaneous</strong></td>
<td>1,371</td>
<td>55</td>
<td>49</td>
<td>1,475</td>
</tr>
<tr>
<td><strong>Total expenses before depreciation</strong></td>
<td>674,756</td>
<td>577,173</td>
<td>113,840</td>
<td>1,365,769</td>
</tr>
</tbody>
</table>

**Depreciation**

|                              | 48,906               | 43,117                        | 9,096                 | 101,119                |

**Total expenses**

|                              | **$723,662**         | **$620,290**                  | **$122,936**          | **$1,466,888**         |
## SUPPORT SERVICES

<table>
<thead>
<tr>
<th>ADMINISTRATIVE</th>
<th>FUNDRAISING</th>
<th>TOTAL SUPPORT SERVICES</th>
<th>TOTAL PROGRAM AND SUPPORT SERVICES</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 55,566</td>
<td>$ 89,419</td>
<td>$ 144,985</td>
<td>$ 1,003,791</td>
</tr>
<tr>
<td>3,464</td>
<td>5,813</td>
<td>9,277</td>
<td>61,289</td>
</tr>
<tr>
<td>4,674</td>
<td>3,106</td>
<td>7,780</td>
<td>112,119</td>
</tr>
<tr>
<td>927</td>
<td>182</td>
<td>1,109</td>
<td>4,983</td>
</tr>
</tbody>
</table>

| 64,631         | 98,520      | 163,151                | 1,182,182                          |
| 6,128          | 9,916       | 16,044                 | 111,417                            |
| 2,510          | 4,061       | 6,571                  | 45,629                             |
| 2,732          | -           | 2,732                  | 44,959                             |
| 4,062          | 585         | 4,647                  | 23,676                             |
| 4              | -           | 4                      | 3,654                              |
| 2,179          | 3,526       | 5,705                  | 39,622                             |
| 4,921          | 7,962       | 12,883                 | 91,517                             |
| 1,028          | 1,663       | 2,691                  | 18,682                             |
| 4,686          | 600         | 5,286                  | 13,707                             |
| 390            | -           | 390                    | 8,811                              |
| 3,386          | 1,493       | 4,879                  | 5,358                              |
| 1,086          | 2,804       | 3,890                  | 3,953                              |
| 6,754          | 1,024       | 7,778                  | 9,253                              |

| 104,497        | 132,154     | 236,651                | 1,602,420                          |
| 6,497          | 10,514      | 17,011                 | 118,130                            |

| $ 110,994      | $ 142,668   | $ 253,662              | $ 1,720,550                        |
# ALPHA HOUSE OF TAMPA, INC.
## STATEMENTS OF CASH FLOWS
### FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

### CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Item</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets</td>
<td>$(316,377)</td>
<td>$5,759</td>
</tr>
<tr>
<td><strong>Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>16,833</td>
<td>118,130</td>
</tr>
<tr>
<td>In-kind contribution - release of mortgage</td>
<td>-</td>
<td>(14,260)</td>
</tr>
<tr>
<td>Net (gain) loss on funds held in trust by others</td>
<td>(82,124)</td>
<td>(43,008)</td>
</tr>
<tr>
<td>Loss on deferred payment mortgage</td>
<td>230,000</td>
<td>-</td>
</tr>
<tr>
<td>(Increase) decrease in grants receivable</td>
<td>(21,606)</td>
<td>(23,796)</td>
</tr>
<tr>
<td>(Increase) decrease in prepaid expenses</td>
<td>(3,142)</td>
<td>10,821</td>
</tr>
<tr>
<td>Increase (decrease) in accounts payable and accrued expenses</td>
<td>(7,090)</td>
<td>14,525</td>
</tr>
<tr>
<td>Increase (decrease) in deferred revenue</td>
<td>(7,605)</td>
<td>(19,974)</td>
</tr>
<tr>
<td><strong>Total Adjustments</strong></td>
<td>125,266</td>
<td>42,438</td>
</tr>
<tr>
<td><strong>Net Cash Provided (Used) by Operating Activities</strong></td>
<td>$(191,111)</td>
<td>48,197</td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Item</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash payments for the purchase of property and equipment</td>
<td>-</td>
<td>(143,082)</td>
</tr>
<tr>
<td>Distribution from beneficial interest in Community Foundation</td>
<td>23,144</td>
<td>22,303</td>
</tr>
<tr>
<td><strong>Net Cash Provided (Used In) Investing Activities</strong></td>
<td>23,144</td>
<td>(120,789)</td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Item</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net borrowing under line of credit</td>
<td>145,000</td>
<td>70,000</td>
</tr>
<tr>
<td>Principal payments on capital lease obligations</td>
<td>(2,005)</td>
<td>(1,927)</td>
</tr>
<tr>
<td><strong>Net Cash Provided (Used) by Financing Activities</strong></td>
<td>142,995</td>
<td>68,073</td>
</tr>
<tr>
<td><strong>Net Increase (Decrease) in Cash and Cash Equivalents</strong></td>
<td>(24,972)</td>
<td>(4,519)</td>
</tr>
</tbody>
</table>

### Cash and cash equivalents, beginning of year

<table>
<thead>
<tr>
<th>Item</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents, beginning of year</td>
<td>161,144</td>
<td>165,663</td>
</tr>
</tbody>
</table>

### Cash and cash equivalents, end of year

<table>
<thead>
<tr>
<th>Item</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents, end of year</td>
<td>$136,172</td>
<td>$161,144</td>
</tr>
</tbody>
</table>

### Non-cash and supplemental disclosure of cash flow information:

<table>
<thead>
<tr>
<th>Item</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest paid</td>
<td>$10,485</td>
<td>$2,124</td>
</tr>
<tr>
<td>In-kind contribution - release of mortgage</td>
<td>-</td>
<td>$14,260</td>
</tr>
</tbody>
</table>

---

Read Report of Independent Certified Public Accountants.
The accompanying notes are an integral part of these financial statements.
NOTE A – DESCRIPTION OF ALPHA HOUSE

Alpha House of Tampa, Inc. (Alpha House) is a nonprofit entity incorporated on March 7, 1986 under the laws of the State of Florida to serve pregnant women in crisis and their families. Alpha House offers homeless pregnant women and mothers with young children safe housing and the tools they need to become self-sufficient and effective responsible parents. Alpha House is a comprehensive residential program serving an average of 100 pregnant and parenting women and their infants and children each year in 39 units of emergency shelter. The following is a description of the programs provided by Alpha House:

Residential Program
Pregnant women and mothers with young children who meet the federal definition of homelessness are provided with safe housing along with an array of pre- and post-natal services while living at Alpha House. Each mother works with her case manager to develop a plan to secure permanent housing, access counseling, participate in parenting support and healthy child development programs, and pursue education and employment opportunities. On-site staff provides support and guidance in navigating the day-to-day tasks of community and independent living. The campus is staffed 24 hours a day/365 days per year. Housing case managers assist residents with housing searches and placement. Additionally, an aftercare case manager follows up with residents after they have moved out of shelter and into their new homes to ensure stability and continued progress toward self-sufficiency.

Transitional Housing
Transitional housing is for mothers 18 years and older and their child(ren). Three cottages/single family homes are available which provide residence to eight families. In addition, The Rosalie Center offers eight additional two-bedroom efficiency apartments for women and children who come to Alpha House meeting the federal guidelines for homelessness. Alpha House discontinued offering transitional housing as of October 1, 2016.

Children Development Services
Trained child development educators work in groups and one-on-one with mothers and children to ensure that babies and toddlers are developmentally on track and mothers receive the support they need to be successful and confident parents. A variety of screening tools and best-practice, evidence-based child development programs are offered. Supplemental services include breastfeeding support and hearing screenings. Alpha House discontinued offering child development services as of September 30, 2017.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Alpha House and changes therein are classified and reported as follows:

Read Report of Independent Certified Public Accountants.
NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations, including restricted contributions whose restrictions are met in the same reporting period.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of Alpha House and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by Alpha House. Generally the donors of these assets permit Alpha House to use all or part of the Income earned on any related investment for general or specific purposes.

Alpha House had no permanently restricted net assets at December 31, 2017 or 2016.

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

Cash and Cash Equivalents
Alpha House considers currency on hand, demand deposits and money market funds as cash. Cash equivalents would consist of highly liquid debt instruments purchased with maturities of three months or less.

Investments
Investments are reported at fair value based on quoted market value with unrealized gains and losses included in changes in net assets.

Grants Receivable
Grants receivable result from services which have been provided pursuant to Alpha House’s grants and contracts, but for which reimbursement has not yet been received at December 31, 2017 and 2016. No allowance was set up for federal, state and local grants as any amounts determined unallowable by the grantor are deducted from revenue upon notification of the disallowance. No material amounts were subsequently disallowed with respect to the amounts recorded at December 31, 2017 and 2016.

Read Report of Independent Certified Public Accountants.

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NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Federal, State and Local Grants and Contracts
Revenues from federal, state and local grants and contracts are recorded based upon terms of the grantor allotment which generally provide that revenues are earned when the allowable costs of the specific grant provisions have been incurred. Revenues are subject to audit by the grantor and, if the examination results in a disallowance of any expenditure, repayment could be required. For the year ended December 31, 2017, federal, state and local grants and contracts were 70% of total revenue with 95% of the funding from two agencies (59% and 36%). For the year ended December 31, 2016, federal, state and local grants and contracts were 43% of total revenue with 93% of the funding from two agencies (49% and 44%).

Property and Equipment
Acquisitions of property and equipment benefiting more than one period are capitalized, recorded at historical cost, and depreciated using the straight-line method over the estimated useful lives ranging from 3 to 40 years. Maintenance and repairs are charged to operations when incurred. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in earnings. Depreciation expense for the years ended December 31, 2017 and 2016 was $16,833 and $118,130, respectively.

Donated Services
Contributions of services are recognized if the services received (a) create or enhance capital assets, or (b) are provided by entities that normally provide those services for compensation and are substantially the same services normally purchased by Alpha House. A substantial number of unpaid volunteers have made significant contributions of their time to develop and maintain Alpha House’s programs and fundraising campaigns. No amounts have been reported in the financial statements for voluntary donation of services because no objective basis is available to measure the value of such donations.

During the years ended December 31, 2017 and 2016, the residents of Alpha House received approximately $43,852 and $42,227, respectively, of donated specialized medical laboratory services. These services were used in the operations of the residential program.

Functional Allocation of Expenses
The costs of providing the various programs have been summarized on a functional basis in the statement of functional expenses. Expenses that are associated with a specific program are charged directly to that program. Expenses that benefit more than one program are allocated to the various programs based on the relative benefit provided. Administrative expenses are allocated to the various programs and supporting services based on each program’s total labor cost.

Read Report of Independent Certified Public Accountants.
NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax Status
Income taxes are not provided for in the financial statements since Alpha House is exempt from federal and state income taxes under section 501(c)(3) of the Internal Revenue Code and similar state provisions. Alpha House is treated as a public supported organization, and not as a private foundation. Management is not aware of any activities that would jeopardize Alpha House's tax-exempt status.

Alpha House accounts for uncertain tax positions, if any, in accordance with ASC Section 740. In accordance with these professional standards, Alpha House recognizes tax positions only to the extent that Management believes it is “more likely than not” that its tax positions will be sustained upon IRS examination. Management believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements for the years ended December 31, 2017 and 2016.

Alpha House believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on Alpha House's financial condition, results of operations or cash flows. Accordingly, Alpha House has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2017 and 2016.

Alpha House is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Alpha House believes it is no longer subject to income tax examinations for fiscal years ending prior to December 31, 2014.

Alpha House's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

Fair Value of Financial Instruments
Professional standards require disclosure of an estimate of fair value of certain financial instruments. Alpha House’s significant financial instruments are cash, money market funds and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

Concentration of Credit Risk
Financial instruments which potentially subject Alpha House to concentrations of credit risk consist principally of cash and money market funds. Alpha House places its deposits with creditworthy, high quality financial institutions. Alpha House has not experienced any losses from its deposits. Alpha House’s deposits held with financial institutions did not exceed federally insured limits of $250,000 as of December 31, 2017 and 2016.

Reclassification
Certain 2016 amounts have been reclassified to conform to the 2017 presentation.

Read Report of Independent Certified Public Accountants.
NOTE C – BENEFICIAL INTEREST IN COMMUNITY FOUNDATION
The Community Foundation of Tampa Bay holds funds for which the earnings have been restricted for the benefit of Alpha House. Assets contributed to the Community Foundation for the benefit of Alpha House are recorded as assets of Alpha House in accordance with professional standards. These “agency restricted funds” are pooled with the other assets of the Community Foundation for investment purposes.

“Agency restricted funds” which were established for Alpha House within the Community Foundation had fair market values of $625,173 and $566,193 as of December 31, 2017 and 2016, respectively, and are recorded as unrestricted assets.

At December 31, 2017 and 2016, the Community Foundation held $993,161 and $909,751, respectively, in designated funds for the benefit of the Alpha House. The Community Foundation has full variance power for directing the use of these funds. As a result, these funds are not recorded on Alpha House’s financial statements.

NOTE D – FAIR VALUE MEASUREMENTS
Professional standards establish 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 Alpha House 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 measurement. Valuation techniques used need to maximize the use of observable input and minimize the use of unobservable input and minimize the use of unobservable inputs.

Read Report of Independent Certified Public Accountants.
NOTE D – FAIR VALUE MEASUREMENTS (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 Alpha House 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.

The following table sets forth by level, within the fair value hierarchy, Alpha House’s assets at fair value at December 31, 2017:

<table>
<thead>
<tr>
<th>Fair Value Measurements at Reporting Date Using</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair Value</td>
</tr>
<tr>
<td>Beneficial interest in Community Foundation</td>
</tr>
</tbody>
</table>

Fair values of assets measured on a recurring basis at December 31, 2016 are as follows:

<table>
<thead>
<tr>
<th>Fair Value Measurements at Reporting Date Using</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair Value</td>
</tr>
<tr>
<td>Beneficial interest in Community Foundation</td>
</tr>
</tbody>
</table>

Fair Value Measurements Using Significant Unobservable Inputs (Level 3):

January 1, 2016
Grants used for programs (22,303)
Realized and unrealized gains or losses 43,008

December 31, 2016
Grants used for programs (23,144)
Realized and unrealized gains or losses 82,124

December 31, 2017
$ 625,173

Read Report of Independent Certified Public Accountants.
NOTE D – FAIR VALUE MEASUREMENTS (continued)

Investment return consists of the following for the years ended December 31, 2017 and 2016:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividends</td>
<td>$9,716</td>
<td>$12,233</td>
</tr>
<tr>
<td>Realized and unrealized gains (losses)</td>
<td>76,727</td>
<td>34,503</td>
</tr>
<tr>
<td>Less: investment expenses</td>
<td>(4,319)</td>
<td>(3,728)</td>
</tr>
<tr>
<td></td>
<td>$82,124</td>
<td>$43,008</td>
</tr>
</tbody>
</table>

NOTE E – ASSETS HELD FOR SALE

During the year ended December 31, 2016, the Alpha House Board of Directors approved for the current property to be actively marketed for sale with the intentions to relocate the operations to a new location more economically suited to serve the population in need. As of December 31, 2016, the sale was expected to occur within one year. On July 26, 2017, Alpha House entered into a contract for sale of its property which is contingent on the buyer obtaining planned development approval and provides for a lease back option for up to 5 months. Subsequently, the contract was amended to extend the closing date. The sale is anticipated to close in 2018. Based on these conditions, the assets are classified as held for sale at December 31, 2017 and 2016. In accordance with professional standards, assets are not depreciated while classified as held for sale.

Carrying values of assets held for sale previously classified under property and equipment are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$560,512</td>
<td>$560,512</td>
</tr>
<tr>
<td>Buildings and building improvements</td>
<td>1,224,014</td>
<td>1,224,014</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>13,599</td>
<td>13,599</td>
</tr>
<tr>
<td>Equipment</td>
<td>97,827</td>
<td>97,827</td>
</tr>
<tr>
<td></td>
<td>$1,895,952</td>
<td>$1,895,952</td>
</tr>
</tbody>
</table>

NOTE F – PROPERTY AND EQUIPMENT

Property and equipment, at costs, at December 31, 2017 and 2016:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and building improvements</td>
<td>$29,220</td>
<td>$29,220</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>10,971</td>
<td>10,971</td>
</tr>
<tr>
<td>Equipment</td>
<td>183,995</td>
<td>183,995</td>
</tr>
<tr>
<td>Vehicles</td>
<td>15,833</td>
<td>15,833</td>
</tr>
<tr>
<td>Total property and equipment</td>
<td>240,019</td>
<td>240,019</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less: accumulated depreciation</td>
<td>(142,401)</td>
<td>(125,568)</td>
</tr>
<tr>
<td>Net property and equipment</td>
<td>$97,618</td>
<td>$114,451</td>
</tr>
</tbody>
</table>
NOTE G – ENDOWMENT

Alpha House has funds invested with the Community Foundation of Tampa Bay. Although the donors did not restrict the gifts, the Board designated the funds for endowment purposes. Monies designated by the Board to the endowment are unrestricted, and a portion of the fair value (4%-7%) is drawn each year to provide funding for program services for Alpha House.

Endowment Net Asset Composition by Type of Fund as of December 31, 2017:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board designated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment funds</td>
<td>$ 625,173</td>
<td>$</td>
<td>$</td>
<td>$ 625,173</td>
</tr>
</tbody>
</table>

Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2017:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment net assets, beginning of year</td>
<td>$ 566,193</td>
<td>$</td>
<td>$</td>
<td>$ 566,193</td>
</tr>
<tr>
<td>Contributions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funds used for programs</td>
<td>(23,144)</td>
<td></td>
<td></td>
<td>(23,144)</td>
</tr>
<tr>
<td>Investment Income</td>
<td>5,397</td>
<td></td>
<td></td>
<td>5,397</td>
</tr>
<tr>
<td>Net appreciation (realized and unrealized)</td>
<td>76,727</td>
<td></td>
<td></td>
<td>76,727</td>
</tr>
<tr>
<td>Endowment net assets, end of year</td>
<td>$ 625,173</td>
<td>$</td>
<td>$</td>
<td>$ 625,173</td>
</tr>
</tbody>
</table>

Endowment Net Asset Composition by Type of Fund as of December 31, 2016:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board designated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowment funds</td>
<td>$ 566,193</td>
<td>$</td>
<td>$</td>
<td>$ 566,193</td>
</tr>
</tbody>
</table>

Read Report of Independent Certified Public Accountants.
NOTE G – ENDOWMENT (continued)

Changes in Endowment Net Assets for the Fiscal Year Ended December 31, 2016:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment net assets,</td>
<td>545,488</td>
<td></td>
<td></td>
<td>545,488</td>
</tr>
<tr>
<td>beginning of year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Funds used for programs</td>
<td>(22,303)</td>
<td>-</td>
<td>-</td>
<td>(22,303)</td>
</tr>
<tr>
<td>Investment Income</td>
<td>8,505</td>
<td></td>
<td>-</td>
<td>8,505</td>
</tr>
<tr>
<td>Net appreciation (realized</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and unrealized)</td>
<td>34,503</td>
<td></td>
<td>-</td>
<td>34,503</td>
</tr>
<tr>
<td>Endowment net assets,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>end of year</td>
<td>566,193</td>
<td>$ -</td>
<td>$ -</td>
<td>566,193</td>
</tr>
</tbody>
</table>

Interpretation of Relevant Law

The Board of Directors has interpreted the law as requiring donor restricted net assets in an endowment fund to remain restricted until appropriated for expenditure by Alpha House for the donor's intended purpose. In accordance with the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA), Alpha House considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1) The purposes of the organization and the donor-restricted endowment fund
2) General economic conditions
3) The possible effect of inflation and deflation
4) The expected total return from income and the appreciation of investments
5) Other resources of the organization
6) The duration and preservation of the endowment fund

Return Objectives and Risk Parameters

Assets contributed to the Community Foundation for the benefit of Alpha House are recorded as assets of Alpha House in accordance with professional standards. These "agency restricted funds" are pooled with the other assets of the Community Foundation for investment purposes.

Spending Policy

The Community Foundation can make yearly grants to Alpha House of 4% to 7% of the fund’s fair value, depending on the average annual return for the prior three calendar years, upon written request from Alpha House. For the years ended December 31, 2017 and 2016, Alpha House withdrew $23,144 and $22,303, respectively.

Read Report of Independent Certified Public Accountants.
NOTE H – DEFERRED PAYMENT MORTGAGE

Prior to 2017, Alpha House received Community Development Block Grants passed through the City of Tampa totaling $230,000 for improvements to certain property. Pursuant to the funding agreements, deferred payment mortgages (the mortgages) totaling $230,000 were executed between Alpha House and the City of Tampa. The funding agreements include provisions for the continued use of the improvements in the operations of Alpha House and for the ownership of certain mortgaged property for 5 years. The use restrictions of the funding agreements and the mortgages provide for the optional right of the City of Tampa to collect on the mortgages in the event Alpha House does not follow the terms of the agreement. Interest is not accrued during the deferment period of the mortgage. During 2017, Alpha House entered into a contract for sale of its property. The deferred payment mortgages will become due and payable upon sale of the property.

NOTE I – CAPITAL LEASE OBLIGATION

Alpha House leases copying equipment that extends to the end of the equipment’s useful life. During 2014, Alpha House entered into a new agreement when the existing agreement terminated. This agreement has been accounted for as a capital lease.

As of December 31, 2017 and 2016, the capitalized lease obligation consists of:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capitalized lease obligation</td>
<td>$ 4,261</td>
<td>$ 6,266</td>
</tr>
<tr>
<td>Current portion</td>
<td>(2,088)</td>
<td>(2,006)</td>
</tr>
<tr>
<td>Long-term portion</td>
<td>$ 2,173</td>
<td>$ 4,260</td>
</tr>
</tbody>
</table>

Future minimum lease payments on the capital lease are as follows as of December 31, 2017:

<table>
<thead>
<tr>
<th>Year ended December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$ 2,088</td>
</tr>
<tr>
<td>2019</td>
<td>2,173</td>
</tr>
</tbody>
</table>

NOTE J – RETIREMENT PLAN

Alpha House has a 401(k) tax-deferred retirement plan that is available to all part-time and full-time employees who choose to participate. Alpha House matches 50% of salary deferral up to $1,000 per participating employee per calendar year. Employees vest in Alpha House's match at the rate of 20% per year over five years. At December 31, 2017 and 2016, the amount of contribution expense is $11,388 and $4,835, respectively. Administrative amounts were immaterial.

Read Report of Independent Certified Public Accountants.
NOTE K – COMMITMENTS AND CONTINGENCIES

Alpha House receives reimbursement funds from government agencies that are subject to special compliance audits by the agency and other third party agencies that provide these reimbursements. The results of these audits may result in disallowed expense amounts. Disallowed amounts, if any, would constitute a contingent liability to Alpha House. Accordingly, such liabilities are not reflected in the financial statements. Alpha House does not believe there are any contingent liabilities as of the year ended December 31, 2017.

Line of credit
During the years ended December 31, 2017 and 2016, Alpha House had available a revolving line of credit in the amount of $275,000. The agreement expires on July 20, 2019. Borrowings under the agreement are payable in monthly installments of interest only. Interest rates on the line of credit are 1.5% over prime rate with a floor of 5.00%. The line of credit is secured by real properties owned by Alpha House. The outstanding balance on the line of credit was $215,000 and $70,000 at December 31, 2017 and 2016, respectively. Interest expense related to the line of credit was $10,484 (interest rate of 5.75%) and $1,982 (interest rate of 5%) at December 31, 2017 and 2016, respectively.

NOTE L – SUBSEQUENT EVENTS

Subsequent to the year ended December 31, 2017, an amendment to the sale of the Alpha House property was executed which extended the closing date by two months, shortened the lease back period by 60 days and provided for the release of nonrefundable funds and other financial incentives as compensation to Alpha House for these changes. The anticipated closing date is the end of August 2018, and Alpha House intends to exercise the 90 day lease back option to allow for the effective transition of services.

Subsequent to the year ended December 31, 2017, Alpha House entered into a contract for the purchase of new property subject to due diligence. The purchase of this property is contingent on the sale of the current property. The expected closing date is September 2018. This new location will allow Alpha House to expand its mission to empower the most vulnerable families in the community to move from homelessness to self-sufficiency.

Management has evaluated subsequent events through May 29, 2018, the date the financial statements were available to be issued.
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Alpha House of Tampa, Inc.
Tampa, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Alpha House of Tampa, Inc. (Alpha House), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 29, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Alpha House’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Alpha House’s internal control. Accordingly, we do not express an opinion on the effectiveness of Alpha House’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Alpha House’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Alpha House's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Alpha House's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Alpha House's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Certified Public Accountants
May 29, 2018