

**THE FAMILY RESOURCE CENTER**  
**AUDITED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**



**LIITTJOHANN, KAUFFMAN, and PEDERSON**  
Certified Public Accountants

THE FAMILY RESOURCE CENTER  
AUDITED FINANCIAL STATEMENTS  
DECEMBER 31, 2021

Table of Contents

Independent Audit Report	1
Statement of Financial Position	2
Statement of Activities and Changes in Fund Balance	3
Statement of Functional Expenses	4
Statement of Cash Flow	5
Notes to the Financial Statements	6



# LIITTJOHANN, KAUFFMAN, and PEDERSON

Certified Public Accountants

David A. Kauffman, C.P.A., P.C.

Daniel M. Pederson, C.P.A.'s, P.C.

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
The Family Resource Center  
Sterling, Colorado

We have audited the accompanying financial statements of The Family Resource Center (a Colorado nonprofit corporation), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinion**

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

Fort Morgan, Colorado  
December 15, 2022

THE FAMILY RESOURCE CENTER  
STATEMENT OF FINANCIAL POSITION  
As of December 31, 2021

<u>ASSETS</u>			
Current Assets			
Cash	\$	393,050	
Investments		300,855	
Accounts Receivable		20,810	
Prepaid Expenses		<u>4,154</u>	
Total Current Assets			\$ 718,869
Property and Equipment			
Building and Improvements		318,327	
Furniture and Equipment		42,557	
Vehicles		32,525	
Accumulated Depreciation		<u>(91,991)</u>	
Net Fixed Assets			<u>301,418</u>
Total Assets			<u><u>\$ 1,020,287</u></u>
 <u>LIABILITIES AND FUND BALANCE</u>			
Current Liabilities			
Accounts Payable	\$	3,997	
Accrued Expenses		13,777	
Accrued Leave Liability		<u>1,697</u>	
Total Current Liabilities			\$ 19,471
Fund Balance			
Without Donor Restriction		921,800	
With Donor Restriction		<u>79,016</u>	
Total Fund Balance			<u>1,000,816</u>
Total Liabilities and Fund Balance			<u><u>\$ 1,020,287</u></u>

See accompanying independent auditors' report  
and notes to financial statements.

THE FAMILY RESOURCE CENTER  
STATEMENT OF ACTIVITIES AND CHANGES IN FUND BALANCE  
For the Year Ended December 31, 2021

	Without Donor Restriction	With Donor Restriction	Total
Public Support and Revenue			
Government Grants	\$ -	\$ 438,974	\$ 438,974
Foundation Grants	-	211,000	211,000
Direct public support	86,229		86,229
In Kind contributions	4,108	-	4,108
Fees for service	7,594	-	7,594
Rental income	40,382	-	40,382
Investment income	4,784	-	4,784
Unrealized gain(loss) from investments	18,456		18,456
Other income	3,738	-	3,738
Temporary restriction released	570,958	(570,958)	-
	<u>736,249</u>	<u>79,016</u>	<u>815,265</u>
Total Public Support and Revenue	736,249	79,016	815,265
Expenditures			
Program Services	464,054	-	464,054
Support Services	70,104	-	70,104
Building Expenses	36,799	-	36,799
	<u>570,957</u>	<u>-</u>	<u>570,957</u>
Total Expenditures	570,957	-	570,957
Net Increase (Decrease) in Fund Balance	165,292	79,016	244,308
Fund Balance Beginning	756,508	-	756,508
Fund Balance Ending	<u>\$ 921,800</u>	<u>\$ 79,016</u>	<u>\$ 1,000,816</u>

See accompanying independent auditors' report  
and notes to financial statements.

THE FAMILY RESOURCE CENTER  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2021

	Program Services	Support Services	Building Expense	Total Expenses
Accounting	\$ 2,677	\$ 13,784		\$ 16,461
Advertising	2,413	25		2,438
Automobile expense	1,871			1,871
Bank fees	13	21		34
CCR Flex funds	10,169			10,169
Contract labor	34,636	1,775		36,411
Copies and printing	4,224	17,196		21,420
Depreciation		3,281	12,888	16,169
Dues and subscriptions	3,835	7,194		11,029
Incentives	21,745	559		22,304
Insurance	1,259	4,222	2,708	8,189
Investment fees		2,277		2,277
Meals, refreshments, entertainment	77,837	1,212		79,049
Miscellaneous	2,711	444		3,155
Office supplies	2,691	236		2,927
Payroll taxes and benefits	17,235	535		17,770
Property Taxes			3,371	3,371
Postage	335	1		336
Program supplies	60,159	4,202		64,361
Rent room	800			800
Repairs and maintenance	1,260		1,751	3,011
Salaries and wages	178,809	11,962		190,771
Salary reimbursement	7,569			7,569
Student recruitment	1,553			1,553
Telephone and internet	603	955		1,558
Training	9,428			9,428
Travel	10,322			10,322
Utilities			16,081	16,081
Volunteer appreciation	925	223		1,148
Youth Activities	8,975			8,975
Total Expenses	<u>\$ 464,054</u>	<u>\$ 70,104</u>	<u>\$ 36,799</u>	<u>\$ 570,957</u>

See accompanying independent auditors' report  
and notes to financial statements.

THE FAMILY RESOURCE CENTER  
STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2021

Cash flows from operating activities		
Net increase in fund balance		\$ 244,308
Adjustment to reconcile net increase in fund balance to cash flows from operating activities:		
Depreciation expense	\$ 16,169	
Investment income	(4,784)	
Unrealized gain(loss) from investments	(18,456)	
(Increase) Decrease in accounts receivable	(6,592)	
(Increase) Decrease in prepaid expenses	(931)	
Increase (Decrease) in accounts payable	(6,783)	
Increase (Decrease) in accrued expenses	3,802	
Increase (Decrease) in accrued leave time	(4,338)	
Increase (Decrease) in unearned revenue	(3,355)	(25,268)
Net Cash Provided by Operating Activities		<u>219,040</u>
Cash Flows from Investing Activities		
Investment income	2,334	
Purchase vehicle	(32,525)	
Purchase furniture and equipment	(2,752)	
Investment in Community Foundation Fund	(110,905)	
Net Cash Provided by Investing Activities		<u>(143,848)</u>
Cash Flows from Financing Activities		<u>-</u>
Net Increase in Cash		75,192
Net Cash Beginning of Year		<u>317,858</u>
Net Cash End of Year		<u><u>\$ 393,050</u></u>

See accompanying independent auditors' report  
and notes to financial statements.

THE FAMILY RESOURCE CENTER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Family Resource Center is organized as a Colorado not-for-profit corporation. The organization's purpose is to encourage the development of healthy children and strong family units by providing support systems, parent education and referral systems. The organization is governed by a board of 8 members.

The organization operates on public funding through government and foundation grants, direct contributions and fees for service. The funds received are normally unrestricted unless a donor places a direct restriction on them. Almost all grants or contributions received are designated for activities that are in the normal course of business for the organization.

B. Basis of Accounting

The accounts of The Family Resource Center are maintained and the accompanying financial statements have been prepared on the accrual basis of accounting. This is according to generally accepted accounting principles.

C. Use of Estimates

The preparation of 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 could differ from those estimates.

D. Financial Statement Presentation

The Family Resource Center reports net assets in accordance with the Financial Accounting Standard Board ASU 2016-14 *Financial Statement Presentation*. The organization is required to report information regarding its financial position and activities according to two categories of net assets: Without Donor Restrictions and With Donor Restrictions.

*Without Donor Restrictions* – consists of assets, public support and program revenues, which are available and used for operations and programs. Contributions are considered available for unrestricted use unless specifically restricted by the donor.

*With Donor Restrictions* – includes funds with donor-imposed restrictions, which permit the done organization to expend the assets as specified either by the passage of time or by actions of the organization. Resources of this nature originate from gifts, grants, bequest, contracts and investment income earned on restricted funds. It also includes resources which have a permanent donor-imposed restriction which stipulates that the assets are to be maintained permanently, but permits the organization to expend part or all of the income derived from the donated assets.

E. Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Family Resource Center considers all cash held in checking, savings and highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

THE FAMILY RESOURCE CENTER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Income Taxes

The Family Resource Center does not provide for income taxes as it is a tax exempt non-profit organization under the Internal Revenue Code Section 501(c)(3).

The Family Resource Center has adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles. Generally, income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The organization has analyzed tax positions taken for filing with the Internal Revenue Service and believes that they will be sustained upon examination. Accordingly, the Family Resource Center has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2021.

G. Concentrations of Credit Risk

Credit risks are potential areas that the organization could face that would cause financial difficulty for the organization. The organization actively monitors areas of risk in order to mitigate effects on the financial stability of the organization. These situations are remote at this time but do create some risk in the future if they were to come about.

The Family Resource Center has funds invested in marketable securities which are subject to financial market fluctuations. In a down market, the value of these funds available to the organization could be limited by losses in the investment. Thereby creating a risk of reduced availability of these funds to the organization if needed.

The Family Resource Center provides programs that rely on government support to fund the program. This creates a potential risk that could affect the organization if the funding agencies would experience funding cutbacks or eliminate funding to the programs the organization manages.

H. Accounts Receivable

Amounts presented as accounts receivable on the statement of financial position relate to grant reimbursements receivable and are expected to be collected within the current period. The organization has several grants in which the expenditures are made to provide the program services and then reported to the funding agency for reimbursement. Usually these accounts receivable are collected within 30 to 60 days after reimbursement request has been submitted.

I. Property and Equipment

Property and equipment additions that are purchased are recorded at cost and donations of property and equipment are recorded as support at fair value. Additions exceeding \$500 are capitalized. Property and equipment is depreciated over the estimated useful lives of the assets using the straight-line method. Donations of property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

NOTE 2 – Investments

The organization has funds invested in the Community Foundation Trust, a pooled investment fund, maintained by the Community Foundation of Northern Colorado. The funds are invested in marketable securities and have a market value of \$300,855 at December 31, 2021. The organization recognized investment income of \$4,726 and \$18,456 of unrealized market gains during 2021 and paid \$2,277 of administration fees for the investment. All of the funds invested are available to the organization as needed and are unrestricted.

THE FAMILY RESOURCE CENTER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 3 – ACCRUED LEAVE LIABILITY

The organization has a PTO leave policy. PTO can be used for vacation or sick time. Full time employees earn days of PTO time based on their length of employment per the schedule below. Employees can accumulate a maximum of 3 to 5 days of PTO time depending on the length of service. Upon termination of employment employees are entitled to be paid for unused PTO time.

*PTO ACCRUAL SCHEDULE*

Years of Eligible Service	Accrual	Max to Carry Over
0 to 2.99 years	80 hours/10 days	24 hours/3 days
3 to 4.99 years	120 hours/15 days	32 hours/4 days
5 plus years	160 hours/20 days	40 hours/5 days
10 plus years	200 hours/25 days	40 hours/5 days

NOTE 4 – REVENUE

The Family Resource Center has several programs, which make up the organization. Funding for the programs come from a variety of sources, including federal, state and local grants as well as some contributions from the general public and private foundations. Revenue received for a specific program or purpose is recorded as a temporarily restricted asset. Once the restriction is met the funds are released to unrestricted assets and spent for their purpose. General contributions, investment income and rent proceeds are recorded as unrestricted assets and used by the organization as needed.

NOTE 5 – LEASED OFFICE SPACE

The organization owns a building which houses the operations of the organization and provides space for the programs it operates. The building has a second floor of office space that is not needed by the organization. This space is leased to other organizations and businesses typically on a year to year basis. During 2021 there were thirteen tenants who leased space from the organization for various periods of the year. The organization collected \$40,382 in rent during 2021 for this office space.

NOTE 6. INFORMATION REGARDING LIQUIDITY AND AVAILABILITY:

The organization strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements are invested in savings accounts and other short-term investments. Assets invested in the Community Foundation Trust are included in liquid assets even though they are invested in marketable securities. They are available when called upon.

The following table reflects the organization's financial assets as of December 31, 2021.

Cash in Bank and on Hand	\$ 368,901
Cash in Savings	24,149
Community Foundation Trust	<u>300,854</u>
Total	693,904
Requirements for current obligations	<u>(19,470)</u>
Financial Assets Available to Meet General Expenditures over the Next Twelve Months	<u>\$ 674,434</u>

THE FAMILY RESOURCE CENTER  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 7 – STATEMENT OF CASH FLOWS

The organization did not have any non-cash investing or financing activities for the period. There were no interest expenses or taxes paid for the year ended December 31, 2021.

NOTE 8 – SUBSEQUENT EVENTS

The organization has evaluated subsequent event information through the date of the report, which is the date the financial statements are available to be issued. No events were noted that would require adjustment to or disclosure in the financial statements.