

FAMILY VISITOR PROGRAMS OF GARFIELD COUNTY, INC.

FINANCIAL STATEMENTS AND REPORT OF  
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

June 30, 2020

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**INDEPENDENT AUDITOR'S REPORT**

December 22, 2020

To Board of Directors  
Family Visitor Program of Garfield County, Inc.

We have audited the accompanying financial statements of Family Visitor Program of Garfield County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, 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 Family Visitor Program of Garfield County, Inc., as of June 30, 2020, 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.

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The budget to actual schedule on page 13 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

**Report on Summarized Comparative Information**

We have previously audited Family Visitor Program of Garfield County, Inc.'s financial statements for the year ended June 30, 2020, and we expressed an unmodified opinion on those audited financial statements in our report dated November 21, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Chadwick, Steinkirchner, Davis & Co., P.C.*

Chadwick, Steinkirchner, Davis & Co., P.C.

Family Visitor Program of Garfield County, Inc.

STATEMENT OF FINANCIAL POSITION

June 30, 2020 (with comparative totals for 2019)

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents - unrestricted	\$ 453,606	\$239,098
Cash and cash equivalents - board-designated	41,429	41,429
Cash and cash equivalents - fiscal agent	7,598	3,670
Pledges receivable	-	250
Grants and contracts receivable	121,551	150,711
Prepaid expenses	-	3,299
Property and equipment, net	<u>291,156</u>	<u>305,788</u>
Total assets	<u>\$ 915,340</u>	<u>\$ 744,245</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 11,843	\$4,770
Accrued payroll expenses	85,503	81,266
Fiscal agent	7,598	3,670
Refundable Advance	<u>129,400</u>	<u>-</u>
Total liabilities	<u>234,344</u>	<u>89,706</u>
Net assets		
With donor restriction	30,000	-
Without donor restriction		
Operating	318,411	307,322
Net investment in property and equipment	291,156	305,788
Board-designated operating reserve	<u>41,429</u>	<u>41,429</u>
Total net assets without donor restriction	<u>650,996</u>	<u>654,539</u>
Total net assets	<u>680,996</u>	<u>654,539</u>
Total liabilities and net assets	<u>\$ 915,340</u>	<u>\$ 744,245</u>

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

Family Visitor Program of Garfield County, Inc.

STATEMENT OF ACTIVITIES

For the year ended June 30, 2020 (with comparative totals for 2019)

	2020		2019	
	Without donor restrictions	With donor restrictions	Total	Total
<b>Revenues and other support</b>				
Colorado Department of Human Services (CDHS)	\$ 732,710	\$ -	\$ 732,710	\$ 778,383
Foundation grants	191,500	30,000	221,500	210,983
Tony Gramscas Youth Services (TGYS)	191,253	-	191,253	179,046
Personal Responsibility Education Program	95,131	-	95,131	155,157
Counties	122,185	-	122,185	111,015
Contributions	80,861	-	80,861	58,643
Health Insurance rebates	19,056	-	19,056	15,991
Municipalities	22,300	-	22,300	19,650
In-kind contributions	40,548	-	40,548	35,327
Total revenue and other support	<u>1,495,544</u>	<u>30,000</u>	<u>1,525,544</u>	<u>1,564,195</u>
<b>Expenses</b>				
<b>Program Services</b>				
Nurse Family Partnership	602,653	-	602,653	622,964
Healthy Families America	367,161	-	367,161	338,110
Personal Responsibility Education	84,120	-	84,120	141,400
Partners for a Healthy Baby/Bright by Three	89,321	-	89,321	93,451
Total Program Services	<u>1,143,254</u>	<u>-</u>	<u>1,143,254</u>	<u>1,195,925</u>
<b>Supporting Services</b>				
Management and general	253,449	-	253,449	311,208
Fund-raising	102,383	-	102,383	93,496
Total expenses	<u>1,499,087</u>	<u>-</u>	<u>1,499,087</u>	<u>1,600,629</u>
Change in net assets	(3,543)	30,000	26,457	(36,434)
Net assets, beginning of year	<u>654,539</u>	<u>-</u>	<u>654,539</u>	<u>690,973</u>
Net assets, end of year	<u>\$ 650,996</u>	<u>\$ 30,000</u>	<u>\$ 680,996</u>	<u>\$ 654,539</u>

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

Family Visitor Program of Garfield County, Inc.

STATEMENT OF FUNCTIONAL EXPENSE

For the year ended June 30, 2020 (with summarized comparative totals for 2019)

Description	2020					2019			
	Program Services				Total Program Service	Supporting Services		Total	
	Nurse Family Partnership	Healthy Family America	Personal Responsibility Education	Partners for a Healthy Baby/ Bright by Three		Management and General	Fund- raising		
Salaries	\$ 409,880	\$238,410	\$ 47,408	\$ 68,130	\$ 763,828	\$ 113,671	\$ 87,509	\$ 965,008	\$ 1,018,329
Payroll taxes and benefits	59,544	57,372	9,170	6,859	132,946	22,356	12,038	167,340	187,203
Travel and mileage	28,963	17,333	8,167	9,699	64,162	486	324	64,972	82,177
Contract services	38,980	31,100	2,250	-	72,330	15,020	-	87,350	93,241
Condo dues & assessments	5,021	-	-	-	5,021	13,173	-	18,194	18,452
Professional-development	16,028	270	-	-	16,298	65	-	16,363	45,217
Repairs and maintenance	4,346	319	-	-	4,665	2,262	-	6,927	6,201
Client support materials	29,050	7,671	-	1,875	38,596	4,602	-	43,198	11,751
Cell service	2,325	1,575	1,297	1,412	6,609	902	301	7,812	8,311
Supplies	3,762	1,197	2,728	391	8,078	2,313	686	11,077	11,175
Insurance	-	-	-	-	-	7,261	-	7,261	7,139
Equipment	794	464	69	157	1,484	1,371	-	2,855	5,512
Utilities	1,157	-	-	-	1,157	7,207	-	8,364	7,484
Educational materials	-	300	1,789	100	2,189	-	-	2,189	9,547
Printing, copies, and postage	1,589	1,087	171	357	3,203	1,211	807	5,221	5,378
Dues, assessments, licenses	-	9,025	28	-	9,053	-	-	9,053	6,909
Community and youth engagement	-	-	10,345	-	10,345	-	-	10,345	20,017
Publicity	-	-	68	-	68	1,079	719	1,866	3,769
Interest expense	-	-	-	-	-	-	-	-	775
All other	1,213	1,037	629	341	3,221	5,292	-	8,512	2,082
In-kind expense	-	-	-	-	-	40,548	-	40,548	35,328
	<u>602,653</u>	<u>367,161</u>	<u>84,120</u>	<u>89,321</u>	<u>1,143,254</u>	<u>238,817</u>	<u>102,383</u>	<u>1,484,455</u>	<u>1,585,997</u>
Depreciation	-	-	-	-	-	14,632	-	14,632	14,632
Total expenses	<u>\$ 602,653</u>	<u>\$367,161</u>	<u>\$ 84,120</u>	<u>\$ 89,321</u>	<u>\$1,143,254</u>	<u>\$ 253,449</u>	<u>\$102,383</u>	<u>\$ 1,499,087</u>	<u>\$ 1,600,629</u>

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

Family Visitor Program of Garfield County, Inc.

STATEMENT OF CASH FLOWS

For the year ended June 30, 2020 (with comparative totals for 2019)

	2020	2019
Cash flows from operating activities		
Change in net assets	\$ 26,457	\$ (36,434)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	14,632	14,632
Changes in operating assets and liabilities		
(Increase)decrease in grants and contracts receivable	29,160	27,236
(Increase)decrease in pledges receivable	250	250
(Increase)decrease in prepaid expenses	3,299	-
Increase(decrease) in accounts payable	7,073	(7,143)
Increase(decrease) in accrued payroll expenses	4,237	2,465
Increase(decrease) in fiscal agent	3,928	(162)
Net cash provided by operating activities	<u>89,036</u>	<u>844</u>
Cash flows from financing activities		
Principal payments on note payable	-	(10,150)
Refundable advance received	129,400	-
Net cash provided (used) by financing activities	<u>129,400</u>	<u>(10,150)</u>
Net increase (decrease) in cash and cash equivalents	218,436	(9,306)
Cash and cash equivalents, beginning of year	<u>284,197</u>	<u>293,503</u>
Cash and cash equivalents, end of year	<u>\$ 502,633</u>	<u>\$ 284,197</u>
Supplemental disclosure of information:		
Cash paid during the period for interest	<u>\$ 2</u>	<u>\$ 775</u>

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



Family Visitor Program of Garfield County, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

Family Visitor Program of Garfield County, Inc. (the Organization) was founded in 1983 to promote healthy families by providing education, advocacy, and support services that strengthen and empower parents, foster the optimal development of children, and prevent child abuse and neglect. The Organization covers the area in Colorado from Parachute to Aspen and is supported primarily through government grants and contracts, and foundation grants.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Restricted and Unrestricted Revenue

The organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. Net assets that are restricted by donors for specific purposes are recognized as net assets with donor restrictions.

Cash and Cash Equivalents

The Organization considers all restricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Donations

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net asset with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities, as net assets released from restrictions.

The organization reports gifts of land, buildings, and equipment as unrestricted support unless the explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent donor stipulations regarding how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Family Visitor Program of Garfield County, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Promises to Give

Unconditional promises to give are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fund-raising activity.

Capitalization and Depreciation

The Organization follows a practice of capitalizing all expenditures for furniture and equipment in excess of \$2,000. The fair value of donated assets is similarly capitalized. Depreciation of furniture, equipment, and office space is provided over the estimated useful lives of the respective assets on a straight-line basis. Estimated useful lives range from 3 to 30 years.

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.

Income Taxes

The Organization has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

Functional Reporting of Expenses

For the year ended June 30, 2020, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Organization incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Organization also conducts a number of activities which benefit both its program objectives as well as supporting services. These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited, based on either financial or nonfinancial data, such as square-footage or estimates of time and effort incurred by personnel.

Family Visitor Program of Garfield County, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Summarized Prior-Year Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

New Accounting Pronouncements

During 2020, the Organization adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, using the modified retrospective method. The update supersedes the revenue recognition requirements in *Revenue Recognition (Topic 605)* and requires entities to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the considerations to which the entity expects to be entitled in exchange for those goods or services. Additionally, this guidance requires that entities disclose the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Analysis of various provision of this standard resulted in no significant changes in the way the Organization recognized revenue and, therefore, no cumulative adjustments to beginning net assets was required as a result of the adoption. The presentation and disclosure of revenue has been enhanced in accordance with the standard.

During 2020, the Organization adopted Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The provisions of ASU 2018-08 have been implemented with regard to contributions received in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with the implementation of ASU 2018-08.

**NOTE B – GRANTS AND CONTRACTS RECEIVABLE**

Grants receivable in the amount of \$121,551 are for grants that have been expended prior to June 30, 2020 and are qualified to be reimbursed. No provision for uncollectible amounts was deemed necessary by management at June 30, 2020.

Family Visitor Program of Garfield County, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

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**NOTE C – PROPERTY AND EQUIPMENT, NET**

Property and equipment consist of the following:

	<u>Amount</u>
Office Space	\$ 490,820
Furniture and fixtures	25,104
Computers	<u>21,536</u>
	537,460
Less: accumulated depreciation	<u>(246,304)</u>
Net property and equipment	<u>\$ 291,156</u>

Depreciation expense for the year was \$14,632.

**NOTE D – FISCAL AGENT**

The Organization contracts under an open-ended verbal agreement to act as a fiscal agent for the Garfield County Humanitarian Awards. Under this agreement, the organization held \$7,598 at June 30, 2020.

**NOTE F – COVID-19 PANDEMIC**

In April 2020, the Organization received a \$129,400 loan under the U.S Small Business Administration's (SBA) Paycheck Protection Program (PPP) authorized under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Under the program, this loan may be partially or fully forgiven if certain eligibility requirements are met, including that 60% of the loan must be spent on payroll. The loan is being treated as a conditional contribution until such time that the loan has been explicitly forgiven by the SBA. Therefore, the proceeds totaling \$129,400, have been recognized as a refundable advance at June 30, 2020. At such time that the loan is forgiven, the refundable advance will be reduced and contribution revenue will be recognized.

In the case that the loan is not forgiven, the loan is payable in eighteen monthly installments of \$7,282, commencing on November 10, 2020. The loan is unsecured and interest is charged at 1% per annum.

**NOTE G – COMMITMENTS AND CONTINGENCIES**

Lines of Credit

The Organization maintains a guaranteed bank line of credit of \$10,000. The line of credit matures on January 15, 2021, and has a due-on-demand feature. Interest at a rate of 8% is payable monthly. The line is secured by all deposits held with the bank. At June 30, 2020, the Organization had no outstanding balance on the line of credit.

Family Visitor Program of Garfield County, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

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**NOTE G – COMMITMENTS AND CONTINGENCIES – CONTINUED**

Grants

The grants require the fulfillment of certain conditions set forth in the instrument of the grant. Failure to fulfill the conditions could result in disallowed claims or questioned costs and may constitute a liability of the Organization.

**NOTE H – LIQUIDITY**

The following assets are available to cover operating expenses in the year following the balance sheet date:

Cash and cash equivalents	\$ 495,035
Grants receivable	<u>121,551</u>
Total	<u>\$ 616,586</u>

**NOTE I – BOARD-DESIGNATED OPERATING RESERVE**

The Board of Directors has variance power over the ultimate use of the board-designated funds of \$41,429 to be used for any unexpected needs or unanticipated funding reductions. Because the Board has control, the designated operating reserve is included in unrestricted funds of the Organization.

**NOTE J – NET ASSETS WITH DONOR RESTRICTIONS**

The organization recorded \$30,000 of net assets with donor restrictions as of June 30, 2020. These assets are restricted for program expenditures in future periods.

**NOTE K – IN-KIND CONTRIBUTIONS**

Donated services which require recognition are those that create or enhance non-financial assets or that specifically require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated supplies, materials, and facilities are reflected in the accompanying statements at their estimated values at date of receipt.

The value of services, supplies, materials, and facilities included in the financial statements for the year are as follows:

Descriptions	<u>Amount</u>
Christmas gifts for families	\$ 24,400
Bright by Three materials and supplies	5,000
Facilities rental	888
Food	56
COVID-19 items	8,108
Baby gifts	<u>2,096</u>
Total	<u>\$ 40,548</u>

Family Visitor Program of Garfield County, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

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**NOTE K – IN-KIND CONTRIBUTIONS – CONTINUED**

In-kind expenses are normally shown in their natural category. Management has elected to show in-kind expenses as a single line item in the Schedule of Functional Expenses.

**NOTE L – PENSION PLAN**

The Organization offers a Simple IRA retirement plan for all employees. After an employee has earned \$5,000, they may choose to designate part of their salary to be placed in the tax-deferred Simple IRA plan. The Organization will contribute 100% of the employee's contributed amount to the plan, up to a maximum of 3% of the employee's compensation. Employees are 100% vested upon the first elected deferral contribution. The Organization's contributions for the year ended June 30, 2020, were \$20,931.

**NOTE M – RELATED PARTY INCOME**

In 1997, The Defiance Thrift Store was formed as a 501(c)(3) not-for-profit corporation. The purpose of the organization is to run a thrift store. The excess funds are for the benefit of Family Visitors Program of Garfield County and LIFT-UP, both 501(c)(3) not-for-profit corporations. Defiance Thrift Store donated \$27,000 to Family Visitors Program of Garfield County in the current year.

**NOTE N – CONCENTRATION OF FUNDING SOURCE**

The Organization relies heavily on grants from the Colorado Department of Human Services (CDHS). Management of the Organization expects these grants to continue into the foreseeable future. However, if a significant portion of those funds are reduced or not continued, the Organization's ability to continue all programs would be diminished. For the year ended June 30, 2020, the Organization received \$923,964 of total revenues from CDHS which represents 61% of the Organization's total revenues.

**NOTE O – SUBSEQUENT EVENTS**

Subsequent events were evaluated through December 22, 2020, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

Family Visitor Program of Garfield County, Inc.

BUDGET TO ACTUAL SCHEDULE - UNAUDITED

For the year ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues and other support			
Donations	\$ 56,000	\$ 80,627	\$ 24,627
Reimbursement Contracts	1,196,217	1,019,094	(177,123)
Foundations/Organizations	189,500	221,500	32,000
Government	111,000	144,485	33,485
Interest income	558	234	(324)
Rebates and refunds	15,850	19,056	3,206
Total revenues	<u>1,569,125</u>	<u>1,484,996</u>	<u>(84,129)</u>
Expenses			
Program Services			
Wages - administrative and office	225,727	196,943	(28,784)
Wages - programs	807,108	763,828	(43,280)
Consultants and contractors	72,900	87,350	14,450
Fringe	193,776	167,340	(26,436)
Mileage	86,060	64,972	(21,088)
Program expense	155,688	109,921	(45,767)
Publicity campaign expense	2,500	1,866	(634)
Professional fees	10,000	40,190	30,190
Insurance	8,850	7,261	(1,589)
Total expenses	<u>1,562,609</u>	<u>1,439,671</u>	<u>(122,938)</u>
Revenues over expenses	<u>\$ 6,516</u>	45,325	<u>\$ 38,809</u>
Adjustment to GAAP basis net income:			
In-kind revenue		40,548	
In-kind expenses		(40,548)	
Increase in accrued wages		(4,237)	
Depreciation expense		(14,632)	
Expenses per budget-to-actual schedule		<u>\$ 26,457</u>	