

FAMILY VISITOR PROGRAMS OF GARFIELD COUNTY, INC.

FINANCIAL STATEMENTS AND REPORT OF  
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

June 30, 2019

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**INDEPENDENT AUDITOR'S REPORT**

November 21, 2019

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, 2019, 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, 2019, 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 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, 2018, and we expressed an unmodified opinion on those audited financial statements in our report dated October 31, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, 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, 2019 (with comparative totals for 2018)

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and cash equivalents - unrestricted	\$ 239,098	\$ 248,242
Cash and cash equivalents - board-designated	41,429	41,429
Cash and cash equivalents - fiscal agent	3,670	3,832
Pledges receivable	250	500
Grants and contracts receivable	150,711	177,947
Prepaid expenses	3,299	3,299
Property and equipment, net	305,788	320,420
	<u>744,245</u>	<u>795,669</u>
Total assets	<u>\$ 744,245</u>	<u>\$ 795,669</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable	\$ 4,770	\$ 11,913
Accrued payroll expenses	81,266	78,801
Fiscal agent	3,670	3,832
Note payable	-	10,150
	<u>89,706</u>	<u>104,696</u>
Total liabilities	<u>89,706</u>	<u>104,696</u>
Net assets		
Without donor restrictions		
Operating	307,322	319,274
Net investment in property and equipment	305,788	310,270
Board-designated operating reserve	41,429	41,429
	<u>654,539</u>	<u>670,973</u>
Total net assets without donor restriction	<u>654,539</u>	<u>670,973</u>
Net asset with donor restrictions	-	20,000
	<u>654,539</u>	<u>690,973</u>
Total net assets	<u>654,539</u>	<u>690,973</u>
Total liabilities and net assets	<u>\$ 744,245</u>	<u>\$ 795,669</u>

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

Family Visitor Program of Garfield County, Inc.

STATEMENT OF ACTIVITIES

For the year ended June 30, 2019 (with comparative totals for 2018)

	2019			2018
	Without Donor Restriction	With Donor Restriction	Total	Total
<b>Revenues and other support</b>				
Colorado Department of Human Services (CDHS)	\$ 778,383	\$ -	\$ 778,383	\$ 724,354
Foundation grants	210,983	-	210,983	265,391
Tony Gramscas Youth Services (TGYS)	179,046	-	179,046	179,255
Personal Responsibility Education Program	155,157	-	155,157	136,503
Counties	111,015	-	111,015	124,440
Contributions	58,643	-	58,643	80,409
Health Insurance rebates and miscellaneous	15,991	-	15,991	1,104
Municipalities	19,650	-	19,650	14,250
Medicaid	-	-	-	-
In-kind contributions	35,327	-	35,327	41,252
Net assets released from restrictions	20,000	(20,000)	-	-
<b>Total revenue and other support</b>	<b>1,584,195</b>	<b>(20,000)</b>	<b>1,564,195</b>	<b>1,566,958</b>
<b>Expenses</b>				
<b>Program Services</b>				
Nurse Family Partnership	622,964	-	622,964	580,051
Healthy Families America	338,110	-	338,110	340,713
Personal Responsibility Education	141,400	-	141,400	125,862
Partners for a Healthy Baby/Bright by Three	93,451	-	93,451	91,320
<b>Total Program Services</b>	<b>1,195,925</b>	<b>-</b>	<b>1,195,925</b>	<b>1,137,946</b>
<b>Supporting Services</b>				
Management and general	311,208	-	311,208	269,913
Fund-raising	93,496	-	93,496	103,148
<b>Total expenses</b>	<b>1,600,629</b>	<b>-</b>	<b>1,600,629</b>	<b>1,511,007</b>
<b>Change in net assets</b>	<b>(16,434)</b>	<b>(20,000)</b>	<b>(36,434)</b>	<b>55,951</b>
<b>Net assets, beginning of year</b>	<b>670,973</b>	<b>20,000</b>	<b>690,973</b>	<b>635,022</b>
<b>Net assets, end of year</b>	<b>\$ 654,539</b>	<b>\$ -</b>	<b>\$ 654,539</b>	<b>\$ 690,973</b>

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, 2019 (with comparative totals for 2018)

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Cash flows from operating activities		
Change in net assets	\$ (36,434)	\$ 38,951
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	14,632	14,633
Changes in operating assets and liabilities		
(Increase)decrease in grants and contracts receivable	27,236	(8,069)
(Increase)decrease in pledges receivable	250	
(Increase)decrease in prepaid expenses	-	3,835
Increase(decrease) in accounts payable	(7,143)	5,241
Increase(decrease) in accrued payroll expenses	2,465	2,815
Increase(decrease) in fiscal agent	(162)	(1,822)
Net cash used by operating activities	<u>844</u>	<u>55,584</u>
Cash flows from financing activities		
Principal payments on note payable	<u>(10,150)</u>	<u>(10,907)</u>
Net cash used by financing activities	<u>(10,150)</u>	<u>(10,907)</u>
Net increase(decrease) in cash and cash equivalents	(9,306)	44,677
Cash and cash equivalents, beginning of year	<u>293,503</u>	<u>248,826</u>
Cash and cash equivalents, end of year	<u>\$ 284,197</u>	<u>\$ 293,503</u>
Supplemental disclosure of information:		
Cash paid during the period for interest	<u>\$ 775</u>	<u>\$ 1,014</u>

The accompanying notes 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, 2019 (with comparative totals for 2018)

Description	2019								2018
	Program Services					Supporting Services			Total
	Nurse Family Partnership	Healthy Family America	Personal Responsibility Education	Partners for a Healthy Baby/Bright by Three	Total Program Service	Management and General	Fund-raising	Total	
Salaries	\$ 421,800	\$ 214,774	\$ 60,563	\$ 69,077	\$ 766,214	\$ 177,875	\$ 74,240	\$ 1,018,329	\$ 986,970
Payroll taxes and benefits	70,836	56,887	12,179	8,341	148,243	25,083	13,877	187,203	187,137
Travel and mileage	34,234	20,977	12,019	11,124	78,354	2,394	1,429	82,177	67,688
Contract services	29,666	28,680	23,395	-	81,741	-	-	81,741	41,452
Condo dues & assessments	4,963	-	-	-	4,963	13,489	-	18,452	13,372
Professional-development	38,680	5,594	-	609	44,883	334	-	45,217	29,235
Repairs and maintenance	2,950	-	-	-	2,950	3,251	-	6,201	6,513
Client support materials	7,675	1,991	-	2,055	11,721	30	-	11,751	12,836
Cell service	2,564	1,622	1,291	1,121	6,598	1,285	428	8,311	9,431
Supplies	2,853	1,066	3,121	205	7,245	2,533	1,397	11,175	13,757
Insurance	-	-	-	-	-	7,139	-	7,139	7,223
Equipment	2,253	715	-	353	3,321	2,191	-	5,512	7,214
Utilities	1,093	-	-	-	1,093	6,391	-	7,484	9,420
Educational materials	593	425	8,529	-	9,547	-	-	9,547	5,128
Printing, copies, and postage	1,845	691	286	230	3,052	1,395	931	5,378	4,709
Dues, assessments, licenses	-	4,600	-	-	4,600	2,309	-	6,909	13,963
Community and youth engagement	-	-	20,017	-	20,017	-	-	20,017	14,875
Publicity	698	-	-	87	785	1,790	1,194	3,769	5,949
Interest expense	-	-	-	-	-	775	-	775	621
Audit/990	-	-	-	-	-	11,500	-	11,500	10,215
All other	261	88	-	249	598	1,484	-	2,082	7,414
In-kind expense	-	-	-	-	-	35,328	-	35,328	41,252
	<u>622,964</u>	<u>338,110</u>	<u>141,400</u>	<u>93,451</u>	<u>1,195,925</u>	<u>296,576</u>	<u>93,496</u>	<u>1,585,997</u>	<u>1,496,374</u>
Depreciation	-	-	-	-	-	14,632	-	14,632	14,633
Total expenses	<u>\$ 622,964</u>	<u>\$ 338,110</u>	<u>\$ 141,400</u>	<u>\$ 93,451</u>	<u>\$ 1,195,925</u>	<u>\$ 311,208</u>	<u>\$ 93,496</u>	<u>\$ 1,600,629</u>	<u>\$ 1,511,007</u>

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



NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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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, 2019, 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.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

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 Pronouncement

During fiscal year 2019, the Organization implemented FASB ASU 2016-14 Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements for Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classifications, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment returns. The Organization has adjusted the presented of these statements accordingly.

**NOTE B – GRANTS AND CONTRACTS RECEIVABLE**

Grants receivable in the amount of \$150,711 are for grants that have been expended prior to June 30, 2019 and are qualified to be reimbursed. No provision for uncollectible amounts was deemed necessary by management at June 30, 2019.

**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>(231,672)</u>
Net property and equipment	<u>\$ 305,788</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 \$3,670 at June 30, 2019.

Family Visitor Program of Garfield County, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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**NOTE E – NOTE PAYABLE**

The Note Payable originally issued for \$97,000 in 2013, was paid in full during 2019. Interest expense on this note for the year was \$775.

**NOTE F – 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, 2020, 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, 2019, the Organization had no outstanding balance on the line of credit.

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 G – LIQUIDITY**

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

Cash and cash equivalents	\$ 280,527
Grants receivable	150,711
Pledges receivable	<u>250</u>
Total	<u>\$ 431,488</u>

**NOTE H – 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 I – 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,

Family Visitor Program of Garfield County, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

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	7,500
Facilities rental	1,332
Food	235
Baby gifts	<u>1,860</u>
Total	<u>\$ 35,327</u>

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 J – NET ASSETS WITH DONOR RESTRICTIONS**

During the fiscal year, net assets were released from donor restrictions by incurring expenses satisfying the restricted program purposes:

Description	<u>Amount</u>
Rocky Mountain Health Foundation	<u>\$ 20,000</u>

**NOTE K – 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, 2019, were \$20,004.

**NOTE L – 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 \$36,000 to Family Visitors Program of Garfield County in the current year.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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**NOTE M – 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, 2019, the Organization received \$978,194 of total revenues from CDHS which represents 63% of the Organization's total revenues.

**NOTE N – SUBSEQUENT EVENTS**

Subsequent events were evaluated through November 21, 2019, 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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues and other support</b>			
Donations	\$ 51,000	\$ 55,042	\$ 4,042
Earned income	50,000	19,650	(30,350)
Foundations/Organizations	252,000	234,583	(17,417)
Government	1,283,399	1,223,600	(59,799)
Interest income	250	270	20
Rebates and refunds	-	15,721	15,721
Total revenues	<u>1,636,649</u>	<u>1,548,866</u>	<u>(87,783)</u>
<b>Expenses</b>			
<b>Program Services</b>			
Wages - administrative and office	257,303	230,168	(27,135)
Wages - programs	831,574	786,106	(45,468)
Consultants and contractors	58,260	82,629	24,369
Fringe	224,447	187,615	(36,832)
Mileage	78,148	71,587	(6,561)
Program expense	164,197	168,816	4,619
Interest expense	600	213	(387)
Publicity campaign expense	2,000	3,091	1,091
Professional fees	10,900	11,500	600
Insurance	7,500	7,139	(361)
Total expenses	<u>1,634,929</u>	<u>1,548,864</u>	<u>(86,065)</u>
Revenues over expenses	<u>\$ 1,720</u>	2	<u>\$ (1,718)</u>
Less Rocky Mountain Health Foundation		(20,000)	
In-kind contribution		35,327	
In-kind expense		(35,327)	
Depreciation expense		(14,632)	
Vacation accrual		(10,460)	
Accrued payroll change		8,656	
Change in net assets		<u>\$ (36,434)</u>	