

**FAMILY HOUSING NETWORK  
of FORT COLLINS, INC.  
FINANCIAL STATEMENTS  
AND REVIEW**

**For the Years Ending  
Ending June 30, 2023 and 2022**



527 REMINGTON STREET  
FORT COLLINS, CO 80524  
970 482-5626  
FAX 970 482-5629

## Independent Accountant's Review Report

To the Board Members of  
Family Housing Network of Fort Collins, Inc.  
Fort Collins, Colorado

We have reviewed the accompanying financial statements of Family Housing Network of Fort Collins, Inc., (a nonprofit organization) which comprise the statement of financial position for the years then ending June 30, 2023 and 2022, and the related statements of activities, functional expense, and cash flows for the years then ended and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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

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

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Family Housing Network of Fort Collins, Inc and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### **Accountant's Conclusion**

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

***B. Sue Wood and Associates, P.C.***

B. Sue Wood and Associates, P.C.

November 29<sup>th</sup>, 2023

**FAMILY HOUSING NETWORK of FORT COLLINS, INC.**

## Statement of Financial Position

As of June 30, 2023 and 2022**ASSETS**

	<u>2023</u>	<u>2022</u>
<b><u>Current Assets</u></b>		
Cash and equivalents	\$ 93,962	20,056
Accounts receivable	34,096	140,064
	<u>128,058</u>	<u>160,120</u>
 <b><u>Property and Equipment</u></b>		
Equipment and furnishings	2,000	2,000
Tenant finish	639,397	621,982
Buildings	1,171,997	1,171,997
Total Property and Equipment	1,813,394	1,795,979
Less accumulated depreciation	(129,331)	(56,059)
	<u>1,684,063</u>	<u>1,739,920</u>
 <b><u>Other Assets</u></b>		
Loan fees	5,249	-
Accumulated amortization	(437)	-
Total Other Assets	<u>4,812</u>	<u>-</u>
 <b><u>Total Assets</u></b>	<u><u>\$ 1,816,933</u></u>	<u><u>1,900,040</u></u>

**LIABILITIES AND NET ASSETS**

<b><u>Liabilities</u></b>		
Accounts payable	\$ 10,411	8,413
Accrued vacation payable	23,565	15,830
Line of credit	-	30,000
Note payable current year	204,000	-
	<u>237,976</u>	<u>54,243</u>
 Total Liabilities	237,976	54,243
 <b><u>Net Assets</u></b>		
Without donor restrictions	1,578,957	1,819,316
With donor restrictions	-	26,481
Total Net Assets	<u>1,578,957</u>	<u>1,845,797</u>
 <b><u>Total Liabilities and Net Assets</u></b>	<u><u>\$ 1,816,933</u></u>	<u><u>1,900,040</u></u>

**FAMILY HOUSING NETWORK of FORT COLLINS, INC.**

## Statement of Activities

As of June 30, 2023

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
<b><u>Revenue and Support</u></b>			
Support and revenue:			
Contributions			
Congregation	\$ 14,932	-	14,932
Individual and business	116,342	-	116,342
Fundraising	53,662	-	53,662
Grants	398,001	-	398,001
Rental Income	9,667	-	9,667
In-kind	231,637	-	231,637
Net Assets Released from Restrictions			
Expiration of Time Restrictions	26,481	(26,481)	-
<b>Total Revenue and Support</b>	850,722	(26,481)	824,241
 <b><u>Expenses</u></b>			
Program Services	976,294	-	976,294
Supporting Services			
Management and General	76,241	-	76,241
Fundraising	38,546	-	38,546
	<u>1,091,081</u>	<u>-</u>	<u>1,091,081</u>
 Increase in Net Assets	(240,359)	(26,481)	(266,840)
 Net Assets at Beginning of Year	<u>1,819,316</u>	<u>26,481</u>	<u>1,845,797</u>
 Net Assets at End of Year	<u>\$ 1,578,957</u>	<u>-</u>	<u>1,578,957</u>

**FAMILY HOUSING NETWORK of FORT COLLINS, INC.**

## Statement of Activities

As of June 30, 2022

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
<b><u>Revenue and Support</u></b>			
Support and revenue:			
Contributions			
Congregation	\$ 25,748	-	25,748
Individual and business	97,048	27,537	124,585
Fundraising	62,104	-	62,104
Grants	391,157	140,064	531,221
Rental income	12,000	-	12,000
In-kind	1,438,310	-	1,438,310
Net Assets Released from Restrictions			
Expiration of Time Restrictions	329,746	(329,746)	-
<b>Total Revenue and Support</b>	<b>2,356,113</b>	<b>(162,145)</b>	<b>2,193,968</b>
 <b><u>Expenses</u></b>			
Program Services	924,318	-	924,318
Supporting Services			
Management and General	71,255	-	71,255
Fundraising	35,229	-	35,229
	<u>1,030,802</u>	<u>-</u>	<u>1,030,802</u>
 Increase in Net Assets	 1,325,311	 (162,145)	 1,163,166
 Net Assets at Beginning of Year	 <u>494,005</u>	 <u>188,626</u>	 <u>682,631</u>
 Net Assets at End of Year	 <u><u>\$ 1,819,316</u></u>	 <u><u>26,481</u></u>	 <u><u>1,845,797</u></u>

**FAMILY HOUSING NETWORK of FORT COLLINS, INC.**

## Statement of Functional Expenses

Year Ended June 30, 2023

	<b><u>Supporting Services</u></b>			
	<b><u>Program Services</u></b>	<b><u>Management and General</u></b>	<b><u>Fundraising</u></b>	<b><u>Total</u></b>
Compensation & Related Expenses				
Salaries	\$ 369,211	43,436	21,718	434,365
Benefits	19,194	3,598	1,200	23,992
Payroll Taxes	32,029	3,768	1,884	37,681
	<u>420,434</u>	<u>50,802</u>	<u>24,802</u>	<u>496,038</u>
Accounting Fees	11,948	2,987	-	14,935
Conference	2,576	1,352	-	3,928
Depreciation	67,607	6,103	-	73,710
Fundraising	-	-	13,284	13,284
In-kind	225,637	-	-	225,637
Insurance	6,557	1,639	-	8,196
Interest	4,632	1,158	-	5,790
Occupancy	60,384	7,774	-	68,158
Printing and Publications	2,996	480	-	3,476
Professional Fees	2,234	1,389	-	3,623
Program expense	141,864	-	-	141,864
Repair and maintenance	5,686	-	-	5,686
Supplies	16,380	1,177	-	17,557
Telephone	7,359	1,380	460	9,199
	<u>\$ 976,294</u>	<u>76,241</u>	<u>38,546</u>	<u>1,091,081</u>

**FAMILY HOUSING NETWORK of FORT COLLINS, INC.**

## Statement of Functional Expenses

Year Ended June 30, 2022

	<b>Program Services</b>	<b>Management and General</b>	<b><u>Supporting Services</u> Fundraising</b>	<b>Total</b>
Compensation & Related Expenses				
Salaries	\$ 332,399	39,106	19,553	391,058
Benefits	16,051	1,889	945	18,885
Payroll Taxes	30,659	3,607	1,803	36,069
	<u>379,109</u>	<u>44,602</u>	<u>22,301</u>	<u>446,012</u>
Accounting Fees	11,690	2,922	-	14,612
Conference	2,618	147	-	2,765
Depreciation	39,098	7,513	-	46,611
Fundraising	-	-	12,928	12,928
In-kind	206,848	-	-	206,848
Insurance	9,219	1,831	-	11,050
Occupancy	38,872	6,860	-	45,732
Printing and Publications	3,162	897	-	4,059
Professional Fees	5,254	3,278	-	8,532
Program expense	186,805	-	-	186,805
Repair and maintenance	14,354	1,595	-	15,949
Supplies	23,229	894	-	24,123
Telephone	4,060	716	-	4,776
	<u>\$ 924,318</u>	<u>71,255</u>	<u>35,229</u>	<u>1,030,802</u>

**FAMILY HOUSING NETWORK of FORT COLLINS, INC.**

Statement of Cash Flows

Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b><u>Cash Flows from Operating Activities</u></b>		
Cash Received from Contributions and Grants	\$ 698,572	656,789
Cash Paid to Employees and Suppliers	<u>(781,250)</u>	<u>(722,971)</u>
Net Cash Provided by Operating Activities	(82,678)	(66,182)
<b><u>Cash Flows Provided (Used) from Investing Activities</u></b>		
Purchase of Property or improvements	(17,415)	(497,994)
Construction in Progress	<u>-</u>	<u>330,512</u>
Net Cash Provided by Financing	<u>(17,415)</u>	<u>(167,482)</u>
<b><u>Cash Flows Provided (Used) from Financing Activities</u></b>		
Proceeds of long-term borrowings	280,307	-
Repayment of long term borrowings	<u>(106,307)</u>	<u>30,000</u>
Net Cash Provided by Financing	<u>174,000</u>	<u>30,000</u>
Net (Decrease) in Cash	73,907	(203,664)
Cash at Beginning of Year	<u>20,055</u>	<u>223,719</u>
Cash at End of Year	<u><u>\$ 93,962</u></u>	<u><u>20,055</u></u>
<b><u>Cash Flows from Operating Activities</u></b>		
Increase in Net Assets	\$ (266,840)	1,163,166
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	73,710	46,611
In-kind donation of property	-	(1,170,000)
Promise to give	-	14,746
Accounts Receivable	105,968	(113,614)
Loan origination fees	(5,249)	-
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	1,998	(10,900)
Accrued Payroll Liabilities	-	(3,806)
Accrued Vacation Payable	<u>7,735</u>	<u>7,615</u>
Net (Used) Cash Provided by Operating Activities	<u><u>\$ (82,678)</u></u>	<u><u>(66,182)</u></u>



# **FAMILY HOUSING NETWORK of FORT COLLINS, INC.**

Notes to Financial Statements

Year Ended June 30, 2023

## **Note 1 - Nature of Activities and Significant Accounting Policies**

### *Nature of Activities*

Family Housing Network of Fort Collins (FHN), formerly known as Faith Family Hospitality of Fort Collins, Inc. (FFH), is a nonprofit organization incorporated in 2013, provides services to families with children who are homeless, ranging from day and/or overnight shelter and case management to short term rental subsidies or short term supported housing. In 2012 FHN hosted their first families in its overnight shelter program, called Faith Family Hospitality, to fill a need in the community to help local homeless families.

In October of 2020, FHN acquired a new program. FHN took over the not-for-profit One Community One Family which oversaw Larimer County's Rapid Re-Housing Program. The program helps individuals and families at risk of experiencing homeless with prevention assistance such as paying for rent, utilities, food, etc. Targeted Prevention and Diversion helps families retain housing and avoid shelters.

In October of 2021, FHN opened the doors to the Sherwood House. The home houses up to seven vulnerable families for up to a year as they overcome their obstacles and challenges, so they can secure permanent housing.

### *Accounts Receivable*

Accounts receivable represent consideration from state and local government agencies which the organization has an unconditional right to receive. Accounts receivables are stated at the amount management expects to be collected from the outstanding balance. As of June 30, 2023, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

### *Basis of Accounting*

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

### *Basis of Presentation*

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

# **FAMILY HOUSING NETWORK of FORT COLLINS, INC.**

## **Notes to Financial Statements**

**Year Ended June 30, 2023**

### **Note 1 - Nature of Activities and Significant Accounting Policies (continued)**

#### *Basis of Presentation (continued)*

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

#### *Cash and Cash Equivalents*

For purposes of the statements of cash flows, the organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

#### *Donated Property and Equipment*

Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

#### *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.

**FAMILY HOUSING NETWORK of FORT COLLINS, INC.**

Notes to Financial Statements

Year Ended June 30, 2023

**Note 1 - Nature of Activities and Significant Accounting Policies (continued)**

*Expense Allocation*

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

*Income Taxes*

Family Housing Network of Fort is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

*Promises to Give*

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

*Recognition of Donor Restrictions*

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

*Revenue and Revenue Recognition*

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

**FAMILY HOUSING NETWORK of FORT COLLINS, INC.**

Notes to Financial Statements

Year Ended June 30, 2023

**Note 1 - Nature of Activities and Significant Accounting Policies (continued)**

*Property and Equipment*

All acquisitions of property and equipment in excess of \$750 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

*Reclassifications*

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

**Note 2 - In-Kind and Non-Cash Contributions**

Various groups, organizations, and individuals contributed time, services, and items to FHN. Those contributions that have been recorded are as follows:

	2023	2022
Accounting	\$ 6,000	6,666
Tenant Finish	-0-	54,795
Building	-0-	1,170,000
Food	11,883	13,196
Rent	213,754	193,652
Total	<u>\$ 231,637</u>	<u>1,438,310</u>

Certain in-kind donations have been received but not recognized as revenue as they do not meet the requirements of SFAS No. 116.

**Note 3 - Revolving Line of Credit**

The Organization has a \$100,000 revolving line of credit, of which \$100,000 and \$70,000 was unused at June 30, 2023 and June 30, 2022. Bank advances on the credit line are payable on demand and carry an interest rate of 8.25% and 4% at June 30, 2023 and June 30, 2022. The credit line is secured by a building located at 1606 S. Lemay Avenue, Units 103 and 105.

# **FAMILY HOUSING NETWORK of FORT COLLINS, INC.**

## **Notes to Financial Statements**

**Year Ended June 30, 2023**

### **Note 4 – Note Payable**

On June 9, 2023, the Organization signed a note payable with Neal LLC for \$204,000. The note is due at the earlier of June 30, 2024, or the sale of 1606 S Lemay Ave Units 103 & 105 Fort Collins, Colorado. The note has an interest rate of 11% per annum, to be accrued monthly, and paid at the time the note is due. The note is secured by the building and has a principal outstanding of \$204,000 at the end of June 30, 2023.

### **Note 5 - Property and Equipment**

Property and equipment consist of the following:

	2023	2022
Building	\$ 1,171,997	1,171,997
Day Center Tenant Finish	111,029	111,029
Sherwood House Tenant Finish	528,368	510,952
Trailer	2,000	2,000
	<u>1,813,394</u>	<u>1,795,978</u>
Less Accumulated depreciation	129,331	56,058
	<u>\$ 1,684,063</u>	<u>1,739,920</u>

### **Note 6 - Operating Leases**

On September 17<sup>th</sup>, 2018, FHN entered into a five-year operating lease with The City of Fort Collins to lease space at 317/321 South Sherwood, Fort Collins, Colorado. The lease can be renewed for up to four successive five-year terms without a new lease being signed. At the end of the third year, if the lease is still in effect and not in default, FHN has the option to purchase the leased premises. Rental expense for the lease was \$300 per year for the years ended June 30, 2023, and 2022.

Future minimum lease payments under the operating lease are as follows:

Year Ending June 30,	
2024	\$ 300
2025	300
2026	300
2027	300
2028	300
There after	<u>4,500</u>
Total	<u>\$ 6,000</u>

**FAMILY HOUSING NETWORK of FORT COLLINS, INC.**

Notes to Financial Statements

Year Ended June 30, 2023

**Note 7 – Liquidity and Availability of Financial Assets**

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Donor-restricted amounts that are available for use within one year for general purposes include designated funds.

	2023	2022
Financial assets at year-end	\$ 128,058	160,120
Donor-restricted as to time	-0-	26,481
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 128,058</u>	<u>133,639</u>

**Note 8 - Subsequent Events**

FASB ASC 855-10 requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date. That is, whether that date represents the date the financial statements were issued or were available to be issued. FHN has evaluated subsequent events for potential recognition and/or disclosure in these financial statements through November 29, 2023, the date the financial statements were available to be issued.

Effective January 1, 2023, Colorado House Bill 2022 – 1083, the **Colorado Homeless Contribution Income Tax Credit** provides a tax credit to Colorado taxpayers who contribute to eligible homelessness related projects within Colorado. Family Housing Network of Fort Collins qualifies under the requirements of the bill to offer this tax credit for any donation over \$250.