

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

**For the Years Ending
Ending June 30, 2021 and 2020**



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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, 2021 and 2020, 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.

October 25th, 2021

FAMILY HOUSING NETWORK of FORT COLLINS, INC.

Statement of Financial Position

As of June 30, 2021 and 2020

ASSETS

	<u>2021</u>	<u>2020</u>
<u>Current Assets</u>		
Cash and equivalents	\$ 223,719	52,927
Accounts receivable	26,450	-
Promise to give	14,746	10,367
	<u>264,915</u>	<u>63,294</u>
<u>Property and Equipment</u>		
Equipment and furnishings	2,000	2,000
Day Center tenant finish	111,029	111,029
Total Property and Equipment	<u>113,029</u>	<u>113,029</u>
Less accumulated depreciation	(9,447)	(1,760)
	<u>103,582</u>	<u>111,269</u>
<u>Other Assets</u>		
Construction in progress	345,466	230,146
Total Other Assets	<u>345,466</u>	<u>230,146</u>
<u>Total Assets</u>	<u>\$ 713,963</u>	<u>404,709</u>

LIABILITIES AND NET ASSETS

<u>Liabilities</u>		
Accounts payable	\$ 19,313	33,974
Payroll liabilities	3,804	1,808
Accrued vacation payable	8,215	2,166
Note payable	-	29,900
	<u>31,332</u>	<u>67,848</u>
Total Liabilities	31,332	67,848
<u>Net Assets</u>		
Without donor restrictions	494,005	326,494
With donor restrictions	188,626	10,367
Total Net Assets	<u>682,631</u>	<u>336,861</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 713,963</u>	<u>404,709</u>

FAMILY HOUSING NETWORK of FORT COLLINS, INC.

Statement of Activities

As of June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Revenue and Support</u>			
Support and revenue:			
Contributions			
Congregation	\$ 22,350	-	22,350
Individual and business	97,396	315,000	412,396
Acquisition of New Program	76,645	-	76,645
Fundraising	44,615	-	44,615
Grants	208,338	14,746	223,084
In-kind	46,533	-	46,533
Net Assets Released from Restrictions			
Expiration of Time Restrictions	151,487	(151,487)	-
Total Revenue and Support	647,364	178,259	825,623
 <u>Expenses</u>			
Program Services	412,088	-	412,088
Supporting Services			
Management and General	52,227	-	52,227
Fundraising	15,538	-	15,538
	<u>479,853</u>	<u>-</u>	<u>479,853</u>
Increase in Net Assets	167,511	178,259	345,770
Net Assets at Beginning of Year	<u>326,494</u>	<u>10,367</u>	<u>336,861</u>
Net Assets at End of Year	<u>\$ 494,005</u>	<u>188,626</u>	<u>682,631</u>

FAMILY HOUSING NETWORK of FORT COLLINS, INC.

Statement of Activities

As of June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Revenue and Support</u>			
Support and revenue:			
Contributions			
Congregation	\$ 25,511	3,000	28,511
Individual and business	81,332	103,215	184,547
Fundraising	35,612	-	35,612
Grants	87,603	72,367	159,970
In-kind	27,024	-	27,024
Net Assets Released from Restrictions			
Expiration of Time Restrictions	178,215	(178,215)	-
	<u>435,297</u>	<u>367</u>	<u>435,664</u>
Total Revenue and Support			
<u>Expenses</u>			
Program Services	199,368	-	199,368
Supporting Services			
Management and General	25,873	-	25,873
Fundraising	12,716	-	12,716
	<u>237,957</u>	<u>-</u>	<u>237,957</u>
Increase in Net Assets	197,340	367	197,707
Net Assets at Beginning of Year	<u>129,154</u>	<u>10,000</u>	<u>139,154</u>
Net Assets at End of Year	<u>\$ 326,494</u>	<u>10,367</u>	<u>336,861</u>

FAMILY HOUSING NETWORK of FORT COLLINS, INC.

Statement of Functional Expenses

Year Ended June 30, 2021

	Program Services	Management and General	<u>Supporting Services</u> Fundraising	Total
Compensation & Related Expenses				
Salaries	\$ 227,218	18,565	6,338	252,121
Benefits	7,337	1,106	146	8,589
Payroll Taxes	1,254	17,938	461	19,653
	<u>235,809</u>	<u>37,609</u>	<u>6,945</u>	<u>280,363</u>
Accounting Fees	8,681	2,170	-	10,851
Conference	904	481	99	1,484
Depreciation	7,688	-	-	7,688
Fundraising	-	-	8,115	8,115
In-kind	42,231	-	-	42,231
Insurance	3,275	3,870	-	7,145
Occupancy	32,362	3,510	-	35,872
Printing and Publications	1,221	273	8	1,502
Professional Fees	2,663	1,873	371	4,907
Program expense	49,880	-	-	49,880
Repair and maintenance	8,947	135	-	9,082
Supplies	16,725	1,881	-	18,606
Telephone	1,702	425	-	2,127
	<u>\$ 412,088</u>	<u>52,227</u>	<u>15,538</u>	<u>479,853</u>

FAMILY HOUSING NETWORK of FORT COLLINS, INC.

Statement of Functional Expenses

Year Ended June 30, 2020

	Program Services	Management and General	<u>Supporting Services</u> Fundraising	Total
Compensation & Related Expenses				
Salaries	\$ 103,799	14,529	9,646	127,974
Benefits	10,240	1,888	466	12,594
Payroll Taxes	8,034	1,096	738	9,868
	<u>122,073</u>	<u>17,513</u>	<u>10,850</u>	<u>150,436</u>
Accounting Fees	6,942	2,306	-	9,248
Conference	183	61	-	244
Depreciation	903	-	-	903
Fundraising	-	-	1,866	1,866
In-kind	23,673	-	-	23,673
Insurance	1,394	380	-	1,774
Occupancy	17,757	3,750	-	21,507
Printing and Publications	1,116	38	-	1,154
Professional Fees	3,458	240	-	3,698
Program expense	10,354	-	-	10,354
Supplies	8,607	616	-	9,223
Telephone	2,908	969	-	3,877
	<u>\$ 199,368</u>	<u>25,873</u>	<u>12,716</u>	<u>237,957</u>

FAMILY HOUSING NETWORK of FORT COLLINS, INC.

Statement of Cash Flows

Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Cash Flows from Operating Activities</u>		
Cash Received from Contributions and Grants	\$ 671,615	408,273
Cash Received from Acquisition of New Program	76,646	-
Cash Paid to Employees and Suppliers	<u>(432,249)</u>	<u>(215,046)</u>
Net Cash Provided by Operating Activities	316,012	193,227
<u>Cash Flows Provided (Used) from Investing Activities</u>		
Purchase of Property	-	(111,029)
Construction in Progress	<u>(115,320)</u>	<u>(62,715)</u>
Net Cash Provided by Financing	<u>(115,320)</u>	<u>(173,744)</u>
<u>Cash Flows Provided (Used) from Financing Activities</u>		
Proceeds from Payroll Protection Loan	-	29,900
Forgiveness of Payroll Protection Loan	(29,900)	-
Repayments on Debt	<u>-</u>	<u>(10,000)</u>
Net Cash Provided by Financing	<u>(29,900)</u>	<u>19,900</u>
Net (Decrease) in Cash	170,792	39,383
Cash at Beginning of Year	<u>52,927</u>	<u>13,544</u>
Cash at End of Year	<u>\$ 223,719</u>	<u>52,927</u>
<u>Cash Flows from Operating Activities</u>		
Increase in Net Assets	\$ 345,770	197,707
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	7,688	903
Promise to give	(4,379)	(367)
Accounts Receivable	(26,450)	-
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(14,661)	(3,854)
Accrued Payroll Liabilities	1,995	62
Accrued Vacation Payable	<u>6,049</u>	<u>(1,224)</u>
Net Cash Provided by Operating Activities	<u>\$ 316,012</u>	<u>193,227</u>

FAMILY HOUSING NETWORK of FORT COLLINS, INC.

Notes to Financial Statements

Year Ended June 30, 2021

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. Faith Family Hospitality remains the name of their overnight program. In 2012 FHN hosted their first families in its overnight shelter program 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 was in charge of 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.

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.

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.

Accounts Receivable

Accounts receivable represent consideration from state and local government agencies which the organization has an unconditional right to receive. Accounts receivable are stated at the amount management expects to be collected from the outstanding balance. As of June 30, 2021, 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.

FAMILY HOUSING NETWORK of FORT COLLINS, INC.

Notes to Financial Statements

Year Ended June 30, 2021

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

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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.

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.

Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support 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 temporarily restricted support. 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 as instructed by the donor. The organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method. All expenditures for fixed assets in excess of \$500 are capitalized.

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, 2021

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

Income Taxes

Family Housing Network of Fort Collins is exempt from federal income taxation under the provisions of Internal Revenue Code Section 501(c)(3), and is thereby also exempt from Colorado income taxation. The Internal Revenue Service has classified the organization as “not a private foundation”.

Tax penalties and interest, if any, would be classified with income tax expenses in the financial statements. No tax penalties or interest have been incurred or are recognized in the financial statements. Generally, three tax years remain subject to examination by tax jurisdictions.

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:

	<u>2021</u>	<u>2020</u>
Rent	\$ 32,629	5,738
Accounting	4,302	3,351
Food	9,602	17,935
Total	<u>\$ 46,533</u>	<u>27,024</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 - Property and Equipment

Property and equipment consist of the following:

	<u>2021</u>	<u>2020</u>
Trailer	\$ 2,000	2,000
Day Center Tenant Finish	111,029	111,029
	113,029	113,029
Less Accumulated depreciation	9,447	1,760
	<u>\$ 103,582</u>	<u>111,269</u>

FAMILY HOUSING NETWORK of FORT COLLINS, INC.

Notes to Financial Statements

Year Ended June 30, 2021

Note 4: Temporarily Restricted Net Assets

Changes in temporarily restricted net assets consist of the following for the year ended June 30, 2021:

	Beginning Balance	Additions	Releases	Ending Balance
Transition House	\$ (6,737)	315,000	(134,384)	173,879
	<u>\$ (6,737)</u>	<u>315,000</u>	<u>(134,384)</u>	<u>173,879</u>

Note 5: Unconditional Promises to Give

The unconditional promises to give consist of the following:

City of Fort Collins	<u>14,746</u>
	<u>\$ 14,746</u>

The amounts from these organizations at June 30, 2021 are due within one year. The organizations have allowed for uncollectible amounts before indicating to the recipient the allocated amounts. Accordingly, no provision is made for uncollectible amounts.

Note 6: Paycheck Protection Program Note Payable

In response to the coronavirus (COVID-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act that, among other economic stimulus measures, established the Paycheck Protection Program (PPP) to provide small business loans. In April of 2020, FHN obtained a PPP loan for \$29,900. The PPP loan program provides for forgiveness of the loan if the company expends the proceeds for qualified purposes and complies with other requirements. The Organization has expended the funds as of June 30, 2021, and the loan was forgiven on May 26, 2021. The loan forgiveness was recorded as grant income.

FAMILY HOUSING NETWORK of FORT COLLINS, INC.

Notes to Financial Statements

Year Ended June 30, 2021

Note 7: Operating Leases

On November 10th, 2019, FHN entered into a ten-year operating lease with Front Range Arts, LLC to lease space at 1606 S Lemay Avenue, Unit 103, Fort Collins, Colorado. The lease started May 1st, 2020. Rental expense for the lease consisted of \$18,300 and \$3,000 for the years ended June 30, 2021 and 2020.

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

Year Ending June 30,	
2022	\$ 18,700
2023	19,300
2024	19,900
2025	20,500
Thereafter	<u>107,000</u>
Total	<u>\$ 185,400</u>

On September 17st, 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. 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, 2021, and 2020.

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

Year Ending June 30,	
2022	\$ 300
2023	300
2024	<u>\$ 50</u>
Total	<u>\$ 650</u>

Note 8 – 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.

	<u>2021</u>	<u>2020</u>
Financial assets at year-end	\$ 264,915	63,294
Donor-restricted as to time	<u>188,626</u>	<u>10,367</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 76,289</u>	<u>52,927</u>

FAMILY HOUSING NETWORK of FORT COLLINS, INC.

Notes to Financial Statements

Year Ended June 30, 2021

Note 9: Acquisition of One Community One Family

On October 8th, 2020, the Organization acquired One Community One Family, Inc., a not-for-profit organization which helps individuals and families at risk of experiencing homeless with prevention assistance such as paying for rent, utilities, food, and etc. FHN received cash of \$76,646 and a grant receivable of \$5,000. No liabilities were assumed at the acquisition date.

Note 10: 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 October 14, 2020, the date the financial statements were available to be issued.

In December of 2019, a novel strain of coronavirus, subsequently named COVID-19, spread worldwide. The World Health Organization declared COVID-19 a pandemic and a national health emergency was declared by the United States beginning March 1, 2020. In response, many states and local governments began a series of restrictions on public gatherings, stay at home orders, and quarantining of people who may have been exposed to the virus. In an effort to mitigate the spread of COVID-19 and protect volunteers, board members, and communities, FHN no longer rotated to different churches, but stayed at the same church. In May of 2021, FHN went back to rotating to various churches. Volunteers continued to help with food and other items. FHN has had to add additional cleaning and safety precautions due to COVID-19.

At this stage, the impact of COVID-19 on FHN has not been significant and based on their experience to date they expect this to remain the case. Depending on the duration of the COVID-19 crisis and continued impact on economic activity, FHN might experience future negative results. The exact impact on their activities cannot be predicted. They will continue to follow the various government policies and advice and, in parallel, they will do their utmost to continue their operations in the best and safest way possible without jeopardizing the health of their people.

On October 5th, 2021. FHN welcomed their first family into the Transition House. The Transition house will allow families with higher needs the extra time and support they need to ensure long-term self-sufficiency. Families can stay at the Transition House for one year.