

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

**For the Years Ending
Ending June 30, 2022 and 2021**



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, 2022 and 2021, 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.
December 14th, 2022

FAMILY HOUSING NETWORK of FORT COLLINS, INC.

Statement of Financial Position

As of June 30, 2022 and 2021

ASSETS

	<u>2022</u>	<u>2021</u>
<u>Current Assets</u>		
Cash and equivalents	\$ 20,056	223,719
Accounts receivable	140,064	26,450
Promise to give	-	14,746
	<u>160,120</u>	<u>264,915</u>
<u>Property and Equipment</u>		
Equipment and furnishings	2,000	2,000
Tenant finish	621,982	111,029
Buildings	1,171,997	-
Total Property and Equipment	<u>1,795,979</u>	<u>113,029</u>
Less accumulated depreciation	(56,059)	(9,447)
	<u>1,739,920</u>	<u>103,582</u>
<u>Other Assets</u>		
Construction in progress	-	345,466
Total Other Assets	<u>-</u>	<u>345,466</u>
<u>Total Assets</u>	<u>\$ 1,900,040</u>	<u>713,963</u>

LIABILITIES AND NET ASSETS

<u>Liabilities</u>		
Accounts payable	\$ 8,413	19,313
Payroll liabilities	-	3,804
Accrued vacation payable	15,830	8,215
Line of credit	30,000	-
	<u>54,243</u>	<u>31,332</u>
Total Liabilities	54,243	31,332
<u>Net Assets</u>		
Without donor restrictions	1,819,316	494,005
With donor restrictions	26,481	188,626
Total Net Assets	<u>1,845,797</u>	<u>682,631</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 1,900,040</u>	<u>713,963</u>

FAMILY HOUSING NETWORK of FORT COLLINS, INC.

Statement of Activities

As of June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Revenue and Support</u>			
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)	-
Total Revenue and Support	2,356,113	(162,145)	2,193,968
 <u>Expenses</u>			
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>\$ 1,819,316</u>	<u>26,481</u>	<u>1,845,797</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 Functional Expenses

Year Ended June 30, 2022

	Program Services	Management and General	<u>Supporting Services</u> Fundraising	Total
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 Functional Expenses

Year Ended June 30, 2021

	Program Services	Management and General	<u>Supporting Services</u> Fundraising	Total
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 Cash Flows

Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>Cash Flows from Operating Activities</u>		
Cash Received from Contributions and Grants	\$ 656,789	671,615
Cash Received from Acquisition of New Program	-	76,646
Cash Paid to Employees and Suppliers	<u>(722,971)</u>	<u>(432,249)</u>
Net Cash Provided by Operating Activities	(66,182)	316,012
<u>Cash Flows Provided (Used) from Investing Activities</u>		
Purchase of Property	(497,994)	-
Construction in Progress	<u>330,512</u>	<u>(115,320)</u>
Net Cash Provided by Financing	<u>(167,482)</u>	<u>(115,320)</u>
<u>Cash Flows Provided (Used) from Financing Activities</u>		
Forgiveness of Payroll Protection Loan	-	(29,900)
Line of credit	<u>30,000</u>	-
Net Cash Provided by Financing	<u>30,000</u>	<u>(29,900)</u>
Net (Decrease) in Cash	(203,664)	170,792
Cash at Beginning of Year	<u>223,719</u>	<u>52,927</u>
Cash at End of Year	<u>\$ 20,055</u>	<u>223,719</u>
<u>Cash Flows from Operating Activities</u>		
Increase in Net Assets	\$ 1,163,166	345,770
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	46,611	7,688
In-kind donation of property	(1,170,000)	
Promise to give	14,746	(4,379)
Accounts Receivable	(113,614)	(26,450)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(10,900)	(14,661)
Accrued Payroll Liabilities	(3,806)	1,995
Accrued Vacation Payable	<u>7,615</u>	<u>6,049</u>
Net (Used) Cash Provided by Operating Activities	<u>\$ (66,182)</u>	<u>316,012</u>

FAMILY HOUSING NETWORK of FORT COLLINS, INC.

Notes to Financial Statements

Year Ended June 30, 2022

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 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, 2022, 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.

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

FAMILY HOUSING NETWORK of FORT COLLINS, INC.

Notes to Financial Statements

Year Ended June 30, 2022

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

Basis of Presentation (continued)

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.

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.

FAMILY HOUSING NETWORK of FORT COLLINS, INC.

Notes to Financial Statements

Year Ended June 30, 2022

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

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, 2022

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.

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>2022</u>	<u>2021</u>
Accounting	\$ 6,667	4,302
Tenant Finish	54,795	-0-
Building	1,170,000	-0-
Food	13,196	9,602
Rent	193,652	32,629
Total	<u>\$ 1,438,310</u>	<u>46,533</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>2022</u>	<u>2021</u>
Building	\$ 1,171,997	-0-
Day Center Tenant Finish	111,029	111,029
Sherwood House Tenant Finish	510,952	-0-
Trailer	2,000	2,000
	<u>1,795,978</u>	<u>113,029</u>
Less Accumulated depreciation	56,058	9,447
	<u>\$ 1,739,920</u>	<u>103,582</u>

FAMILY HOUSING NETWORK of FORT COLLINS, INC.

Notes to Financial Statements

Year Ended June 30, 2022

Note 4: Temporarily Restricted Net Assets

Changes in temporarily restricted net assets consist of the following for the year ended June 30, 2022:

	Beginning Balance	Additions	Releases	Ending Balance
Transition House	\$ 173,879	27,537	(201,416)	-0-
	\$ 173,879	27,537	(201,416)	-0-

Note 5: 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 and Unit 105, Fort Collins, Colorado. The lease started May 1st, 2020. Rental expense for the lease consisted of \$24,900 and \$24,600 for the years ended June 30, 2022 and 2021. On March 10th, 2022 FHN was gifted 1606 S. Lemay Avenue, Units 103 and 105.

On September 17th, 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, 2022, and 2021.

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

Year Ending June 30,	
2023	\$ 300
2024	<u>50</u>
Total	<u>\$ 350</u>

FAMILY HOUSING NETWORK of FORT COLLINS, INC.

Notes to Financial Statements

Year Ended June 30, 2022

Note 6 – 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>2022</u>	<u>2021</u>
Financial assets at year-end	\$ 160,120	264,915
Donor-restricted as to time	<u>26,481</u>	<u>188,626</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 133,639</u>	<u>76,289</u>

Note 7 - Revolving Line of Credit

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

Note 8 - Operating Lease Commitments

The Organization leases office space to tenants under noncancelable operating leases with terms of thirteen months starting November 1st, 2021, and ending on December 31, 2022. The following is a schedule by years of future minimum rentals under the leases at June 30, 2022:

Year Ending June 30,	
2023	<u>9,000</u>
Total	<u>\$ 9,000</u>

Note 9: 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 December 14, 2022, the date the financial statements were available to be issued.