

FAMILY RESOURCE CENTERS OF NORTHEASTERN NEVADA

Elko, Nevada

Audited Financial Statements

For the Year Ended June 30, 2021

**FAMILY RESOURCE CENTERS OF NORTHEASTERN NEVADA
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Mahlke Hunsaker & Company PLLC
C e r t i f i e d P u b l i c A c c o u n t a n t s

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Family Resource Centers of Northeastern Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of Family Resource Centers of Northeastern Nevada (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Resource Centers of Northeastern Nevada as of June 30, 2021, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2021, on our consideration of Family Resource Centers of Northeastern Nevada’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Family Resource Centers of Northeastern Nevada’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Family Resource Centers of Northeastern Nevada’s internal control over financial reporting and compliance.



Mahlke Hunsaker & Co., pllc

Twin Falls, Idaho

October 6, 2021

**Family Resource Centers of
Northeastern Nevada
Statement of Financial Position
June 30, 2021**

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 232,888
Grants Receivable	67,243
Prepaid Expenses	4,152
Total Current Assets	304,283

PROPERTY AND EQUIPMENT, NET

532,940

TOTAL ASSETS

\$ 837,222

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable	3,564
Accrued Payroll and Compensated Absences	9,778
Deposit Payable	2,118
Notes Payable, Current Portion	216,361
Total Current Liabilities	231,820

Long Term Liabilities

Note Payable, Net of Current Portion	-
Total Liabilities	231,820

Net Assets

Without Donor Restrictions	600,899
With Donor Restrictions	4,503
Total Net Assets	605,402

TOTAL LIABILITIES AND NET ASSETS

\$ 837,222

See Accompanying Notes to Financial Statements.

**Family Resource Centers of
Northeastern Nevada
Statement of Activities
For the Year Ended June 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT & REVENUES			
Support			
Contributions	\$ 21,587	\$ -	\$ 21,587
Grants	456,035	-	456,035
Total Support	477,621	-	477,621
Revenues			
Investment Income	24	-	24
Rental Income	16,796	-	16,796
Fundraising	11,749	-	11,749
Other Income	404	-	404
Gain on Sale of Asset	-	-	-
Total Revenues	28,974	-	28,974
Assets Released from Restrictions	-	-	-
Total Support and Revenue	506,595	-	506,595
EXPENSES			
Program Expenses	450,701	-	450,701
Management and General	27,462	-	27,462
Fundraising	3,733	-	3,733
Total Expenses	481,896	-	481,896
CHANGE IN NET ASSETS	24,699	-	24,699
NET ASSETS, BEGINNING OF YEAR	576,200	4,503	580,703
NET ASSETS, END OF YEAR	\$ 600,899	\$ 4,503	\$ 605,402

See accompanying Notes to Financial Statements.

**Family Resource Centers of
Northeastern Nevada
Statements of Functional Expenses
For the Year Ended June 30, 2021**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Payroll				
Salaries	\$ 320,755	\$ -	\$ -	\$ 320,755
Payroll Taxes	26,328	-	-	26,328
Total Payroll	347,083	-	-	347,083
Other				
Advertising	3,816	-	-	3,816
Contract Services	6,516	8,309	-	14,825
Copying and Printing	2,136	1,048	-	3,184
Depreciation	-	17,937	-	17,937
Direct Services	9,800	1,760	-	11,560
Dues and Subscriptions	1,148	1,408	-	2,556
Fundraising	-	-	3,733	3,733
Incentives	7,475	-	-	7,475
Indirect Costs	34,886	(34,886)	-	-
Insurance	7,525	3,040	-	10,565
Interest	-	13,264	-	13,264
Miscellaneous	399	609	-	1,008
Occupancy and Janitorial Office	3,506	4,894	-	8,400
	1,993	-	-	1,993
Postage	935	9	-	944
Repairs and Maintenance	-	3,440	-	3,440
Small Equipment	-	333	-	333
Supplies	3,514	405	-	3,919
Telephone	7,521	2,889	-	10,410
Training and Travel	3,222	1,499	-	4,721
Utilities	9,326	1,454	-	10,780
Total Other Costs	103,718	27,412	3,733	134,863
Total Functional Expenses	\$ 450,801	\$ 27,412	\$ 3,733	\$ 481,946

See accompanying Notes to Financial Statements.

**Family Resource Centers of Northeastern Nevada
Statement of Cash Flows
For the Year Ended June 30, 2021**

Cash Flows From Operating Activities	
Changes in Net Assets	\$ 24,649
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities	
Depreciation	17,937
(Increase) Decrease in Accounts Receivable	(32,300)
(Increase) Decrease in Prepaid Assets	350
Increase (Decrease) in Accounts and Credit Card Payables	2,150
Increase (Decrease) in Accrued Payroll and Compensated Absences	(1,431)
Increase (Decrease) in Deposits Payable	400
Net Cash Provided (Used) by Operating Activities	<u>11,755</u>
 Cash Flows From Financing Activities	
Principal Payments on Long-Term Debt	<u>(39,175)</u>
Net Cash Provided (Used) by Financing Activities	(39,175)
 Net Increase (Decrease) in Cash and Cash Equivalents	
	(27,420)
 Cash and Cash Equivalents, Beginning of Year	
	<u>260,258</u>
 Cash and Cash Equivalents, End of Year	
	<u><u>\$ 232,838</u></u>
 Supplemental Disclosure of Cash Flow Information:	
Interest Paid With Cash	\$ 13,264

See accompanying Notes to Financial Statements.

**FAMILY RESOURCE CENTERS OF NORTHEASTERN NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

The Family Resource Center of Northeastern Nevada (the Organization) is a nonprofit organization. The Organization was established as a forum for neighbors to support neighbors and is dedicated to developing resources that strengthen and empower families within rural communities of Northeastern Nevada; the local Center provides education, support and connections to resources. The programs are funded by state and federal grants.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying summary of the Family Resource Center of Northeastern Nevada's more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The accounting policies of the Organization conform to generally accepted accounting principles. These policies, as presented, should be reviewed as an integral part of the accompanying financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Assets:

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

With Donor Restrictions:

Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. The donors of these assets permit the Organization to use all of the income earned on related investments for general or specific purposes. Net assets with donor restrictions also include net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time.

FAMILY RESOURCE CENTERS OF NORTHEASTERN NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Without Donor Restrictions:

Net assets not subject to donor-imposed stipulations.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions 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 net assets with donor restrictions. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions.

Contributions

Contributions received are recorded as increases in net assets without donor restrictions or net asset with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

Grants

Grant revenues are recorded as they are earned, according to the provisions of the grant. Normally, grant revenues are earned and received as the grant period progresses. The provisions of the grant determine the timing of revenue recognition. Grant expenses are recognized when incurred for a grant-related obligation.

Income Taxes

The Organization qualifies as a tax-exempt Organization under Section 501(c) (3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. In addition, the Organization qualifies for the charitable contribution deduction under Section 170 and has been classified as an Organization that is not a private foundation under Section 509(a) (1).

Cash and Cash Equivalents

The Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Short-term investments and restricted cash and cash equivalents not available for current use, including money market funds and certificates of deposit, are not considered to be cash equivalents for of the statement of cash flows.

FAMILY RESOURCE CENTERS OF NORTHEASTERN NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Concentrations of Credit Risk

The Organization has cash in financial institutions that is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each institution for the interest-bearing accounts. At various times throughout the year, the Organization may have cash balances at financial institutions that exceed the insured amount. Management does not believe this concentration of cash results in a high level of risk for the Organization. Cash equivalents, other securities, and limited amounts of cash held in brokerage accounts are protected by the Securities Investor Protection Corporation (SIPC) in the event of broker dealer failure, up to \$500,000 of protection for each brokerage accounts with a limit of \$250,000 for claims of uninvested cash balances. The SIPC insurance does not protect against market losses on investments. At year end, the Organization did not have investment funds in excess of the SIPC limit.

Advertising

Advertising costs are expensed as incurred. Advertising costs totaled \$3,816 for the year ended June 30, 2021.

Paid Time Off Benefits

Accumulated costs for unused vacation are recognized as a current liability due to the ability of employees to request compensation for their unused vacation or to carry over to a future period. This is recorded in the financial statements as compensated absences. At separation of employment, an employee is paid up to one week of unused paid time off if they have provided a two-week notice of resignation in writing.

Liquidity Management

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization invests cash in excess of daily requirements into interest-bearing repurchase agreements. The Organization has \$300,131 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of cash of \$232,888 and accounts receivable of \$67,243 as of June 30, 2021. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date.

**FAMILY RESOURCE CENTERS OF NORTHEASTERN NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3- ECONOMIC DEPENDENCY

The Organization receives a substantial portion of its revenue from contracts/grants administered by the State of Nevada. The Organization's operations are significantly dependent upon this revenue.

NOTE 4 - ACCOUNTS RECEIVABLE

As of June 30, 2021, accounts receivable from grants, contributions and program income was composed of the following. Management does not anticipate any collection loss on the receivable amounts.

State of Nevada-Grants	\$ 66,843	
Various	400	
	\$ 67,243	

NOTE 5 - PROPERTY AND EQUIPMENT

Purchased property and equipment are stated at cost. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as without donor restrictions unless the donor has restricted the donated asset to a specific purpose. No such restrictions were made on donated assets. Maintenance and repairs are charged to expense as incurred. The Organization follows the practice of capitalizing all expenditures for improvements, furniture & fixtures and equipment with useful lives greater than one year and costs in excess of \$500.

Depreciation is determined by the straight-line method over an asset's estimated useful life. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities.

The cost of such assets at June 30, 2021 is as follows:

Equipment, furniture and fixtures	\$ 38,254	
Land	64,000	
Building	622,051	
	724,305	
Less: Accumulated depreciation	(191,365)	
	\$ 532,940	

**FAMILY RESOURCE CENTERS OF NORTHEASTERN NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6-NOTE PAYABLE

The Organization purchased a new building for its office. The Organization entered into a loan with Wells Fargo Bank on a 15-year mortgage. The loan calls for monthly payments of \$2,970 and accrues interest at a rate of 5.5% maturing March 2022. The maturities of debt are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 216,361
Total	<u>\$ 216,361</u>

NOTE 7 - RELATED PARTY TRANSACTIONS

During the year ended June 30, 2021, contributions from members of the board totaled \$1,585 which is included in the financial statements as revenue and expenses.

NOTE 8 – INCOME BY FUNDING AGENCY

Below is a summary of the grant income by funding agency for the year ended June 30, 2021.

SRAE	\$ 95,948
PREP	80,103
Community Based Child Abuse Prevention	45,548
Division of Aging Services - Grandparent Respite	43,418
Division of Aging Services - Emergency Services	1,112
Family Resource Center SB 405	33,355
WIC	156,551
Total	<u>\$ 456,035</u>

FAMILY RESOURCE CENTERS OF NORTHEASTERN NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The following disclosure of the estimated fair value of financial instruments is made in accordance with the requirements of ASC 825, Financial Instruments. The estimated fair value amounts have been determined by the Organization using available market information and appropriate valuation methodologies. However, considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Organization could realize in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

The carrying amounts reported in the statement of financial position for cash, receivables, accounts payable and accrued liabilities are a reasonable estimate of their fair value.

NOTE 10 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 6, 2021 the date which the financial statements were available to be issued.



Mahlke Hunsaker & Company PLLC
C e r t i f i e d P u b l i c A c c o u n t a n t s

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees of
Family Resource Centers of Northeastern Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Family Resource Centers of Northeastern Nevada (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 6, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Family Resource Centers of Northeastern Nevada's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Family Resource Centers of Northeastern Nevada's internal control. Accordingly, we do not express an opinion on the effectiveness of Family Resource Centers of Northeastern Nevada's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Family Resource Centers of Northeastern Nevada's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Mahlke Hunsaker & Co., pllc

Twin Falls, Idaho

October 6, 2021

**FAMILY RESOURCE CENTER OF NORTHEASTERN NEVADA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDING JUNE 30, 2021**

CURRENT YEAR FINDINGS

None in 2021

PRIOR YEAR FINDINGS

None in 2020

PRIOR YEAR RESPONSES

Not applicable.