

**Weld County Juvenile  
Assessment Center, Inc.  
dba Youth & Family Connections**  
(a nonprofit Colorado corporation)  
Greeley, Colorado

**Financial Statements**

December 31, 2018 and 2017

# Weld County Juvenile Assessment Center, Inc. dba Youth & Family Connections

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## **Independent Auditors' Report**

To the Board of Directors  
Weld County Juvenile Assessment Center, Inc.  
dba Youth & Family Connections  
Greeley, Colorado

We have audited the accompanying financial statements of Weld County Juvenile Assessment Center, Inc. dba Youth & Family Connections (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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.

**Independent Auditors' Report (continued)**

**Opinion**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Weld County Juvenile Assessment Center, Inc. dba Youth & Family Connections as of December 31, 2018 and 2017, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Altruic Advisors, PLLC*

Certified Public Accountants

Fort Collins, Colorado  
May 30, 2019

# Weld County Juvenile Assessment Center, Inc. dba Youth & Family Connections

## Statements of Financial Position

December 31	2018	2017
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 589,718	\$ 305,132
Investments	339,479	358,429
Accounts receivable	11,354	12,842
Grants receivable	72,077	53,887
Prepaid expenses	10,749	3,133
Total current assets	1,023,377	733,423
<b>Property and Equipment, at cost</b>		
Equipment	20,385	14,566
Less accumulated depreciation	(3,863)	(592)
	16,522	13,974
Technology implementation in progress	7,666	-
Net property and equipment	24,188	13,974
Total assets	\$ 1,047,565	\$ 747,397
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 4,424	\$ 14,735
Accrued compensation and benefits	33,310	28,455
Refundable advances	223,178	67,323
Capital lease obligation, current portion	1,927	1,833
Total current liabilities	262,839	112,346
<b>Long-term Liabilities</b>		
Capital lease obligation, net of current portion	6,970	8,897
Total liabilities	269,809	121,243
<b>Net Assets</b>		
Net assets without donor restrictions		
Board-designated	81,371	74,588
Undesignated	624,308	497,679
Total net assets without donor restrictions	705,679	572,267
Net assets with donor restrictions	72,077	53,887
Total net assets	777,756	626,154
Total liabilities and net assets	\$ 1,047,565	\$ 747,397

The accompanying Notes are an integral  
part of these financial statements

# Weld County Juvenile Assessment Center, Inc. dba Youth & Family Connections

## Statement of Activities

Year ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Support and Revenue Support</b>			
Contributions and grants	\$ 738,103	\$ 72,077	\$ 810,180
In-kind contributions, facilities	80,710	-	80,710
Special events loss, net	(1,134)	-	(1,134)
Net assets released from restrictions			
Expiration of time restrictions	53,887	(53,887)	-
Total support	871,566	18,190	889,756
<b>Revenue</b>			
Program services	140,943	-	140,943
Total operating support and revenue	1,012,509	18,190	1,030,699
<b>Operating Expenses</b>			
Program services	691,187	-	691,187
Supporting services			
General and administrative	166,533	-	166,533
Fundraising	12,763	-	12,763
Total operating expenses	870,483	-	870,483
Total operating support and revenue in excess of operating expenses	142,026	18,190	160,216
<b>Other Changes</b>			
Rental income	7,329	-	7,329
Unrealized loss on investments	(49,094)	-	(49,094)
Interest and dividends	32,338	-	32,338
Other income	813	-	813
Total other changes	(8,614)	-	(8,614)
<b>Change in Net Assets</b>	133,412	18,190	151,602
<b>Net Assets, Beginning of Year</b>	572,267	53,887	626,154
<b>Net Assets, End of Year</b>	\$ 705,679	\$ 72,077	\$ 777,756

The accompanying Notes are an integral  
part of these financial statements

# Weld County Juvenile Assessment Center, Inc. dba Youth & Family Connections

## Statement of Activities

Year ended December 31, 2017

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Support and Revenue Support</b>			
Contributions and grants	\$ 704,671	\$ 53,887	\$ 758,558
In-kind contributions, facilities	80,710	-	80,710
Special events loss, net	(1,849)	-	(1,849)
Net assets released from restrictions			
Expiration of time restrictions	6,745	(6,745)	-
Total support	790,277	47,142	837,419
<b>Revenue</b>			
Program services	118,350	-	118,350
Total operating support and revenue	908,627	47,142	955,769
<b>Operating Expenses</b>			
Program services	722,225	-	722,225
Supporting services			
General and administrative	159,856	-	159,856
Fundraising	12,935	-	12,935
Total operating expenses	895,016	-	895,016
 Total operating support and revenue in excess of operating expenses	 13,611	 47,142	 60,753
<b>Other Changes</b>			
Rental income	31,792	-	31,792
Unrealized gain on investments	15,347	-	15,347
Interest and dividends	12,893	-	12,893
Total other changes	60,032	-	60,032
<b>Change in Net Assets</b>	73,643	47,142	120,785
<b>Net Assets, Beginning of Year</b>	498,624	6,745	505,369
<b>Net Assets, End of Year</b>	\$ 572,267	\$ 53,887	\$ 626,154

The accompanying Notes are an integral  
part of these financial statements

# Weld County Juvenile Assessment Center, Inc. dba Youth & Family Connections

## Statement of Functional Expenses

Year ended December 31, 2018

	Program Services	Supporting Services		Total Expenses
		General and Administrative	Fundraising	
Salaries and wages	\$ 437,367	\$ 63,943	\$ 10,231	\$ 511,541
Payroll taxes	34,555	5,052	808	40,415
Employee benefits	68,208	9,972	1,596	79,776
Total personnel costs	<u>540,130</u>	<u>78,967</u>	<u>12,635</u>	<u>631,732</u>
Rent	73,356	8,151	-	81,507
Fiscal management	-	66,991	-	66,991
Program expenses	16,836	-	-	16,836
Staff development	16,106	-	-	16,106
Telecommunications	15,029	-	-	15,029
Travel	9,973	-	-	9,973
Legal and professional	-	8,546	-	8,546
Utilities	7,329	814	-	8,143
Insurance	5,476	800	128	6,404
Depreciation expense	1,635	1,635	-	3,270
Licenses and dues	2,542	-	-	2,542
Printing	2,370	-	-	2,370
Office expenses and maintenance	405	134	-	539
Interest expense	-	495	-	495
Total expenses	<u>\$ 691,187</u>	<u>\$ 166,533</u>	<u>\$ 12,763</u>	<u>\$ 870,483</u>

The accompanying Notes are an integral  
part of these financial statements



# Weld County Juvenile Assessment Center, Inc. dba Youth & Family Connections

## Statement of Functional Expenses

Year ended December 31, 2017

	Program Services	Supporting Services		Total Expenses
		General and Administrative	Fundraising	
Salaries and wages	\$ 435,438	\$ 63,660	\$ 10,186	\$ 509,284
Payroll taxes	35,202	5,146	823	41,171
Employee benefits	76,970	11,253	1,800	90,023
Total personnel costs	547,610	80,059	12,809	640,478
Rent	73,790	8,199	-	81,989
Fiscal management	-	60,025	-	60,025
Program expenses	31,286	-	-	31,286
Staff development	22,771	-	-	22,771
Telecommunications	12,093	-	-	12,093
Travel	10,190	-	-	10,190
Legal and professional	-	8,315	-	8,315
Utilities	5,895	655	-	6,550
Insurance	5,377	786	126	6,289
Office expenses and maintenance	4,564	1,521	-	6,085
Printing	5,431	-	-	5,431
Licenses and dues	2,922	-	-	2,922
Depreciation expense	296	296	-	592
Total expenses	\$ 722,225	\$ 159,856	\$ 12,935	\$ 895,016

The accompanying Notes are an integral  
part of these financial statements

# Weld County Juvenile Assessment Center, Inc. dba Youth & Family Connections

## Statements of Cash Flows

Increase (Decrease) in Cash and Cash Equivalents

Years ended December 31	2018	2017
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 151,602	\$ 120,785
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	3,270	592
Unrealized (gain) loss on investments	49,094	(15,347)
Increase (decrease) from changes in assets and liabilities		
Accounts receivable	1,488	(1,376)
Grants receivable	(18,190)	(47,142)
Prepaid expenses	(7,616)	(790)
Accounts payable	(10,311)	(557)
Accrued compensation and benefits	4,855	5,024
Refundable advances	155,855	(67,323)
Net cash provided (used) by operating activities	<u>330,047</u>	<u>(6,134)</u>
<b>Cash Flows From Investing Activities</b>		
Purchases of investments	(30,144)	(343,082)
Purchases of equipment	(13,484)	(3,836)
Net cash used by investing activities	<u>(43,628)</u>	<u>(346,918)</u>
<b>Cash Flows From Financing Activities</b>		
Payments on capital lease obligations	(1,833)	-
Net cash used by financing activities	<u>(1,833)</u>	<u>-</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>284,586</b>	<b>(353,052)</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b><u>305,132</u></b>	<b><u>658,184</u></b>
<b>Cash and Cash Equivalents, End of Year</b>	<b><u>\$ 589,718</u></b>	<b><u>\$ 305,132</u></b>
<b>Supplemental Information</b>		
Equipment acquired with a capital lease	\$ -	\$ 10,730
Cash paid for interest	\$ 495	\$ -

The accompanying Notes are an integral  
part of these financial statements

# Weld County Juvenile Assessment Center, Inc. dba Youth & Family Connections

## Notes to Financial Statements

December 31, 2018 and 2017

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### Note 1 - Nature of Organization and Significant Accounting Policies

*Nature of Organization.* Weld County Juvenile Assessment Center, Inc. dba Youth & Family Connections (the "Organization") is a Colorado nonprofit corporation established in 2005 to provide assessment services to juveniles for drug and alcohol usage, mental health issues, educational needs, and family problems. Funding for the Organization is primarily obtained through grants, assessment service fees, and charitable contributions from interested parties.

*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.

*Basis of Presentation.* The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

*Net Assets Without Donor Restrictions.* Net assets resulting from revenues generated by receiving contributions that have no donor stipulations, providing services, rents, and receiving interest and other income, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

*Net Assets With Donor Restrictions.* Net assets resulting from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished.

*Use of Estimates.* The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Cash and Cash Equivalents.* Cash consists of checking and savings accounts held at a financial institution. For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents.

*Investments.* The Organization's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Organization's management determines the valuation policies utilizing information provided by the investment advisors and custodians. See *fair value measurements* below.

Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

# Weld County Juvenile Assessment Center, Inc. dba Youth & Family Connections

## Notes to Financial Statements

December 31, 2018 and 2017

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

*Fair Value Measurements.* The Organization reports using fair value measurements, which among other things requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value on a recurring basis:

*Mutual Funds.* The Organization values mutual funds with readily determinable market values at fair value as determined by quoted market prices on national securities exchanges valued at the closing price on the last business day of the fiscal year. Securities traded on the over-the-counter market are valued at the last reported bid price.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodology used at December 31, 2018 and 2017.

# Weld County Juvenile Assessment Center, Inc. dba Youth & Family Connections

## Notes to Financial Statements

December 31, 2018 and 2017

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

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statements of financial position.

*Accounts Receivable.* Accounts receivable are stated net of allowances for uncollectible accounts. At the time accounts receivable are originated, the Organization considers an allowance for doubtful accounts based on the creditworthiness of the governmental agencies. The allowance is continually reviewed and adjusted to maintain the allowance at a level considered adequate to cover future uncollectible amounts. The allowance is management's best estimate of uncollectible amounts and is determined based on historical performance that is tracked by the Organization on an ongoing basis. There was no allowance for doubtful accounts for the years ended December 31, 2018 and 2017 as management believes that all of the accounts receivable are collectible.

*Grants Receivable.* Unconditional promises to give are recognized as revenue in the period received. Grants receivable are recorded at the amount the Organization expects to receive, allowing for estimated uncollectible grants. The allowance for uncollectible grants is estimated based on management's review of specific grants outstanding. As of December 31, 2018 and 2017, management believes all grants receivable are fully collectible, and accordingly, no allowance for doubtful grants has been recorded. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

*Property and Equipment.* It is the Organization's policy to capitalize property and equipment at cost for purchases over \$1,000, while repair and maintenance items are charged to expense. Donations of property and equipment are capitalized at their estimated fair value at the date of gift. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Property and equipment is depreciated using straight-line methods over the estimated useful lives of the assets, which is generally four to seven years for equipment. Depreciation expense for the years ended December 31, 2018 and 2017 totaled \$3,270 and \$592, respectively. Amortization of leased equipment is included in depreciation expense.

*Impairment of Long-Lived Assets.* In the event that facts and circumstances indicate that equipment, or other assets, may be impaired, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying amount to determine if a write-down to market value would be necessary. No impairment losses were recorded during the years ended December 31, 2018 and 2017.

*Refundable Advances.* Grant funding received in advance of incurring related expenses are considered refundable advances and are deferred. Revenue is recognized as the related costs are incurred.

# Weld County Juvenile Assessment Center, Inc. dba Youth & Family Connections

## Notes to Financial Statements

December 31, 2018 and 2017

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

*Contributions.* Contributions are recognized when the donation is received. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions and grants that are restricted by the donor or grantor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

*Contributed Services.* Contributed services are recognized if the services received satisfy the criteria for recognition. The contributions of services are recognized if services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Certain other volunteer services are not recorded in these financial statements as they do not meet the criteria for recognition. There were no contributed services for the years ended December 31, 2018 and 2017.

*Functional Allocation of Expenses.* 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, direct expenses have been allocated to the applicable program for which the expenses were incurred. Indirect expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

*Income Taxes.* The Organization is a nonprofit corporation exempt from income taxes as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made.

*Subsequent Events.* The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through May 30, 2019, the date at which the financial statements were available for release.

### Note 2 - New Accounting Pronouncement

In August 2016, the FASB issued Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities, with the stated purpose of improving financial reporting by not-for-profit entities. During the year ended December 31, 2018, the Organization adopted the requirements of ASU 2016-14 and, as a result, adjusted the presentation of its financial statements accordingly, applying the changes retrospectively to the comparative period presented.

# Weld County Juvenile Assessment Center, Inc. dba Youth & Family Connections

## Notes to Financial Statements

December 31, 2018 and 2017

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### Note 2 - New Accounting Pronouncement (continued)

The new standard changes the following aspects of the Organization's financial statements:

The temporarily restricted net asset class has been renamed "net assets with donor restrictions".

The unrestricted net asset class has been renamed "net assets without donor restrictions".

The financial statements include a new disclosure about liquidity and availability of resources (Note 9).

The changes have the following effect on net assets at December 31, 2017:

	As Originally Presented	After Adoption of ASU 2016-14
Unrestricted net assets	\$ 572,267	\$ -
Temporarily restricted net assets	53,887	-
Net assets without donor restrictions	-	572,267
Net assets with donor restrictions	-	53,887
	\$ 626,154	\$ 626,154

In addition, certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

### Note 3 – Fair Value Measurements

The following table summarizes the Organization's fair value of assets measured on a recurring basis by fair value hierarchy as of December 31, 2018:

	Level 1	Level 2	Level 3	Total
Mutual funds				
Large blend	\$ 339,479	\$ -	\$ -	\$ 339,479

The following table summarizes the Organization's fair value of assets measured on a recurring basis by fair value hierarchy as of December 31, 2017:

	Level 1	Level 2	Level 3	Total
Mutual funds				
Large blend	\$ 358,429	\$ -	\$ -	\$ 358,429

# Weld County Juvenile Assessment Center, Inc. dba Youth & Family Connections

## Notes to Financial Statements

December 31, 2018 and 2017

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### Note 3 – Fair Value Measurements (continued)

*Changes in Fair Value Levels.* The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Organization evaluated the significance of transfers between levels based upon the nature of the financial instruments and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2018 and 2017, there were no significant transfers in or out of fair value levels.

Net investment income (loss) consisted of the following for the years ended December 31:

	2018	2017
Interest and dividends	\$ 32,338	\$ 12,893
Unrealized gain (loss) on investments	(49,094)	15,347
	(16,756)	28,240
Investment fees	(1,808)	(1,419)
Net investment income (loss)	\$ (18,564)	\$ 26,821

### Note 4 – Lease Commitments

*Capital Lease.* The Organization leases equipment under a noncancelable capital lease. The lease expires February 2023. The leased equipment has a cost of \$10,730 and accumulated depreciation of \$1,661 at December 31, 2018.

Future minimum lease payments required under the noncancelable capital lease are as follows at December 31, 2018:

Year	Amount
2019	\$ 2,328
2020	2,328
2021	2,328
2022	2,328
2023	582
Total minimum lease payments	9,894
Less amount representing interest	(997)
	\$ 8,897



# Weld County Juvenile Assessment Center, Inc. dba Youth & Family Connections

## Notes to Financial Statements

December 31, 2018 and 2017

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### Note 4 – Lease Commitments (continued)

*Operating Leases.* The Organization leases office space, including furniture and equipment, in Greeley, Colorado under a continuous operating lease. The lease requires annual payments of \$10 and is effective until the Organization dissolves or ceases operations. Rent expense under the lease, including in-kind rents, totaled \$80,720 for each of the years ended December 31, 2018 and 2017.

The Organization leases office space in Fort Lupton, Colorado under a noncancelable operating lease. The lease requires monthly payments of \$106, and requires a 60-day written cancellation notice. Rent expense under the lease totaled \$787 and \$1,269 for the years ended December 31, 2018 and 2017, respectively.

The Organization leased out office units to a third party under a short-term lease agreement on behalf of the Colorado Senate Bill 94 program. The agreement required monthly minimum payments of \$1,222, and was month-to-month. Rental income under the short-term lease totaled \$7,329 and \$31,792 for the years ended December 31, 2018 and 2017.

### Note 5 – Board-designated Net Assets

The Board of Directors designated \$81,371 and \$74,588 of net assets without donor restrictions as an operating reserve at December 31, 2018 and 2017, respectively. The designation is determined by taking 10% of the prior year's cash expenditures. These funds are internally imposed designations and are recorded as net assets without donor restrictions.

### Note 6 – Net Assets with Donor Restrictions

The following summarizes the changes in net assets with donor restrictions for the years ended December 31, 2018 and 2017:

	Time Restrictions
Balance, January 1, 2017	\$ 6,745
Additions	53,887
Releases	(6,745)
Balance, December 31, 2017	53,887
Additions	72,077
Releases	(53,887)
Balance, December 31, 2018	\$ 72,077

# Weld County Juvenile Assessment Center, Inc. dba Youth & Family Connections

## Notes to Financial Statements

December 31, 2018 and 2017

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### Note 7 – Collaborative Management Program

The Organization participates in Colorado's Senate Bill 2004-1451 Collaborative Management Program ("CMP"). CMP is a collaborative management of multi-agency services provided to children and families by county departments of human services and other mandatory agencies. Participating counties are charged with setting goals to be achieved and documented within a memorandum of understanding ("MOU") which is overseen by an interagency oversight group ("IOG") which is composed of the mandatory agencies and all signatories to the MOU. CMP income and incentive funds are derived from contributing agencies and state funds. The funds are initially received by the Weld County Department of Human Services which can be directed to various projects by the IOG.

### Note 8 - Retirement Plan

The Organization participates in a simple IRA retirement plan. The Organization provides a matching contribution to the plan of up to 3% of the employee's annual compensation for all employees with one year of service. The Organization contributed \$3,352 and \$3,297 to the plan for the years ended December 31, 2018 and 2017, respectively.

### Note 9 - Liquidity and Availability

The Organization has \$1,023,377 and \$733,423 in financial assets available within one year of December 31, 2018 and 2017, respectively. The Organization receives significant contributions and promises to give that are restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability; maintaining adequate liquid assets to fund near-term operating needs; and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organization has an operating reserve policy to maintain current financial assets at a minimum of 10% of the prior year's cash expenditures. To achieve this target, the Organization forecasts its future cash flows and monitors its liquidity monthly, and monitors its reserves annually. During the years ended December 31, 2018 and 2017, the level of liquidity and reserves was managed within the policy requirements.

### Note 10 - Concentrations

*Major Customer.* The Organization had a single customer who comprised 14% and 16% of total support and revenue for the years ended December 31, 2018 and 2017, respectively. The accounts receivable outstanding from the customer totaled \$11,354 and \$12,842 at December 31, 2018 and 2017, respectively.

# **Weld County Juvenile Assessment Center, Inc. dba Youth & Family Connections**

## **Notes to Financial Statements**

December 31, 2018 and 2017

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### **Note 10 - Concentrations (continued)**

*Major Grantors.* The Organization had three grantors who comprised 58% and 52% of total support and revenue for the years ended December 31, 2018 and 2017, respectively. The grants receivable outstanding from these grantors totaled \$37,137 and \$46,393 at December 31, 2018 and 2017, respectively.

*Geographical.* The Organization receives a substantial amount of their support from the Weld County, Colorado area.

*Bank Deposits.* The Organization routinely maintains cash balances in excess of federally insured limits.