

**Summit County Resource Center
d/b/a Family & Intercultural Resource Center**

(a nonprofit Colorado corporation)

Silverthorne, Colorado

Financial Statements

September 30, 2020

Summit County Resource Center d/b/a Family & Intercultural Resource Center

Table of Contents

Independent Auditor's Report	Pages 1-2
Statement of Financial Position September 30, 2020	Page 3-4
Statement of Activities Year ended September 30, 2020	Page 5
Statement of Changes in Net Assets Year ended September 30, 2020	Page 6
Statement of Functional Expenses Year ended September 30, 2020	Page 7
Statement of Cash Flows Year ended September 30, 2020	Page 8
Notes to Financial Statements	Pages 9-18

Independent Auditor's Report

To the Board of Directors
Family & Intercultural Resource Center
Silverthorne, Colorado

We have audited the accompanying financial statements of Summit County Resource Center d/b/a Family & Intercultural Resource Center (a nonprofit Colorado corporation), which comprise the statement of financial position as of September 30, 2020, and the related statement of activities and change in net assets, 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. 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.

Independent Auditor's Report (continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Summit County Resource Center d/b/a Family & Intercultural Resource Center as of September 30, 2020, 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.

Brock and Company, CPAs, P.C.

Certified Public Accountants

Fort Collins, Colorado
April 8, 2021

Summit County Resource Center d/b/a Family & Intercultural Resource Center

Statement of Financial Position

September 30, 2020

ASSETS

Current Assets

Cash and cash equivalents	\$ 2,546,070
Investments	54,528
Grants receivable	102,189
Thrift store inventory	19,368
Prepaid expenses	41,854
Total current assets	<u>2,764,009</u>

Property and Equipment

Land	411,242
Buildings and improvements	2,084,295
Furniture and fixtures	41,188
	<u>2,536,725</u>
Less accumulated depreciation	(583,256)
Net property and equipment	<u>1,953,469</u>

Other Assets

Deposits and other assets	5,000
Restricted cash, compensating balance	53,188
Total other assets	<u>58,188</u>

Total assets	<u><u>\$ 4,775,666</u></u>
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The accompanying Notes are an integral
part of these financial statements.

Page 3

Summit County Resource Center d/b/a Family & Intercultural Resource Center

September 30, 2020

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 49,349
Accrued payroll and related expenses	144,852
Accrued expenses	5,190
Deferred revenue	310,550
Notes payable, current maturities	201,214
Total current liabilities	<u>711,155</u>

Long-Term Liabilities

Notes payable, net of current maturities	<u>1,420,060</u>
Total liabilities	<u>2,131,215</u>

Net Assets

Without donor restrictions	
Undesignated	1,271,351
With donor restrictions	1,373,100
Total net assets	<u>2,644,451</u>
Total liabilities and net assets	<u>\$ 4,775,666</u>

The accompanying Notes are an integral
part of these financial statements.

Page 4

Summit County Resource Center d/b/a Family & Intercultural Resource Center

Statement of Activities

Year ended September 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support, Other Revenue and Gains			
Support			
Contributions	\$ 1,039,610	\$ 2,040,838	\$ 3,080,448
In-kind donations	938,993	-	938,993
Government grants	2,571,381	-	2,571,381
Special event income	191,919	-	191,919
Special event expense	(16,842)	-	(16,842)
Net assets released from restrictions	870,819	(870,819)	-
Total support	<u>5,595,880</u>	<u>1,170,019</u>	<u>6,765,899</u>
Other Revenue and Gains			
Thrift store sales	535,460	-	535,460
Thrift store cost of sales, in-kind	(535,460)	-	(535,460)
Interest and dividends	704	-	704
Other revenue	21,279	-	21,279
Total other revenue and gains	<u>21,983</u>	<u>-</u>	<u>21,983</u>
Total support, other revenue and gains	<u>5,617,863</u>	<u>1,170,019</u>	<u>6,787,882</u>
Functional Expenses and Loss			
Functional Expenses			
Program services	4,590,175	-	4,590,175
Supporting services			
General and administrative	572,951	-	572,951
Fundraising	193,553	-	193,553
Total supporting services	<u>766,504</u>	<u>-</u>	<u>766,504</u>
Total functional expenses	<u>5,356,679</u>	<u>-</u>	<u>5,356,679</u>
Loss			
Loss on disposal of equipment	1,886	-	1,886
Total functional expenses and loss	<u>5,358,565</u>	<u>-</u>	<u>5,358,565</u>
Change in Net Assets	<u>259,298</u>	<u>1,170,019</u>	<u>1,429,317</u>

The accompanying Notes are an integral part of these financial statements.

Page 5

Summit County Resource Center d/b/a Family & Intercultural Resource Center

Statement of Changes in Net Assets

Year ended September 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets, October 1, 2019, as Originally Reported	\$ 984,814	\$ -	\$ 984,814
Prior period adjustments and reclassifications	<u>27,239</u>	<u>203,081</u>	<u>230,320</u>
Net Assets, October 1, 2019, as Restated	1,012,053	203,081	1,215,134
Change in net assets	<u>259,298</u>	<u>1,170,019</u>	<u>1,429,317</u>
Net Assets, September 30, 2020	<u>\$ 1,271,351</u>	<u>\$ 1,373,100</u>	<u>\$ 2,644,451</u>

The accompanying Notes are an integral
part of these financial statements.

Page 6

Summit County Resource Center d/b/a Family & Intercultural Resource Center

Statement of Functional Expenses

Year ended September 30, 2020

	Program Services					Supporting Services			Total Expenses	
	Community Support	Health Enrollment	Families United	Thrift Store Operations	All Other Programs	Total	General and Administrative	Fundraising		Total
Salaries	\$ 534,951	\$ 460,577	\$ 296,257	\$ 320,092	\$ 8,207	\$ 1,620,084	\$ 515,405	\$ 118,639	\$ 634,044	\$ 2,254,128
Payroll taxes	42,968	33,874	21,680	25,351	1,145	125,018	42,024	9,232	51,256	176,274
Employee benefits	10,317	7,312	6,257	3,792	190	27,868	13,168	2,652	15,820	43,688
Total personnel	588,236	501,763	324,194	349,235	9,542	1,772,970	570,597	130,523	701,120	2,474,090
Direct assistance	1,236,241	6,118	-	-	-	1,242,359	-	-	-	1,242,359
Food bank expense										
In-kind	475,193	-	-	-	-	475,193	-	-	-	475,193
Purchased	62,207	-	-	-	-	62,207	-	-	-	62,207
Insurance	38,590	62,441	52,980	33,410	1,834	189,255	96,679	7,141	103,820	293,075
Contact services	13,646	66,245	20,111	-	7,767	107,769	10,969	-	10,969	118,738
Rent										
Purchased	36,859	-	-	68,976	-	105,835	3,402	-	3,402	109,237
In-kind	7,764	-	-	-	-	7,764	-	-	-	7,764
Consulting	-	7,432	90	70	8,247	15,839	45,000	-	45,000	60,839
Occupancy expenses	2,581	1,883	945	19,460	-	24,869	34,602	-	34,602	59,471
Depreciation	-	1,422	1,513	20,991	129	24,055	34,189	-	34,189	58,244
Dues and subscriptions	3,665	4,389	399	-	399	8,852	38,714	360	39,074	47,926
Interest	-	-	-	-	-	-	38,817	-	38,817	38,817
Advertising and marketing	5,866	9,593	1,351	4,779	10,305	31,894	1,173	5,624	6,797	38,691
Materials and supplies	12,054	1,858	9,409	3,430	122	26,873	9,661	353	10,014	36,887
Computer and IT expenses	1,847	780	5,268	910	-	8,805	24,870	2,583	27,453	36,258
Training and development	2,053	11,657	11,842	56	3,418	29,026	865	-	865	29,891
Repairs and maintenance	6,748	-	-	9,462	-	16,210	12,519	-	12,519	28,729
Professional fees	-	-	-	-	-	-	28,499	-	28,499	28,499
Equipment and fixtures	3,275	50	3,665	-	1,657	8,647	19,515	-	19,515	28,162
Bank fees	8,738	-	299	9,844	-	18,881	615	3,974	4,589	23,470
Travel	4,322	2,334	4,331	1,368	66	12,421	4,157	137	4,294	16,715
Staff and volunteer recognition	1,363	2,134	340	608	-	4,445	5,312	1,645	6,957	11,402
Printing and postage	91	-	-	-	-	91	9,804	733	10,537	10,628
Scholarships	-	5,194	-	-	-	5,194	-	-	-	5,194
Other	640	2,118	1,777	-	1,495	6,030	7,925	238	8,163	14,193
Overhead allocation	76,761	104,539	86,168	117,223	-	384,691	(424,933)	40,242	(384,691)	-
Total expenses	\$ 2,588,740	\$ 791,950	\$ 524,682	\$ 639,822	\$ 44,981	\$ 4,590,175	\$ 572,951	\$ 193,553	\$ 766,504	\$ 5,356,679

The accompanying Notes are an integral part of these financial statements.

Summit County Resource Center d/b/a Family & Intercultural Resource Center

Statements of Cash Flows

Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash

Years ended September 30, 2020

Cash Flows From Operating Activities

Change in net assets	\$ 1,429,317
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	58,244
Loss on disposal of equipment	1,886
Increase (decrease) from changes in assets and liabilities	
Grants receivable	238,087
Thrift store inventory	81,678
Prepaid expenses	(22,335)
Accounts payable	29,017
Accrued payroll and related expenses	(27,979)
Accrued expenses	(5,593)
Deferred revenue	123,085
Net cash provided by operating activities	<u>1,905,407</u>

Cash Flows From Investing Activities

Purchase of investments	(71)
Purchases of property and equipment	<u>(4,049)</u>
Net cash used by investing activities	<u>(4,120)</u>

Cash Flows From Financing Activities

Payments on short-term notes payable	(52,795)
Borrowings on long-term notes payable	506,700
Payments on long-term notes payable	<u>(30,894)</u>
Net cash provided by financing activities	<u>423,011</u>

Net Increase in Cash, Cash Equivalents, and Restricted Cash **2,324,298**

Cash, Cash Equivalents, and Restricted Cash, Beginning of Year **274,960**

Cash, Cash Equivalents, and Restricted Cash, End of Year **\$ 2,599,258**

Supplemental Cash Flow Information

Cash paid for interest	<u><u>\$ 38,817</u></u>
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The accompanying Notes are an integral
part of these financial statements.

Page 8

Summit County Resource Center d/b/a Family & Intercultural Resource Center

Notes to Financial Statements

September 30, 2020

Note 1 – Nature of Organization and Significant Accounting Policies

Nature of Organization. The Summit County Family Resource Center d/b/a Family & Intercultural Resource Center ("FIRC") is a Colorado non-profit corporation formed under the laws of the State of Colorado on May 4, 1994. The mission of FIRC is to enhance the quality of life in Summit County, Colorado by providing social and family services to residents of Summit County. FIRC's two program and administrative offices are located in Silverthorne and Breckenridge, Colorado, with two thrift store locations, in Dillon and Breckenridge, Colorado.

The Community Support program assists families and individuals to overcome the temporary crises and lack of sufficient resources that threaten stability and self-sufficiency. Services are available in English and Spanish and include rent, utility, and medical assistance. Referral services included mental health scholarships, job training, transition, housing and other community services. The Community Support program also offers an in-house food bank and clothing/household goods through a voucher system with Summit Thrift & Treasure.

The Health Enrollment program allows FIRC staff provide free, in person application assistance for a variety of health insurance affordability programs including Medicaid, CHP+ and Connect for Health CO. Program staff are additionally committed to providing preventative mental and physical health strategies, educating clients on how to best utilize their benefits, helping navigate the overall mental and physical health systems and connecting clients to care providers. This program has a dedicated Community Health Worker in order to better reach Summit County's most vulnerable populations.

Families United is an education, prevention and school readiness program available at no cost to all Summit County families with children ages prenatal to five. Services are offered in English and Spanish and include monthly home visitation using the nationally recognized curriculum, "Parents As Teachers". The program focuses on early childhood development, alcohol and drug education and child/parent bonding and attachment, as well as community connections through activities, classes and groups.

FIRC operates two nonprofit thrift stores (Summit Thrift & Treasure) that recycle clothing and house wares and provide these items to the community at an affordable price. This program has also become a gathering place for the community, especially the immigrant community, offering volunteer and job training opportunities to more than 100 community members.

The Parent Engagement program supports families with school-age children and other adults in the community through education, social connections, and community partnerships. Staff use a strengths-based approach to encourage participants to develop personal skills, enhance relationships, and increase family wellbeing. Examples of programs include parenting classes and workshops, Family Connectedness events, presentations, and group and individual sessions around mental health and emotional wellness. Programs are offered at no cost in English and Spanish and utilize a 2-Generation model, addressing the needs of both caregivers and children.

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

Summit County Resource Center d/b/a Family & Intercultural Resource Center

Notes to Financial Statements

September 30, 2020

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

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.

Future Accounting Pronouncement. During May 2020, the Financial Accounting Standards Board issued ASU No. 2020-05, which allowed for the delay of implementing ASU No. 2014-09 (Topic 606) - *Revenue from Contracts With Customers*. Topic 606 provides guidance for revenue recognition that superseded previous guidance. The pronouncement was originally required to be implemented September 30, 2019. Under ASU 2014-09, revenue will be recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods and services. Management has not determined the effects of the adoption of the pronouncement. The new pronouncement requires substantially expanded disclosures for contract assets and liabilities.

Changes in Accounting Principles. Commencing on October 1, 2019, FIRC adopted the provisions of FASB ASU 2016-18, Statement of Cash Flows (Topic 230) - *Restricted Cash*, which became effective. The pronouncement requires the statement of cash flows to reconcile all cash, with and without restrictions, rather than just unrestricted cash.

On October 1, 2019, FIRC adopted the provisions of FASB ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which became effective. The pronouncement clarifies and improves the scope of accounting guidance for contributions received and contributions made.

Net Asset Classification. FIRC distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. FIRC complies with established standards for external reporting by not-for-profit organizations, which requires that resources be classified for reporting purposes into two net asset categories according to externally (donor) imposed restrictions. The two net asset categories are as follows:

Net Assets Without Donor Restrictions. Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net Assets With Donor Restrictions. Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Summit County Resource Center d/b/a Family & Intercultural Resource Center

Notes to Financial Statements

September 30, 2020

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

Functional Allocation of Expenses. Direct expenses have been allocated to the applicable program for which the expenses were incurred. Indirect expenses have been allocated among program, general and administrative, and fundraising activities based on estimated relative usage of resources attributable to these activities.

Cash and Cash Equivalents. FIRC considers all highly liquid investments, including demand deposits and money market funds, with a maturity of three months or less, to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Investments. FIRC'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. FIRC's management determines the valuation policies utilizing information provided by the investment advisors and custodians.

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.

Fair Value Measurements. FIRC reports using fair value measurements, which 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.

Summit County Resource Center d/b/a Family & Intercultural Resource Center

Notes to Financial Statements

September 30, 2020

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

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 methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2020.

Certificates of Deposit. FIRC values certificates of deposit at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer. Early withdrawal charges may apply in the event the instruments are liquidated prior to their scheduled maturity date.

The methods 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 FIRC believes its valuation methods are 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.

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.

Grants Receivable. Grants receivable are stated net of allowances for uncollectible accounts. At the time receivables are originated, FIRC considers an allowance for doubtful accounts based on the creditworthiness of the donor or grantor. 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 FIRC on an ongoing basis. Management estimates that all grants receivable at September 30, 2020 are fully collectible.

Inventory. Summit Thrift & Treasure thrift store inventory consists of donated items for resale such as clothing, linens, furniture, décor, and other household items, are stated at estimated fair value, less an estimated allowance for obsolete inventory. When items are sold, the revenue recorded is equal to the corresponding cost of sales. The assessed value of thrift store inventory is subject to estimate, and it is reasonably possible that the estimate may change in the near term and the change may be material.

FIRC receives in-kind donations of food from local restaurants and suppliers for the food bank, a part of the Community Support program. In-kind revenue and expense is estimated based on the average pounds per family for each month at the USDA price per pound for donated food of \$1.70. Contributed food is provided to those in need soon after it is received by FIRC, total inventories held are not material.

Summit County Resource Center d/b/a Family & Intercultural Resource Center

Notes to Financial Statements

September 30, 2020

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

Property and Equipment. It is FIRC'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 are depreciated using the straight-line method over the estimated useful lives of the assets. In general, asset lives are as follows:

	<u>Life in Years</u>
Buildings and improvements	5 - 30
Furniture and fixtures	5 - 10

Depreciation expense for the year ended September 30, 2020 was \$58,244.

Impairment of Long-lived Assets. In the event that facts and circumstances indicate that property and 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 year ended September 30, 2020.

Contributions. Contributions are recognized when the promise to give is received. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions reclassified to net assets without donor restrictions.

Contributed Services. No amounts have been reflected in the financial statements for donated services. FIRC generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist FIRC at the thrift stores, special events, and programs, but these services do not meet the criteria for recognition as contributed services.

Advertising. FIRC uses advertising to promote its programs and the thrift store. Advertising costs are expensed as incurred. During the year ended September 30, 2020, advertising expense totaled \$38,691.

Income Taxes. FIRC 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.

FIRC utilizes the provisions of ASC 740, pertaining to accounting for uncertainty in income taxes. The pronouncement requires the use of a more-likely-than-not recognition criteria before and separate from the measurement of a tax position. An entity shall initially recognize the financial statement effects of a tax position when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. With respect to FIRC, this would primarily relate to the determination of unrelated business taxable income and to the maintenance of its tax exempt status.

Summit County Resource Center d/b/a Family & Intercultural Resource Center

Notes to Financial Statements

September 30, 2020

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

Management has evaluated the adopted policies and procedures that have been implemented to provide assurance that income is properly characterized and activities that jeopardize its tax exempt status are within limits established under existing tax code and regulations. Management has determined the effects of uncertain tax positions are not material to FIRC for recognition or disclosure in the accompanying financial statements and, accordingly, no income tax liability has been recorded for uncertain income tax positions in the accompanying financial statements.

Income taxes for the years ended September 30, 2017 through the current year are open for examination. Penalties and interest may be assessed on income taxes that are delinquent.

Subsequent Events. FIRC 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 April 8, 2021, the date at which the financial statements were available for release.

Note 2 - Prior Period Adjustments and Reclassifications

Subsequent to issuance of the financial statements as of September 30, 2019, and for the year then ended, management discovered errors in the accounting for contributions and net assets with restrictions. Amounts from the financial statements for the year ended September 30, 2019 have been adjusted to properly report the balances at October 1, 2019. The prior period adjustments increased grants receivable by \$100,000, decreased deferred revenue by \$108,605 and increased net assets by \$230,320. Additionally, a reclassification was made to increase net assets with donor restrictions and decrease net assets without donor restrictions by \$184,289.

Note 3 - Availability and Liquidity

The following represents the Organization's financial assets for the years ended September 30, 2020:

	<u>Amount</u>
Financial assets at year end	
Cash and cash equivalents	\$ 2,546,070
Investments	54,528
Grants receivable	102,189
Line of credit	200,000
Total financial assets	<u>2,902,787</u>
Less amounts not available to be used within one year for general expenditures	
Net assets with donor restrictions	<u>1,373,100</u>
	<u>1,373,100</u>

Summit County Resource Center d/b/a Family & Intercultural Resource Center

Notes to Financial Statements

September 30, 2020

Note 3 - Availability and Liquidity (continued)

Financial assets available to meet current general expenditures and debt payments	<u>\$ 1,529,687</u>
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FIRC has financial assets to meet approximately three months of operating expenses at current levels and debt payments.

FIRC maintains an unsecured \$200,000 line of credit agreement with Alpine Bank, which is available to fund general expenditures.

Note 4 – Reconciliation of Cash, Cash Equivalents, and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position as of September 30, 2020, that sum to the total of the same such amounts shown in the statement of cash flows for the year then ended.

	<u>Amount</u>
Cash and cash equivalents	\$ 2,546,070
Restricted cash	<u>53,188</u>
Total cash, cash equivalents, and restricted cash	<u>\$ 2,599,258</u>

Amounts included in restricted cash represent amounts held for a compensating balance required by FIRC's debt agreements.

Note 5 – Fair Value Measurements and Investments

The following table sets forth by level, within fair value hierarchy, FIRC's investments, at fair value, as of September 30, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	\$ -	\$ 54,528	\$ -	\$ 54,528

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.

FIRC 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 year ended September 30, 2020, there were no significant transfers in or out of fair value levels.

Investment income consisted of \$704 in interest income for the year ended September 30, 2020.

Summit County Resource Center d/b/a Family & Intercultural Resource Center

Notes to Financial Statements

September 30, 2020

Note 6 – Notes Payable and Line of Credit

FIRC has an unsecured \$200,000 line of credit agreement with Alpine Bank with no outstanding borrowings at September 30, 2020. The agreement bears interest at the bank's index rate plus 2.50%, which is based on LIBOR. The agreement expires in March 2021.

Long-term debt consists of the following at September 30, 2020:

	<u>Amount</u>
Note payable with the United States Department of Agriculture (USDA) bearing interest at the stated rate of 3.50%, and requires monthly principal and interest payments of \$4,370 through September 2042. The agreement is collateralized by the Deed of Trust to the real estate in Silverthorne. Under the loan agreement, FIRC is required to maintain a reserve of \$52,440. As of September 30, 2020, the balance of restricted cash was \$53,188.	\$ 775,142
Note payable with Summit County bearing interest at the stated rate of 2.75%, and requires monthly principal and interest payments of \$1,531 through February 2046. The agreement is collateralized by the Deed of Trust to the real estate in Breckenridge.	339,432
Note payable provided under the Paycheck Protection Program (PPP). The note is due in monthly installments of \$28,516, including interest at 1.00%, which were scheduled to begin in November 2020. Payments have been deferred until determination of forgiveness is complete. Maturity dates will vary based on commencement of payments, if any.	506,700
	<u>1,621,274</u>
Less current portion	(201,214)
	<u>\$ 1,420,060</u>

FIRC has a long-term note with Alpine Bank, provided under the Paycheck Protection Program (PPP), established by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The PPP loan program provides for forgiveness of the loan if the Organization expends the proceeds for qualified purposes and complies with other requirements. FIRC has expended approximately 75% of the funds as of September 30, 2020, expects to meet the criteria, and will apply for loan forgiveness.

Summit County Resource Center d/b/a Family & Intercultural Resource Center

Notes to Financial Statements

September 30, 2020

Note 6 – Notes Payable and Line of Credit (continued)

Future scheduled minimum payments required under long-term debt obligations are as follows:

Year ended September 30:	Amount
2021	\$ 201,214
2022	376,364
2023	37,233
2024	38,482
2025	39,774
Thereafter	928,207
	<u>\$ 1,621,274</u>

Note 7 – Net Assets With Donor Restrictions

The following summarizes the changes in net assets with donor restrictions:

	October 1, 2019			September 30, 2020
	Balance	Receipts	Releases	Balance
COVID relief	\$ -	\$ 1,076,883	\$ (280,840)	\$ 796,043
Rural communities	-	270,000	-	270,000
Food bank	-	314,187	(230,603)	83,584
Access to care	125,024	-	(74,615)	50,409
Families United	-	115,096	(76,862)	38,234
Support services	43,297	164,672	(102,126)	105,843
ALMA	34,760	100,000	(105,773)	28,987
	<u>\$ 203,081</u>	<u>\$ 2,040,838</u>	<u>\$ (870,819)</u>	<u>\$ 1,373,100</u>

Note 8 – Retirement Plan

FIRC has a 403(b) defined contribution salary deferral plan offered to all full-time employees that have successfully completed the introductory period. Under this plan, FIRC matches up to 3% of the employee's salary, contingent upon the amount contributed. Contributions to the plan were \$43,688 during the year ended September 30, 2020.

Summit County Resource Center d/b/a Family & Intercultural Resource Center

Notes to Financial Statements

September 30, 2020

Note 9 – Commitments

Operating Leases. FIRC has a noncancelable operating building lease with an unrelated entity in Breckenridge, Colorado. The lease requires monthly base rent payments of \$5,510 and \$3,720 of common area maintenance costs and estimated property taxes. The lease expires in December 2026. Total rent expense and operating costs under the lease totaled \$105,835 for the year ended September 30, 2020.

FIRC had an in-kind lease agreement on a month-to-month basis with an unrelated entity for commercial space in Dillon, Colorado. The unit was provided to FIRC at no cost. The lease was cancelled by the lessor in April 2020. Total in-kind rent income and expense under the agreement totaled \$7,764 for the year ended September 30, 2020.

FIRC leased office equipment under a noncancelable operating lease. The lease expired in April 2020 and rent expense under the lease totaled \$4,084 for the year ended September 30, 2020.

Future annual minimum lease payments under the operating lease are as follows at September 30, 2020:

Year ended September 30:	Amount
2021	\$ 110,766
2022	112,419
2023	112,750
2024	112,750
2025	112,750
Thereafter	140,937
	<u>\$ 702,372</u>

Note 10 – Concentrations

Credit Risk. FIRC maintains cash balances in excess of FDIC limits.

Contributions and Support. For the year ended September 30, 2020, 14% of total support were received from a single donor.

Note 11 – Uncertainty

During 2020, a global health care pandemic began effecting virtually all organizations. In response to the crisis, the federal, state, and municipal governments have enacted various policies to curtail group gatherings until the risk has diminished. Certain parts of FIRC's operations have been modified to comply with the requirements and recommendations of governing agencies and to meet community needs. The federal government has implemented various relief measures, including the Cares Act of 2020. FIRC has participated in the benefits provided by the legislation, and will consider participation in any potential future aid programs. No reliable estimate of the potential future financial impacts of this uncertainty on the Organization can be made at this time.