PROJECT SELF-SUFFICIENCY
OF LOVELAND – FORT COLLINS

FINANCIAL STATEMENTS

December 31, 2021

(With Comparative Totals for the Year Ended December 31, 2020)

PROJECT SELF-SUFFICIENCY
OF LOVELAND – FORT COLLINS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Project Self-Sufficiency of Loveland – Fort Collins
Loveland, Colorado

Opinion

We have audited the accompanying financial statements of Project Self Sufficiency of Loveland – Fort Collins (Project Self Sufficiency), a nonprofit corporation, which comprise the statement of financial position as of December 31, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Project Self Sufficiency as of December 31, 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 (U.S. GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board. Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Project Self Sufficiency and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Project Self Sufficiency's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting

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from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, as promulgated by the Auditing Standards Board, a division of the American Institute of Certified Public Accountants (AICPA), we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Project Self Sufficiency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Project Self Sufficiency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Project Self Sufficiency's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 25, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

RLR, LLP

Fort Collins, Colorado
May 25, 2022

PROJECT SELF SUFFICIENCY OF LOVELAND - FORT COLLINS

STATEMENT OF FINANCIAL POSITION
As of December 31, 2021
(with Comparative Totals for the Year Ended December 31, 2020)

	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents (Note 10)	$ 885,780	$ 815,394
Cash and cash equivalents - Operating Reserve Tier 1 (Note 10)	418,947	418,147
Beneficial interest in investments held at the Community Foundation of Northern Colorado - Operating Reserve Tier 3 (Notes 3 and 10)	242,744	231,739
Accounts receivable (Note 10)	30,088	23,506
Prepaid expenses	3,078	7,481
Total current assets	1,580,637	1,496,267
Noncurrent Assets		
Property and equipment	417,586	417,586
Less accumulated depreciation	(111,795)	(101,775)
Investments (Note 2)	21,550	21,832
Beneficial interest in investments held at the Community Foundation of Northern Colorado (Notes 3 and 10)	1,847,665	1,608,594
Total noncurrent assets	2,175,006	1,946,237
Total assets	$ 3,755,643	$ 3,442,504
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 33,029	$ 34,930
Accrued salaries and related expenses	47,757	47,168
Total liabilities	80,786	82,098
NET ASSETS		
Net assets without donor restrictions		
Undesignated	509,638	360,551
Board designated - housing pilot project	116,213	120,000
Board designated - operating reserves Tiers 1 and 3	661,691	649,886
Board designated - invested in property and equipment	305,791	315,811
Board designated - quasi-endowments (Note 3)	1,271,312	1,121,323
Net assets with donor restrictions		
Restricted for purpose (Note 7)	599,368	581,991
Restricted in perpetuity - endowment corpus (Note 7)	210,844	210,844
Total net assets	3,674,857	3,360,406
Total liabilities and net assets	$ 3,755,643	$ 3,442,504

See accompanying notes to financial statements

PROJECT SELF SUFFICIENCY OF LOVELAND - FORT COLLINS

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021
(with Comparative Totals for the Year Ended December 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Public Support				
Fundraising and contributions	$ 705,844	$ 103,869	$ 809,713	$ 1,130,098
United Way	59,866	27,500	87,366	110,831
Value of cars provided to families	-	24,041	24,041	48,027
In-kind donations	16,403	32,522	48,925	51,609
Grants	304,627	161,770	466,397	470,891
COVID-19 relief funding (Note 6)	-	-	-	138,500
Net assets released from restrictions	429,487	(429,487)	-	-
Total public support	1,516,227	(79,785)	1,436,442	1,949,956
Special Event Revenue				
Special event revenue	66,377	8,037	74,414	78,972
Less direct benefit to donors	(31,622)	-	(31,622)	(37,591)
Total special event revenue	34,755	8,037	42,792	41,381
Other Revenue				
Interest income	29,542	-	29,542	33,551
Realized and unrealized gain on investments	102,507	89,125	191,632	160,242
Other (loss) income	(196)	-	(196)	857
Total other revenue	131,853	89,125	220,978	194,650
Total revenue, support, and gains	1,682,835	17,377	1,700,212	2,185,987
Expenses				
Program services	1,134,973	-	1,134,973	1,158,570
Management and general	130,990	-	130,990	125,295
Fundraising	119,798	-	119,798	132,208
Total expenses	1,385,761	-	1,385,761	1,416,073
Change in Net Assets	297,074	17,377	314,451	769,914
Net Assets, Beginning of Year	2,567,571	792,835	3,360,406	2,590,492
Net Assets, End of Year	$ 2,864,645	$ 810,212	$ 3,674,857	$ 3,360,406

See accompanying notes to financial statements

PROJECT SELF-SUFFICIENCY OF LOVELAND - FORT COLLINS

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2021
(with Comparative Totals for the Year Ended December 31, 2020)

	Program Services	Management and General	Fundraising	2021 Total	2020 Total
Salaries and benefits	$ 531,495	$ 104,879	$ 68,490	$ 704,864	$ 750,883
Payroll taxes	34,806	6,874	4,200	45,880	44,414
Program direct expenses for participants/families	474,035	-	-	474,035	470,829
Occupancy	34,112	4,738	2,723	41,573	39,295
Office expenses	12,981	163	30,200	43,344	51,198
Contract services	31,366	9,611	7,720	48,697	28,923
Insurance	5,522	1,517	300	7,339	7,197
Travel	784	64	215	1,063	1,688
Miscellaneous, gifts in kind	-	477	1,962	2,439	3,041
Recognition activities - staff, volunteers, and donors	2,317	1,176	3,014	6,507	8,317
Depreciation	7,555	1,491	974	10,020	10,288
Total Expenses	$ 1,134,973	$ 130,990	$ 119,798	$ 1,385,761	$ 1,416,073

PROJECT SELF-SUFFICIENCY OF LOVELAND - FORT COLLINS

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021
(with Comparative Totals for the Year Ended December 31, 2020)

	2021	2020
Cash flows from operating activities		
Change in net assets	$ 314,451	$ 769,914
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation expense	10,020	10,288
Unrealized loss (gain) on investments	538	(432)
Change in value of beneficial interest in investments	(220,176)	(191,216)
Changes in assets and liabilities:		
(Increase) in accounts receivable	(6,582)	(555)
Decrease (increase) in prepaid expense	4,403	(65)
Increase in accrued expenses	589	11,779
(Decrease) increase in accounts payable	(1,901)	11,926
Net cash provided by operating activities	101,342	611,639
Cash flows from investing activities		
Reinvestment of interest and dividends	(256)	(371)
Transfers to beneficial interest in investments	(42,044)	(230,338)
Distributions from beneficial interest in investments	12,144	15,522
Net cash (used) by investing activities	(30,156)	(215,187)
Net change in cash and cash equivalents	71,186	396,452
Cash and cash equivalents, beginning of year	1,233,541	837,089
Cash and cash equivalents, end of year	$ 1,304,727	$ 1,233,541
Supplemental disclosure of non-cash items		
Donation of vehicles, materials and services - operating activities	$ 72,966	$ 99,636

See accompanying notes to financial statements

Note 1. Principal Activity and Significant Accounting Policies and Subsequent Event

Nature of Activities

Project Self-Sufficiency of Loveland - Fort Collins (the "Organization") evolved from a HUD demonstration project in 1985 with the goal of coordinating and expanding services for low-income, single-parent families. Launched through a countywide task force, members pledged various resources, including staff and housing. The one-year pilot proved successful and continued as a program of Loveland Housing Authority, enrolling 65 families in the first year. In 1992, the program became its own independent nonprofit. Over time and through a growing body of research, the Organization determined that one of the most promising pathways out of poverty and homelessness includes access to higher education and employment training with wraparound support services. Today, the Organization serves approximately 140 families each year by providing professional case management and barrier removal supports, education, career planning and employment coaching to assist participants in accessing post-secondary education and training that leads to living wage employment.

The Organization’s goal is to create a pathway out of poverty that is sustained for generations; the Organization’s work has a multi-generational impact. Georgetown University (2016) found that, on average, college graduates earn $1,000,000 more over their lifetime than those without a degree. The National Institute of Health reports that the education level of a parent is a significant predictor of a child's educational achievements and behavioral outcomes. The U.S. National Center for Education Statistics (2016) shows that children of college-educated parents are much more likely to pursue and complete an undergraduate degree than are those with parents that did not attend college. The Organization’s program graduates share stories of their children instilled with the confidence and skills necessary to find success, both in college and career.

The mission of the Organization is to assist low-income, single parents in their efforts to achieve economic independence and become free from community and government assistance while building and maintaining strong, healthy families.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). 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 that are not subject to or are no longer subject to donor-imposed stipulations.
- Net Assets With Donor Restrictions—Net assets whose use is limited by donor-imposed time and/or purpose restrictions or restricted in perpetuity. The Organization had $810,212 and $792,835 of net assets with donor restrictions at December 31, 2021 and 2020, respectively.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Note 1. Principal Activity and Significant Accounting Policies and Subsequent Event (continued)

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. The Organization manages deposit concentration risk by placing cash and money market accounts with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limit or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts.

Operating Reserves

The Organization has an operating reserve policy to address their fiduciary duties and objectives when considering investment decisions. The Organization and its Board of Directors have identified three Tiers of operating reserves that are reported as board designated net assets on the statement of financial position:

- Tier 1 – one month of typical operating expenses will be kept in an FDIC insurance interest bearing bank account. This Tier receives first priority in funding if the balance is less than one month of typical operating expenses.
- Tier 2 – a second month of operating expenses will be kept in a brokerage or mutual fund account to be invested in interest bearing or short to intermediate bonds or bond funds. The Organization has opted to not segregate a Tier 2 reserve for the year ended December 31, 2021.
- Tier 3 – any excess reserves over the prescribed two months will be moved to higher earnings investments managed at the Community Foundation of Northern Colorado (the Community Foundation).

Fair Value

Certain assets and liabilities are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique.

Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization can access at the measurement date.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
- Level 3 - Unobservable inputs for the asset or liability. In these situations, the Organization develops inputs using the best information available in the circumstances.

Note 1. Principal Activity and Significant Accounting Policies and Subsequent Event (continued)

Fair Value (continued)

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization's assessment of the quality, risk or liquidity profile of the asset or liability.

Contributions and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods.

When a donor restriction expires, 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 statements of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

The Organization reports gifts of goods as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions Receivable

Unconditional contributions that are pledged, but not received, prior to year-end are recorded as contributions receivable at year-end. All contributions receivable are recorded as current income, however, if restrictions are attached to the funds to be received, they will be reported as restricted net assets in the statement of financial position. All contributions receivable are considered by management to be fully collectible, and no allowance for doubtful accounts has been accrued.

Donated Services

Contributions of services are recognized in the financial statements if the services enhance or create non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated services are recorded using Level 3 inputs of the fair value hierarchy. Volunteer services are not recorded in the financial statements as these contributions do not meet the requirements to be recorded as revenue and expense.

Special Events

The Organization records special events revenue equal to the cost of direct benefits to donors, and contribution revenue for the difference. All goods and services are transferred at a point in time.

Note 1. Principal Activity and Significant Accounting Policies and Subsequent Event (continued)

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation, using inputs of the fair value hierarchy. Thereafter, investments are reported at their fair value in the statement of financial position. Net investment gain/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements. The fair value of investments in securities is based on the last reported sales price at December 31, 2021 and 2020, using Level 1 inputs of the fair value hierarchy.

Beneficial Interest in Investments – Endowment and Quasi Endowment

The Organization's quasi endowment implements the Board of Directors' decision to convert previously spendable assets to a beneficial interest in invested assets held by the Community Foundation that will produce long-term spendable income. Quasi endowments may be established with legally available, non-appropriated financial resources of the Organization that are either unrestricted as to their use, or under compatible restrictions, and in situations where the principal of the endowment is designated by the Board of Directors to not be expended. Changes to the quasi endowment, or expenditure of the principal of the quasi endowment, require the approval of the Board of Directors. This quasi endowment is held in an Endowment Fund by the Community Foundation in a commingled Fund with donor restricted endowments. Those donor restricted endowments will be held into perpetuity, as defined by the donor, and earnings on the investment may be used at the Organization's discretion.

Distributions from the quasi endowed portion of the fund are designated to be made available to the Organization at an annual rate established by the Community Foundation. The agreement states that the fund is not a separate trust, and that all assets of the fund are assets of the Community Foundation. The agreement also provides that the fund shall continue for as long as the Organization continues as a public charity, with the intent to make distributions to the Organization in accordance with the Organization's designations.

As the Organization has specified itself as the beneficiary of the fund and the transfer is not an equity transaction, the Organization has accounted for the fund as an asset in accordance with ASC 958-605-25-33, *Transfers that Are Not Contributions Because They Are Revocable, Repayable, or Reciprocal*. The quasi endowment fund is presented as beneficial interest in investments held by the Community Foundation of Northern Colorado on the Organization's statement of financial position.

Through the Community Foundation, the Organization invests in a managed portfolio that contains common stocks and bonds of publicly traded companies, U.S. Government obligations, mutual funds and money market funds. Investments are exposed to various risks such as interest rate, credit and overall market volatility.

Beneficial Interest in Investments – Operating Reserve

The Organization has established an operating reserve policy to govern the financial assets obligated to the operating reserve. The Organization has established a cash account with limited investment earning potential to hold a balance equal to one month of operating expenses. The Organization has further established a second account with the Community Foundation to hold a balance equal to five additional months of operating expenses. The intention of the Organization is to have six months of reserves for challenging circumstances such as economic downturns, changes in legislation, and other factors that would affect the Organization's ability to continue to meet the needs of single-parent families in Larimer County.

Note 1. Principal Activity and Significant Accounting Policies and Subsequent Event (continued)

Property and Equipment and Subsequent Event

Property and equipment additions over $1,000 are recorded at cost, or if donated, at fair value on the date of donation using the Level 3 inputs of the fair value hierarchy. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from five to thirty-nine years.

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. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. Subsequent to December 31, 2021, the Organization listed its Fort Collins office for sale while still using the space for operations. The expected sales price has been determined to be higher than the current net book value and therefore Management believes there is no impairment loss to be recognized. There were no indicators of asset impairment for the year ended December 31, 2020.

Functional Allocation of Expenses

The Organization allocates its expenses on a functional basis among its various programs including fundraising activities and support services by estimating the relative attention and effort exerted towards specific functional areas. The allocated expenses include compensation, occupancy, and certain other expenses. Other expenses and support services that can be identified with a specific function are allocated directly according to their natural expenditure classification.

Income Taxes

The Organization is a nonprofit corporation and qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision is made in these financial statements for income taxes.

The Organization adopted the recognition requirements for uncertainty in income taxes as required by ASC 740-10-50. The standard prescribes a comprehensive model for how an organization should recognize, measure, present and disclose in the financial statements uncertainty in income taxes. The Organization‘s income tax filings are subject to audit by various taxing authorities.

In evaluating the Organization’s tax provisions and accruals, interpretations and tax planning strategies are considered. The Organization believes their estimates are appropriate based on current facts and circumstances and have not recorded any reserves, or related accruals for interest and penalties for uncertainty in income taxes at December 31, 2021 and 2020.

Advertising

Advertising costs are expensed as incurred. Advertising expense for the year ended December 31, 2021 and 2020 was $982 and $6, respectively.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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 and those differences could be material.

Note 1. Principal Activity and Significant Accounting Policies (continued)

Subsequent Events

The Organization has evaluated subsequent events through May 25, 2022, the date the financial statements were available to be issued.

Note 2. Investments

The investment balance on the statement of financial position includes a $14,700 donor restricted endowment for the long term sustainability of the Organization at December 31, 2021 and 2020. That restricted corpus cannot be spent by the Organization. However, the earnings within the investment portfolio are unrestricted, and can be spent by the Organization immediately for any purpose the Organization chooses. The remaining investment balance consists of accumulated earnings which are donor restricted for the purpose of participant scholarships.

The Organization's investment assets are classified within Level 1 because they are comprised of securities with readily determinable fair values based on daily redemption values.

Investments at December 31, 2021 are presented in the statement of financial position at fair value and composed of the following:

Investments	Fair Value	Cost	Unrealized Gain/(Loss)
Equities	$ 982	$ 594	$ 388
Mutual funds	20,568	20,382	186
	$ 21,550	$ 20,976	$ 574

Investments at December 31, 2020 are presented in the statement of financial position at fair value and composed of the following:

Investments	Fair Value	Cost	Unrealized Gain/(Loss)
Equities	$ 1,015	$ 594	$ 421
Mutual funds	20,817	20,382	435
	$ 21,832	$ 20,976	$ 856

Note 3. Beneficial Interest in Investments Held at the Community Foundation of Northern Colorado

The fair values of beneficial interests in charitable and perpetual trusts are determined by management using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the underlying assets, and are based on the fair values of trust investments as reported by the trustees. The fair value of the Organization's beneficial interest in investments held by the Community Foundation is based on the fair value of fund investments as reported by Community Foundation and are considered to be Level 3 measurements determined by assuming a hypothetical transaction at the measurement date.

Note 3. Beneficial Interest in Investments Held at the Community Foundation of Northern Colorado (continued)

In 2006, the Uniform Law Commission approved the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"), which governs the investment and management of donor-restricted endowment funds by not-for-profit organizations. In 2008, the state of Colorado enacted UPMIFA, which provides for net asset classification of donor-restricted endowment funds that are subject to UPMIFA as well as additional disclosure requirements for both donor-restricted and Board-designated endowments.

Under this guidance, the portion of an endowment that is perpetual in nature shall be disclosed as permanently restricted net assets with donor restrictions. The remaining portion of accumulations to donor-restricted endowment funds that is not disclosed as permanently restricted net assets is disclosed as dictated by the donor or, in absence of donor stipulation, as temporarily restricted net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1) The duration and preservation of the fund.
2) The purposes of the organization and the donor-restricted endowment fund.
3) General economic conditions.
4) The possible effect of inflation/deflation.
5) The expected total return from income and the appreciation of investments.
6) Other resources of the organization.
7) The investment policies of the organization.

The Organization uses a variety of funds held at the Community Foundation, as follows as of December 31, 2021:

Fund Name	Designated Use	Balance without Donor Restrictions	Balance with Donor Restrictions	
			Restricted in Perpetuity	Restricted for Time/Purpose
Operating Reserve Fund (Tier 3)	Emergency and Operational Needs	$ 242,744	$ -	$ -
Endowment Fund (Endowment and Quasi-Endowment)	Long Term Stability & Sustainability	$ 1,271,312	$ 98,342	$ -
Legacy Scholarship Fund	Participant Scholarships	$ 27,922	$ 10,312	$ 72,008
Nancy Agency/ Project Self- Sufficiency Scholarships	Participant Scholarships	$ -	$ 17,490	$ 36,244
JoEllen Thornton Scholarship Fund	Participant Scholarships	$ -	$ 50,000	$ 14,063
Looper Family Scholarship Fund	Participant Scholarships	$ -	$ 20,000	$ 229,972
Total		$ 1,541,978	$ 196,144	$ 352,287

Note 3. Beneficial Interest in Investments Held at the Community Foundation of Northern Colorado (continued)

The Organization uses a variety of funds held at the Community Foundation, as follows as of December 31, 2020:

Fund Name	Designated Use	Balance without Donor Restrictions	Balance with Donor Restrictions: Restricted in Perpetuity	Balance with Donor Restrictions: Restricted for Time/Purpose
Operating Reserve Fund (Tier 3)	Emergency and Operational Needs	$ 231,736	$ -	$ -
Endowment Fund (Endowment and Quasi-Endowment)	Long Term Stability & Sustainability	$ 1,121,323	$ 98,342	$ -
Legacy Scholarship Fund	Participant Scholarships	$ -	$ 10,312	$ 53,601
Nancy Agency/ Project Self- Sufficiency Scholarships	Participant Scholarships	$ -	$ 17,490	$ 29,986
JoEllen Thornton Scholarship Fund	Participant Scholarships	$ -	$ 50,000	$ 11,158
Looper Family Scholarship Fund	Participant Scholarships	$ -	$ 20,000	$ 196,382
Total		$ 1,353,062	$ 196,144	$ 291,127

Note 4. Net Investment Return

Net investment return consists of the following for the year ended December 31, 2021 and 2020:

	2021	2020
Investments		
Interest and dividends	$ 1,536	$ 2,145
Net realized and unrealized gain (loss)	(538)	432
	998	2,577
Beneficial interest in Community Foundation		
Interest and dividends	28,006	31,406
Net realized and unrealized gain	206,849	172,332
Investment management fees	(14,679)	(12,522)
	$ 221,174	$ 193,793

Note 5. Property and Equipment and Subsequent Event

Property and equipment consisted of the following at December 31, 2021 and 2020:

	2021	2020
Building	$ 390,971	$ 390,971
Office furniture and equipment	14,405	14,405
Leasehold improvements	12,210	12,210
Less accumulated depreciation	(111,795)	(101,775)
	$ 305,791	$ 315,811

Subsequent to December 31, 2021, the Organization listed its Fort Collins office building for sale and entered into a contingent sales agreement. The building is still being used in operations at the time of listing and at the date of financial statement issuance.

Note 6. Paycheck Protection Program Loan

During the year ended December 31, 2020, the Organization received funds from the Federal Paycheck Protection Program through the CARES Act in the amount of $138,500. The Act provided initial funds as an unsecured loan agreement that bears interest of 1% per year. The Organization has elected to treat the funds as a conditional contribution in accordance with ASC 958-605, Not-for-Profit Entities: Revenue Recognition and has recognized contribution revenue as the qualifying expenses are incurred, shown as COVID-19 relief funding on the statement of activities. During the year ended December 31, 2021, the Organization applied for loan forgiveness in accordance with the terms of the Paycheck Protection Program, which was reviewed and approved by the Small Business Administration and the financial institution.

Note 7. Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2021 and 2020, consist of:

	2021	2020
Restricted by donors for		
Endowment – restricted in perpetuity	$ 210,844	$ 210,844
Scholarship Fund	352,287	359,865
Child Care Fund	202,287	170,689
Cool Kids Fund	24,088	29,163
Boundless Children’s Fund	9,215	7,638
Holiday Sponsorship Fund	11,491	14,636
	$ 810,212	$ 792,835

Net assets were released from restrictions as follows during the year ended December 31, 2021 and 2020:

	2021	2020
Restricted by donors for		
Scholarship Fund	$ 253,419	$ 197,715
Value of cars provided to families	36,208	51,019
Child Care Fund	12,833	18,553
Cool Kids Fund	14,600	16,300
Boundless Children’s Fund	3,422	4,061
Discover and Actualize Fund	70,994	95,950
Holiday Sponsorship Fund	38,011	27,520
COVID-19 relief funding	-	138,500
	$ 429,487	$ 549,618

Note 8. Leases

The Organization has entered into an operating lease for its office space. The lease requires monthly payments of $1,519 with final payments due March 30, 2021. During the year ended December 31, 2021, the Organization extended their lease for three years with the same requirements, with final payments due March 30, 2024. Total rent expense relating to this lease was $18,228 for each of the years ended December 31, 2021 and 2020.

The Organization's future minimum rental payments due in each years ending December 31, including the extended lease, are as follows:

	Amount
2022	18,228
2023	18,228
2024	4,557
	$ 41,013

Note 9. Retirement Plan

Employees are eligible to begin salary deferrals into the 401(k) plan on the first date of employment. The Organization with match up to 5% of deferrals made by employees. Employees are fully vested in contributions made by them and by the Organization. During the year ended December 31, 2021 and 2020, the Organization's contributions to the plan totaled $26,798 and $23,390, respectively.

Note 10. Liquidity and Availability of Financial Assets

The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Organization has the following financial assets that could readily be made available within one year of the statements of financial position dates to fund expenses without limitations at December 31:

	2021	2020
Cash and cash equivalents	$ 885,780	$ 815,394
Cash and cash equivalents – Operating Reserve Tier 1	418,947	418,147
Investments held at Community Foundation of Northern Colorado – Operating Reserve Tier 3	242,744	231,739
Accounts receivable	30,088	23,506
	$ 1,577,559	$ 1,488,786

The Organization also has liquidity in beneficial interest investments held at Community Foundation of Northern Colorado with donor restrictions for scholarships in the amount of $352,287 and $291,127 as of December 31, 2021 and 2020, as well as Board designated quasi endowments in the amount of $1,271,312 and $1,121,323 as of December 31, 2021 and 2020, respectively (Note 3).

The supply of affordable housing continues to be a very significant barrier for the single-parent families being served by the Organization. In pursuit of innovative solutions, the Organization's Board of Directors has approved a pilot project in partnership with key affordable housing partners. Rent subsidies will be paid from unrestricted endowment funds. The Board of Directors has designated a maximum allocation of $120,000 for use towards rent, of which no more than $40,000 is to be spent annually and is subject to an annual review by the Board of Directors. The pilot project was launched in 2021. At December 31, 2021, the remaining unspent balance of the housing pilot designation is $116,213.

Note 10. Liquidity and Availability of Financial Assets (continued)

In addition to financial assets available to meet general expenditures over the year, the Organization operates with a balanced budget and anticipates covering its general expenditures by collecting sufficient contributions and other revenues, and by utilizing donor-restricted resources from current and prior years gifts as needed. The statement of cash flows identifies the sources and uses of the Organization's cash. The statement shows net cash and cash equivalents provided by operating activities of $101,342 and $611,639 for the year ending December 31, 2021 and 2020, respectively.

Note 11. Trends and Uncertainties

In 2020 and 2021, domestic and international economies face uncertainty related to the impact of the COVID-19 disease. The Organization has been and may continue to be adversely affected through lack of employee availability, interruptions in operations and ability to serve program participants, volatility in investment markets, and decreases in revenue. Management is currently evaluating the impact it will have on future operations.