PROJECT SELF-SUFFICIENCY
OF LOVELAND – FORT COLLINS

FINANCIAL STATEMENTS

December 31, 2018

PROJECT SELF-SUFFICIENCY
OF LOVELAND – FORT COLLINS

TABLE OF CONTENTS

succeed rlr LLP
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Project Self-Sufficiency of Loveland – Fort Collins, which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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, as established by the Auditing Standards Board. Those standards require that we plan and perform the audit 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Project Self-Sufficiency of Loveland – Fort Collins as of December 31, 2018, 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.

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Correction of Error

As disclosed in Note 9 to the financial statements, Project Self-Sufficiency of Loveland – Fort Collins has restated its beginning net assets for the year ended December 31, 2018 for the recognition of accounts receivable, contribution revenue, accrued expenses, salaries expense and net assets in accordance with accounting principles generally accepted in the United States of America. Project Self Sufficiency of Loveland – Fort Collins recognized adjustments resulting in a decrease in net assets of $38,574 related to the restatement of previously reported balances as of December 31, 2017. Our opinion is not modified with respect to this matter.

RLR, LLP

Fort Collins, Colorado
August 22, 2019

PROJECT SELF SUFFICIENCY OF LOVELAND - FORT COLLINS

STATEMENT OF FINANCIAL POSITION
As of December 31, 2018

		2018
ASSETS		
Current Assets		
Cash and cash equivalents (Note 8)	$	650,050
Cash and cash equivalents - Operating Reserve Tier 1 (Note 8)		166,615
Beneficial interest in investments held at the Community Foundation of Northern Colorado - Operating Reserve Tier 3 (Notes 3 and 8)		73,070
Accounts receivable (Note 8)		43,927
Prepaid expenses		1,856
Total current assets		935,518
Noncurrent Assets		
Property and equipment, net		337,234
Investments (Note 2)		19,752
Beneficial interest in investments held at the Community Foundation of Northern Colorado (Notes 3 and 8)		1,130,221
Total noncurrent assets		1,487,207
Total assets	$	2,422,725
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$	6,270
Accrued salaries and related expenses		38,870
Total liabilities		45,140
NET ASSETS		
Net assets without donor restrictions		
Undesignated		350,796
Board designated - operating reserves Tiers 1 and 3		239,685
Board designated - invested in property and equipment		337,234
Board designated - quasi-endowments (Note 3)		721,256
Net assets with donor restrictions		
Restricted for purpose (Note 5)		517,770
Restricted in perpetuity - endowment corpus (Note 5)		210,844
Total net assets		2,377,585
Total liabilities and net assets	$	2,422,725

PROJECT SELF SUFFICIENCY OF LOVELAND - FORT COLLINS

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Fundraising and contributions	$ 678,806	$ 138,222	$ 817,028
United Way	72,625	9,600	82,225
Value of cars provided to families	-	48,562	48,562
In-kind donations	67,985	38,860	106,845
Grants	278,285	163,500	441,785
Interest income	17,121	7,039	24,160
Realized and unrealized (loss) on investments	(58,671)	(18,626)	(77,297)
Other income	35	-	35
Net assets released from restrictions	369,898	(369,898)	-
Total revenue, support, and gains	1,426,084	17,259	1,443,343
Expenses			
Program services	1,111,051	-	1,111,051
Management and general	120,616	-	120,616
Fundraising	156,193	-	156,193
Total expenses	1,387,860	-	1,387,860
Change in Net Assets	38,224	17,259	55,483
Net Assets, Beginning of Year As Restated (Note 9)	1,610,747	711,355	2,322,102
Net Assets, End of Year	$ 1,648,971	$ 728,614	$ 2,377,585

See accompanying notes to financial statements

PROJECT SELF-SUFFICIENCY OF LOVELAND - FORT COLLINS

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2018

	Program Services	Management and General	Fundraising	Total
Salaries and benefits	$ 465,570	$ 100,088	$ 97,718	$ 663,376
Payroll taxes	31,001	6,793	6,434	44,228
Program direct expenses for participants/families	474,232	-	-	474,232
Occupancy	35,302	4,234	3,930	43,466
Office expenses	15,328	1,891	24,994	42,213
Contract services	32,481	4,105	11,798	48,384
Insurance	6,452	500	464	7,416
Travel	5,114	690	1,822	7,626
Miscellaneous, gifts in kind	8,975	1,439	2,870	13,284
Recognition activities - staff, volunteers, and donors	4,518	545	2,442	7,505
Depreciation	9,381	331	308	10,020
Special event expenses/ program outreach	22,697	-	3,413	26,110
Total Expenses	$ 1,111,051	$ 120,616	$ 156,193	$ 1,387,860

See accompanying notes to financial statements

PROJECT SELF-SUFFICIENCY OF LOVELAND - FORT COLLINS

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2018

		2018
Cash flows from operating activities		
Change in net assets	$	55,483
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation expense		10,020
Unrealized (gain)/loss on investments		739
Change in value of beneficial interest in investments		55,190
Changes in assets and liabilities:		
(Increase) in accounts receivable		(23,927)
(Increase) in prepaid expense		(1,075)
(Decrease) in accrued salaries		(17)
(Decrease) in accounts payable		(3,207)
Net cash provided by operating activities		93,206
Cash flows from investing activities		
Proceeds from sale of investments		15,253
Purchase of investments		(21,470)
Transfers to beneficial interest in investments		(89,513)
Net cash (used) by investing activities		(95,730)
Net change in cash and cash equivalents		(2,524)
Cash and cash equivalents, beginning of year		819,189
Cash and cash equivalents, end of year	$	816,665
Non-cash items		
Donation of vehicles, materials and services - operating activities	$	155,407

Note 1. Principal Activity and Significant Accounting Policies

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.

Our goal is to create a pathway out of poverty that is sustained for generations; our 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. Our 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.

New Accounting Pronouncement

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. The Organization has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively. The new standard changes the following aspects of the Organization’s financial statements: (a) the temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions (b) the unrestricted net asset class has been renamed net assets without donor restrictions (c) the financial statements include a new disclosure about liquidity and availability of resources (Note 8).

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. The Organization had $728,614 of net assets with donor restrictions at December 31, 2018.

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

Basis of Presentation (continued)

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.

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, 2018.
- 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.

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

Fair Value (continued)

- Level 3 - Unobservable inputs for the asset or liability. In these situations, the Organization develops inputs using the best information available in the circumstances.

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

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. 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. Volunteer services are not recorded in the financial statements as these contributions do not meet the requirements to be recorded as revenue and expense.

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.

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

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.

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.

Property and Equipment

Property and equipment additions over $500 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. There were no indicators of asset impairment during the year ended December 31, 2018.

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

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 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, 2018.

Advertising

Advertising costs are expensed as incurred. Advertising expense for the year ended December 31, 2018 was $1,476.

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.

Subsequent Events

The Organization has evaluated subsequent events through August 22, 2019, 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. 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 stocks with readily determinable fair values based on daily redemption values.

Note 2. Investments (continued)

Investments at December 31, 2018 are presented in the statement of financial position at fair value and composed of the following:

Investments	Fair Value	Cost	Unrealized Gain/(Loss)
Equities	$ 653	$ 642	$ 11
Mutual funds	19,099	19,849	(750)
	$ 19,752	$ 20,491	$ 739

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.

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.

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, 2018:

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	$ 73,070	$ -	$ -
Endowment Fund (Endowment and Quasi-Endowment)	Long Term Stability & Sustainability	$ 721,256	$ 98,342	$ -
Legacy Scholarship Fund	Participant Scholarships	$ -	$ 10,312	$ 27,001
Nancy Agency/ Project Self-Sufficiency Scholarships	Participant Scholarships	$ -	$ 17,490	$ 25,025
JoEllen Thornton Scholarship Fund	Participant Scholarships	$ -	$ 50,000	$ 12,028
Looper Family Scholarship Fund	Participant Scholarships	$ -	$ 20,000	$ 148,767
Total		$ 794,326	$ 196,144	$ 212,821

Note 4. Net Investment Return (Loss)

Net investment return (loss) consists of the following for the year ended December 31, 2018:

	2018
Investments	
Interest and dividends	$ 3,366
Net realized and unrealized gain (loss)	(1,313)
	2,053
Community Foundation of Northern Colorado investments	
Interest and dividends	31,491
Net realized and unrealized (loss)	(76,338)
Investment management fees	(10,343)
	$ (53,137)

Note 5. Net Assets with Donor Restrictions

Net assets with donor restrictions at December 31, 2018, consist of:

	2018
Restricted by donors for	
Endowment – restricted in perpetuity	$ 210,844
Scholarship Fund	338,539
Child Care Fund	98,849
Housing Fund	21,023
Cool Kids Fund	34,629
Boundless Children's Fund	7,511
Mental Health Fund	2,556
Holiday Sponsorship Fund	14,663
	$ 728,614

Net assets were released from restrictions as follows during the year ended December 31, 2018:

	2018
Restricted by donors for	
Scholarship Fund	$ 164,269
Transportation Fund	19,594
Value of cars provided to families	48,562
Child Care Fund	15,955
Housing Fund	17,922
Cool Kids Fund	16,950
Boundless Children's Fund	7,456
Mental Health Fund	6,038
Holiday Sponsorship Fund	12,480
Participant Assistance Fund	26,645
In-kind donations	34,027
	$ 369,898

Note 6. 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. Total rent expense relating to this lease for December 31, 2018 was $18,228.

The Organization's future minimum rental payments due in each years ending December 31 are as follows:

	Amount
2019	$ 18,228
2020	18,228
2021	4,557
	$ 41,013

Note 7. 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, 2018, the Organization's contributions to the plan totaled $23,687.

Note 8. 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:

	2018
Cash and cash equivalents	$ 650,050
Cash and cash equivalents – Operating Reserve Tier 1	166,615
Investments held at Community Foundation of Northern Colorado – Operating Reserve Tier 3	73,070
Accounts receivable	43,927
	$ 933,662

At December 31, 2018, the Organization has net assets with donor restrictions in the amount of $304,949, which the Organization intends to satisfy through the expenditure of the cash and cash equivalents balance presented above. 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 $212,821 as of December 31, 2018, as well as Board designated quasi endowments in the amount of $721,256 as of December 31, 2018 (Note 3). 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 and shows net cash and cash equivalents used by operating and investing activities of $2,524 for the year ending December 31, 2018.

Note 9. Restatement and Reclassification of Previously Reported Balances

During the year ended December 31, 2018, the Organization restated its financial statements for the year ending December 31, 2017 to reflect accounts receivable, fundraising and contribution revenue, grant revenue, accrued expenses, salaries expenses, and net assets in accordance with accounting principles generally accepted in the United States of America.

Note 9. Restatement and Reclassification of Previously Reported Balances (continued)

The effect of these restatements on each financial statement line item and cumulative effect on net assets is as follows:

Financial Statement Line Item	Previously Reported December 31, 2017		Adjustment to Restate December 31, 2017		Restated December 31, 2017	
Effect on Statement of Financial Position						
Accounts receivable	$	46,863	$	(26,863)	$	20,000
Accrued payroll	$	27,176	$	11,711	$	38,887
Fundraising and contributions revenue	$	995,408	$	(21,863)	$	973,545
Grants revenue	$	515,013	$	(5,000)	$	510,013
Salaries and benefits expense	$	643,208	$	11,711	$	654,919
Net assets	$	2,360,676	$	(38,574)	$	2,322,102

The Organization also made certain reclassifications to its financial statements for the year ending December 31, 2017 for current and noncurrent assets, as well as activities for net assets with donor restrictions and net assets without donor restrictions, with no impact to total net assets. The reclassification also includes the separation for donor restricted endowment vs. quasi endowment in a commingled fund held by the Community Foundation. The cumulative reclassification between net assets with donor restrictions and net assets without donor restrictions for the year ended December 31, 2017 was a $365,322 increase to net assets with donor restrictions. Included in the increase to net assets with donor restrictions is $269,680 for donor restrictions for purpose and $95,642 for donor restrictions into perpetuity.