

**FAMILY RESOURCE AND YOUTH SERVICES  
COALITION OF KENTUCKY, INC.**

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED JUNE 30, 2016

PREPARED BY  
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**Family Resource and Youth Services Coalition of Kentucky, Inc.**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Family Resource and Youth Services  
Coalition of Kentucky, Inc.

I have audited the accompanying financial statements of Family Resource and Youth Services Coalition of Kentucky, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities 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**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Board of Directors  
Family Resource and Youth Services  
Coalition of Kentucky, Inc.  
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**Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family Resource and Youth Services Coalition of Kentucky, Inc. as of June 30, 2016, 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.

January 20, 2017

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**Family Resource and Youth Services Coalition of Kentucky, Inc.**

Statement of Financial Position

June 30, 2016

ASSETS

Current Assets	
Cash in Bank	\$ 54,489
Certificates of Deposit	43,411
Accounts Receivable	<u>2,065</u>
Total Current Assets	<u>99,965</u>
Property and Equipment	
Equipment	975
Software	6,500
Accumulated Depreciation	<u>(7,475)</u>
Net Property and Equipment	<u>0</u>
Total Assets	<u>\$ 99,965</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Deferred Revenue	<u>\$ 6,805</u>
Total Current Liabilities	<u>6,805</u>
Total Liabilities	<u>6,805</u>
Net Assets	
Unrestricted	93,160
Total Net Assets	<u>93,160</u>
Total Liabilities and Net Assets	<u>\$ 99,965</u>

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# Family Resource and Youth Services Coalition of Kentucky, Inc.

## Statement of Activities

For the Year Ended June 30, 2016

Revenues	
Membership Dues	\$ 30,760
Program Development	49,822
Conference	138,366
Store and Merchandise	7,833
Interest Income	<u>437</u>
Total Income	<u>227,218</u>
Expenses	
Advertising	425
Conferences	121,995
Depreciation	1,897
Dues and Subscriptions	265
Insurance	2,423
Meetings	13,099
Miscellaneous	1,309
Postage	1,270
Printing	1,920
Professional Fees	33,351
Scholarship	735
Supplies	1,788
Travel	22,863
Web Hosting	<u>1,360</u>
Total Operating Expenses	<u>204,700</u>
Change in Net Assets	22,518
Net Assets, Beginning of year	<u>70,642</u>
Net Assets, End of year	<u>\$ 93,160</u>

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See accompanying notes.

**Family Resource and Youth Services Coalition of Kentucky, Inc.**

Statement of Cash Flows  
For the year ended June 30, 2016

Cash flows from operating activities:

Change in net assets	\$ 22,518
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	1,897
Decrease/(Increase) in current assets:	
Accounts receivable	25,506
Increase/ (Decrease) in current liabilities:	
Accounts payable	(761)
Deferred revenue	<u>1,275</u>
Net cash provided by operating activities	<u>50,435</u>
Increase in cash	50,435
Cash, beginning of year	<u>47,465</u>
Cash, end of year	<u><u>\$ 97,900</u></u>

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**Family Resource and Youth Services Coalition of Kentucky, Inc.**  
Notes to the Financial Statements  
For the Year Ended June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Family Resource and Youth Services Coalition of Kentucky, Inc. (“The Organization”) is a not-for-profit organization established on June 1, 1992 to promote a network, including educators, family support practitioners and other human service providers who strive to remove educational barriers to learning, in order to learn from each other, share resources and collaborate more effectively on behalf of families, youth, and children. The Organization received approximately 61% of its revenue from conference fees and sponsorships.

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

Basis of Presentation

Financial statement presentation follows the recommendations of the Federal Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization’s net assets are all unrestricted.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks, including certificates of deposit.

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**Family Resource and Youth Services Coalition of Kentucky, Inc.**  
Notes to the Financial Statements  
For the Year Ended June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Capital Assets

Expenditures for equipment are capitalized and depreciated over the useful lives using the straight line method. There were no capital leases in the year ended June 30, 2016.

NOTE 2 – ACCOUNTS RECEIVABLE

Accounts receivable are recorded for the full amount due to the organization.

Accounts receivable at June 30, 2016 consists of the following:

Membership Fees	\$ 40
Conference Fees	1,514
Store Merchandise	<u>511</u>
	<u>\$ 2,065</u>

Uncollectible accounts are charged to bad debt expense when they are declared uncollectible. Management believes the results of this method approximate the allowance for doubtful accounts.

NOTE 3 – CHANGES IN FIXED ASSETS

Beginning balance	\$7,475
Additions	-0-
Disposals	<u>-0-</u>
Ending balance	<u>\$7,475</u>

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**Family Resource and Youth Services Coalition of Kentucky, Inc.**

Notes to the Financial Statements  
For the Year Ended June 30, 2016

NOTE 4 – INCOME TAX STATUS

The Organization is exempt from taxation pursuant to the Internal Revenue Code Section 501 (c) (3).

The Organization's *Form 990, Return of Organization Exempt from Income Tax*, for the years of 2014, 2015, and 2016 are subject to examination by the IRS or other applicable tax jurisdictions.

NOTE 5 – DEFERRED REVENUE

Deferred revenue consists of prepayments of conference fees.

NOTE 6 – CONTRACTS

The Organization entered into annual service agreements, with Organizational Management and Planning, Inc. (OMP, Inc.), to provide the Organization with administrative management services and a separate agreement to provide conference and special event management services. The total amount of the administrative management contract was \$24,402. The total amount of the conference and special event management contract was \$25,650. The total amount paid to OMP, Inc. for these services for the year ended June 30, 2016 was \$47,432.

NOTE 7– SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 23, 2017, the date on which the financial statements were issued.

The Organization has replaced Brian Akers as president, due to term ending, with Leslie Hall. The Organization also voted to invest funds in a stock fund (Wells Fargo Investments) with a goal of making higher return than only investing in Certificates of Deposit. The account was opened in August 2016 with a \$25,000 investment.

The Organization has entered into contracts with hotels to host conferences through 2017. The contracts subject the Organization to certain room block attrition fees and food and beverage minimum fees should the meeting fail to attract the anticipated number of attendees. The contracts also contain cancellation fees, which vary based on the dates the cancellation notices are given. The Organization's estimated contractual commitments for future conferences as of January 20, 2017 totaled approximately \$182,641.

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