

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

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED JUNE 30, 2023

PREPARED BY  
**VICKIE C. RICHARDSON, CPA, PSC**  
114 EAST HIGH STREET  
MT. STERLING, KY 40353

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

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*Vickie C. Richardson, CPA, PSC*  
*114 East High Street*  
*Mount Sterling, KY 40353*

## INDEPENDENT AUDITOR'S REPORT

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

### **Opinion**

We 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, 2023, and the related statements of activities 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 Family Resource and Youth Services Coalition of Kentucky, Inc., as of June 30, 2023, 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.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Family Resource and Youth Services Coalition of Kentucky, Inc., 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 Family Resource and Youth Services Coalition of Kentucky, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's 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 it not absolute assurance 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 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 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, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements 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 Family Resource and Youth Services of Kentucky, Inc.'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 Family Resource and Youth Services of Kentucky, Inc.'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.

*Vickie C. Richardson, CPA, PSC*

Mt. Sterling, Kentucky  
June 24, 2024

This report contains 9 pages.

*Vickie C. Richardson, CPA, PSC*

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

Statement of Financial Position

June 30, 2023

ASSETS

Current Assets	
Cash in Bank	\$ 82,347
Investments	59,864
Accounts Receivable	<u>6,111</u>
Total Current Assets	<u>148,322</u>
Property and Equipment	
Software	6,500
Accumulated Depreciation	<u>(6,500)</u>
Net Property and Equipment	<u>0</u>
Total Assets	<u>\$ 148,322</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts Payable	\$ 5,874
Deferred Revenue	<u>8,800</u>
Total Current Liabilities	<u>14,674</u>
Total Liabilities	<u>14,674</u>
Net Assets	
Net Assets Without Donor Restrictions	<u>133,648</u>
Total Liabilities and Net Assets	<u>\$ 148,322</u>

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

## Statement of Activities

For the Year Ended June 30, 2023

### Revenues

Membership Dues	\$	52,914
Program Development		88
Conference		185,766
Store and Merchandise		1,929
Miscellaneous		400
Hero Fund		24,718
Unrealized Gain on Investments		1,962
Investment Income		1,767
FRYSC-STRONG4KY		<u>31,686</u>

Total Income 301,230

### Expenses

Charitable Gifts		70,020
Conferences		44,354
Dues and Subscriptions		1,223
Insurance		2,876
Management Fees		57,785
Meetings		118,230
Miscellaneous		3,735
Postage		747
Printing		1,914
Professional Fees		11,335
Scholarship		500
Supplies		619
Legislative Page Days		2,503
Gala		33,375
Travel		22,077
Web Hosting		<u>1,780</u>

Total Operating Expenses 373,073

Change in Net Assets -71,843

Net Assets, Beginning of year 205,491

Net Assets, End of year \$ 133,648

See accompanying notes.

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

Statement of Cash Flows  
For the year ended June 30, 2023

Cash flows from operating activities:

Change in net assets	\$ (71,843)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Net realized and unrealized gain on investments:	(2,897)
Decrease/(Increase) in current assets:	
Accounts receivable	2,922
Prepaid expenses	1,000
Increase/(Decrease) in current liabilities:	
Deferred revenue	(2,014)
Accounts payable	<u>4,883</u>
Net cash used by operating activities	<u>(67,949)</u>
Decrease in cash	(67,949)
Cash, beginning of year	<u>150,296</u>
Cash, end of year	<u><u>\$ 82,347</u></u>

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

Notes to the Financial Statements

For the Year Ended June 30, 2023

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Organization**

Family Resource and Youth Services Coalition of Kentucky, Inc. (FRYSCKY) 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 62% of its revenue from conference fees and sponsorships, and approximately 19% from donations.

### **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.

### **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.

### **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, 2023.

### **Revenue Recognition**

Membership dues are recognized in the applicable membership period. Conference registrations are recognized in the period the conference is held. All other revenues are recognized when the revenues are collected.

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

Notes to the Financial Statements

For the Year Ended June 30, 2023

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Fair Value of Financial Instruments

FRYSCKY follows the provisions of FASB ASC 820, *Fair Value Measurements and Disclosures*, (ASC 820) for fair value measurements of financial assets and financial liabilities, and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. ASC 820 defines fair value as 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. ASC 820 also establishes a three-tier hierarchy to classify fair market measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk.

The three tier hierarchy of inputs is summarized in the three broad levels listed as follows.

- Level 1 – quoted prices in active markets for identical assets.
- Level 2 – other significant observable inputs (including quoted prices for similar assets, interest rates, prepayment speeds, and credit risk)
- Level 3 – significant unobservable inputs (including FRYSCY's assumptions in determining the fair value of assets)

## NOTE 2 – ACCOUNTS RECEIVABLE

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

Accounts receivable at June 30, 2023 consist of conference registration, sponsorships, and membership dues.

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	\$6,500
Additions	-0-
Disposals	<u>-0-</u>
Ending balance	<u>\$6,500</u>

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

Notes to the Financial Statements

For the Year Ended June 30, 2023

## NOTE 4 – INVESTMENTS

The Organizations investments are as follows:

Mutual funds	\$ 59,864
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Investments income consist of:

Interest and dividend income	\$ 107
Net realized and unrealized gain on investments	<u>3,622</u>
	<u>\$ 3,729</u>

## NOTE 5 – 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 2021, 2022, and 2023 are subject to examination by the IRS or other applicable tax jurisdictions.

## NOTE 6– DEFERRED REVENUE

Deferred revenue consists of prepayments of conference fees and membership dues.

## NOTE 7 – FAIR MARKET MEASUREMENTS

FASB Statement No. 157, *Fair Value Measurements*, as codified by Accounting Standards Codification (ASC) 820-10, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 or 3 inputs were used by the Organization.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2023.

### Recurring Fair Value Measurements

		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$	<u>59,864</u>	<u>-</u>	<u>-</u>	<u>\$ 59,864</u>
Total assets at fair value	\$	<u>59,864</u>	<u>-</u>	<u>-</u>	<u>\$ 59,864</u>

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

Notes to the Financial Statements

For the Year Ended June 30, 2023

## NOTE 7 – FAIR MARKET MEASUREMENTS - CONTINUED

The fair value option was chosen to measure the investments in order to mitigate volatility in reported changes in net assets.

## NOTE 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has \$148,262 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures, consisting of cash of \$82,347, accounts receivable of \$6,111, and \$59,864 in investment funds. The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

## NOTE 9– CONTRACTS

The Organization entered into an annual service agreement, with Organizational Management and Planning, Inc. (OMP, Inc.), to provide the Organization with business management and conference and special event services. The term of the contract was July 1, 2022, through June 30, 2023. The total amount of the contract was \$53,340 (2023). The total amount paid to OMP, Inc. for these services for the year ended June 30, 2023, was \$53,340.

The Organization entered into a contract with The Kentucky Castle on February 10, 2023, for an event to be held at The Kentucky Castle on May 5, 2023. The contract required a \$10,000 deposit, due at signing and the remaining balance of \$24,860 due before the event. The organization paid the deposit and remaining balance during the year ended June 30, 2023.

## NOTE 10– SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 24, 2024, the date on which the financial statements were issued.