



FINANCIAL REPORT
(Audited)

Year Ended June 30, 2019

FAMILY ADVOCACY AND COMMUNITY TRAINING, INC.
FINANCIAL REPORT

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Hochschild, Bloom & Company LLP
Certified Public Accountants
Consultants and Advisors

INDEPENDENT AUDITOR'S REPORT

November 21, 2019

The Board of Directors
FAMILY ADVOCACY AND COMMUNITY TRAINING, INC.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the **FAMILY ADVOCACY AND COMMUNITY TRAINING, INC.** (the Organization), a nonprofit organization, which are comprised of the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years 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 of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Organization'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

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the Organization'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 the Organization as of June 30, 2019 and 2018, and the changes in its net assets, functional expenses and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

The Organization adopted ASU 2016-14, Not-for-Profit Entities (Topic 958) - *Presentation of Financial Statements of Not-for-Profit Entities* for the year ended June 30, 2019. The ASU has been applied retrospectively to all periods presented and our opinion is not modified with respect to this matter.

Hochschild, Bloom + Company LLP

CERTIFIED PUBLIC ACCOUNTANTS

Chesterfield, Missouri

FAMILY ADVOCACY AND COMMUNITY TRAINING, INC.
STATEMENTS OF FINANCIAL POSITION

	June 30	
	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 78,774	329,617
Investments	262,703	248,578
Accounts receivable	509,300	219,757
Prepaid expenses	49,933	37,513
Total Current Assets	900,710	835,465
Other Assets		
Certificate of deposit	22,599	22,599
Fixed Assets, net of accumulated depreciation	5,244	11,773
Total Assets	\$ 928,553	869,837
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 38,392	24,501
Accrued expenses	84,562	83,622
Total Current Liabilities	122,954	108,123
Net Assets		
With donor restrictions	25,999	30,173
Without donor restrictions	779,600	731,541
Total Net Assets	805,599	761,714
Total Liabilities And Net Assets	\$ 928,553	869,837

FAMILY ADVOCACY AND COMMUNITY TRAINING, INC.**STATEMENT OF ACTIVITIES****FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS, AND OTHER SUPPORT			
Program service fees	\$ 2,356,369	-	2,356,369
Contributions	4,062	41,620	45,682
Special events revenue (less costs of direct benefits to donors of \$26,241)	47,092	-	47,092
Net investment return	14,928	47	14,975
Miscellaneous	7,936	-	7,936
Net assets released from restriction for satisfaction of program restrictions	45,841	(45,841)	-
Total Revenues, Gains, And Other Support	<u>2,476,228</u>	<u>(4,174)</u>	<u>2,472,054</u>
EXPENSES			
Program services:			
Educational advocacy	394,554	-	394,554
Family support	1,094,268	-	1,094,268
Parent partner pilot	510,611	-	510,611
People first	61,874	-	61,874
Lay advocacy	18,959	-	18,959
Other	14,590	-	14,590
Total Program Services	<u>2,094,856</u>	<u>-</u>	<u>2,094,856</u>
Supporting services:			
Management and general	329,849	-	329,849
Fundraising and development	3,464	-	3,464
Total Supporting Services	<u>333,313</u>	<u>-</u>	<u>333,313</u>
Total Expenses	<u>2,428,169</u>	<u>-</u>	<u>2,428,169</u>
CHANGE IN NET ASSETS	48,059	(4,174)	43,885
NET ASSETS, JULY 1	<u>731,541</u>	<u>30,173</u>	<u>761,714</u>
NET ASSETS, JUNE 30	<u>\$ 779,600</u>	<u>25,999</u>	<u>805,599</u>

FAMILY ADVOCACY AND COMMUNITY TRAINING, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, SUPPORT, AND GAINS			
Program service fees	\$ 2,009,303	-	2,009,303
Contributions	1,525	16,550	18,075
Special events revenue (less costs of direct benefits to donors of \$32,951)	43,997	-	43,997
Net investment return	3,002	47	3,049
Miscellaneous	7,000	-	7,000
Net assets released from restrictions for satisfaction of program restrictions	20,688	(20,688)	-
Total Revenues, Support, and Gains	2,085,515	(4,091)	2,081,424
EXPENSES			
Program services:			
Educational advocacy	388,675	-	388,675
Family support	995,949	-	995,949
Parent partner pilot	379,532	-	379,532
People first	56,466	-	56,466
Other	22,334	-	22,334
Total Program Services	1,842,956	-	1,842,956
Supporting services:			
Management and general	206,365	-	206,365
Fundraising and development	3,565	-	3,565
Total Supporting Services	209,930	-	209,930
Total Expenses	2,052,886	-	2,052,886
CHANGE IN NET ASSETS	32,629	(4,091)	28,538
NET ASSETS, JULY 1	698,912	34,264	733,176
NET ASSETS, JUNE 30	\$ 731,541	30,173	761,714

FAMILY ADVOCACY AND COMMUNITY TRAINING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

	Program Services							Supporting Services							Total
	DDRB- Educational Advocacy	DDRB- Parent Partner Pilot	DDRB- People First	Compass Health- Family Support	PLB- Family Support	Warren County- Parent Partner Pilot	Jefferson County- Parent Partner Pilot	Lay Advocacy	Other	Total Program Services	Management And General	Fundraising And Development	Direct Benefits To Donors	Total Supporting Services	
Personnel costs:															
Salaries	\$ 248,785	238,084	33,152	553,922	57,322	9,303	16,832	11,894	-	1,169,294	214,623	2,689	-	217,312	1,386,606
Employee benefits	43,693	50,234	7,555	115,754	9,439	1,433	2,992	2,895	-	233,995	22,128	552	-	22,680	256,675
Payroll taxes	19,616	18,833	2,660	43,717	4,391	771	1,319	910	-	92,217	17,263	223	-	17,486	109,703
Total Personnel Costs	312,094	307,151	43,367	713,393	71,152	11,507	21,143	15,699	-	1,495,506	254,014	3,464	-	257,478	1,752,984
Advertising	655	903	40	1,262	90	-	24	-	-	2,974	466	-	-	466	3,440
Building maintenance	1,874	3,533	109	2,155	442	-	237	-	-	8,350	731	-	-	731	9,081
Capacity building	-	-	-	-	15,000	-	-	-	-	15,000	-	-	-	-	15,000
Client services	228	607	8	269	19	-	5	-	-	1,136	262	-	-	262	1,398
Communications	6,887	7,870	683	21,277	1,488	105	190	-	-	38,500	6,307	-	-	6,307	44,807
Contractual	19,480	25,564	1,963	53,185	5,212	-	492	-	-	105,896	17,929	-	-	17,929	123,825
Depreciation	1,056	1,205	107	2,901	243	-	33	-	-	5,545	985	-	-	985	6,530
Dues and subscriptions	2,938	841	75	2,225	209	-	11	-	-	6,299	687	-	-	687	6,986
Equipment rental	1,769	2,018	179	4,861	407	-	56	-	-	9,290	1,650	-	-	1,650	10,940
Family empowerment	-	842	(7)	3,186	-	-	-	-	-	4,021	378	-	-	378	4,399
Fundraising/development	150	-	-	-	-	-	-	-	-	150	-	-	12,911	12,911	13,061
Harmon grant expense	-	-	-	-	-	-	-	-	14,090	14,090	-	-	-	-	14,090
Insurance	2,130	2,408	215	5,820	464	-	63	-	-	11,100	1,964	-	-	1,964	13,064
Mileage	4,653	31,986	1,748	71,961	8,963	254	3,298	-	-	122,863	4,043	-	-	4,043	126,906
Office	21,794	25,764	1,412	33,601	3,732	1	2,173	1,169	-	89,646	19,497	-	-	19,497	109,143
Rent	12,405	14,150	1,258	34,078	2,853	-	383	-	-	65,127	11,565	-	13,330	24,895	90,022
Research	-	30,904	-	-	-	-	-	-	-	30,904	-	-	-	-	30,904
Scholarships	-	-	-	-	-	-	-	-	500	500	-	-	-	-	500
Seminars and conferences	6,441	14,635	10,717	21,763	1,937	-	255	2,091	-	57,839	9,371	-	-	9,371	67,210
Services for children, youth, and families	-	-	-	10,120	-	-	-	-	-	10,120	-	-	-	-	10,120
Total Expenses	394,554	470,381	61,874	982,057	112,211	11,867	28,363	18,959	14,590	2,094,856	329,849	3,464	26,241	359,554	2,454,410
Less - Expenses included with revenues on the statement of activities	-	-	-	-	-	-	-	-	-	-	-	-	26,241	26,241	26,241
Total Expenses In The Expenses Section Of The Statement Of Activities	\$ 394,554	470,381	61,874	982,057	112,211	11,867	28,363	18,959	14,590	2,094,856	329,849	3,464	-	333,313	2,428,169

FAMILY ADVOCACY AND COMMUNITY TRAINING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

	Program Services						Supporting Services					Total
	DDR- Educational Advocacy	DDR- Parent Partner Pilot	DDR- People First	CCR- Family Support	PLB- Family Support	Other	Total Program Services	Management And General	Fundraising And Development	Direct Benefits To Donors	Total Supporting Services	
Personnel costs:												
Salaries	\$ 246,471	234,456	32,948	572,011	3,877	4,452	1,094,215	115,512	2,326	-	117,838	1,212,053
Employee benefits	43,271	49,157	7,705	117,336	211	200	217,880	14,557	329	-	14,886	232,766
Payroll taxes	19,682	18,307	2,583	44,433	248	341	85,594	9,009	184	-	9,193	94,787
Total Personnel Costs	309,424	301,920	43,236	733,780	4,336	4,993	1,397,689	139,078	2,839	-	141,917	1,539,606
Advertising	159	150	14	393	-	-	716	117	-	-	117	833
Building maintenance	1,291	1,197	115	3,112	-	-	5,715	935	-	-	935	6,650
Client services	80	75	7	4,988	-	16,841	21,991	93	-	-	93	22,084
Communications	8,664	7,590	729	22,487	169	-	39,639	5,901	-	-	5,901	45,540
Contractual	18,594	16,664	2,660	51,856	-	-	89,774	13,622	-	-	13,622	103,396
Depreciation	1,303	1,734	118	3,720	-	-	6,875	2,363	-	-	2,363	9,238
Dues and subscriptions	1,238	1,146	165	3,055	-	-	5,604	907	-	-	907	6,511
Equipment rental	1,850	1,631	301	4,577	-	-	8,359	1,356	-	-	1,356	9,715
Family empowerment	12	386	1	30	-	-	429	9	-	-	9	438
Fundraising/development	88	-	-	-	-	-	88	-	726	18,635	19,361	19,449
Insurance	2,112	1,990	191	5,211	-	-	9,504	1,547	-	-	1,547	11,051
Mileage	3,363	17,971	1,737	83,031	35	-	106,137	2,081	-	-	2,081	108,218
Office	9,634	8,804	1,267	23,099	2,314	-	45,118	23,996	-	-	23,996	69,114
Rent	14,496	13,661	1,312	35,765	-	-	65,234	10,620	-	14,316	24,936	90,170
Scholarships	-	-	-	-	-	500	500	-	-	-	-	500
Seminars and conferences	16,367	4,613	4,613	13,991	-	-	39,584	3,740	-	-	3,740	43,324
Total Expenses	388,675	379,532	56,466	989,095	6,854	22,334	1,842,956	206,365	3,565	32,951	242,881	2,085,837
Less - Expenses included with revenues on the statement of activities	-	-	-	-	-	-	-	-	-	32,951	32,951	32,951
Total Expenses In The Expenses Section Of The Statement Of Activities	<u>\$ 388,675</u>	<u>379,532</u>	<u>56,466</u>	<u>989,095</u>	<u>6,854</u>	<u>22,334</u>	<u>1,842,956</u>	<u>206,365</u>	<u>3,565</u>	<u>-</u>	<u>209,930</u>	<u>2,052,886</u>

FAMILY ADVOCACY AND COMMUNITY TRAINING, INC.

STATEMENTS OF CASH FLOWS

	For The Years Ended June 30	
	2019	2018
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash flows from operating activities:		
Program service payments received	\$ 2,066,825	2,003,943
Contributions received	45,682	18,075
Receipts from special events	47,092	43,997
Other cash receipts/payments	7,936	7,000
Payments for salaries, benefits, and payroll taxes	(332,873)	(215,484)
Payments to vendors	(2,086,355)	(1,821,975)
Interest received	850	536
Net Cash Provided By (Used In) Operating Activities	(250,843)	36,092
CASH AND CASH EQUIVALENTS, JULY 1	329,617	293,525
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 78,774	329,617

FAMILY ADVOCACY AND COMMUNITY TRAINING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies consistently applied by **FAMILY ADVOCACY AND COMMUNITY TRAINING, INC.** (the Organization) in the preparation of the accompanying financial statements are summarized below:

1. Nature of Operations

The Organization is a nonprofit organization incorporated May 1987 whose purpose is to enhance the opportunities and quality of life for children and adults with disabilities. The Organization achieves this objective through parent training, emotional support, direct advocacy, community education, self-advocacy, and navigation for those families in need in St. Charles, St. Louis, Jefferson, Lincoln, Franklin, and Warren Counties in Missouri.

Program services are provided in the following principal areas:

Educational Advocacy -- The Organization helps parents get their children's needs met at school by assisting in Individualized Education Program meetings, 504 Plan meetings, and other school related issues. All advocates are SEAT certified by COPAA.

Family Support Program and Parent Partner Pilot -- The Organization provides Parent Support Partners. They attend school meetings with the family, locate resources, assist in setting goals and developing plans to achieve them, educate families on effective communication and provide a shoulder to lean on during stressful times. This is a peer parent to parent mentor model and all of the Parent Support Partners are certified by the National Federation of Families for Children's Mental Health.

People First -- This is an organization run by, and for, people who have a developmental disability and who want to affect positive change in society.

2. Basis of Accounting

These financial statements are prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. Revenues and expenses are recognized in the period in which they are earned or incurred.

3. Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions -- Net assets available for use in general operations and not subject to donor restrictions.

FAMILY ADVOCACY AND COMMUNITY TRAINING, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Net Assets (Continued)

Net Assets With Donor Restrictions -- Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

4. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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 these estimates.

5. Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents, except for investments held in money market funds. All money market funds are recorded as investments.

6. Investments

The Organization records its marketable securities at fair value.

7. Accounts Receivable

Accounts receivable are considered fully collectible by the Organization's management. At June 30, 2019 and 2018, an allowance for doubtful accounts was not deemed necessary.

8. Fixed Assets

Fixed assets are carried at cost if purchased or at estimated fair value at time of donation if donated, less accumulated depreciation, computed using the straight-line method over lives ranging from 5 to 10 years.

FAMILY ADVOCACY AND COMMUNITY TRAINING, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Compensated Absences

Vacation is accrued per pay period and may be used with supervisor's approval after the accrual pay period is closed. Full-time staff accrue vacation time according to the following schedule:

<u>Years Of Service</u>	<u>Annual Vacation Time</u>
0 - 10	15 days
11 - 14	20 days
15+	25 days

Part-time staff accrue vacation days on a pro-rated basis, based on hours worked and length of service. Vacation time may be accrued and/or carried from one year to the next a maximum of 1½ times the annual accrual. Once the maximum accrual is met, additional vacation time will cease to accrue until the total is below the maximum accrual.

10. Revenue and Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of a benefit interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

11. Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities. The schedules of functional expenses present the natural classification detail of expenses by function. Accordingly, costs have been allocated among the programs and supporting services benefited based on time and effort tracked by management.

12. Fundraising

The Organization follows the policy of charging the cost of fundraising to expense as incurred. Fundraising expenses for special events amounted to \$26,241 and \$32,951 for the years ended June 30, 2019 and 2018, respectively.

13. Income Tax Uncertainties

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

FAMILY ADVOCACY AND COMMUNITY TRAINING, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Income Tax Uncertainties (Continued)

The Organization follows FASB accounting standards for uncertainty in income taxes. These standards require that uncertain income tax positions be “more likely than not” before the amounts are recognized in the financial statements. Further, the standards require the benefit or expense be recorded in the financial statements as the amount most likely to be realized assuming a review by tax authorities having all relevant information and applying current conventions. The Organization has assessed its federal and state tax positions and determined there were no uncertainties or possible related effects that need to be recorded as of and for the years ended June 30, 2019 and 2018.

Open Years -- The federal and state income tax returns of the Organization are subject to examination by the respective taxing authorities generally for three years after they were filed.

Income Tax Penalties and Interest Policy -- Penalties and interest assessed by income taxing authorities are included in operating expenses. The Organization did not incur income tax penalties or interest for the years ended June 30, 2019 and 2018.

14. Financial Instruments and Credit Risk

The Organization’s financial instruments are cash and cash equivalents, investments, accounts receivable, prepaid expenses, accrued expenses, and accounts payable. The recorded current portion of values of cash and cash equivalents, investments, accounts receivable, prepaid expenses, accrued expenses, and accounts payable approximate their fair values based on their short-term nature. See Note C for fair value measurements and disclosures of investments.

The Organization manages deposit concentration risk by placing cash with financial institutions believed by the Organization to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with accounts receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and foundations supportive of the mission. The Organization works with an investment advisor to implement their investment strategy. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization believes that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

At June 30, 2019, the Organization’s cash balances were fully insured, and at June 30, 2018 cash balances exceeded the federal insured limit by \$5,583.

15. Concentrations of Credit Risk

Compass Health Family Support and DDRB advocacy and parent partner grant represent 46%, 18%, and 22%, respectively, of total support for the year, and 86%, 51%, and 64%, respectively, of the receivable balance at June 30, 2019.

FAMILY ADVOCACY AND COMMUNITY TRAINING, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Concentrations of Credit Risk (Continued)

Compass Health Family Support and DDRB advocacy grant represent 55% and 20%, respectively, of total support for the year, and 44% and 47%, respectively, of the receivable balance at June 30, 2018.

NOTE B - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	June 30	
	2019	2018
Cash and cash equivalents	\$ 78,774	329,617
Certificate of deposit	22,599	22,599
Investments	262,703	248,578
Accounts receivable	<u>503,425</u>	<u>219,757</u>
Total Financial Assets	867,501	820,551
Less - Amounts not available to be used within one year:		
Amounts with donor purpose restrictions	<u>(25,999)</u>	<u>(30,173)</u>
Financial Assets Available To Meet Cash Needs For General Expenditures Within One Year	<u>\$ 841,502</u>	<u>790,378</u>

NOTE C - FAIR VALUE MEASUREMENTS AND DISCLOSURES

The Organization reports certain assets at fair value in the financial statements. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) 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 categorized 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.

FAMILY ADVOCACY AND COMMUNITY TRAINING, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE C - FAIR VALUE MEASUREMENTS AND DISCLOSURES (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.

The Organization carries investments in mutual funds at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities. Investment activity is as follows:

Investments valued at fair value are as follows:

<u>Investments</u>	<u>June 30, 2019</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
Mutual funds:				
Franklin High Income FD CL A	\$ 54,599	-	54,599	-
Franklin Income Class A	73,934	-	73,934	-
Lord Abbett Short Duration Income CL A	73,614	-	73,614	-
Templeton Global Bond Class A	60,557	-	60,557	-
Total Investments By Fair Value Level	<u>\$ 262,704</u>	<u>-</u>	<u>262,704</u>	<u>-</u>
June 30, 2018				
<u>Investments</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
Mutual funds:				
Franklin High Income FD CL A	\$ 50,981	-	50,981	-
Franklin Income Class A	69,913	-	69,913	-
Lord Abbett Short Duration Income CL A	70,155	-	70,155	-
Templeton Global Bond Class A	57,526	-	57,526	-
Total Investments By Fair Value Level	<u>248,575</u>	<u>-</u>	<u>248,575</u>	<u>-</u>
Investments not subject to fair value				
Money market funds	<u>3</u>			
Total Investments	<u>\$ 248,578</u>			

FAMILY ADVOCACY AND COMMUNITY TRAINING, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE D - NET INVESTMENT RETURN

Net investment return consists of the following:

	For The Years Ended June 30	
	2019	2018
Interest and dividends	\$ 14,676	11,433
Net realized and unrealized gain (loss)	374	(8,384)
Less - Management fees	(75)	-
Net Investment Return	\$ 14,975	3,049

NOTE E - FIXED ASSETS

Fixed assets consist of the following:

	June 30	
	2019	2018
Office furniture	\$ 89,487	89,487
Leasehold improvements	136,511	136,511
	225,998	225,998
Less - Accumulated depreciation	220,754	214,225
Total Fixed Assets, Net Of Accumulated Depreciation	\$ 5,244	11,773

Depreciation expense is \$6,530 and \$9,238 for the years ended June 30, 2019 and 2018, respectively.

NOTE F - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

	June 30	
	2019	2018
Dees scholarship	\$ 22,599	22,599
Family empowerment	3,400	7,574
Total	\$ 25,999	30,173

Changes in net assets with donor restrictions consist of the following:

FAMILY ADVOCACY AND COMMUNITY TRAINING, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE F - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

	For The Year Ended June 30, 2019			
	Balance June 30 2018	Additions	Deletions	Balance June 30 2019
	Subject to expenditure for specific purpose:			
Dees scholarship	\$ 22,599	-	-	22,599
Capacity building	-	15,000	15,000	-
Conferences	-	10,500	10,500	-
Family empowerment	3,489	3,500	3,589	3,400
Scholarships	4,085	2,547	6,632	-
Services for children, youth, and families in Franklin County	-	10,120	10,120	-
Total	\$ 30,173	41,667	45,841	25,999
	For The Year Ended June 30, 2018			
	Balance June 30 2017	Additions	Deletions	Balance June 30 2018
Subject to expenditure for specific purpose:				
Dees scholarship	\$ 22,599	-	-	22,599
Family empowerment	2,896	3,500	2,907	3,489.00
Holiday warm up	1,884	1,212	3,096	-
School testing	4,000	-	4,000	-
Scholarships	2,885	5,500	4,300	4,085.00
Keyless entry system	-	7,500	7,500	-
Client utilities	-	550	550	-
Total	\$ 34,264	18,262	22,353	30,173

NOTE G - OPERATING LEASES

The Organization leases building space, office equipment, and vehicles under operating leases.

The future minimum lease payments on these leases at June 30, 2019 are as follows:

For The Years Ending June 30	
2020	\$ 216,752
2021	184,501
2022	133,373
2023	35,135
Total	\$ 569,761

FAMILY ADVOCACY AND COMMUNITY TRAINING, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE G - OPERATING LEASES (Continued)

Lease expense included in the financial statements related to the above operating leases was \$156,260 and \$181,824 for the years ended June 30, 2019 and 2018, respectively.

NOTE H - BENEFIT PLAN

In 2018 the Organization started offering SIMPLE IRA plan in which the Organization matches up to 3% of the employee's salary. The Organization matched \$21,758 and \$27,752 during the years ended June 30, 2019 and 2018, respectively.

NOTE I - PROGRAM AND PRIVATE REIMBURSEMENTS

The Organization receives funding from the Developmental Disabilities Resource Board (DDRB), Productive Living Board (PLB), Warren County Developmental Disability Resource Board, Developmental Disability Advocates in Jefferson County, and Compass Health Network. Compass Health Network receives funding from the Community and Children's Resource Board of St. Charles County (CCRB), the Franklin County Community Resource Board (FCCRB), and the Lincoln County Resource Board (LCRB) on behalf of the Organization and in turn contracts with the Organization to provide Parent Support Partner Services to Families in St. Charles, Franklin, and Lincoln Counties. The Organization also receives service fees from various other sources such as parents and outside contacts. Since the Organization receives a substantial amount of its support from governmental agencies, a reduction in the level of this support, if this were to occur, may have an effect on the Organization's programs and activities.

NOTE J - DONATED SERVICES AND IN-KIND CONTRIBUTIONS

Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair values of the services received. No significant contributions of such goods or services were received during the years ended June 30, 2019 and 2018, respectively.

NOTE K - COMMITMENTS

The Organization receives amounts from several funding agencies to provide services. The contracts specify rates of payment based upon budgeted cost information submitted by the Organization. The agencies retain the right to request reimbursement for overpayments in cases where they determine that the Organization failed to fulfill the conditions of the contract. Certain grant funds have been expended for purposes specified in the applicable grant agreements. The grantor has retained the right to require repayment of these funds if the Organization ceases to perform its services over a stipulated period of time as specified in the grant agreements.

FAMILY ADVOCACY AND COMMUNITY TRAINING, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE L - SUBSEQUENT EVENTS

The Organization entered into a 3 year agreement with Miken Technologies for information technology services on July 17, 2019 for a total of \$118,249.

Management has evaluated subsequent events through November 21, 2019, the date which the financial statements were available for issue.