Mi Casa Resource Center

Financial Statements and
Single Audit Reports

December 31, 2021
(With Comparative Totals for December 31, 2020)

(With Independent Auditor's Report Thereon)

Kundinger, Corder & Montoya, P.C.

Certified Public Accountants

Mi Casa Resource Center
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Kundinger, Corder & Montoya, P.C.

Certified Public Accountants

Independent Auditor's Report

Board of Directors
Mi Casa Resource Center

Opinion

We have audited the accompanying financial statements of Mi Casa Resource Center, which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mi Casa Resource Center as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Mi Casa Resource Center 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 the 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 Mi Casa Resource Center'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 is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government 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 judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mi Casa Resource Center'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 Mi Casa Resource Center'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2022 on our consideration of Mi Casa Resource Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Mi Casa Resource Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mi Casa Resource Center's internal control over financial reporting and compliance.

Board of Directors
Mi Casa Resource Center

Report on Summarized Comparative Information
We have previously audited Mi Casa Resource Center's 2020 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated May 24, 2021. In our opinion, the summarized information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Kundinger, Corder & Montoya, P.C.

May 23, 2022

Mi Casa Resource Center
Statement of Financial Position
December 31, 2021
(With Comparative Totals for 2020)

		2021	2020
Assets			
Cash and cash equivalents	$	1,661,342	734,251
Investments (note 3)		3,736,386	3,066,577
Accounts receivable		10,000	161,232
Contributions and grants receivable (note 4)		698,470	562,760
Loan pool cash held by CEDS (note 5)		74,539	73,723
Loans receivable, net of allowance (note 5)		–	32,882
Prepaid expenses		58,314	47,331
Other assets (note 6)		74,598	65,090
Property and equipment, net (notes 7 and 8)		2,409,909	2,517,411
Total assets	$	8,723,558	7,261,257
Liabilities and net assets			
Accounts payable and accrued expenses	$	87,379	191,284
Accrued payroll liabilities		148,573	154,552
Capital lease obligation (note 8)		2,749	4,862
Notes payable (notes 9 and 13)		738,587	58,000
Total liabilities		977,288	408,698
Net assets			
Without donor restrictions			
Undesignated		861,503	1,223,702
Property and equipment		2,409,909	2,517,411
Board designated endowment (note 10)		2,836,069	2,520,178
Total without donor restrictions		6,107,481	6,261,291
With donor restrictions (note 10)		1,638,789	591,268
Total net assets		7,746,270	6,852,559
Commitments (notes 11 through 14)			
Total liabilities and net assets	$	8,723,558	7,261,257

See the accompanying notes to the financial statements.

Mi Casa Resource Center
Statement of Activities
Year Ended December 31, 2021
(With Comparative Totals for 2020)

		Without donor restrictions	With donor restrictions	2021 Total	2020 Total
Operating revenue and support					
Contributions and Grants					
Corporations	$	650,671	811,446	1,462,117	509,305
Foundations		126,353	1,093,426	1,219,779	1,053,741
Federal grants		1,092,106	–	1,092,106	546,410
Government-other		–	148,931	148,931	897,086
Individuals		219,363	–	219,363	122,598
Non-cash loan forgiveness		58,000	–	58,000	–
In-kind contributions		43,688	–	43,688	56,511
Contract revenue		20,000	–	20,000	58,000
Special events revenue		9,500	–	9,500	–
Other revenue		25,257	–	25,257	28,919
Net assets released from restrictions (note 10)		1,006,282	(1,006,282)	–	–
Total operating revenue and support		3,251,220	1,047,521	4,298,741	3,272,570
Operating expenses					
Program services		2,687,137	–	2,687,137	2,662,144
Management and general		648,919	–	648,919	710,681
Fund raising		413,855	–	413,855	503,375
Total operating expenses		3,749,911	–	3,749,911	3,876,200
Change in net assets from operations		(498,691)	1,047,521	548,830	(603,630)
Nonoperating activities					
Investment return, net (note 3)		344,881	–	344,881	260,217
Change in net assets		(153,810)	1,047,521	893,711	(343,413)
Net assets at beginning of year		6,261,291	591,268	6,852,559	7,195,972
Net assets at end of year	$	6,107,481	1,638,789	7,746,270	6,852,559

See the accompanying notes to the financial statements.

Mi Casa Resource Center

Statement of Functional Expenses
Year Ended December 31, 2021
(With Comparative Totals for 2020)

	Career Pathways	Business Pathways	Total Program Services	Management and General	Fund-raising	Total Supporting Services	2021 Total	2020 Total
Salaries	$ 631,604	662,266	1,293,870	392,357	288,845	681,202	1,975,072	2,074,334
Benefits and payroll taxes	127,210	126,422	253,632	83,872	51,922	135,794	389,426	411,584
Facilities	16,699	17,648	34,347	6,919	4,695	11,614	45,961	61,050
Programming	171,482	606,416	777,898	13,550	12,220	25,770	803,668	862,891
Professional services	9,223	7,006	16,229	46,669	4,749	51,418	67,647	54,373
Forgiveness of CEDS loans	–	36,536	36,536	–	–	–	36,536	–
Supplies	4,157	5,471	9,628	2,449	1,278	3,727	13,355	12,037
Communications	30,405	38,314	68,719	17,511	9,472	26,983	95,702	83,222
Staff training	14,968	11,459	26,427	8,576	4,713	13,289	39,716	26,274
Insurance	11,621	12,144	23,765	5,721	3,222	8,943	32,708	29,965
Bad debt	–	–	–	–	5,500	5,500	5,500	21,224
Equipment	63	328	391	350	21	371	762	15,415
Software	11,153	10,562	21,715	28,599	7,638	36,237	57,952	62,182
Bank charges	100	112	212	14,957	3	14,960	15,172	9,146
Travel	1,709	1,054	2,763	942	381	1,323	4,086	4,674
Dues and memberships	3,365	6,832	10,197	1,873	2,532	4,405	14,602	16,589
Printing and copier	2,355	2,795	5,150	4,753	2,972	7,725	12,875	4,915
Other	382	10,331	10,713	5,172	714	5,886	16,599	3,304
	1,036,496	1,555,696	2,592,192	634,270	400,877	1,035,147	3,627,339	3,753,179
Depreciation	46,481	48,464	94,945	14,649	12,978	27,627	122,572	123,021
Total expenses	$ 1,082,977	1,604,160	2,687,137	648,919	413,855	1,062,774	3,749,911	3,876,200

See the accompanying notes to the financial statements.

Mi Casa Resource Center
Statement of Cash Flows
Year Ended December 31, 2021
(With Comparative Totals for 2020)

		2021	2020
Cash flows from operating activities			
Change in net assets	$	893,711	(343,413)
Adjustments to reconcile change in net assets to net cash used in operating activities			
Depreciation expense		122,572	123,021
Realized and unrealized gain on investments		(237,067)	(211,559)
Forgiveness of debt		(58,000)	–
Forgiveness of Paycheck Protection Program loan		–	(487,425)
Changes in operating assets and liabilities			
Grants and contributions receivable		(135,710)	(51,617)
Accounts receivable		151,232	(32,341)
Loan Pool receivable		(816)	(44,630)
Loans receivable		32,882	44,806
Prepaid expenses		(10,983)	(17,507)
Other assets		(9,508)	(1,862)
Accounts payable and accrued expenses		(103,905)	133,232
Accrued payroll liabilities		(5,979)	7,039
Net cash provided by (used in) operating activities		638,429	(882,256)
Cash flows from investing activities			
Purchases of property and equipment		(15,070)	(5,743)
Purchases of investments		(988,261)	(762,999)
Proceeds from the sale of investments		555,519	735,697
Net cash used in investing activities		(447,812)	(33,045)
Cash flows from financing activities			
Payments on capital lease obligation		(2,113)	(6,792)
Proceeds from Metro Denver Nonprofit Loan Fund		250,000	–
Proceeds from Paycheck Protection Program loan		488,587	487,425
Net cash provided by financing activities		736,474	480,633
Increase (decrease) in cash and cash equivalents		927,091	(434,668)
Cash and cash equivalents, beginning of year		734,251	1,168,919
Cash and cash equivalents, end of year	$	1,661,342	734,251
Supplemental information			
Cash paid for interest	$	–	160

See the accompanying notes to the financial statements.

(1) Summary of Significant Accounting Policies

(a) Organization

Mi Casa Resource Center (MCRC) identifies and responds to the needs of low-income individuals and families to create pathways to opportunity. Since 1976, our comprehensive and community-focused programming has helped our participants achieve their version of educational and economic success. As Denver's largest and longstanding Latinx-led and serving organization, we have earned community trust by providing culturally competent services grounded in community need. MCRC is Colorado's only Women's Business Center under the Small Business Administration and one of only a few organizations in the state that offers full-scale support in both English and Spanish. In 2017, we were named the National Women's Business Center. In 2020, we were named the UnidosUS Far West Affiliate of the Year. Our expertise in career and business development uniquely positions MCRC as a leader in addressing equity gaps in economic mobility.

Our Business and Career Pathways programs pair skills education with basic needs navigation, financial coaching, and access to capital. Career Pathways trains, supports, and connects low-income jobseekers to high-demand careers that meet their personal and professional needs. Business Pathways combines trainings, consulting, and wrap-around services for underserved business owners and entrepreneurs at every stage. With MCRC's support, participants gain the education and skills needed to generate income, move up career ladders, and build wealth through business ownership.

MCRC is supported primarily by foundation grants and government contracts, as well as by individual and corporate donations. MCRC provides services within the program framework outlined below:

Career Pathways
Career Pathways utilizes flexible, multi-service solutions designed to train, support, and connect low-income youth and adults to high-demand careers that meet their professional and personal needs. In order to build progressive levels of education, training, support services, and credentials to optimize participant success, Career Pathways is built on four primary pillars to support jobseekers across the spectrum: workshops and webinars, navigation, training, and coaching.

MCRC offers two blended learning training programs for low-income job seekers: Specialized Skills Training and Technical Skills Training. Participants work with our trained Recruitment staff to choose the program that best fits their needs, interests, and goals. Both the Specialized Skills Training and Technical Skills Training measure program completion rates, employment attainment, and employment retention for participants.

(1) Summary of Significant Accounting Policies, Continued

(a) Organization, Continued

Career Pathways, Continued

MCRC's Coaching offers one-on-one career support throughout the job search and employment process. Our bilingual Career Coach offers individual appointments to provide technical skills training on job search tools, digital literacy, and communication. These individual appointments are supplemented with group job search supports managed by the Career Coach and MCRC Trainers.

In partnership with the Community College of Aurora (CCA), Metropolitan State University of Denver (MSU Denver), and local banks and credit unions, MCRC built a first-of-its-kind stackable credential pathway for the financial services industry to on-ramp learners to meaningful employment and postsecondary credentials simultaneously. Both adult learners and high school students can earn postsecondary credentials through Prior Learning Assessments and jumpstart their path to higher education, while also receiving personalized coaching from a Student Services Coordinator who supports them along their path.

In partnership with area high schools, MCRC provides Career Skills and Financial Services Training through a contextualized digital literacy learning environment for high school seniors. PWR is rooted in the Positive Youth Development (PYD) framework to support young people in ways that are developmentally appropriate and meaningfully address their needs.

Other community resources such as financial coaching, digital lending and skill building, English Language Acquisition (ELA) classes, mental health counseling, free legal advice, and tax preparation services augment the important work of the Career Pathways program. MCRC partners with a range of government agencies, Community Development Financial Institutions (CDFIs), and local community and nonprofit partners to provide these additional services. MCRC provides wrap-around navigation services to guide participants to these resources in order to increase their success. Navigators use a strengths-based support to combine goal setting with action plans that meet potential barriers to employment such as transportation, childcare, housing, and food access.

Business Pathways

Business Pathways which operates the Women's Business Center under the U.S. Small Business Administration, provides comprehensive support services for underserved business owners and entrepreneurs with particular focus on women, minorities, and low-income clients. Services include knowledge and skill building through workshops, intensive training, one-on-one consulting, industry-focused connections, access to capital, legal support, financial coaching and wraparound supports. This programming supports participants through all stages of business development from start-up to growth and expansion.

(1) Summary of Significant Accounting Policies, Continued

(a) Organization, Continued

Business Pathways, Continued
Business ownership is an essential strategy for economic independence, both for business owners and their employees. In low-income communities, business ownership generates wealth through generations, creating a ripple effect of increased prosperity in families and communities. MCRC offers all Business Pathways programming in English and Spanish to serve the most vulnerable members of our community.

Business Pathways offers a modular training series to support entrepreneurs at every phase of business ownership, from ideation to growth and expansion. With four modules (Plan, Launch, Manage, and Grow), training covers creation of an elevator pitch and business plan, marketing, key business strategies, fiscal and financial responsibility, and more. Business owners can join the module most suited to their needs. Program success is measured through program completion rates, businesses launched, revenue generated, and jobs created or retained.

Business Pathways collaborates with local community partners to prevent involuntary displacement by supporting business owners. Additionally, we administer a ProBoPat Program, which refers qualified low-income inventors to volunteer patent professionals. ProboPat serves residents of Colorado, Montana, New Mexico, Utah, and Wyoming and is part of a nationwide network of patent pro bono services coordinated by the U.S. Patent & Trademark Office.

Other community resources such as financial coaching, digital lending and skill building, English Language Acquisition (ELA) classes, mental health counseling, free legal advice, and tax preparation services augment the important work of the Career Pathways program. MCRC partners with a range of government agencies, Community Development Financial Institutions (CDFIs), and local community and nonprofit partners to provide these additional services. MCRC provides wrap-around navigation services to guide participants to these resources in order to increase their success. Navigators use a strengths-based support to combine goal setting with action plans that meet potential barriers to employment such as transportation, childcare, housing, and food access.

(b) Basis of Accounting

The accompanying financial statements of MCRC have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

(1) Summary of Significant Accounting Policies, Continued

(c) Financial Statement Presentation

MCRC is required to present information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of MCRC. These net assets may be used at the discretion of MCRC's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of MCRC or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

(d) Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributed to MCRC's ongoing activities and program services. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

(e) Cash and Cash Equivalents

For purposes of the statement of cash flows, MCRC considers all highly liquid investments with an initial maturity of three months or less, and which are not held as part of an investment portfolio, to be cash equivalents.

(f) Concentrations of Credit Risk

Financial instruments which potentially subject MCRC to concentrations of credit risk consist principally of cash and cash equivalents, investments and receivables. MCRC places its cash and investments with credit worthy, high quality, financial institutions. At times, a significant portion of the cash and cash equivalents may exceed the amount insured by the FDIC. Credit risk with respect to contributions and other receivables is considered low because a substantial portion of the receivables are from well-known and respected members of the community, and from organizations and individuals with a demonstrated history of payment.

(1) Summary of Significant Accounting Policies, Continued

(g) Investments

MCRC reports investments at fair value. Fair value is determined as more fully described in note 1(h). MCRC's management is responsible for the fair value measurement of investments reported in the financial statements and believes that the reported values are reasonable. Unrealized gains and losses are included in the change in net assets in the statement of activities.

(h) Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). MCRC groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1	Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
Level 2	Inputs other than quoted market prices that are observable for the asset/liability, either directly or indirectly.
Level 3	Unobservable inputs that cannot be corroborated by observable market data.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument, as well as the effects of market, interest and credit risk. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgement used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in MCRC's financial statements.

(i) Accounts Receivable

Accounts receivable represent amounts due from transactions occurring during the normal course of business. The allowance for doubtful accounts is based on past experience and analysis of the collectibility of current accounts receivable. Uncollectible accounts are charged to the allowance in the year they are deemed uncollectible. Based on management's analysis, no allowance was recorded at December 31, 2021. Accounts receivable are considered to be past due based on contractual terms.

(1) Summary of Significant Accounting Policies, Continued

(j) Loans Receivable and Allowance for Loan Loss

Management provides an allowance for loan losses based upon estimated collectability as determined based upon past loss experience and other relevant factors that in management's judgment deserve consideration.

(k) Property and Equipment

Purchases of furniture, equipment, vehicles, building and building improvements in excess of $5,000 are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets, which are generally 5-30 years

(l) Revenue Recognition

Contract Revenue and Other Income
Contract revenue is billed after the services have been performed. Revenue is recognized when the services are billed. Since contract revenue is invoiced after the services have been performed, there is typically no deferred revenue.

MCRC receives other income from class fees and tuition, rental income and loan interest. Class fees and tuition are recognized during the year in which the related services are provided to the students. Building rentals are recognized when the performance obligation of providing space is satisfied. Loan interest is recognized monthly based on the terms of the loan agreement.

Contributions and Grants
Contributions are recognized when cash, securities, and unconditional promises to give are received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend are substantially met. Should MCRC substantially meet the conditions in the same period that the contribution was received, and barring any further donor-imposed restrictions, MCRC has elected to recognize the revenue in net assets without donor restrictions. Payments received in advance of conditions being met are recorded as deferred revenue in the statement of financial position.

Contributions receivable are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. At December 31, 2021, contributions receivable expected to be collected in more than one year have not been discounted to net present value because the amount is insignificant.

A portion of MCRC's revenue is derived from cost reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when MCRC has incurred expenditures in compliance with specific contract and grant provisions.

(1) Summary of Significant Accounting Policies, Continued

(l) Revenue Recognition, Continued

Contributions and Grants, Continued
As of December 31, 2021, MCRC has received $499,755 in cost-reimbursement grants and contributions that are conditional upon certain barriers being met, and a right of return exists in the agreement. These contributions are conditional based on the following barriers:

Incurrence of allowable qualifying expenses (federal grants)	$ 197,118
Number of participants served	302,637
Total	$ 499,755

These amounts will be recognized as revenue in the period in which the conditions are fulfilled.

(m) In-kind Contributions

Contributed services are recorded as contributions and corresponding expenses at their estimated fair values on the date of donation. In-kind contributions for the year ended December 31, 2021 consisted of donated legal services and totaled $43,688.

(n) 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 those estimates.

(o) Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the accompanying statement of functional expenses. MCRC incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. MCRC also conducts a number of activities which benefit both its program objectives as well as supporting services (i.e. fund raising and management and general activities). These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited, based on either financial or nonfinancial data, such as headcount, square-footage, or estimates of time and effort incurred by personnel.

(1) Summary of Significant Accounting Policies, Continued

(p) Income Tax Status

MCRC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and qualifies for the charitable contribution deduction. However, income from activities not directly related to MCRC's tax-exempt purpose is subject to taxation as unrelated business income. There was no unrelated business income for the year ended December 31, 2021.

Management is required to evaluate tax positions taken by MCRC and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by taxing authorities. Management has analyzed the tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements and determined there are none. MCRC is subject to routine audits by taxing jurisdictions: however, there are currently no audits for any tax periods in progress. Management believes that MCRC is no longer subject to income tax examinations for years prior to December 31, 2018.

(q) Subsequent Events

MCRC has evaluated subsequent events through May 23, 2022, the date the financial statements were available to be issued. See note 13.

(r) Prior Year Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with MCRC's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

(2) Liquidity and Availability of Financial Assets

The following table reflects MCRC's financial assets as of December 31, 2021, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid, not convertible to cash within one year, or when restricted by donors for purposes more limited than general expenditures, or expenditures not to be incurred within one year.

Cash and cash equivalents	$ 1,661,342
Investments	3,736,386
Contributions and grants receivable	698,470
Accounts receivables	10,000
Total financial assets available to meet cash expenditures over the next twelve months	6,106,198
Less amounts not available to be used within one year:	
Net assets with donor restrictions	(1,638,789)
Board designated endowment fund	(2,836,069)
Plus net assets with time or purpose restrictions expected to be met in one year	1,638,789
	(2,836,069)
Financial assets available for general expenditures over the next twelve months	$ 3,270,129

To manage liquidity, MCRC structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, MCRC's board may appropriate funds from the board designated endowment fund to be available within twelve months of year-end. The appropriation is based on a percentage of the three-year rolling average of the board designated endowment fund balance at December 31st, and is available to fund expenditures for general operations. At December 31, 2021, the maximum amount that may be made available within twelve months of year-end is $94,464. MCRC also has a $300,000 line of credit. See note 12.

(3) Investments

Investments are stated at fair value and consisted of the following at December 31, 2021:

Mutual funds invested in domestic equities	$ 1,811,396
Mutual funds invested in fixed income	1,330,430
Mutual funds invested in international equities	485,258
Cash and cash equivalents	109,302
	$ 3,736,386

As of December 31, 2021, all investments were considered Level 1 investments.

(3) Investments, Continued

Net investment return consisted of the following for the year ended December 31, 2021:

Interest and dividends	$ 134,977
Less investment fees	(27,163)
Net investment income	107,814
Realized gains	89,833
Unrealized gains	147,234
Total realized and unrealized gains	237,067
Total investment return, net	$ 344,881

(4) Contributions and Grants Receivable

Contributions and grants receivable consist of $698,470 restricted for specific programs or future periods at December 31, 2021. All amounts are due in less than one year.

(5) Loans Receivable and Loan Pool Cash Held by CEDS

Micro-business loans are serviced through Community Enterprise Development Services (CEDS). Processes including collections, payment reminders, past due client communications, recording and tracking loan transactions and processing paid in full loans are performed by CEDS. Loans are considered past due depending on contractual terms, generally when payments are over 30 days past due. MCRC has deposited $74,539 with CEDS to fund the loans. At December 31, 2021 there were no micro-business loans outstanding.

(6) Other Assets

MCRC has entered into a participation agreement with Unemployment Services Trust (the Trust). The Trust provides services and an alternative means for funding unemployment costs. Trust administrative expenses are funded by participating employers. Participation may be revoked upon 90 days' notice, at which time MCRC would begin paying its unemployment responsibility directly to the State. Contributions to the Trust are adjusted annually. At December 31, 2021, MCRC had contributed $64,528 in excess of claims filed with the Trust.

(7) Property and Equipment

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

Buildings and improvements	$ 2,723,862
Furniture and equipment	108,469
Leased equipment	30,874
Vehicles	78,450
	2,941,655
Less: accumulated depreciation	(531,746)
Property and equipment, net	$ 2,409,909

(8) Capital Lease Obligation

MCRC has acquired office equipment under a capital lease arrangement that expires in 2022. The future minimum lease payments due in 2022 total $2,166.

(9) Notes Payable

During 2016, MCRC and Mi Casa Back Office Solutions (BOS) subsidiary negotiated a promissory note with the Colorado Trust. In February 2019, BOS was dissolved and the note was modified to substitute MCRC as the borrower on the note. It is the understanding of MCRC's management that the principal amount of the note, together with all accrued interest, is due February 15, 2024. The note bears interest at 1% and is unsecured. In the event the lender elects not to call the note due on the maturity date, the terms of the note shall automatically extend an additional five years. The note balance of $58,000 was forgiven in full in 2021. No interest was paid on this note in 2021.

On August 26, 2021, MCRC was approved for a $250,000 loan from the Metro Denver Nonprofit Loan Fund. The loan bears no interest and matures 36 months from the closing date. No payments are required during the initial 12 months of the loan term. Thereafter, equal quarterly payments of principal are due in an amount sufficient to fully amortize the loan. All outstanding principal is due at maturity. At December 31, 2021, the balance on the note is $250,000. Imputed interest has not been recorded as the amount would be immaterial.

Principal payments due on the loan during the years ending December 31 are as follows:

2022	$ 41,667
2023	166,667
2024	41,667
	$ 250,000

(10) Net Assets

Board Designated Endowment Fund

The board designated endowment is a fund established to support the long-term sustainability of MCRC programs and operations. On December 31st of each year, the annual spending rate, not to exceed 4%, is applied to the 3-year rolling average of the endowment fund balance to calculate the total maximum appropriation. Distributions are made quarterly. The Finance Committee of the Board of Directors may, at its discretion, choose not to make an annual distribution, but may not choose to distribute more than 4% without a 75% vote of the Board.

(10) Net Assets, Continued

Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes at December 31, 2021:

Subject to specific purposes:	
Career Pathways	$ 142,387
Business Pathways	797,932
Supporting programs	357,877
Total subject to purpose restrictions	1,298,196
Subject to time restrictions:	
Contributions and grants receivable for future operations	340,593
Total net assets with donor restrictions	$ 1,638,789

For the year ended December 31, 2021, net assets released from restrictions as a result of MCRC incurring expenditures satisfying the related restricted purposes were as follows:

Career Pathways	$ 714,937
Business Pathways	276,845
Supporting programs and time	14,500
Total net assets released from restrictions	$ 1,006,282

(11) Pension Plan

MCRC has established a 403(b) retirement plan. Employee contributions are matched up to 4% of gross wages. MCRC's contributions to the plan were $46,662 for 2021.

(12) Line of Credit Agreement

MCRC has a $300,000 collateralized revolving line of credit. The line of credit bears interest at 1%. Interest as it accrues is due and payable monthly. The line of credit matures on demand, at which time all unpaid principal and accrued interest is due and payable in full. At December 31, 2021, the balance on the note is $0. MCRC did not borrow against or pay interest on this note during the year ended December 31, 2021.

(13) Financial Services Pathways Partnership

MCRC entered into a memorandum of understanding (MOU) establishing a joint partnership between MCRC, Community College of Aurora and Metropolitan State University of Denver to connect adult learners to employment and up to four industry-recognized credentials simultaneously. MCRC's responsibilities under the MOU include acting as the fiscal sponsor, supporting the fundraising efforts to fully cover the operationalization of the program, providing financial services classes, and distributing funds to the partnership. MCRC's goal is to raise over $1,000,000 for the program, but payment obligations to the partnership are based only on total funding raised. The MOU is in effect until January 31, 2022. See note 1(a).

(14) Paycheck Protection Program

In February 2021, MCRC received a second Paycheck Protection Program loan in the amount of $488,587. The loan is treated as a refundable advance of a conditional contribution until such time that the loan is explicitly forgiven by the Small Business Administration. In April 2022, MCRC received full forgiveness of the loan and recognized revenue at that time.

Mi Casa Resource Center
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

Federal grantor/pass-through grantor/ program title	Federal Assistance listing number	Identifying number		Federal expenditures	Pass-through to subrecipients
U.S. Department of Housing and Urban Development					
Pass-through Programs					
City and County of Denver, Office of Economic Development					
Community Development Block Grants/Entitlement Grants	14.218	OEDEV:202057116	$	450,000	308,001
Community Development Block Grants/Entitlement Grants	14.218	OEDEV:202057270		68,900	–
Total Community Block Grants				518,900	308,001
Total U.S. Department of Housing and Urban Development				518,900	308,001
Department of the Treasury					
Pass-through Programs					
City and County of Denver, Office of Economic Development					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	OEDEV:202160434-00		101,378	–
Total Department of the Treasury				101,378	–
U.S. Small Business Administration					
Direct Programs					
COVID-19 Women's Business Ownership Assistance	59.043	N/A		79,015	–
COVID-19 Women's Business Ownership Assistance	59.043	N/A		195,618	–
Women's Business Ownership Assistance	59.043	N/A		179,626	–
Total Women's Business Ownership Assistance				454,259	–
Total U.S. Small Business Administration				454,259	–
U.S. Department of Justice					
Pass-through Programs					
The Denver Police Department					
Byrne Criminal Justice Innovation Program	16.817	2018-BJ-BX-0100		17,569	–
Total U.S. Department of Justice				17,569	–
Total Expenditures of Federal Awards			$	1,092,106	308,001

Basis of Presentation
The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Mi Casa Resource Center under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirement of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Mi Casa Resource Center, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Mi Casa Resource center.

Summary of Significant Accounting Policies
Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost rate
Mi Casa Resource Center has a negotiated indirect cost rate, and therefore did not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Kundinger, Corder & Montoya, P.C.
Certified Public Accountants

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Mi Casa Resource Center

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Mi Casa Resource Center (MCRC), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 23, 2022.

Report on Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered MCRC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MCRC's internal control. Accordingly, we do not express an opinion on the effectiveness of MCRC's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether MCRC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Mi Casa Resource Center
Board of Directors

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kundinger, Corder & Montoya, P.C.

May 23, 2022

Kundinger, Corder & Montoya, P.C.
Certified Public Accountants

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Board of Directors
Mi Casa Resource Center

Report on Compliance For Each Major Federal Program

Opinion on Each Major Federal Program
We have audited Mi Casa Resource Center's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Mi Casa Resource Center's major federal programs for the year ended December 31, 2021. Mi Casa Resource Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Mi Casa Resource Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program
We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Mi Casa Resource Center and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Mi Casa Resource Center's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance
Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Mi Casa Resource Center's federal programs.

Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Mi Casa Resource Center's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Mi Casa Resource Center's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Mi Casa Resource Center's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Mi Casa Resource Center's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Mi Casa Resource Center's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kundinger, Corder & Montoya, P.C.

May 23, 2022

Mi Casa Resource Center
Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

A. Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Mi Casa Resource Center were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are reported in the *Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Mi Casa Resource Center, which would be required to be reported in accordance with *Government Auditing Standards,* were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the *Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance*.
5. The auditor's report on compliance for the major federal award programs for Mi Casa Resource Center expresses an unmodified opinion on all major federal programs.
6. The audit disclosed no audit findings relating to major programs that are required to be reported in accordance with 2 CFR section 200.516(a).
7. The program tested as a major program was: Women's Business Ownership Assistance-Assistance Listing Number 59.043.
8. The threshold for distinguishing between Type A and B programs was $750,000.
9. Mi Casa Resource Center was determined not to be a low-risk auditee.

B. Findings-Financial Statements Audit

None.

C. Findings and Questioned Costs-Major Federal Award Programs Audit

None.

Mi Casa Resource Center
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2021

None.