FAMILY RESOURCE CENTER
ST. CROIX VALLEY, INC.

Baldwin, Wisconsin

Financial Statements and
Supplementary Information
December 31, 2010 and 2009

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Family Resource Center St. Croix Valley, Inc.
Baldwin, Wisconsin

We have audited the accompanying statement of financial position of Family Resource Center St. Croix Valley, Inc. (a non-profit organization) as of December 31, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family Resource Center St. Croix Valley, Inc. as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The 2009 financial statements were reviewed by us, and our report thereon, dated May 5, 2010, stated we were not aware of any material modifications that should be made to those statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses on page 8 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Carlson Highland & Co., LLP

Amery, Wisconsin
May 2, 2011

FAMILY RESOURCE CENTER ST. CROIX VALLEY, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2010 and 2009

ASSETS

	2010 (Audited)	*2009 (Unaudited)*
CURRENT ASSETS		
Cash and cash equivalents	$ 200,727	$ 238,990
Certificates of deposit	23,480	23,023
Accounts receivable	17,717	13,262
Prepaid expense	1,963	1,744
Total Current Assets	243,887	277,019
OTHER ASSETS		
Bright Futures Fund	58,889	43,426
PROPERTY AND EQUIPMENT		
Property and equipment	14,712	14,712
Less accumulated depreciation	14,436	12,924
Net Property and Equipment	276	1,788
TOTAL ASSETS	**$ 303,052**	**$ 322,233**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	$ 604	$ 2,311
Accrued expenses	21,816	20,741
Deferred revenue	1,000	-
Total Current Liabilities	23,420	23,052
NET ASSETS		
Unrestricted	273,846	138,260
Temporarily restricted	5,786	160,921
Total Net Assets	279,632	299,181
TOTAL LIABILITIES AND NET ASSETS	**$ 303,052**	**$ 322,233**

(The accompanying notes are an integral part of these financial statements.)

FAMILY RESOURCE CENTER ST. CROIX VALLEY, INC.
STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2010 and 2009

	2010 (Audited)			*2009 (Unaudited)*		
	Unrestricted	*Temporarily Restricted*	*Total*	*Unrestricted*	*Temporarily Restricted*	*Total*
SUPPORT AND REVENUE						
Contributions	$ 35,858	$ 146,602	$ 182,460	$ 35,370	$ 220,134	$ 255,504
Program service fees	66,392	-	66,392	55,211	-	55,211
Fundraising	63,541	-	63,541	36,491	-	36,491
In-kind donations	16,255	-	16,255	27,929	-	27,929
Interest income	3,114	-	3,114	2,426	-	2,426
Unrealized gain	730		730	-	-	-
Miscellaneous income	103	-	103	1,200	-	1,200
Net assets released from restrictions						
Satisfaction of purpose restrictions	301,737	(301,737)	-	208,837	(208,837)	-
Total Support and Revenue	487,730	(155,135)	332,595	367,464	11,297	378,761
EXPENSES						
Program services	296,036	-	296,036	283,072	-	283,072
Support services						
Management and general	35,961	-	35,961	47,001	-	47,001
Fundraising	20,147	-	20,147	33,949	-	33,949
Total Expenses	352,144	-	352,144	364,022	-	364,022
CHANGE IN NET ASSETS	135,586	(155,135)	(19,549)	3,442	11,297	14,739
NET ASSETS, BEGINNING OF YEAR	138,260	160,921	299,181	134,818	149,624	284,442
NET ASSETS, END OF YEAR	**$ 273,846**	**$ 5,786**	**$ 279,632**	**$ 138,260**	**$ 160,921**	**$ 299,181**

(The accompanying notes are an integral part of these financial statements.)

FAMILY RESOURCE CENTER ST. CROIX VALLEY, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2010 and 2009

	2010 (Audited)	*2009 (Unaudited)*
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	$ (19,549)	$ 14,739
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation	1,512	2,071
Net operating changes in		
Accounts receivable	(4,455)	1,080
Promises to give	-	2,766
Prepaid expense	(219)	(380)
Accounts payable	(1,707)	1,586
Accrued expenses	1,075	303
Deferred revenue	1,000	-
Net Cash Provided (Used) from Operating Activities	(22,343)	22,165
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of certificates of deposit	(35,526)	(629)
Redemptions of certificates of deposit	35,069	-
Additions to Bright Futures Fund	(15,463)	(22,796)
Net Cash Used from Investing Activities	(15,920)	(23,425)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(38,263)	(1,260)
BEGINNING CASH AND CASH EQUIVALENTS	238,990	240,250
ENDING CASH AND CASH EQUIVALENTS	**$ 200,727**	**$ 238,990**

(The accompanying notes are an integral part of these financial statements.)

(1) NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ORGANIZATION – The Family Resource Center St. Croix Valley, Inc. (the Organization) provides programs and resources to strengthen families to provide a healthy start for children and reduce child abuse and neglect.

The following is a summary of significant accounting policies followed in the preparation of these financial statements:

BASIS OF ACCOUNTING – The financial statements of Family Resource Center St. Croix Valley, Inc. have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

BASIS OF PRESENTATION – The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

USE OF ESTIMATES – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

DONATED SERVICES AND MATERIALS – No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs, campaign solicitations and various committee assignments. The Organization also receives donated supplies and rental space. The value of the donated items is recorded as in-kind revenue.

CONCENTRATION OF RISK – The Organization maintains its cash and temporary investments in financial institutions which, at times, may exceed federally insured limits. Accounts are guaranteed up to specified limits. The Organization has not experienced any losses in such accounts.

CASH AND CASH EQUIVALENTS – For the purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

ACCOUNTS RECEIVABLE – Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. No allowance for doubtful accounts was considered necessary at December 31, 2010 and 2009.

(Continued)

(1) **NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – (Continued)

PROPERTY AND EQUIPMENT – Depreciable assets are recorded at cost. Donated property and equipment are carried at fair market value at the date of donation. Expenditures for major additions and improvements are capitalized and minor replacements, maintenance, and repairs are charged to expense as incurred. Depreciation is calculated using the straight-line method with an equal amount being expensed each year over the estimated lives of the respective assets ranging from 5 to 7 years. When property or equipment is sold or retired, any gain or loss is reflected in current operations. The provision for depreciation for the years ended December 31, 2010 and 2009 is $1,512 and $2,071, respectively.

FAIR VALUE OF FINANCIAL INSTRUMENTS – The carrying amounts of current assets and current liabilities approximate fair value because of the terms and relatively short maturity of these financial instruments.

UNRESTRICTED NET ASSETS – The Organization reports assets whose use is not restricted by donors as unrestricted net assets. Contributions are available for unrestricted use unless specifically restricted by the donor.

TEMPORARILY RESTRICTED NET ASSETS – Temporarily restricted net assets consist of donor restricted contributions Amounts restricted by the donor for a particular purpose are reported as temporarily restricted revenue when received and such unexpended amounts are reported as temporarily restricted net assets at year end. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions. Contributions restricted for capital improvements are released to unrestricted revenue at the time the funds are expended for the specified improvement.

SUPPORT AND REVENUE RECOGNITION – Operational funding for the Organization comes from a range of grants from private foundations, contracts from community partners, and donations from businesses, civic organizations and individuals. Periodically, the Organization hosts fundraising benefit events. There are no restrictions on this support and the funds are used for the Organization's primary activity and general operations.

EXPENSE ALLOCATION – The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Schedules of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

ADVERTISING – The Organization expenses advertising costs as they are incurred.

(Continued)

(1) **NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – (Continued)

INCOME TAXES – The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a)(2) of the Code.

The Organization's accounting policy is to present interest and penalties as a component of the provision for income taxes.

The Organization's tax returns are subject to possible examination by taxing authorities. With few exceptions, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

SUBSEQUENT EVENT CONSIDERATION – Subsequent events and transactions from December 31, 2010 through May 2, 2011 have been evaluated by management for subsequent event disclosure. Management has determined that there were no material events that would require recognition or disclosure in the Organization's financial statements through this date.

(2) **TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consist of the following at December 31:

	2010	*2009*
Parent education	$ 64	$103,054
Home visits	-	25,839
Teen parent	2,896	10,334
Hospital visits	2,275	21,694
Program development	551	-
Total	**$ 5,786**	**$160,921**

(3) **ECONOMIC DEPENDENCY**

Approximately 34 percent of the Organization's 2010 grants and other support is derived from two organizations (41 percent from three organizations in 2009). The Organization's ability to operate at the same level of service could be jeopardized in the event any of these three organizations were to cease contributing to the Organization.

SUPPLEMENTARY INFORMATION

Schedule 1

FAMILY RESOURCE CENTER ST. CROIX VALLEY, INC.
SCHEDULES OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2010 and 2009

	2010 (Audited)				*2009 (Unaudited)*			
		Support Services				*Support Services*		
	Program Services	*Management and General*	*Fundraising*	*Total*	*Program Services*	*Management and General*	*Fundraising*	*Total*
Wages	$ 227,884	$ 3,460	$ 3,664	$ 235,008	$ 213,934	$ 14,301	$ 8,907	$ 237,142
Parent education	14,130	185	-	14,315	8,181	29	725	8,935
Accounting and legal	-	11,397	-	11,397	-	16,647	-	16,647
Payroll taxes	18,801	484	321	19,606	16,709	1,094	681	18,484
Travel	16,165	379	81	16,625	18,660	379	872	19,911
Fundraising	436	2,019	15,014	17,469	1,853	1,113	21,107	24,073
Rent	9,240	5,400	-	14,640	11,970	1,350	-	13,320
Office supplies	1,542	4,199	266	6,007	1,318	3,278	1,339	5,935
Supplies	219	25	-	244	-	675	-	675
Insurance	413	3,792	92	4,297	1,353	3,450	-	4,803
Contract labor	-	175	-	175	340	2,465	-	2,805
Advertising	389	91	669	1,149	516	-	242	758
Utilities	2,683	895	-	3,578	2,259	753	-	3,012
Telephone	1,612	537	-	2,149	1,643	548	-	2,191
Depreciation	1,512	-	-	1,512	2,071	-	-	2,071
Repairs and maintenance	179	1,939	-	2,118	2,109	268	-	2,377
Memberships	-	603	-	603	152	515	-	667
Miscellaneous	831	381	40	1,252	4	136	76	216
TOTAL	**$ 296,036**	**$ 35,961**	**$ 20,147**	**$ 352,144**	**$ 283,072**	**$ 47,001**	**$ 33,949**	**$ 364,022**