Emergency Family Assistance Association, Inc.

(a nonprofit Colorado corporation)

Boulder, Colorado

Financial Statements

June 30, 2024 and 2023

Emergency Family Assistance Association, Inc.

Table of Contents

BROCK CPAs

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agn INTERNATIONAL

Independent Auditor's Report

To the Board of Directors
Emergency Family Assistance Association, Inc.
Boulder, Colorado

Opinion

We have audited the accompanying financial statements of the Emergency Family Assistance Association, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and changes in nets assets, functional expenses, and cash flows for the years then ended, and related notes to the financial statements.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Emergency Family Assistance Association, Inc. as of June 30, 2024 and 2023, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Emergency Family Assistance Association, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Emergency Family Assistance Association, Inc.'s ability to continue as a going concern for 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional 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 Emergency Family Assistance Association, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Emergency Family Assistance Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Brock and Company, CPAs, P.C.
Certified Public Accountants

Boulder, Colorado
October 25, 2024

Emergency Family Assistance Association, Inc.

Statements of Financial Position

June 30	**2024**	2023
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 3,395,515**	$ 3,427,817
Grants receivable	**335,369**	115,659
Pledges receivable, endowment campaign, current	**8,100**	8,100
Pledges receivable, other, current	**105,000**	50,000
Inventory	**82,627**	67,736
Prepaid expenses and other current assets	**120,085**	117,706
Total current assets	**4,046,696**	3,787,018
Property and Equipment		
Land	**2,238,768**	1,290,768
Buildings and major improvements	**10,049,914**	8,576,487
Minor building improvements	**1,337,740**	1,331,066
Furniture and fixtures	**270,477**	260,378
Computers and electronics	**99,617**	62,935
Vehicles	**101,722**	101,722
Software	**19,464**	19,464
Construction in process	**14,844**	-
	14,132,546	11,642,820
Less accumulated depreciation	**(5,296,942)**	(4,913,200)
Net property and equipment	**8,835,604**	6,729,620
Other Assets		
Deposits and other assets	**46,379**	46,093
Beneficial interest in assets held by The Community Foundation Serving Boulder County	**3,936,177**	3,464,888
Pledges receivable, other, net of current	**69,131**	48,779
Total other assets	**4,051,687**	3,559,760
Total assets	**$ 16,933,987**	$ 14,076,398

The accompanying Notes are an integral part of these financial statements.

Emergency Family Assistance Association, Inc.

Statements of Financial Position (continued)

June 30	2024	2023
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	**$ 133,900**	$ 155,073
Accrued expenses	**160,439**	113,221
Deposits payable	**38,908**	41,904
Refundable advances	**20,000**	2,770
Total current liabilities	**353,247**	312,968
Net Assets		
Without donor restrictions		
Undesignated	**10,617,438**	8,670,038
Board-designated endowments	**3,964,843**	3,498,503
Board-designated, current needs	**1,520,000**	1,360,000
With donor restrictions	**478,459**	234,889
Total net assets	**16,580,740**	13,763,430
Total liabilities and net assets	**$ 16,933,987**	$ 14,076,398

The accompanying Notes are an integral part of these financial statements.

Emergency Family Assistance Association, Inc.

Statements of Activities and Changes in Net Asssets

Years ended June 30	2024			2023		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Support, Other Revenue and Gains						
Support						
Private donations	**$ 4,742,124**	**$ 317,171**	**$ 5,059,295**	$ 4,518,732	$ 261,012	$ 4,779,744
In-kind donations	**5,225,230**	**-**	**5,225,230**	2,851,846	-	2,851,846
Grants	**2,384,791**	**50,000**	**2,434,791**	1,751,321	-	1,751,321
Special event income	**436,267**	**-**	**436,267**	348,932	-	348,932
Special event expense	**(58,037)**	**-**	**(58,037)**	(52,631)	-	(52,631)
Net assets released from restrictions	**123,601**	**(123,601)**	**-**	341,457	(341,457)	-
Total support	**12,853,976**	**243,570**	**13,097,546**	9,759,657	(80,445)	9,679,212
Other Revenue and Gains						
Rental income	**234,574**	**-**	**234,574**	253,356	-	253,356
Unrealized gain on investments	**290,610**	**-**	**290,610**	172,885	-	172,885
Interest and dividends	**212,286**	**-**	**212,286**	115,645	-	115,645
Other revenue	**2,998**	**-**	**2,998**	7,033	-	7,033
Total other revenue and gains	**740,468**	**-**	**740,468**	548,919	-	548,919
Total support, other revenue, and gains	**13,594,444**	**243,570**	**13,838,014**	10,308,576	(80,445)	10,228,131
Functional Expenses and Loss						
Functional Expenses						
Program services						
Basic needs	**7,502,733**	**-**	**7,502,733**	7,244,337	-	7,244,337
Housing	**1,981,747**	**-**	**1,981,747**	1,858,902	-	1,858,902
Children, youth, and family program	**270,937**	**-**	**270,937**	271,347	-	271,347
Strategic education and community outreach	**159,950**	**-**	**159,950**	99,599	-	99,599
Total program services	**9,915,367**	**-**	**9,915,367**	9,474,185	-	9,474,185
Supporting services						
General and administrative	**336,243**	**-**	**336,243**	392,845	-	392,845
Fundraising	**769,094**	**-**	**769,094**	732,836	-	732,836
Total supporting services	**1,105,337**	**-**	**1,105,337**	1,125,681	-	1,125,681
Total functional expenses	**11,020,704**	**-**	**11,020,704**	10,599,866	-	10,599,866
Change in Net Assets	**2,573,740**	**243,570**	**2,817,310**	(291,290)	(80,445)	(371,735)
Net Assets, Beginning of Year	**13,528,541**	**234,889**	**13,763,430**	13,819,831	315,334	14,135,165
Net Assets, End of Year	**$ 16,102,281**	**$ 478,459**	**$ 16,580,740**	$ 13,528,541	$ 234,889	$ 13,763,430

The accompanying Notes are an integral part of these financial statements.

Emergency Family Assistance Association, Inc.

Statement of Functional Expenses

Year ended June 30, 2024

	Program Services					Supporting Services			
	Basic Needs	Housing	Children, Youth, and Family Program	Strategic Education, Community Outreach	Total	General and Administrative	Fundraising	Total	Total Expenses
Salaries	$ 1,076,943	$ 678,756	$ 174,517	$ 83,309	$ 2,013,525	$ 181,589	$ 405,677	$ 587,266	$ 2,600,791
Employee benefits	174,093	96,635	27,081	6,954	304,763	21,009	62,219	83,228	387,991
Payroll taxes	91,189	50,385	13,796	4,247	159,617	9,738	30,778	40,516	200,133
Workers compensation insurance	7,154	5,107	1,089	311	13,661	777	2,333	3,110	16,771
Total personnel	1,349,379	830,883	216,483	94,821	2,491,566	213,113	501,007	714,120	3,205,686
Client aid									
Purchased	3,219,328	52,231	24,101	-	3,295,660	-	-	-	3,295,660
In-kind	2,675,390	-	-	-	2,675,390	-	-	-	2,675,390
Repairs and maintenance	31,324	224,433	4,917	597	261,271	8,509	2,893	11,402	272,673
Utilities	15,476	182,842	-	235	198,553	3,376	2,686	6,062	204,615
Computers and copiers	59,744	62,922	8,163	2,314	133,143	12,916	34,833	47,749	180,892
Rent									
In-kind	-	158,500	-	-	158,500	-	-	-	158,500
Purchased	2,838	-	-	-	2,838	-	-	-	2,838
Marketing and donor recognition	50	24	7	257	338	5	158,782	158,787	159,125
Contracted services	12,710	18,943	9,587	59,079	100,319	35,514	2,918	38,432	138,751
Insurance	12,930	91,242	635	182	104,989	4,831	1,362	6,193	111,182
Supplies	26,719	27,052	1,854	383	56,008	2,370	1,039	3,409	59,417
Investment management fees	-	-	-	-	-	36,372	-	36,372	36,372
Credit card fees	-	-	-	-	-	-	35,414	35,414	35,414
Miscellaneous expense	3,721	6,881	1,832	980	13,414	4,368	8,799	13,167	26,581
Staff development	11,829	7,117	2,101	388	21,435	1,334	2,457	3,791	25,226
Volunteer development	11,049	652	643	641	12,985	-	676	676	13,661
Telephone	7,756	5,315	384	-	13,455	108	-	108	13,563
Transportation	3,827	6,708	190	31	10,756	450	208	658	11,414
Postage	1,959	17	34	42	2,052	229	2,584	2,813	4,865
In-kind services	-	-	-	-	-	4,000	-	4,000	4,000
Work study program	1,097	34	6	-	1,137	-	-	-	1,137
Total expenses before depreciation	7,447,126	1,675,796	270,937	159,950	9,553,809	327,495	755,658	1,083,153	10,636,962
Depreciation - major assets	40,375	221,390	-	-	261,765	5,252	10,631	15,883	277,648
Depreciation - minor assets	15,232	84,561	-	-	99,793	3,496	2,805	6,301	106,094
Total expenses	$ 7,502,733	$ 1,981,747	$ 270,937	$ 159,950	$ 9,915,367	$ 336,243	$ 769,094	$ 1,105,337	$ 11,020,704

The accompanying Notes are an integral part of these financial statements.

Emergency Family Assistance Association, Inc.

Statement of Functional Expenses

Year ended June 30, 2023

	Program Services					Supporting Services			
	Basic Needs	Housing	Children, Youth, and Family Program	Strategic Education, Community Outreach	Total	General and Administrative	Fundraising	Total	Total Expenses
Salaries	$ 951,964	$ 570,227	$ 172,044	$ 67,045	$ 1,761,280	$ 243,909	$ 342,520	$ 586,429	$ 2,347,709
Employee benefits	118,879	74,337	32,797	3,116	229,129	20,854	55,478	76,332	305,461
Payroll taxes	72,284	47,132	18,916	2,491	140,823	11,743	31,608	43,351	184,174
Workers compensation insurance	4,780	2,929	1,075	174	8,958	697	1,945	2,642	11,600
Total personnel	1,147,907	694,625	224,832	72,826	2,140,190	277,203	431,551	708,754	2,848,944
Client aid									
Purchased	3,157,510	64,108	2,894	6,921	3,231,433	-	-	-	3,231,433
In-kind	2,670,674	-	-	-	2,670,674	-	-	-	2,670,674
Repairs and maintenance	34,015	281,030	4,258	467	319,770	7,684	6,613	14,297	334,067
Utilities	15,476	160,489	-	135	176,100	2,673	2,816	5,489	181,589
Computers and copiers	58,132	50,159	11,318	1,805	121,414	13,765	42,376	56,141	177,555
Rent									
In-kind	-	158,500	-	-	158,500	-	-	-	158,500
Purchased	2,718	-	-	-	2,718	-	-	-	2,718
Marketing and donor recognition	3,142	174	174	174	3,664	-	156,470	156,470	160,134
Contracted services	14,935	19,058	13,886	12,705	60,584	29,361	27,714	57,075	117,659
Insurance	14,243	80,551	691	152	95,637	3,873	1,862	5,735	101,372
Miscellaneous expense	12,518	14,331	6,404	416	33,669	9,043	5,204	14,247	47,916
Supplies	16,747	22,568	2,324	1,430	43,069	2,268	2,128	4,396	47,465
Credit card fees	-	-	-	-	-	-	35,609	35,609	35,609
Investment management fees	-	-	-	-	-	32,164	-	32,164	32,164
Volunteer development	13,861	1,361	903	1,748	17,873	171	1,073	1,244	19,117
Staff development	7,990	3,996	2,045	682	14,713	515	2,538	3,053	17,766
Telephone	8,260	7,299	666	-	16,225	55	21	76	16,301
Transportation	3,569	5,477	432	25	9,503	349	450	799	10,302
Postage	1,968	232	89	113	2,402	243	2,557	2,800	5,202
In-kind services						4,000		4,000	4,000
Work Study Program	2,078	458	76	-	2,612		-		2,612
Total expenses before depreciation	7,185,743	1,564,416	270,992	99,599	9,120,750	383,367	718,982	1,102,349	10,223,099
Depreciation - major assets	40,375	219,491	-	-	259,866	5,252	10,631	15,883	275,749
Depreciation - minor assets	18,219	74,995	355	-	93,569	4,226	3,223	7,449	101,018
Total expenses	$ 7,244,337	$ 1,858,902	$ 271,347	$ 99,599	$ 9,474,185	$ 392,845	$ 732,836	$ 1,125,681	$ 10,599,866

The accompanying Notes are an integral part of these financial statements.

Emergency Family Assistance Association, Inc.

Statements of Cash Flows

Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash

Years ended June 30	2024	2023
Cash Flows From Operating Activities		
Change in net assets	**$ 2,817,310**	$ (371,735)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	**383,742**	376,767
Unrealized gain on investments	**(290,610)**	(172,885)
Reinvested investment income	**(56,029)**	(37,134)
Contributions of property	**(2,368,000)**	-
Increase (decrease) from changes in assets and liabilities		
Grants receivable	**(219,710)**	53,653
Pledges receivable	**(75,352)**	114,386
Inventory	**(14,891)**	(19,666)
Prepaid expenses and other current assets	**(2,379)**	(18,871)
Deposits and other assets	**(286)**	2,015
Accounts payable	**(21,173)**	23,897
Accrued expenses	**47,218**	6,585
Deposits payable	**(2,996)**	8,620
Refundable advances	**17,230**	(2,000)
Net cash provided (used) by operating activities	**214,074**	(36,368)
Cash Flows From Investing Activities		
Purchase of investments	**(124,650)**	(186,411)
Purchases of property and equipment	**(121,726)**	(66,183)
Proceeds from sale of property held for sale	**-**	312,000
Net cash provided (used) by investing activities	**(246,376)**	59,406
Net Increase in Cash, Cash Equivalents, and Restricted Cash	**(32,302)**	23,038
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	**3,427,817**	3,404,779
Cash, Cash Equivalents, and Restricted Cash, End of Year	**$ 3,395,515**	$ 3,427,817

The accompanying Notes are an integral part of these financial statements.

Note 1 – Nature of Organization and Significant Accounting Policies

Nature of Organization. Emergency Family Assistance Association, Inc. (EFAA) helps those in our community whose immediate needs for food, shelter and other basic necessities cannot adequately be met by other means, and supports their efforts toward financial stability or self-sufficiency.

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

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

EFAA was founded in 1918 as the Social Service Bureau, and was incorporated in 1961 under the laws of the State of Colorado. Funding for EFAA is primarily obtained through charitable contributions from interested parties. EFAA serves Boulder county and has four major types of programs: basic needs; housing; children, youth, and family programs; and strategic education and community outreach.

The Basic Needs Program provides assistance with food, transportation, utility payments, rent or rental deposits, minor medical expenses, emergency lodging, personal necessities, and other basic need items. EFAA also provides self-sufficiency counseling and referral services in conjunction with basic needs assistance.

The Housing program provides short-term and transitional housing for participants in need. In short-term housing, participants stay an average of seven weeks, and must agree to work with a resource navigator to develop a plan to obtain permanent housing. Additionally, the Organization has multiple transitional housing units in Boulder County. Participants stay an average of one year, but may stay up to two years. Resource navigators work with each family in an individualized way to help them increase their self-sufficiency and make progress toward obtaining permanent housing. The resource navigators help to arrange longer-term educational activities such as English as a second language, high school GED, and others.

EFAA owns or rents the property utilized in the Housing Programs. Rent charges by EFAA to tenants are at rates substantially below market rental rates. While the difference between the market value rent and the discounted rent is not recorded in the accompanying statement of activities, the value of the discounted rent is an integral component of EFAA's services.

The Children, Youth, and Family Program provides community enrichment programs, as well as resource navigation and activities for children of EFAA participants.

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

EFAA's Strategic Education and Community Outreach Program aims to increase community awareness of key issues facing lower-income residents, influence public policies, initiatives and legislation and give voice to participants on the issues. Community outreach efforts seek to promote knowledge about, and access to, EFAA services to vulnerable community members, civic organizations, potential volunteers and the general public. Also, EFAA's outreach efforts include providing information on vital resources available to the community.

Net Asset Classification. EFAA distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. EFAA complies with established standards for external reporting by not-for-profit organizations, which requires that resources be classified for reporting purposes into two net asset categories according to externally (donor) imposed restrictions. The two net asset categories are as follows:

> *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 the organization. These net assets may be used at the discretion of the Organization'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 the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Functional Allocation of Expenses. Direct expenses have been allocated to the applicable program for which the expenses were incurred. Indirect expenses have been allocated among program, general and administrative, and fundraising activities based on estimated relative usage of resources attributable to these activities.

Cash and Cash Equivalents. EFAA considers all highly liquid investments, including demand deposits and money market funds, with a maturity of three months or less, to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Investments. EFAA's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. EFAA's management determines the valuation policies utilizing information provided by the investment advisors and custodians.

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Fair Value Measurements. EFAA reports using fair value measurements, which requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.
Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024 and 2023.

Beneficial Interest in Assets Held by The Community Foundation Serving Boulder County. Valued at the net asset value ("NAV") of units held by EFAA at year end. The NAV, as provided by The Community Foundation Serving Boulder County (the Foundation), is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the Foundation less its liabilities. This practical expedient is not used when it is determined to be probable that the Foundation will sell the investment for an amount different than the reported NAV.

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while EFAA believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statements of financial position.

Pledges and Grants Receivable. Pledges and grants receivable are stated net of allowances for uncollectible accounts. At the time receivables are originated, EFAA considers an allowance for doubtful accounts based on the creditworthiness of the donor or grantor. The allowance is continually reviewed and adjusted to maintain the allowance at a level considered adequate to cover future uncollectible amounts. The allowance is management's best estimate of uncollectible amounts and is determined based on historical performance that is tracked by EFAA on an ongoing basis. For the years ended June 30, 2024 and 2023, EFAA recorded a valuation allowance of $6,900 was used for doubtful pledges receivable. Management believes that all grants receivable are fully collectible at June 30, 2024 and 2023.

Inventory. EFAA maintains inventories of food and bus passes for distribution to participants. Food inventories are weighed when purchased or donated. During the years ended June 30, 2024 and 2023, an average price per pound of $1.93 and $1.92, respectively, was used to value food received and distributed to participants, and to value inventory on hand at year end. All inventories are stated at the lower of cost (first-in, first-out method) or market.

Property and Equipment. It is EFAA's policy to capitalize property and equipment at cost for purchases over $2,500, while repair and maintenance items are charged to expense. Donations of property and equipment are capitalized at their estimated fair value at the date of gift. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose.

Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets. In general, asset lives are as follows:

	Life in Years
Buildings and improvements	7 - 30
Minor building improvements	3 - 15
Furniture and fixtures	3 - 10
Computers and electronics	4 - 7
Vehicles	3 - 5
Software	3 - 4

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Depreciation expense for the years ended June 30, 2024 and 2023 was $383,742 and $376,767, respectively.

Impairment of Long-lived Assets. In the event that facts and circumstances indicate that property and equipment, or other assets, may be impaired, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying amount to determine if a write-down to market value would be necessary. No impairment losses were recorded during the years ended June 30, 2024 and 2023.

Leases. The Organization recognizes and measures leases in accordance with FASB ASC 842, *Leases*. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Organization recognizes a lease liability and a right-of-use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable, or otherwise, the Organization uses its incremental borrowing rate based on the information available at the commencement date for all leases. The Organization's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

Revenue Recognition. The Organization's revenues from contracts with customers consist of rent. Revenue is recognized upon the transfer of services to customers in amount that reflects the consideration that is expected to be received in exchange for those services. Rental income is billed to tenants monthly, in advance, and is recognized ratably over the period to which the invoice applies as the Organization satisfies its performance obligation to provide housing. The invoice period is typically one month.

Contributions. Contributions are recognized when the promise to give is received. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions reclassified to net assets without donor restrictions. Contributions and grants that are restricted by the donor or grantor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Contributed Services. Contributed services are recognized if the services received satisfy the criteria for recognition. The contributions of services are recognized if services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

A substantial number of individuals have made contributions of their time to assist the Organization in a variety of tasks and services. The value of these services is not recorded in the accompanying financial statements, as these services do not meet the criteria for recognition.

Income Taxes. EFAA is a nonprofit corporation exempt from income taxes as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made.

EFAA utilizes the provisions of ASC 740, pertaining to accounting for uncertainty in income taxes. The pronouncement requires the use of a more-likely-than-not recognition criteria before and separate from the measurement of a tax position. An entity shall initially recognize the financial statement effects of a tax position when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. With respect to EFAA, this would primarily relate to the determination of unrelated business taxable income and to the maintenance of its tax exempt status.

Management has evaluated the adopted policies and procedures that have been implemented to provide assurance that income is properly characterized and activities that jeopardize its tax exempt status are within limits established under existing tax code and regulations. Management has determined the effects of uncertain tax positions are not material to EFAA for recognition or disclosure in the accompanying financial statements and, accordingly, no income tax liability has been recorded for uncertain income tax positions in the accompanying financial statements.

Income taxes for all open years are open for examination. Penalties and interest may be assessed on income taxes that are delinquent.

Subsequent Events. EFAA evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through October 25, 2024, the date at which the financial statements were available for release.

Note 2 – Availability and Liquidity

The following represents the Organization's financial assets for the years ended June 30:

	2024	2023
Financial assets at year end		
Cash and cash equivalents	**$ 3,395,515**	$ 3,427,817
Grants receivable	**335,369**	115,659
Pledges receivable, current	**113,100**	58,100
Endowment funds available for appropriation	**1,169,629**	1,039,466
Total financial assets	**5,013,613**	4,641,042
Less amounts not available to be used within one year		
Board designated, not including Centennial Endowment	**1,548,666**	1,393,615
With donor restrictions	**478,459**	234,889
	2,027,125	1,628,504
Financial assets available to meet general expenditures, current	**$ 2,986,488**	$ 3,012,538

As of June 30, 2024 and 2023, EFAA's board designated Centennial Endowment was $3,939,177 and $3,464,888, respectively. The endowment policy allows for $1,169,629 and $1,039,466, which is 30% of the corpus on June 30, 2024 and 2023, respectively, to be available for appropriation. The Board of Directors must approve any recommendation and withdrawal requests of the endowment. The board expects, at some future date, to expend the funds available for appropriation.

EFAA's financial policy is to maintain financial assets in reserves to meet three months of operating expenses, as defined in the policy, which for the years ended June 30, 2024 and 2023 was $1,520,000 and $1,360,000, respectively. If necessary, the Board of Directors must approve any recommendation and withdrawal requests from the reserves.

Note 3 – Fair Value Measurements and Investments

The following table sets forth by level, within fair value hierarchy, assets and contributions, at fair value, as of June 30, 2024:

	Level 1	Level 2	Level 3	Total
Nonrecurring basis				
Property contribution	**$ -**	**$ 2,368,000**	**$ -**	**$ 2,368,000**
In-kind contributions	**-**	**2,857,230**	**-**	**2,857,230**
	$ -	**$ 5,225,230**	**$ -**	**$ 5,225,230**

Note 3 – Fair Value Measurements and Investments (continued)

Investments	
Measured at net asset value, recurring basis	
Beneficial interest in assets held by The Community Foundation Serving Boulder County	**$ 3,936,177**

The following table sets forth by level, within fair value hierarchy, EFAA's investments, at fair value, as of June 30, 2023:

	Level 1	Level 2	Level 3	Total
Nonrecurring basis				
In-kind contributions	$ -	$ 2,851,846	$ -	$ 2,851,846
Investments				
Measured at net asset value, recurring basis				
Beneficial interest in assets held by The Community Foundation Serving Boulder County				$ 3,464,888

The following sets forth a summary of EFAA's beneficial interest in assets held by The Community Foundation Serving Boulder County reported at NAV at June 30:

Fair Value	Unfunded Commitments	Redemption Frequency	Other Redemption Restrictions	Redemption Notice Period
2024				
$ 3,936,177	N/A	Immediate	Redemptions will only be made upon written request of EFAA	None
2023				
$ 3,464,888	N/A	Immediate		None

Changes in Fair Value Levels. The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

EFAA evaluated the significance of transfers between levels based upon the nature of the financial instruments and size of the transfer relative to total net assets available for benefits. For the years ended June 30, 2024 and 2023, there were no significant transfers in or out of fair value levels.

Investment income consisted of the following for the years ended June 30:

	2024	2023
Investment interest and dividends	**$ 212,286**	$ 115,645
Unrealized gain on investments	**290,610**	172,885
Investment management fees	**(36,372)**	(32,164)
Net investment gain	**$ 466,524**	$ 256,366

Note 4 – Pledges Receivable

During 2017, EFAA commenced an endowment campaign to fund EFAA's major program initiatives in future years. Contributions receivable from the campaign, with expected collections, consisted of the following for the years ended June 30:

	2024	2023
Due in less than one year	**$ 15,000**	$ 15,000
Valuation allowance	**(6,900)**	(6,900)
	$ 8,100	$ 8,100

The Organization has received additional pledges outside of the endowment campaign. Contributions receivable related to these pledges consisted of the following for the years ended June 30:

	2024	2023
Due in less than one year	**$ 105,000**	$ 50,000
Due in one to three years	**70,000**	50,000
Valuation allowance	**(869)**	(1,221)
	$ 174,131	$ 98,779

Note 5 – Net Assets With Donor Restrictions and Board Designated Endowment Net Assets

The following summarizes the changes in net assets with donor restrictions for the year ended June 30, 2024:

	July 1, 2023 Balance	**Receipts**	**Releases**	**June 30, 2024 Balance**
Guzzler Fund	**$ 151,442**	**$ -**	**$ (35,804)**	**$ 115,638**
Medical Fund	**51,927**	**92,828**	**(49,623)**	**95,132**
Children, Youth, and Families Program	**-**	**75,000**	**-**	**75,000**
Time restrictions	**-**	**50,000**	**-**	**50,000**
ARPA Food Fund	**-**	**50,000**	**-**	**50,000**
Menstrual Hygiene Fund	**10,636**	**50,000**	**(16,613)**	**44,023**
Protein Fund	**-**	**25,000**	**-**	**25,000**
Special Needs Fund	**12,784**	**24,343**	**(21,561)**	**15,566**
Centennial Endowment	**8,100**	**-**	**-**	**8,100**
	$ 234,889	**$ 367,171**	**$ (123,601)**	**$ 478,459**

Note 5 – Net Assets With Donor Restrictions and Board Designated Endowment Net Assets (continued)

The following summarizes the changes in net assets with donor restrictions for the year ended June 30, 2023:

	July 1, 2022 Balance	Receipts	Releases	June 30, 2023 Balance
Guzzler Fund	$ 200,000	$ -	$ (48,558)	$ 151,442
Medical Fund	45,202	60,000	(53,275)	51,927
Special Needs Fund	7,125	27,601	(21,942)	12,784
Menstrual Hygiene Fund	34,907	-	(24,271)	10,636
Centennial Endowment	28,100	173,411	(193,411)	8,100
	$ 315,334	$ 261,012	$ (341,457)	$ 234,889

Centennial Endowment Investment and Spending and Policies. The Board of Directors has established an Endowment Committee to, among other responsibilities, consider proposals for fund withdrawals and for policy revisions, and to review investment strategy and performance. The Board of Directors must approve any recommendations of the Endowment Committee in order for any modifications to take effect.

Abigail Greer Endowment. In 2002, the Board of Directors established the Abigail Greer Endowment Fund by setting aside $18,015 in memorial donations. The fund is to be used to support children in shelters managed by EFAA. The endowment is currently held in a cash account.

EFAA has adopted certain investment and spending policies. Specifically, these policies require that investments must first, provide security; second, retain required liquidity; and third, maximize yield. Investments are made with the approval of the Executive Director and reported to the Finance Committee on a quarterly basis and to the Board of Directors annually. Approved instruments of investment are obligations of the United States Government, money market funds, certificates of deposit with banks within the United States, deposits in savings banks within the United States, Federal savings and loans institutions, and credit unions located within the United States.

EFAA's policies also state that the earnings of the Abigail Greer endowment may be used to fund EFAA family strengthening programs.

Note 5 – Net Assets With Donor Restrictions and Board Designated Endowment Net Assets (continued)

The following summarizes the changes in endowment funds for the years ended June 30, 2023 and 2024:

	With Donor Restrictions	Without Restrictions Board Designated		
	Centennial Endowment	Centennial Endowment	Abigail Greer	Total Endowments
Endowment net assets, July 1, 2022	$ 28,100	$ 3,068,458	$ 33,415	$ 3,129,973
Contributions	173,411	162,787	-	336,198
Transfer of undesignated net assets	-	23,624	200	23,824
Interest and dividends	-	69,298	-	69,298
Net realized and unrealized gains	-	172,885	-	172,885
Investment advisory fees	-	(32,164)	-	(32,164)
Released from restrictions	(193,411)	-	-	(193,411)
Change in endowment net assets	(20,000)	396,430	200	376,630
Endowment net assets, June 30, 2023	$ 8,100	$ 3,464,888	$ 33,615	$ 3,506,603
Contributions	**-**	**124,650**	**-**	**124,650**
Transfer of undesignated net assets	**-**	**-**	**5,150**	**5,150**
Interest and dividends	**-**	**92,401**	**-**	**92,401**
Net realized and unrealized gains	**-**	**290,610**	**-**	**290,610**
Investment advisory fees	**-**	**(36,372)**	**-**	**(36,372)**
Released from restrictions	**-**	**-**	**(10,099)**	**(10,099)**
Change in endowment net assets	**-**	**471,289**	**(4,949)**	**466,340**
Endowment net assets, June 30, 2024	**$ 8,100**	**$ 3,936,177**	**$ 28,666**	**$ 3,972,943**

Note 6 – Non-Endowment Board Designated Net Assets

Current Needs. The Board of Directors has designated $1,520,000 and $1,360,000 of net assets without donor restrictions for current operating needs at June 30, 2024 and 2023, respectively. These funds are restricted designations imposed internally and are recorded as net assets without donor restrictions.

Note 7 – In-Kind Contributions

The Organization received the following contributions of nonfinancial assets for the years ended June 30:

	2024	2023
In-kind goods and services		
Food bank contributions	**$ 2,659,730**	$ 2,654,346
Land and buildings	**2,368,000**	-
Rent	**158,500**	158,500
Toys and children's items	**35,000**	35,000
Accounting services	**4,000**	4,000
Total in-kind contributions	**5,225,230**	2,851,846

Contributions to the food bank are valued using a national average price per pound. Contributed rent is recorded at market value rent for comparable properties, in excess of required payments. The Organization receives contributed professional services that are recorded at the current rates for the services, as reported by the vendor. Donated goods were recorded at estimated fair market value.

During the year ending June 30, 2024, EFAA received a contribution of property, including land and buildings, from the City of Boulder. The property had previously been leased to EFAA at a nominal rate for use in its programs. Ownership was transferred to EFAA at the end of the lease on June 30, 2024, with covenants mandating the property be used for EFAA programs, subject to specific encumbrances and zoning regulations. The contribution of the property was recorded at fair market value, determined using observable inputs from comparable properties, adjusted for zoning limitations on use and maximum rents.

In-kind goods and services are charged to the classification benefitted within functional expenses in the accompanying statement of activities as follows for the years ended June 30:

	2024	2023
Program services	**$ 2,770,603**	$ 2,780,110
General and administrative	**$ 4,000**	$ 4,000

Contributed food bank inventory totaled $82,267 and $67,736 at June 30, 2024 and 2023, respectively. Contributed property and equipment capitalized totaled $2,368,000 for the year ended June 30, 2024.

Note 8 – Special Events

EFAA derived net proceeds from the following special fundraising events for the year ended June 30:

	2024	2023
Farm to Table Dinner		
Gross proceeds	**$ 339,694**	$ 252,930
Direct costs	**(45,133)**	(34,124)
Net proceeds	**$ 294,561**	$ 218,806
Friend Feast		
Gross proceeds	**$ 96,574**	$ 96,002
Direct costs	**(12,905)**	(18,507)
Net proceeds	**$ 83,669**	$ 77,495
Total		
Gross proceeds	**$ 436,267**	$ 348,932
Direct costs	**(58,037)**	(52,631)
Net proceeds	**$ 378,230**	$ 296,301

Note 9 – Retirement Plan

EFAA provides a Simplified Employee Pension Plan (SIMPLE) for its employees. Employees may elect to defer a portion of their salaries by contributing to individual retirement accounts. EFAA is required to contribute 2% of salaries for employees earning at least $2,500 per year to the employees' individual retirement accounts. Contributions to the plan were $51,018 and $46,730 during the years ended June 30, 2024 and 2023, respectively.

Note 10 – Operating Leases

EFAA leases office space in Nederland, Colorado in order to serve the mountain communities. The lease requires monthly payments of $240 and expires in December 2024. Future minimum annual payments are $1,440 for the year ended June 30, 2024. Total rent expense for operating lease, excluding in-kind rent, was $2,838 and $2,718 for the years ended June 30, 2024 and 2023, respectively.

Note 11 – Contingencies

Lafayette Shelter - 201 N. Carr. In November 2000, EFAA acquired a twelve unit apartment property located in Lafayette, Colorado. The total acquisition cost was $956,257, of which $110,000 was paid by a grant from the State of Colorado, Department of Local Affairs, Division of Housing. Under the terms of the grant, the property must be rented only to low and very low income persons (as defined) for a period of thirty years. If the property ceases to be used by low income persons, EFAA must repay the full grant amount to the State.

Note 11 – Contingencies (continued)

In December 2001, EFAA received a $585,000 grant from the County of Boulder, which was used for additional acquisition costs and to pay off the mortgage on the Lafayette property. Under the terms of the grant, EFAA would have to pay the principal grant amount to the County following the occurrence of any one or more of the following events: the property is sold without the County's advance written consent; EFAA files for bankruptcy protection; the giving of an assignment for the benefit of creditors by EFAA; dissolution of EFAA; or failure to use the property as part of its programs.

Boulder Shelter – 18th Street Triplex. In November 2005, EFAA received a $130,295 grant from the Colorado Division of Housing. Per the grant agreement, $100,295 was passed through to a subgrantee for its use in acquiring ten units of transitional housing in Boulder, and $30,000 was restricted for EFAA to acquire a new transitional housing triplex in Boulder. Under the terms of the grant agreement, EFAA, as lead party, is responsible for monitoring and reporting to the grantor that all thirteen units are being held for use by eligible households (as defined) for a period of fifty years. If the use of the subject units ceases to comply with the grant terms, EFAA, as lead party, could be required to repay the entire grant, although EFAA would have recourse against the subgrantee for the ten units belonging to the subgrantee.

In November 2005, EFAA received a $15,000 Community Development Block Grant from the City of Boulder. The covenants recorded on the Boulder property require that EFAA use the units only for residential housing for rent. This agreement runs in perpetuity.

Boulder – 1575 Yarmouth. In April 2007, EFAA acquired land in north Boulder upon which EFAA constructed a mixed use building consisting of offices, a food bank, and seven transitional housing apartments. EFAA received $160,000 in a Community Development Block Grant from the City of Boulder for this purpose. Under the terms of the agreement, EFAA must use the property only as a necessary and integral part of its program(s). The City can demand that EFAA repay an appreciated grant amount (as defined) should any of the following events occur: EFAA's interest in the property is sold, leased, or transferred without the City's consent; EFAA enters into bankruptcy proceedings; EFAA gives an assignment for the benefit of creditors without the City's consent; EFAA dissolves as a corporate entity; and/or EFAA fails to use the property for a period of 30 days as a necessary and integral part of its program(s). This agreement runs in perpetuity.

In June 2008, EFAA received a $70,000 grant from the Colorado Division of Housing for the construction of seven apartments in the Yarmouth building. Under the terms of the grant, the apartments must be rented only to low and very low income persons (as defined) for a period of fifty years. If the apartments cease to be used by low income persons, EFAA must repay the full grant amount to the State.

Louisville Shelter - 1606 Garfield. In May 2012, EFAA received a $546,000 grant from the County of Boulder for the purchase of housing in Louisville, Colorado. Under the terms of the grant, the property must be used for emergency and transitional housing for homeless families in Boulder County for a period of ninety-nine years. If the property ceases to be used for this purpose, EFAA must repay the full grant amount to the County of Boulder.

Note 11 – Contingencies (continued)

Longmont Shelter - 811 Atwood. In May 2013, EFAA received a $68,300 grant from the County of Boulder for the repair and improvement of housing in Longmont, Colorado. Under the terms of the agreement, EFAA would have to pay the principal grant amount to the County following the occurrence of any one or more of the following events: the property is sold without the County's advance written consent; EFAA files for bankruptcy protection; the giving of an assignment for the benefit of creditors by EFAA; dissolution of EFAA; or failure to use the property as part of its programs. The property also serves as collateral under the terms of the agreement, pursuant to a Deed of Trust to the Boulder County Public Trustee.

North Boulder Shelter - 4650 16th Street. In August 2014, EFAA received a $400,000 grant from the County of Boulder for the purchase of property in Boulder, Colorado. Under the terms of the agreement, EFAA would have to pay the principal grant amount to the County following the occurrence of any one or more of the following events: the property is sold without the County's advance written consent; EFAA files for bankruptcy protection; the giving of an assignment for the benefit of creditors by EFAA; dissolution of EFAA; or failure to use the property as part of its programs. The property also serves as collateral under the terms of the agreement, pursuant to a Deed of Trust to the Boulder County Public Trustee.

Boulder Housing - Marine Street. During the year ending June 30, 2024, EFAA received a contribution of property, including land and buildings, from the City of Boulder. The contribution was contingent upon a housing covenant agreement that stipulates that the property must be used for EFAA's housing programs and is subject to income and rental restrictions. Transfer of the property requires approval from the City of Boulder, which retains the first right of refusal to purchase. Any successors in interest of the property are bound by the housing covenant restrictions. If the terms of the housing covenant agreement are violated, the City may reclaim its interest in the property.

Investment in LLC Remainder Interest. In December 2003, EFAA received a gift of a 10% remainder interest in a limited liability company (LLC) from a board member. The value of the interest has not been recorded on EFAA's financial statements for the years ended June 30, 2024 and 2023 as the initial gift of assignment and assumption of the LLC interest remains with the Community Foundation Serving Boulder County, who holds variance power with respect to this gift.

The LLC owns land and a building in Ohio, which is currently leased to a Rite Aid store. The approximate value of this interest to EFAA was derived from a December 2003 independent appraisal of the remainder interest. The appraisal makes assumptions as to the life expectancy of the donor, amount and continuation of rental receipts, useful life of the building, and no increase or decrease in the value of the property. Using these assumptions, management estimates that EFAA will begin receiving cash distributions of rental income from the property in 2027.

Note 12 – State Unemployment Self Insurance Plan

EFAA participates in a state unemployment self insurance plan. The claim exposure varies based on the number of state approved claims. Under the plan, EFAA accrues the estimated expense of state unemployment costs based on approved claims received from its insurance company. There were no accruals of estimated claims as of June 30, 2024 and 2023. Claim payments based on actual claims ultimately filed could differ materially from these estimates.

Note 13 – Concentrations of Credit Risk

EFAA routinely maintains cash balances in excess of federally insured limits.