

**TRI-LAKES CARES**  
**FINANCIAL STATEMENTS**  
**WITH**  
**INDEPENDENT AUDITORS' REPORT**  
**SEPTEMBER 30, 2024 AND 2023**



## TABLE OF CONTENTS

	<b>Page</b>
<b>Independent Auditors' Report</b>	1
<b>Financial Statements</b>	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	6
Statements of Cash Flows	8
<b>Notes to Financial Statements</b>	9



## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors of  
Tri-Lakes Cares

### **Opinion**

We have audited the accompanying financial statements of Tri-Lakes Cares (the "Organization"), which comprise the statement of financial position as of September 30, 2024 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 the Organization as of September 30, 2024 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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.

### **Prior Period Financial Statements**

The financial statements of the Organization as of and for the year ended September 30, 2023 were audited by other auditors whose report dated December 18, 2023 expressed an unmodified opinion on those statements.

### **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.

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## **INDEPENDENT AUDITORS' REPORT – Continued**

### **Responsibilities of Management for the Financial Statements – Continued**

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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' 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 auditors' 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 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.

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 the Organization'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 the Organization's ability to continue as a going concern for a reasonable period of time.

## **INDEPENDENT AUDITORS' REPORT – Continued**

### **Auditors' Responsibilities for the Audit of the Financial Statements – Continued**

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.

*CBIZ CPAs P.C.*

Colorado Springs, Colorado  
January 28, 2025

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**TRI-LAKES CARES**  
**STATEMENTS OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 97,469	\$ 159,346
Investments - Short-Term Use	3,392	75,938
Grants and Contributions Receivable	182,933	43,072
Gift Cards	5,644	4,115
Inventories	49,881	74,373
Prepaid Expenses and Other	46,952	74,024
<b>Total Current Assets</b>	<b>386,271</b>	<b>430,868</b>
Investments - Long-Term Use	1,600,000	1,530,356
Property and Equipment, Net	462,188	421,809
<b>Total Assets</b>	<b>\$2,448,459</b>	<b>\$2,383,033</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 44,808	\$ 51,575
Accrued Expenses	82,973	89,478
Refundable Advance - Grants	-	90,252
<b>Total Current Liabilities</b>	<b>127,781</b>	<b>231,305</b>
<b>Net Assets</b>		
Without Donor Restrictions - Board Designated	1,600,000	1,530,000
Without Donor Restrictions - Undesignated	456,062	527,103
	<b>2,056,062</b>	<b>2,057,103</b>
With Donor Restrictions	264,616	94,625
<b>Total Net Assets</b>	<b>2,320,678</b>	<b>2,151,728</b>
<b>Total Liabilities and Net Assets</b>	<b>\$2,448,459</b>	<b>\$2,383,033</b>

See Accompanying Notes

**TRI-LAKES CARES**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

	<u>2024</u>			<u>2023</u>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Support and Revenues</b>						
Special Event						
Special Event Revenue	\$ 103,518	\$ -	\$ 103,518	\$ 62,834	\$ -	\$ 62,834
Special Event - In-Kind Revenue	19,490	-	19,490	9,789	-	9,789
Less: Cost of Direct Benefits to Donors	(15,060)	-	(15,060)	(9,000)	-	(9,000)
	<u>107,948</u>	<u>-</u>	<u>107,948</u>	<u>63,623</u>	<u>-</u>	<u>63,623</u>
Donated Goods and Services	752,475	-	752,475	882,593	-	882,593
Contributions	755,767	241,954	997,721	650,803	195,843	846,646
Grants	206,744	378,980	585,724	513,497	161,111	674,608
Noncash Contributions of Investments	15,421	-	15,421	-	-	-
Investment Income	313,114	-	313,114	137,782	-	137,782
Other Income	553	-	553	30	-	30
Net Assets Released From Restrictions	450,943	(450,943)	-	419,875	(419,875)	-
<b>Total Support and Revenues</b>	<u>2,602,965</u>	<u>169,991</u>	<u>2,772,956</u>	<u>2,668,203</u>	<u>(62,921)</u>	<u>2,605,282</u>
<b>Expenses</b>						
Program Services						
Family Stabilization	828,390	-	828,390	808,463	-	808,463
Pantry	863,219	-	863,219	782,417	-	782,417
Housing and Utilities	292,100	-	292,100	307,717	-	307,717
	<u>1,983,709</u>	<u>-</u>	<u>1,983,709</u>	<u>1,898,597</u>	<u>-</u>	<u>1,898,597</u>
General and Administrative	128,715	-	128,715	139,614	-	139,614
Fundraising and Development	491,582	-	491,582	334,337	-	334,337
<b>Total Expenses</b>	<u>2,604,006</u>	<u>-</u>	<u>2,604,006</u>	<u>2,372,548</u>	<u>-</u>	<u>2,372,548</u>
<b>Change in Net Assets</b>	(1,041)	169,991	168,950	295,655	(62,921)	232,734
<b>Net Assets, Beginning of Year</b>	<u>2,057,103</u>	<u>94,625</u>	<u>2,151,728</u>	<u>1,761,448</u>	<u>157,546</u>	<u>1,918,994</u>
<b>Net Assets, End of Year</b>	<u>\$ 2,056,062</u>	<u>\$ 264,616</u>	<u>\$ 2,320,678</u>	<u>\$ 2,057,103</u>	<u>\$ 94,625</u>	<u>\$ 2,151,728</u>

See Accompanying Notes

**TRI-LAKES CARES**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2024**

	<u>Program Services</u>			<u>Supporting Services</u>			
	<u>Family Stabilization</u>	<u>Pantry</u>	<u>Housing and Utilities</u>	<u>Total</u>	<u>General and Administrative</u>	<u>Fundraising and Development</u>	<u>Total</u>
<b>Direct Expenses</b>							
Donated Goods Distributed	\$ 120,936	\$ 531,545	\$ 13,631	\$ 666,112	\$ -	\$ -	\$ 666,112
Groceries and Food Assistance	99	169,279	-	169,378	-	-	169,378
Housing Assistance	-	-	106,888	106,888	-	-	106,888
General Assistance	21,332	23,235	535	45,102	-	-	45,102
Transportation	40,259	-	-	40,259	-	-	40,259
Medical Assistance	29,592	-	-	29,592	-	-	29,592
Gifts	18,814	-	-	18,814	-	-	18,814
Utilities	-	-	10,173	10,173	-	-	10,173
Home Repair Assistance	-	-	5,006	5,006	-	-	5,006
School Supplies	2,592	-	-	2,592	-	-	2,592
Education Assistance	717	-	-	717	-	-	717
<b>Total Direct Expenses</b>	<b>234,341</b>	<b>724,059</b>	<b>136,233</b>	<b>1,094,633</b>	<b>-</b>	<b>-</b>	<b>1,094,633</b>
<b>Indirect Expenses</b>							
Salaries	298,152	110,194	125,244	533,590	98,646	305,533	937,769
Donated Goods Used in Operations	38,945	6,118	4,964	50,027	3,693	42,716	96,436
Professional Fees	75,906	58	51	76,015	6,975	27,427	110,417
Payroll Taxes	33,905	12,034	13,777	59,716	9,440	34,571	103,727
Occupancy	46,181	2,046	765	48,992	2,821	6,269	58,082
Information Technology	15,085	1,513	1,282	17,880	981	20,746	39,607
Employee Benefits	11,190	5,084	4,645	20,919	2,572	13,239	36,730
Advertising and Promotion	5,658	748	590	6,996	387	26,049	33,432
Office Expenses	10,839	384	10	11,233	1,216	10,345	22,794
Meetings	16,808	617	565	17,990	569	2,579	21,138
Depreciation	12,422	-	-	12,422	682	546	13,650
Insurance	11,103	286	261	11,650	676	1,177	13,503
Travel	1,015	78	93	1,186	57	385	1,628
<b>Total Indirect Expenses</b>	<b>577,209</b>	<b>139,160</b>	<b>152,247</b>	<b>868,616</b>	<b>128,715</b>	<b>491,582</b>	<b>1,488,913</b>
Donated Services	16,840	-	3,620	20,460	-	-	20,460
<b>Total Expenses</b>	<b>\$ 828,390</b>	<b>\$ 863,219</b>	<b>\$ 292,100</b>	<b>\$ 1,983,709</b>	<b>\$ 128,715</b>	<b>\$ 491,582</b>	<b>\$ 2,604,006</b>
<b>Expense Percentages</b>	<b>32%</b>	<b>33%</b>	<b>11%</b>	<b>76%</b>	<b>5%</b>	<b>19%</b>	<b>100%</b>

See Accompanying Notes



**TRI-LAKES CARES**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2023**

	Program Services				Supporting Services		
	Family Stabilization	Pantry	Housing and Utilities	Total	General and Administrative	Fundraising and Development	Total
<b>Direct Expenses</b>							
Donated Goods Distributed	\$ 135,314	\$ 505,227	\$ 9,845	\$ 650,386	\$ -	\$ 375	\$ 650,761
Groceries and Food Assistance	2,766	160,076	-	162,842	-	-	162,842
Housing Assistance	-	-	140,128	140,128	-	-	140,128
General Assistance	32,388	7,880	-	40,268	-	40	40,308
Transportation	30,970	-	-	30,970	-	-	30,970
Medical Assistance	26,728	-	-	26,728	-	-	26,728
Gifts	16,414	-	-	16,414	-	-	16,414
Utilities	-	-	10,354	10,354	-	-	10,354
Education Assistance	8,548	-	-	8,548	-	-	8,548
Home Repair Assistance	-	-	5,802	5,802	-	-	5,802
School Supplies	3,881	-	-	3,881	-	-	3,881
<b>Total Direct Expenses</b>	<b>257,009</b>	<b>673,183</b>	<b>166,129</b>	<b>1,096,321</b>	<b>-</b>	<b>415</b>	<b>1,096,736</b>
<b>Indirect Expenses</b>							
Salaries	231,116	84,186	114,758	430,060	108,023	192,740	730,823
Donated Goods Used in Operations	85,479	2,436	3,599	91,514	7,616	61,046	160,176
Payroll Taxes	24,872	8,943	12,290	46,105	11,549	20,679	78,333
Occupancy	48,469	1,480	497	50,446	822	3,088	54,356
Information Technology	30,220	4,754	1,288	36,262	2,353	9,022	47,637
Employee Benefits	11,875	4,102	4,332	20,309	3,877	8,581	32,767
Professional Fees	20,147	49	52	20,248	710	7,582	28,540
Advertising and Promotion	10,148	823	778	11,749	740	16,049	28,538
Meetings	18,066	1,260	1,319	20,645	1,313	4,564	26,522
Office Expenses	12,078	707	20	12,805	1,008	8,267	22,080
Depreciation	12,491	-	-	12,491	686	549	13,726
Insurance	10,756	309	327	11,392	808	1,058	13,258
Travel	865	185	150	1,200	109	697	2,006
<b>Total Indirect Expenses</b>	<b>516,582</b>	<b>109,234</b>	<b>139,410</b>	<b>765,226</b>	<b>139,614</b>	<b>333,922</b>	<b>1,238,762</b>
Donated Services	34,872	-	2,178	37,050	-	-	37,050
<b>Total Expenses</b>	<b>\$ 808,463</b>	<b>\$ 782,417</b>	<b>\$ 307,717</b>	<b>\$1,898,597</b>	<b>\$ 139,614</b>	<b>\$ 334,337</b>	<b>\$2,372,548</b>
<b>Expense Percentages</b>	<b>34%</b>	<b>33%</b>	<b>13%</b>	<b>80%</b>	<b>6%</b>	<b>14%</b>	<b>100%</b>

See Accompanying Notes

**TRI-LAKES CARES**  
**STATEMENTS OF CASH FLOW**  
**YEARS ENDED SEPTEMBER 30, 2024 AND 2023**

	2024	2023
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 168,950	\$ 232,734
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	13,650	13,726
Reinvested Interest and Dividends	(57,216)	(39,220)
Noncash Contributions of Investments	(15,421)	-
Realized and Unrealized Gains on Investments	(264,963)	(108,890)
Decrease (Increase) in Assets		
Grants and Contributions Receivable	(139,861)	68,355
Gift Cards	(1,529)	8,124
Inventories	24,492	(35,384)
Prepaid Expenses and Other	27,072	(42,187)
Increase (Decrease) in Liabilities		
Accounts Payable	(6,767)	1,431
Accrued Expenses	(6,505)	17,623
Refundable Advance - Grants	(90,252)	90,252
<b>Net Cash (Used in) Provided by Operating Activities</b>	<b>(348,350)</b>	<b>206,564</b>
<b>Cash Flows from Investing Activities</b>		
Purchases of Investments	(185,733)	(763,314)
Proceeds from Sale of Investments	526,235	539,089
Purchases of Property and Equipment	(54,029)	-
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>286,473</b>	<b>(224,225)</b>
<b>Net Decrease in Cash</b>	(61,877)	(17,661)
<b>Cash, Beginning of Year</b>	159,346	177,007
<b>Cash, End of Year</b>	<b>\$ 97,469</b>	<b>\$ 159,346</b>

See Accompanying Notes

**TRI-LAKES CARES**  
**NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities** – Tri-Lakes Cares (the “Organization”) is a nonprofit organization that was incorporated in Colorado on January 24, 1984. The Organization is a community based, volunteer supported, resource center whose purpose is to improve people’s lives through emergency assistance, self-sufficiency, and relief programs. In addition, the Organization hosts several other community partners, enabling their clients to obtain medical assistance, access food, apply for government programs, and meet several other basic needs all in one location.

The Organization is dependent on contributions and grants primarily from the El Paso County Colorado community and grantor agencies to maintain its operations at current levels.

**Basis of Accounting** – The accounts of the Organization are maintained, and the financial statements are prepared, on the accrual basis of accounting.

**Basis of Presentation** – Under U.S. generally accepted accounting principles (GAAP), the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets *without donor restrictions* and net assets *with donor restrictions*. The two classes of net assets are defined as follows:

*Net Assets without Donor Restrictions* – net assets that are not subject to, or are no longer subject to, donor-imposed stipulations.

*Net Assets with Donor Restrictions* – net assets whose use is limited by donor-imposed time and/or purpose restrictions.

**Use of Estimates** – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents** – For purposes of the statements of cash flows, the Organization considers highly liquid investments with an initial maturity of three months or less, not held for long-term purposes, to be cash equivalents.

**Grants and Contributions Receivable** – Grants and contributions receivable are reported at the amount the Organization expects to collect on balances outstanding at year end. The Organization provides for probable uncollectible amounts through a charge against contributions or grant revenue and a credit to an allowance based on its assessment of the current status of individual receivables. At September 30, 2024 and 2023, the Organization considers grants and contributions receivable to be fully collectible within one year. No allowance for uncollectible grants and contributions is required.

**Investments** – The Organization’s investments are reported at fair value. Fair value is the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for discussion of fair value measurements.

**TRI-LAKES CARES**  
**NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Investments – Continued** – Investment income, which includes interest, dividends, royalties, and net realized and unrealized gains and losses, less investment fees, is reported as an increase in net assets with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Unrealized gains and losses represent the change in the fair value of the individual investment for the year, or since the acquisition date, if acquired during the year.

**Inventories** – Inventories of donated food items are valued at an estimated wholesale value of \$1.93 and \$1.92 per pound as of September 30, 2024 and 2023, respectively. The estimated value per pound used by management is equivalent to that used by a leading national food bank. Inventories of items donated for a silent auction fundraising event are valued at their fair value as provided by each donor at the time of donation.

**Property and Equipment** – Property and equipment is stated at cost, or if donated, at the estimated fair value at the date of donation. The Organization’s policy is to capitalize acquisitions of property and equipment costing in excess of \$2,000 and having a useful life exceeding one year. Depreciation is provided using the straight-line method over the following estimated useful lives:

Building	50 Years
Furniture and Equipment	3-7 Years

**Support and Revenue Recognition** – Contributions and grants (other than cost-reimbursable grants) are recorded as revenue when unconditional promises to give have been made or grant awards have been received and are shown as increases in net assets, with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donated assets are recorded at their fair value on the date of donation.

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

Unconditional promises to give are recorded at net realizable value if expected to be collected within one year and at the present value of estimated future cash flows if expected to be collected in more than one year. All unconditional grants and contributions receivable recorded at September 30, 2024 and 2023 are expected to be received within one year.

Conditional promises to give are not included as support and revenue until the conditions are substantially met. The Organization reports donor-restricted support and revenue that was initially a conditional contribution or grant and for which the donor-imposed conditions and restrictions are met in the same reporting period as net assets without donor restrictions.

**TRI-LAKES CARES**  
**NOTES TO FINANCIAL STATEMENTS**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Support and Revenue Recognition – Continued** – At September 30, 2024 and 2023, the Organization’s conditional promises to give consist of \$65,000 and \$114,038, respectively, related to grants which have been awarded to the Organization but for which certain performance requirements have not been met and/or allowable qualifying expenses have not been incurred.

As of September 30, 2024 and 2023, conditional grants which have been received but for which the conditions of the grants have not been met as of year-end, totaled \$0 and \$90,252, respectively.

**Donated Goods and Services** – Donated food items are valued at an estimated wholesale value of \$1.93 and \$1.92 per pound for the years ended September 30, 2024 and 2023, respectively. Donated services are recorded if the services received create or enhance a non-financial asset or require specialized skills that would typically need to be purchased if not provided by donation. Donated services meeting the above criteria, and other items other than food, are recorded at the fair value as provided by the donor at the date of receipt.

**Expense Allocations** – The costs of providing programs and supporting services have been summarized on a functional basis in the statements of activities. Most expenses can be directly attributed to program or supporting functions. When certain categories of expense are attributed to more than one functional category, management allocates those expenses based on reasonable criteria. The most significant expenses which are allocated among the programs and supporting services benefited include salaries, payroll taxes, donated goods used in operations, and occupancy.

Salaries and payroll taxes are allocated based on the time spent by employees on providing certain activities. Donated goods used in operations and occupancy are allocated based on the square footage of the Organization’s building as used by the supporting service.

**Income Tax Status** – The Organization is exempt, under Section 501(c)(3) of the Internal Revenue Code, from tax on income derived from donations, income generated by activities carried on in furtherance of its exempt purpose and certain other specified income and, in addition, is qualified to receive tax deductible contributions. Management believes that based on evaluation of its tax position, any liability as a result of uncertain tax positions would not be material. Management continually evaluates expiring statutes of limitations, changes in the tax laws, and new authoritative rulings to assist in evaluating its tax position.

The Organization’s information returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of September 30, 2024, the information returns for three prior years are subject to examination.

**TRI-LAKES CARES**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization receives substantial support from donor-restricted cash contributions and grants as well as in-kind contributions. However, most of these grants and contributions are believed to be available for general expenditures within one year of the statement of financial position date because the restrictions on the net assets can be met by conducting the normal activities of the Organization’s programs within one year. Accordingly, the related resources have been included in the quantitative information below which details the financial assets available to meet general expenditures within one year.

The Organization’s financial assets available within one year of the statement of financial position date for general expenditures consist of the following at September 30:

	<u>2024</u>	<u>2023</u>
Financial Assets		
Cash	\$ 97,469	\$ 159,346
Grants and Contributions Receivable	182,933	43,072
Investments	1,603,392	1,606,294
Gift Cards	5,644	4,115
	<u>1,889,438</u>	<u>1,812,827</u>
Financial Assets Not Available Within One Year for General Expenditures:		
Funds Designated by the Board for Long-Term Financial Needs and Emergencies	<u>1,600,000</u>	<u>1,530,000</u>
Total Financial Assets Available Within One Year for General Expenditures	<u>\$ 289,438</u>	<u>\$ 282,827</u>

In accordance with the Organization’s investment policy the Board of Directors designates certain investments for emergencies or long-term use (see Note 6), \$1,600,000 and \$1,530,000 at September 30, 2024 and 2023, respectively. Although the Organization does not intend to do so, any funds reserved for emergencies or long-term use could be made available as they are set aside by the Board of Directors and such designations could be removed should the Organization need access to those funds within one year for general expenditures.

**NOTE 2 – INVENTORIES**

Inventories consist of the following at September 30:

	<u>2024</u>	<u>2023</u>
Food	\$ 38,611	\$ 53,862
Donated Items for Silent Auction	10,995	18,769
Other	275	1,742
Total Inventories	<u>\$ 49,881</u>	<u>\$ 74,373</u>

**TRI-LAKES CARES**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 – INVESTMENTS**

Investments consist of the following at September 30:

	<u>2024</u>	<u>2023</u>
Cash	\$ 30,224	\$ 22,249
Mutual Funds	1,014,118	1,073,691
Corporate Stocks	322,006	202,896
Exchange Traded and Closed-End Funds (ETFs and CEFs)	237,044	231,520
Certificate of Deposit	-	75,938
Total Investments	<u>\$ 1,603,392</u>	<u>\$ 1,606,294</u>

Reconciliation of total investments to the statements of financial position at September 30:

	<u>2024</u>	<u>2023</u>
Investments - Short-Term Use	\$ 3,392	\$ 75,938
Investments - Long-Term Use	<u>1,600,000</u>	<u>1,530,356</u>
Total Investments	<u>\$ 1,603,392</u>	<u>\$ 1,606,294</u>

The following schedule summarizes investment income for interest bearing cash accounts and investments for the years ended September 30:

	<u>2024</u>	<u>2023</u>
Interest	\$ 3,191	\$ 1,359
Dividends	60,045	41,119
Investment Fees	(15,211)	(13,586)
Net Realized and Unrealized Gains	<u>265,089</u>	<u>108,890</u>
Investment Income	<u>\$ 313,114</u>	<u>\$ 137,782</u>

**NOTE 4 – FAIR VALUE MEASUREMENTS**

The framework for measuring fair value 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) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

- 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.

**TRI-LAKES CARES**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 – FAIR VALUE MEASUREMENTS – Continued**

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 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 measurement. Valuation techniques used need to maximize observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at September 30, 2024 and 2023.

Following is a description of the valuation methodologies used for assets measured on a recurring basis at fair value.

*Mutual Funds:* Valued at the daily closing price as reported by the funds. The mutual funds held by the Organization are open-end mutual funds which are registered with the Securities and Exchange Commission. The funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

*Corporate Stocks, ETFs (Exchange Traded Funds), and CEFs (Closed-End Funds):* Valued at the closing price reported on the active market on which the individual securities are traded.

*Certificate of Deposit:* Valued at the principal amount plus accrued interest, which approximates fair value. Early withdrawal penalties could apply.



**TRI-LAKES CARES**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 – FAIR VALUE MEASUREMENTS – Continued**

The following table sets forth the level, within the fair value hierarchy, of the Organization’s assets measured on a recurring basis at fair value as of:

<b>September 30, 2024</b>	<b>Fair Value</b>	<b>Fair Value Inputs</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Mutual Funds	\$ 1,014,118	\$ 1,014,118	\$ -	\$ -
Corporate Stocks	322,006	322,006	-	-
Exchange Traded and Closed-End Funds (ETFs and CEFs)	237,044	237,044	-	-
<b>Total Assets Measured at Fair Value</b>	<b>\$ 1,573,168</b>	<b>\$ 1,573,168</b>	<b>\$ -</b>	<b>\$ -</b>

<b>September 30, 2023</b>	<b>Fair Value</b>	<b>Fair Value Inputs</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Mutual Funds	\$ 1,073,691	\$ 1,073,691	\$ -	\$ -
Corporate Stocks	202,896	202,896	-	-
Exchange Traded and Closed-End Funds (ETFs and CEFs)	231,520	231,520	-	-
Certificate of Deposit	75,938	-	75,938	-
<b>Total Assets Measured at Fair Value</b>	<b>\$ 1,584,045</b>	<b>\$ 1,508,107</b>	<b>\$ 75,938</b>	<b>\$ -</b>

Reconciliation of total assets measured at fair value to total investments at September 30:

	<b>2024</b>	<b>2023</b>
Total Assets Measured at Fair Value	\$ 1,573,168	\$ 1,584,045
Add: Cash and Cash Equivalents Included in Investments	30,224	22,249
<b>Total Investments</b>	<b>\$ 1,603,392</b>	<b>\$ 1,606,294</b>

**TRI-LAKES CARES**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 – PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at September 30:

	<u>2024</u>	<u>2023</u>
Land	\$ 85,268	\$ 85,268
Building	517,587	463,558
Furniture and Equipment	23,961	23,961
	<u>626,816</u>	<u>572,787</u>
Less: Accumulated Depreciation	164,628	150,978
Total Property and Equipment, Net	<u>\$ 462,188</u>	<u>\$ 421,809</u>

Depreciation expense for the years ended September 30, 2024 and 2023 was \$13,650 and 13,726, respectively.

**NOTE 6 – NET ASSETS**

The financial statements report amounts of net assets as without donor restrictions or with donor restrictions based on the absence or existence and the type of donor-imposed restrictions. Amounts designated by the Board of Directors for specific programs or activities are treated as net assets without donor restrictions. At September 30, 2024 and 2023, net assets without donor restrictions, but designated by the Board of Directors for long-term financial needs of the Organization and emergencies, totaled \$1,600,000 and \$1,530,000, respectively. The Board intends for the designated funds to be used for a new facility, program expansion, certain operating costs, and for future endowment creation. The Board designated net assets can be undesignated at the Board’s discretion at any time.

The following is a summary of activity in net assets with donor restrictions during the year ended September 30, 2024:

	<b>Beginning</b>		<b>Released</b>	
	<b>Balance</b>	<b>Additions</b>	<b>from</b>	<b>Ending</b>
			<b>Restrictions</b>	<b>Balance</b>
Family Stabilization Program	\$ 46,643	\$ 97,755	\$ (72,685)	\$ 71,713
Pantry Program	15,677	107,726	(99,106)	24,297
Housing and Utilities Program	-	1,533	(1,533)	-
Time Restricted	32,305	413,920	(277,619)	168,606
	<u>\$ 94,625</u>	<u>\$ 620,934</u>	<u>\$ (450,943)</u>	<u>\$ 264,616</u>

**TRI-LAKES CARES**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 – NET ASSETS – Continued**

The following is a summary of activity in net assets with donor restrictions during the year ended September 30, 2023:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Released from Restrictions</b>	<b>Ending Balance</b>
Family Stabilization Program	\$ 62,869	\$ 112,709	\$ (128,935)	\$ 46,643
Pantry Program	38,880	83,656	(106,859)	15,677
Housing and Utilities Program	11,541	775	(12,316)	-
Time Restricted	44,256	159,814	(171,765)	32,305
	<u>\$ 157,546</u>	<u>\$ 356,954</u>	<u>\$ (419,875)</u>	<u>\$ 94,625</u>

**NOTE 7 – SIMPLIFIED EMPLOYEE PENSION INDIVIDUAL RETIREMENT ARRANGEMENT (SEP IRA)**

The Organization administers a SEP IRA retirement plan that covers all employees and allows for employee compensation reduction contributions and employer matching contribution up to 3% of an employee’s compensation. The Organization’s total contribution into the SEP IRA was \$23,600 and \$20,800 for the years ended September 30, 2024 and 2023, respectively.

**NOTE 8 – DONATED GOODS AND SERVICES**

During the years ended September 30, 2024 and 2023, the Organization received goods and services for client programs and for operational support as follows:

	<b>2024</b>	<b>2023</b>
Received for Client Programs		
Food and Sundries	\$ 519,854	\$ 532,604
Medical Services and Supplies	72,713	67,531
Holiday Gifts for Seniors and Children	10,162	10,493
School Supplies	11,041	20,678
Other Services	34,091	46,105
Other Supplies	26,076	40,661
	<u>673,937</u>	<u>718,072</u>
Received for Operational Support		
Goods and Services	78,538	164,521
	<u>\$ 752,475</u>	<u>\$ 882,593</u>

**TRI-LAKES CARES**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 8 – DONATED GOODS AND SERVICES – Continued**

During the years ended September 30, 2024 and 2023, the Organization distributed goods and services for client programs and for operational support as follows:

	<u>2024</u>	<u>2023</u>
Distributed for Client Programs		
Food and Sundries	\$ 530,872	\$ 501,894
Medical Services and Supplies	74,180	67,322
Holiday Gifts for Seniors and Children	10,162	10,493
School Supplies	11,041	20,678
Other Services	34,091	46,894
Other Supplies	26,226	40,530
	<u>686,572</u>	<u>687,811</u>
Distributed for Operational Support		
Goods and Services	96,436	160,176
	<u>\$ 783,008</u>	<u>\$ 847,987</u>

In addition to the donated services reflected above, the Organization also receives donated services which are not reflected in the financial statements as they do not meet the criteria for recognition under GAAP. For the years ended September 30, 2024 and 2023, the Organization received approximately 10,690 and 10,216 volunteer hours, respectively.

**NOTE 9 – CASH FLOW STATEMENT DISCLOSURES**

**Supplemental Disclosures of Non-Cash Investing and Financing Activities**

During the year ended September 30, 2024, the Organization received non-cash contributions of investments valued at \$15,421.

**NOTE 10 – CONCENTRATIONS**

At times, cash balances held in one financial institution may exceed federally insured limits. The Organization has not experienced any losses in its cash accounts and management believes the Organization is not exposed to any significant credit risk on cash.

During the year ended September 30, 2023, the Organization recorded one government grant which accounted for approximately 11% of its total revenues and support.

The Organization has significant investments which subject the Organization to concentrations of credit risk. Investments are made by investment managers engaged by the Organization and the investments are monitored by the Organization. The market value of investments is subject to fluctuations; however, management believes the Organization's investment policies are prudent for the long-term welfare of the Organization.

**TRI-LAKES CARES  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date of the attached independent auditors' report, the date which the financial statements were available to be issued.