



TRI-LAKES CARES

TRI-LAKES CARES

FINANCIAL STATEMENTS

For the Years Ended September 30, 2025 and 2024

TRI-LAKES CARES

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Independent Auditors' Report

The Board of Directors of Tri-Lakes Cares

Qualified Opinion on 2025 and Unmodified Opinion on 2024

We have audited the financial statements of Tri-Lakes Cares (the "Organization"), which comprise the statements of financial position as of September 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, except for the effects on the 2025 financial statements of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of September 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion on 2025 and Unmodified Opinion on 2024

As more fully described in Note 6 of the financial statements, the Organization has not recorded the value of the beneficial interest in assets held by others to fair value on September 30, 2025, that, in our opinion, should be marked to fair value to conform with accounting principles generally accepted in the United States of America. Quantification of the effects on the financial statements of the preceding practice is not practicable.

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 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the 2025 financial statements and our unmodified audit opinion on the 2024 financial 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.

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 for 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 GAAS, 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.

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
June 15, 2026

TRI-LAKES CARES
STATEMENTS OF FINANCIAL POSITION
September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets		
Cash	\$ 181,691	\$ 97,469
Investments - Short-Term Use	359,970	3,392
Grants and Contributions Receivable	138,214	182,933
Gift Cards	5,034	5,644
Inventories	41,377	49,881
Prepaid Expenses and Other	<u>37,307</u>	<u>46,952</u>
Total Current Assets	763,593	386,271
Investments - Long-Term Use	1,079,909	1,600,000
Beneficial Interest in Assets Held by Others	2,095,000	-
Property and Equipment, Net	<u>475,339</u>	<u>462,188</u>
Total Assets	<u>\$ 4,413,841</u>	<u>\$ 2,448,459</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 65,822	\$ 44,808
Accrued Expenses	93,181	82,973
Other Liabilities	<u>3,000</u>	<u>-</u>
Total Current Liabilities	<u>162,003</u>	<u>127,781</u>
Net Assets		
Without Donor Restrictions - Board Designated	1,079,909	1,600,000
Without Donor Restrictions - Undesignated	<u>2,915,925</u>	<u>456,062</u>
	3,995,834	2,056,062
With Donor Restrictions	<u>256,004</u>	<u>264,616</u>
Total Net Assets	<u>4,251,838</u>	<u>2,320,678</u>
Total Liabilities and Net Assets	<u>\$ 4,413,841</u>	<u>\$ 2,448,459</u>

See accompanying notes to financial statements.

TRI-LAKES CARES
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenues			
Special Event			
Special Event Revenue	\$ 140,445	\$ -	\$ 140,445
Special Event - In-Kind Revenue	34,856	-	34,856
Less: Cost of Direct Benefits to Donors	<u>(23,760)</u>	<u>-</u>	<u>(23,760)</u>
	151,541	-	151,541
Donated Goods and Services	878,252	-	878,252
Contributions	865,124	114,004	979,128
Grants	247,951	133,081	381,032
Noncash Contributions of Investments	2,095,000	-	2,095,000
Investment Income	82,435	-	82,435
Other Income	241	-	241
Net Assets Released From Restrictions	<u>255,697</u>	<u>(255,697)</u>	<u>-</u>
Total Support and Revenues	<u>4,576,241</u>	<u>(8,612)</u>	<u>4,567,629</u>
Expenses			
Program Services			
Family Stabilization	1,125,403	-	1,125,403
Pantry	<u>1,076,416</u>	<u>-</u>	<u>1,076,416</u>
	2,201,819	-	2,201,819
General and Administrative	59,973	-	59,973
Fundraising and Development	<u>374,677</u>	<u>-</u>	<u>374,677</u>
Total Expenses	<u>2,636,469</u>	<u>-</u>	<u>2,636,469</u>
Change in Net Assets	1,939,772	(8,612)	1,931,160
Net Assets, Beginning of Year	<u>2,056,062</u>	<u>264,616</u>	<u>2,320,678</u>
Net Assets, End of Year	<u>\$ 3,995,834</u>	<u>\$ 256,004</u>	<u>\$ 4,251,838</u>

See accompanying notes to financial statements.

TRI-LAKES CARES
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenues			
Special Event			
Special Event Revenue	\$ 103,518	\$ -	\$ 103,518
Special Event - In-Kind Revenue	19,490	-	19,490
Less: Cost of Direct Benefits to Donors	<u>(15,060)</u>	<u>-</u>	<u>(15,060)</u>
	107,948	-	107,948
Donated Goods and Services	752,475	-	752,475
Contributions	755,767	241,954	997,721
Grants	206,744	378,980	585,724
Noncash Contributions of Investments	15,421	-	15,421
Investment Income	313,114	-	313,114
Other Income	553	-	553
Net Assets Released From Restrictions	<u>450,943</u>	<u>(450,943)</u>	<u>-</u>
Total Support and Revenues	<u>2,602,965</u>	<u>169,991</u>	<u>2,772,956</u>
Expenses			
Program Services			
Family Stabilization	1,120,490	-	1,120,490
Pantry	863,219	-	863,219
	<u>1,983,709</u>	<u>-</u>	<u>1,983,709</u>
General and Administrative	128,715	-	128,715
Fundraising and Development	491,582	-	491,582
Total Expenses	<u>2,604,006</u>	<u>-</u>	<u>2,604,006</u>
Change in Net Assets	(1,041)	169,991	168,950
Net Assets, Beginning of Year	<u>2,057,103</u>	<u>94,625</u>	<u>2,151,728</u>
Net Assets, End of Year	<u>\$ 2,056,062</u>	<u>\$ 264,616</u>	<u>\$ 2,320,678</u>

See accompanying notes to financial statements.

TRI-LAKES CARES
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2025

	Program Services			Supporting Services		
	Family Stabilization	Pantry	Total	General and Administrative	Fundraising and Development	Total
Direct Expenses						
Donated Goods Distributed	\$ 148,811	\$ 629,903	\$ 778,714	\$ 55	\$ 91	\$ 778,860
Groceries and Food Assistance	-	200,399	200,399	-	-	200,399
Housing Assistance	115,634	-	115,634	-	-	115,634
General Assistance	13,170	17,916	31,086	-	100	31,186
Transportation	23,921	-	23,921	-	-	23,921
Medical Assistance	11,288	-	11,288	-	-	11,288
Gifts	18,148	-	18,148	-	-	18,148
Utilities	3,156	-	3,156	-	-	3,156
Home Repair Assistance	588	-	588	-	-	588
School Supplies	783	-	783	-	-	783
Education Assistance	971	-	971	-	-	971
Total Direct Expenses	336,470	848,218	1,184,688	55	191	1,184,934
Indirect Expenses						
Salaries	486,906	173,758	660,664	46,092	208,470	915,226
Donated Goods Used in Operations	55,619	10,561	66,180	2,282	29,341	97,803
Professional Fees	23,897	645	24,542	789	1,422	26,753
Payroll Taxes	54,954	19,830	74,784	5,680	23,612	104,076
Occupancy	41,507	13,301	54,808	1,451	34,772	91,031
Information Technology	20,966	2,065	23,031	670	30,978	54,679
Employee Benefits	16,230	5,851	22,081	899	7,638	30,618
Advertising and Promotion	10,321	1,208	11,529	233	25,692	37,454
Office Expenses	14,450	-	14,450	738	9,251	24,439
Meetings	13,449	330	13,779	97	1,125	15,001
Depreciation	15,248	-	15,248	497	829	16,574
Insurance	12,803	390	13,193	434	1,112	14,739
Travel	1,955	259	2,214	56	244	2,514
Total Indirect Expenses	768,305	228,198	996,503	59,918	374,486	1,430,907
Donated Services	20,628	-	20,628	-	-	20,628
Total Expenses	\$ 1,125,403	\$ 1,076,416	\$ 2,201,819	\$ 59,973	\$ 374,677	\$ 2,636,469
Expense Percentages	43%	41%	84%	2%	14%	100%

See accompanying notes to financial statements.

TRI-LAKES CARES
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2024

	Program Services			Supporting Services		
	Family Stabilization	Pantry	Total	General and Administrative	Fundraising and Development	Total
Direct Expenses						
Donated Goods Distributed	\$ 134,567	\$ 531,545	\$ 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	21,867	23,235	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
Total Direct Expenses	370,574	724,059	1,094,633	-	-	1,094,633
Indirect Expenses						
Salaries	423,396	110,194	533,590	98,646	305,533	937,769
Donated Goods Used in Operations	43,909	6,118	50,027	3,693	42,716	96,436
Professional Fees	75,957	58	76,015	6,975	27,427	110,417
Payroll Taxes	47,682	12,034	59,716	9,440	34,571	103,727
Occupancy	46,946	2,046	48,992	2,821	6,269	58,082
Information Technology	16,367	1,513	17,880	981	20,746	39,607
Employee Benefits	15,835	5,084	20,919	2,572	13,239	36,730
Advertising and Promotion	6,248	748	6,996	387	26,049	33,432
Office Expenses	10,849	384	11,233	1,216	10,345	22,794
Meetings	17,373	617	17,990	569	2,579	21,138
Depreciation	12,422	-	12,422	682	546	13,650
Insurance	11,364	286	11,650	676	1,177	13,503
Travel	1,108	78	1,186	57	385	1,628
Total Indirect Expenses	729,456	139,160	868,616	128,715	491,582	1,488,913
Donated Services	20,460	-	20,460	-	-	20,460
Total Expenses	\$ 1,120,490	\$ 863,219	\$ 1,983,709	\$ 128,715	\$ 491,582	\$ 2,604,006
Expense Percentages	43%	33%	76%	5%	19%	100%

See accompanying notes to financial statements.

TRI-LAKES CARES
STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 1,931,160	\$ 168,950
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities		
Depreciation	16,574	13,650
Reinvested Interest and Dividends	(68,172)	(57,216)
Noncash Contributions of Investments	(2,095,000)	(15,421)
Realized and Unrealized Gains on Investments	(23,326)	(264,963)
Decrease (Increase) in Assets		
Grants and Contributions Receivable	44,719	(139,861)
Gift Cards	610	(1,529)
Inventories	8,504	24,492
Prepaid Expenses and Other	9,645	27,072
Increase (Decrease) in Liabilities		
Accounts Payable	21,014	(6,767)
Accrued Expenses	10,208	(6,505)
Other Liabilities	3,000	-
Refundable Advance - Grants	-	(90,252)
Net Cash Used in Operating Activities	<u>(141,064)</u>	<u>(348,350)</u>
Cash Flows from Investing Activities		
Purchases of Investments	(201,584)	(185,733)
Proceeds from Sale of Investments	456,595	526,235
Purchases of Property and Equipment	<u>(29,725)</u>	<u>(54,029)</u>
Net Cash Provided by Investing Activities	<u>225,286</u>	<u>286,473</u>
Net Change in Cash	84,222	(61,877)
Cash, Beginning of Year	<u>97,469</u>	<u>159,346</u>
Cash, End of Year	<u>\$ 181,691</u>	<u>\$ 97,469</u>

See accompanying notes to financial statements.

TRI-LAKES CARES
NOTES TO FINANCIAL STATEMENTS
September 30, 2025 and 2024

NOTE 1 - 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, 2025 and 2024, the Organization considers grants and contributions receivable to be fully collectible within one year. No allowance for uncollectible grants and contributions is required.

TRI-LAKES CARES
NOTES TO FINANCIAL STATEMENTS
September 30, 2025 and 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 5 for discussion of fair value measurements.

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 \$1.97 and \$1.93 per pound as of September 30, 2025 and 2024, 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, 2025 and 2024, are expected to be received within one year.

TRI-LAKES CARES
NOTES TO FINANCIAL STATEMENTS
September 30, 2025 and 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Support and Revenue Recognition (Continued)

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.

At September 30, 2025 and 2024, the Organization's conditional promises to give consist of \$0 and \$65,000, 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, 2025 and 2024, the Organization had no conditional grants which have been received but for which the conditions of the grants have not been met as of year-end.

Donated Goods and Services

Donated food items are valued at an estimated wholesale value of \$1.97 and \$1.93 per pound for the years ended September 30, 2025 and 2024, 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, 2025, the information returns for three prior years are subject to examination.

TRI-LAKES CARES
NOTES TO FINANCIAL STATEMENTS
September 30, 2025 and 2024

NOTE 2 - 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:

	2025	2024
Financial Assets		
Cash	\$ 181,691	\$ 97,469
Grants and Contributions Receivable	138,214	182,933
Investments	1,439,879	1,603,392
Gift Cards	5,034	5,644
	1,764,818	1,889,438
Financial Assets Not Available Within One Year for General Expenditures:		
Funds Designated by the Board for Long-Term Financial Needs and Emergencies	1,079,909	1,600,000
Total Financial Assets Available Within One Year for General Expenditures	\$ 684,909	\$ 289,438

In accordance with the Organization's investment policy, the board of directors designates certain investments for specific uses (see Note 8), \$1,079,909 and \$1,600,000 at September 30, 2025 and 2024, 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.

The assets held in the agency fund (see Note 6) are not readily marketable and are subject to liquidity and valuation risks inherent in privately held investments. The beneficial interest is not available to meet general expenditures within one year and is therefore excluded from financial assets available for liquidity purposes.

TRI-LAKES CARES
NOTES TO FINANCIAL STATEMENTS
September 30, 2025 and 2024

NOTE 3 - INVENTORIES

Inventories consist of the following at September 30:

	<u>2025</u>	<u>2024</u>
Food	\$ 30,361	\$ 38,611
Donated Items for Silent Auction	10,614	10,995
Other	<u>402</u>	<u>275</u>
 Total Inventories	 <u>\$ 41,377</u>	 <u>\$ 49,881</u>

NOTE 4 - INVESTMENTS

Investments consist of the following at September 30:

	<u>2025</u>	<u>2024</u>
Cash	\$ 19,202	\$ 30,224
Mutual Funds	697,707	1,014,118
Corporate Stocks	447,426	322,006
Exchange Traded and Closed-End Funds (ETFs and CEFs)	275,544	237,044
Beneficial Interest in Assets Held by Others	<u>2,095,000</u>	<u>-</u>
 Total Investments	 <u>\$ 3,534,879</u>	 <u>\$ 1,603,392</u>

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

	<u>2025</u>	<u>2024</u>
Investments - Short-Term Use	\$ 359,970	\$ 3,392
Investments - Long-Term Use	1,079,909	1,600,000
Beneficial Interest in Assets Held by Others	<u>2,095,000</u>	<u>-</u>
 Total Investments	 <u>\$ 3,534,879</u>	 <u>\$ 1,603,392</u>

TRI-LAKES CARES
NOTES TO FINANCIAL STATEMENTS
September 30, 2025 and 2024

NOTE 4 - INVESTMENTS (CONTINUED)

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

	2025	2024
Interest	\$ 4	\$ 3,191
Dividends	79,258	60,171
Investment Fees	(20,153)	(15,211)
Net Realized and Unrealized Gains	23,326	264,963
Investment Income	\$ 82,435	\$ 313,114

NOTE 5 - 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.
- 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, 2025 and 2024.

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.

TRI-LAKES CARES
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NOTE 5 - 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:

September 30, 2025	Fair Value	Fair Value Inputs		
		Level 1	Level 2	Level 3
Mutual Funds	\$ 697,707	\$ 697,707	\$ -	\$ -
Corporate Stocks	447,426	447,426	-	-
Exchange Traded and Closed-End Funds (ETFs and CEFs)	275,544	275,544	-	-
Total Assets Measured at Fair Value	\$ 1,420,677	\$ 1,420,677	\$ -	\$ -

September 30, 2024	Fair Value	Fair Value Inputs		
		Level 1	Level 2	Level 3
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	-	-
Total Assets Measured at Fair Value	\$ 1,573,168	\$ 1,573,168	\$ -	\$ -

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

	2025	2024
Total Assets Measured at Fair Value	\$ 1,420,677	\$ 1,573,168
Add: Cash and Cash Equivalents Included in Investments	19,202	30,224
Total Investments	\$ 1,439,879	\$ 1,603,392

TRI-LAKES CARES
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NOTE 6 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Organization has a beneficial interest in assets held by a local community foundation (the "Foundation"), which represents shares in a privately held company (the "Company") that was contributed to the Organization and subsequently assigned to an agency fund held by the Foundation for the benefit of the Organization. Although the assets are held and managed by the Foundation, the Organization is entitled to receive distributions or benefit from the income and/or principal of the assets as specified by the donor. The Organization does not have the unilateral right to direct the investment or disposition of the underlying assets and does not have custody or control over the assets held by the Foundation. The beneficial interest represents the Organization's right to economic benefits associated with the underlying equity interests in the Company and is reported as beneficial interest in assets held by others in the statement of financial position.

The beneficial interest is recognized as an asset in the statement of financial position at fair value determined at the time of the donation. The fair value, at the date of donation, was determined based on significant unobservable inputs and valuation techniques, such as discounted cash flow analyses, market multiples, or other methods appropriate for private company investments. The beneficial interest in assets held by others should be recognized at fair value as of September 30, 2025, with the related unrealized gain or loss recognized in the statement of activities for the year ended September 30, 2025. Management of the Organization has not estimated the impact of recording the fair value of the beneficial interest in assets held by others at September 30, 2025. If the financial statements were corrected for this departure from GAAP, the beneficial interest in assets held by others, investment income, and net assets would have been materially affected.

As of September 30, 2025, the beneficial interest in assets held by others totaled \$2,095,000. The underlying assets are managed in accordance with the Foundation's investment policies. The assets held in the agency fund are not readily marketable and are subject to liquidity and valuation risks inherent in privately held investments. The beneficial interest is not available to meet general expenditures within one year and is therefore excluded from financial assets available for liquidity purposes (Note 2).

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at September 30:

	2025	2024
Land	\$ 105,113	\$ 85,268
Building	527,467	517,587
Furniture and Equipment	23,961	23,961
	656,541	626,816
Less: Accumulated Depreciation	181,202	164,628
Total Property and Equipment, Net	\$ 475,339	\$ 462,188

Depreciation expense for the years ended September 30, 2025 and 2024 was \$16,574 and \$13,650, respectively.

TRI-LAKES CARES
NOTES TO FINANCIAL STATEMENTS
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NOTE 8 - 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, 2025 and 2024, net assets without donor restrictions, but designated by the board of directors for long-term financial needs of the Organization and emergencies, totaled \$1,079,909 and \$1,600,000, respectively. The board of directors 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 of directors' discretion at any time.

The following is a summary of activity in net assets with donor restrictions during the year ended September 30, 2025:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Released from Restrictions</u>	<u>Ending Balance</u>
Family Stabilization Program	\$ 71,713	\$ 28,022	\$ (73,920)	\$ 25,815
Pantry Program	24,297	69,449	(51,182)	42,564
Other	-	49,411	-	49,411
Time Restricted	168,606	100,203	(130,595)	138,214
	<u>\$ 264,616</u>	<u>\$ 247,085</u>	<u>\$ (255,697)</u>	<u>\$ 256,004</u>

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Released from Restrictions</u>	<u>Ending Balance</u>
Family Stabilization Program	\$ 46,643	\$ 97,755	\$ (72,685)	\$ 71,713
Pantry Program	15,677	107,726	(99,106)	24,297
Other	-	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>

NOTE 9 - 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 \$22,400 and \$23,600 for the years ended September 30, 2025 and 2024, respectively.

TRI-LAKES CARES
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 - DONATED GOODS AND SERVICES

During the years ended September 30, 2025 and 2024, the Organization received goods and services for client programs and for operational support as follows:

	2025	2024
Received for Client Programs		
Food and Sundries	\$ 622,550	\$ 519,854
Other Supplies	39,342	26,076
Holiday Gifts for Seniors and Children	11,247	10,162
School Supplies	10,585	11,041
Medical Supplies	6,294	7,834
Medical Services	75,979	64,879
Other Services	25,929	34,091
Received for Operational Support		
Goods	47,087	48,170
Services	39,239	30,368
	\$ 878,252	\$ 752,475

During the years ended September 30, 2025 and 2024, the Organization distributed goods and services for client programs and for operational support as follows:

	2025	2024
Distributed for Client Programs		
Food and Sundries	\$ 630,800	\$ 530,872
Other Supplies	38,781	26,226
Holiday Gifts for Seniors and Children	11,247	10,162
School Supplies	10,585	11,041
Medical Supplies	6,167	9,301
Medical Services	75,979	64,879
Other Services	25,929	34,091
Distributed for Operational Support		
Goods	49,968	60,519
Services	47,835	35,917
	\$ 897,291	\$ 783,008

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, 2025 and 2024, the Organization received approximately 11,050 and 10,690 volunteer hours, respectively.

The Organization's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

TRI-LAKES CARES
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 - DONATED GOODS AND SERVICES (CONTINUED)

All gifts-in-kind received by the Organization for the years ended September 30, 2025 and 2024 were considered without donor restrictions and able to be used by the Organization as determined by the board of directors and management.

NOTE 11 - CASH FLOW STATEMENT DISCLOSURES

Supplemental Disclosures of Non-Cash Investing and Financing Activities

During the years ended September 30, 2025 and 2024, the Organization received non-cash contributions of investments valued at \$2,095,000 and \$15,421, respectively.

NOTE 12 - CONCENTRATIONS

At times during the year 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.

The Organization has significant investments with one financial institution 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. At times during the year, the Organization maintained investment balances that exceeded the federally insured limit of \$500,000. As of September 30, 2025 and 2024, there were uninsured investment balances of approximately \$940,000 and \$1,103,000, respectively.

NOTE 13 - COMMITMENT TO PURCHASE LAND

In July 2025, the Organization entered into a purchase agreement to acquire land located in Monument, Colorado. The purchase transaction closed in October 2025. The purchase price under the agreement is approximately \$710,000, and the Organization is obligated to complete the transaction subject to the terms and conditions specified in the agreement. As of September 30, 2025, no payments have been made, and the land is not reflected as an asset in the financial statements. The Organization did not incur debt to purchase the land.

NOTE 14 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 15, 2026, the date which the financial statements were available to be issued.

Subsequent to year end, the Organization purchased land based on an agreement that was entered into prior to year end (see Note 13).