Emergency Family Assistance Association, Inc.

(a nonprofit Colorado corporation)

Boulder, Colorado

Financial Statements

June 30, 2022 and 2021

Emergency Family Assistance Association, Inc.

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BROCK CPAs

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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, 2022 and 2021, 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

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, 2022 and 2021, 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.

Independent Auditor's Report (continued)

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

Longmont, Colorado
October 26, 2022

Emergency Family Assistance Association, Inc.

Statements of Financial Position

June 30	**2022**	2021
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 3,404,779**	$ 2,965,441
Investments, fair value	**-**	542,176
Grants receivable	**169,312**	244,491
Pledges receivable, endowment campaign, current	**28,100**	47,800
Pledges receivable, other, current	**50,000**	-
Inventory	**48,070**	80,157
Prepaid expenses and other current assets	**98,835**	45,705
Property held for sale	**312,000**	-
Total current assets	**4,111,096**	3,925,770
Property and Equipment		
Land	**1,069,768**	1,069,768
Buildings and major improvements	**8,784,955**	8,010,139
Minor building improvements	**1,316,172**	1,274,672
Furniture and fixtures	**252,752**	224,165
Computers and electronics	**31,803**	115,133
Vehicles	**117,313**	117,313
Software	**19,464**	22,474
	11,592,227	10,833,664
Less accumulated depreciation	**(4,552,023)**	(4,277,799)
Net property and equipment	**7,040,204**	6,555,865
Other Assets		
Deposits and other assets	**48,108**	48,300
Beneficial interest in assets held by The Community Foundation Serving Boulder County	**3,068,458**	2,327,878
Pledges receivable, endowment campaign, net of current	**-**	2,170
Pledges receivable, other, net of current	**143,165**	-
Total other assets	**3,259,731**	2,378,348
Total assets	**$ 14,411,031**	$ 12,859,983

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

Emergency Family Assistance Association, Inc.

Statements of Financial Position (continued)

June 30	**2022**	2021
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	**$ 131,176**	$ 101,765
Accrued expenses	**106,636**	114,279
Deposits payable	**33,284**	37,680
Refundable advances	**4,770**	8,253
Total current liabilities	**275,866**	261,977
Net Assets		
Without donor restrictions		
Undesignated	**9,597,958**	9,045,749
Board-designated endowments	**3,101,873**	2,361,093
Board-designated, current needs	**1,120,000**	1,070,000
With donor restrictions	**315,334**	121,164
Total net assets	**14,135,165**	12,598,006
Total liabilities and net assets	**$ 14,411,031**	$ 12,859,983

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	2022			2021		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Support, Other Revenue and Gains						
Support						
Private donations	**$ 5,083,699**	**$ 302,233**	**$ 5,385,932**	$ 5,964,987	$ 446,528	$ 6,411,515
In-kind donations	**2,053,407**	**-**	**2,053,407**	1,488,757	-	1,488,757
Grants	**1,616,952**	**-**	**1,616,952**	1,673,517	-	1,673,517
Net assets released from restrictions	**108,063**	**(108,063)**	**-**	490,468	(490,468)	-
Total support	**8,862,121**	**194,170**	**9,056,291**	9,617,729	(43,940)	9,573,789
Other Revenue and Gains						
Debt forgiveness, Paycheck Protection Program loan	**-**	**-**	**-**	297,505	-	297,505
Rental income	**187,507**	**-**	**187,507**	200,912	-	200,912
Unrealized gain on investments	**-**	**-**	**-**	344,849	-	344,849
Interest and dividends	**51,149**	**-**	**51,149**	39,521	-	39,521
Other revenue	**3,445**	**-**	**3,445**	8,431	-	8,431
Total other revenue and gains	**242,101**	**-**	**242,101**	891,218	-	891,218
Total support, other revenue and gains	**9,104,222**	**194,170**	**9,298,392**	10,508,947	(43,940)	10,465,007
Functional Expenses and Loss						
Functional Expenses						
Program services						
Basic needs	**4,167,102**	**-**	**4,167,102**	6,064,023	-	6,064,023
Housing	**1,778,790**	**-**	**1,778,790**	1,385,064	-	1,385,064
Children, youth, and family program	**273,403**	**-**	**273,403**	354,876	-	354,876
Strategic education and community outreach	**67,979**	**-**	**67,979**	-	-	-
Total program services	**6,287,274**	**-**	**6,287,274**	7,803,963	-	7,803,963
Supporting services						
General and administrative	**414,885**	**-**	**414,885**	327,465	-	327,465
Fundraising	**738,682**	**-**	**738,682**	700,643	-	700,643
Total supporting services	**1,153,567**	**-**	**1,153,567**	1,028,108	-	1,028,108
Total functional expenses	**7,440,841**	**-**	**7,440,841**	8,832,071	-	8,832,071
Loss						
Unrealized loss on investments	**320,392**	**-**	**320,392**	-	-	-
Total functional expenses and loss	**7,761,233**	**-**	**7,761,233**	8,832,071	-	8,832,071
Change in Net Assets	**1,342,989**	**194,170**	**1,537,159**	1,676,876	(43,940)	1,632,936
Net Assets, Beginning of Year	**12,476,842**	**121,164**	**12,598,006**	10,799,966	165,104	10,965,070
Net Assets, End of Year	**$ 13,819,831**	**$ 315,334**	**$ 14,135,165**	$ 12,476,842	$ 121,164	$ 12,598,006

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

Emergency Family Assistance Association, Inc.

Statement of Functional Expenses

Year ended June 30, 2022

	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	$ 651,677	$ 428,892	$ 157,415	$ 57,674	$ 1,295,658	$ 273,122	$ 365,757	$ 638,879	$ 1,934,537
Payroll taxes	38,552	36,264	17,963	4,412	97,191	12,723	30,681	43,404	140,595
Employee benefits	68,630	65,788	39,278	1,100	174,796	22,501	57,809	80,310	255,106
Workers compensation insurance	4,291	4,132	4,015	-	12,438	1,430	3,496	4,926	17,364
Total personnel	763,150	535,076	218,671	63,186	1,580,083	309,776	457,743	767,519	2,347,602
Client aid									
Purchased	1,525,158	52,019	5,831	4,703	1,587,711	-	-	-	1,587,711
In-kind	1,612,969	-	-	-	1,612,969	-	-	-	1,612,969
Repairs and maintenance	44,971	436,708	3,382	-	485,061	7,665	7,481	15,146	500,207
Computers and copiers	60,490	55,563	18,871	-	134,924	9,804	38,758	48,562	183,486
Rent									
In-kind	-	158,500	-	-	158,500	-	-	-	158,500
Purchased	4,798	-	-	-	4,798	-	-	-	4,798
Marketing and donor recognition	-	275	-	-	275	-	157,496	157,496	157,771
Utilities	9,534	125,958	-	-	135,492	1,604	1,603	3,207	138,699
Contracted services	10,961	23,010	5,922	-	39,893	29,435	8,096	37,531	77,424
Supplies	19,412	33,555	5,075	90	58,132	3,718	3,690	7,408	65,540
Insurance	12,740	45,750	980	-	59,470	1,278	2,540	3,818	63,288
Miscellaneous expense	17,314	7,011	5,405	-	29,730	10,406	9,625	20,031	49,761
Staff development	15,472	13,252	5,072	-	33,796	2,152	6,820	8,972	42,768
Credit card fees	-	-	-	-	-	-	26,278	26,278	26,278
Investment management fees	-	-	-	-	-	23,759	-	23,759	23,759
Telephone	5,799	9,102	1,441	-	16,342	190	348	538	16,880
Transportation	2,201	4,044	789	-	7,034	283	192	475	7,509
Postage	1,707	208	103	-	2,018	249	3,774	4,023	6,041
Volunteer development	4,065	480	440	-	4,985	-	302	302	5,287
In-kind services	-	-	-	-	-	4,000	-	4,000	4,000
Total expenses before depreciation	4,110,741	1,500,511	271,982	67,979	5,951,213	404,319	724,746	1,129,065	7,080,278
Depreciation - major assets	40,296	201,283	-	-	241,579	5,226	10,631	15,857	257,436
Depreciation - minor assets	16,065	76,996	1,421	-	94,482	5,340	3,305	8,645	103,127
Total expenses	$ 4,167,102	$ 1,778,790	$ 273,403	$ 67,979	$ 6,287,274	$ 414,885	$ 738,682	$ 1,153,567	$ 7,440,841

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

Emergency Family Assistance Association, Inc.

Statement of Functional Expenses

Year ended June 30, 2021

	Program Services				Supporting Services			
	Basic Needs	Housing	Children, Youth, and Family Program	Total	General and Administrative	Fundraising	Total	Total Expenses
Salaries	$ 637,796	$ 397,480	$ 230,782	$ 1,266,057	$ 198,166	$ 345,973	$ 544,139	$ 1,810,197
Payroll taxes	34,243	33,293	20,152	87,688	11,376	27,733	39,108	126,796
Employee benefits	73,947	76,108	41,950	192,006	24,279	58,595	82,874	274,880
Workers compensation insurance	4,283	4,125	2,538	10,946	1,428	3,490	4,918	15,864
Total personnel	750,269	511,006	295,422	1,556,698	235,249	435,790	671,039	2,227,737
Client aid								
Purchased	3,649,662	30,178	7,970	3,687,810	-	-	-	3,687,810
In-kind	1,384,571	-	-	1,384,571	-	-	-	1,384,571
Repairs and maintenance	79,634	200,413	4,554	284,601	5,527	5,727	11,254	295,855
Utilities	9,680	129,513	19	139,212	1,400	1,433	2,833	142,046
Contracted services	36,187	25,761	25,135	87,083	33,918	16,158	50,077	137,160
Marketing and donor recognition	589	-	-	589	-	133,164	133,164	133,753
Rent								
In-kind	-	112,430	-	112,430	-	-	-	112,430
Purchased	4,274	-	-	4,274	-	-	-	4,274
Computers and copiers	27,510	31,342	9,277	68,129	8,581	32,569	41,150	109,279
Supplies	43,058	20,539	3,807	67,404	4,669	4,834	9,503	76,907
Insurance	9,855	42,447	251	52,552	957	1,608	2,566	55,118
Credit card fees	-	-	-	-	-	43,806	43,806	43,806
Staff development	7,758	5,101	2,783	15,643	894	3,092	3,987	19,629
Investment management fees	-	-	-	-	18,739	37	18,777	18,777
Miscellaneous expense	5,186	4,947	2,852	12,985	942	3,106	4,047	17,032
Telephone	4,684	3,810	259	8,752	594	673	1,267	10,019
Postage	1,500	95	48	1,644	564	3,924	4,488	6,132
Transportation	1,004	3,014	333	4,351	140	82	222	4,573
Work study program	1,671	1,599	480	3,750	-	519	519	4,269
In-kind services	-	-	-	-	4,000	-	4,000	4,000
Volunteer development	2,485	314	265	3,064	17	218	236	3,299
Interest expense	-	-	-	-	3,105	-	3,105	3,105
Total expenses before depreciation	6,019,576	1,122,511	353,455	7,495,542	319,297	686,743	1,006,040	8,501,582
Depreciation - major assets	33,211	186,703	-	219,914	2,864	10,631	13,495	233,409
Depreciation - minor assets	11,235	75,850	1,421	88,507	5,304	3,269	8,573	97,080
Total expenses	$ 6,064,023	$ 1,385,064	$ 354,876	$ 7,803,963	$ 327,465	$ 700,643	$ 1,028,108	$ 8,832,071

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	2022	2021
Cash Flows From Operating Activities		
Change in net assets	**$ 1,537,159**	$ 1,632,936
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	**360,563**	330,489
Unrealized gain on investments	**320,392**	(344,849)
Reinvested investment income	**(18,522)**	-
Contributions of property held for sale	**(312,000)**	-
Debt forgiveness, Paycheck Protection Program loan	**-**	(294,400)
Increase (decrease) from changes in assets and liabilities		
Grants receivable	**75,179**	(172,941)
Pledges receivable	**(171,295)**	78,542
Inventory	**32,087**	24,577
Prepaid expenses and other current assets	**(53,130)**	20,484
Deposits and other assets	**192**	(9,676)
Accounts payable	**29,411**	36,700
Accrued expenses	**(7,643)**	19,701
Deposits payable	**(4,396)**	5,916
Refundable advances	**(3,483)**	(306,689)
Net cash provided by operating activities	**1,784,514**	1,020,790
Cash Flows From Investing Activities		
Purchase of investments	**(1,042,450)**	(503,398)
Proceeds from sale and maturity of investments	**542,176**	78,739
Purchases of property and equipment	**(844,902)**	(874,062)
Net cash used by investing activities	**(1,345,176)**	(1,298,721)
Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash	**439,338**	(277,931)
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	**2,965,441**	3,243,372
Cash, Cash Equivalents, and Restricted Cash, End of Year	**$ 3,404,779**	$ 2,965,441

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.

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.

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.

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.

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.

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

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.

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.

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

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, 2022 and 2021.

Certificates of Deposit. EFAA values certificates of deposit at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer. Early withdrawal charges may apply in the event the instruments are liquidated prior to their scheduled maturity date.

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. During the years ended June 30, 2022 and 2021, EFAA has a valuation allowance of $13,900 and $21,730, respectively, was used for doubtful pledges receivable. Management believes that all grants receivable are fully collectible at June 30, 2022 and 2021.

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, 2022 and 2021, an average price per pound of $1.79 and $1.74, 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, 2022 and 2021 was $360,563 and $330,489, 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, 2022 and 2021.

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.

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. For each of the years ended June 30, 2022 and 2021, the donated professional services recognized in the financial statements were $4,000.

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.

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

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 26, 2022, 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:

	2022	2021
Financial assets at year end		
Cash and cash equivalents	**$ 3,404,779**	$ 2,965,441
Investments	**-**	542,176
Grants receivable	**169,312**	244,491
Pledges receivable, current	**78,100**	47,800
Endowment funds available for appropriation	**920,537**	698,363
Total financial assets	**4,572,728**	4,498,271
Less amounts not available to be used within one year		
Board designated, not including Centennial Endowment	**1,153,415**	1,103,215
With donor restrictions	**315,334**	121,164
	1,468,749	1,224,379
Financial assets available to meet general expenditures, current	**$ 3,103,979**	$ 3,273,892

As of June 30, 2022 and 2021, EFAA's board designated Centennial Endowment was $3,068,458 and $2,327,878, respectively. The endowment policy allows for $920,537 and $698,363, which is 30% of the corpus on June 30, 2022 and 2021, 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.

Note 2 - Availability and Liquidity (continued)

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, 2022 and 2021 was $1,120,000 and $1,070,000, 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, EFAA's investments, at fair value, as of June 30, 2022:

Investments	
Measured at net asset value	
Beneficial interest in assets held by The Community Foundation Serving Boulder County	**$ 3,068,458**

The following table sets forth by level, within fair value hierarchy, EFAA's investments, at fair value, as of June 30, 2021:

	Level 1	Level 2	Level 3	Total
Certificates of deposit	$ -	$ 542,176	$ -	$ 542,176
Investments				
Measured at net asset value				
Beneficial interest in assets held by The Community Foundation Serving Boulder County				2,327,878
Total investments valued at fair value				$ 2,870,054

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
2022				
$ 3,068,458	N/A	Immediate	Redemptions will only be made upon written request of EFAA	None
2021				
$ 2,327,878	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.

Note 3 – Fair Value Measurements and Investments (continued)

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, 2022 and 2021, there were no significant transfers in or out of fair value levels.

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

	2022	2021
Investment interest and dividends	$ 51,149	$ 39,521
Unrealized gain (loss) on investments	(320,392)	344,849
Investment management fees	(23,759)	(18,777)
Net investment gain (loss)	$ (293,002)	$ 365,593

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:

	2022	2021
Due in less than one year	$ 42,000	$ 61,700
Due in one to three years	-	10,000
Valuation allowance	(13,900)	(21,730)
	$ 28,100	$ 49,970

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:

	2022
Due in less than one year	$ 50,000
Due in one to three years	150,000
Valuation allowance	(6,835)
	$ 193,165

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

The following summarizes the changes in net assets with donor restrictions:

	July 1, 2021 Balance	Receipts	Releases	June 30, 2022 Balance
Guzzler Fund	$ -	$ 200,000	$ -	$ 200,000
Medical Fund	25,000	50,000	(29,798)	45,202
Menstrual Hygiene Fund	45,484	-	(10,577)	34,907
Centennial Endowment	49,969	20,581	(42,450)	28,100
Special Needs Fund	711	31,652	(25,238)	7,125
	$ 121,164	$ 302,233	$ (108,063)	$ 315,334

The following summarizes the changes in net assets with donor restrictions:

	July 1, 2020 Balance	Receipts	Releases	June 30, 2021 Balance
Centennial Endowment	$ 128,511	$ 335,816	$ (414,358)	$ 49,969
Menstrual Hygiene Fund	-	50,000	(4,516)	45,484
Medical Fund	18,675	25,000	(18,675)	25,000
Special Needs Fund	17,398	35,712	(52,399)	711
Pet Support	520	-	(520)	-
	$ 165,104	$ 446,528	$ (490,468)	$ 121,164

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, 2022 and 2021:

	With Donor Restrictions	Without Restrictions Board Designated		
	Centennial Endowment	Centennial Endowment	Abigail Greer	Total Endowments
Endowment net assets, July 1, 2020	$ 128,511	$ 1,582,831	$ 33,065	$ 1,744,407
Contributions	335,816	414,358	-	750,174
Transfer of undesignated net assets	-	51,208	150	51,358
Interest and dividends	-	37,832	-	37,832
Net realized and unrealized gains	-	320,388	-	320,388
Investment advisory fees	-	(18,739)	-	(18,739)
Released from restrictions	(414,358)	(60,000)	-	(474,358)
Change in endowment net assets	(78,542)	745,047	150	666,655
Endowment net assets, June 30, 2021	$ 49,969	$ 2,327,878	$ 33,215	$ 2,411,062
Contributions	**20,581**	**42,450**	**-**	**63,031**
Transfer of undesignated net assets	**-**	**1,000,000**	**200**	**1,000,200**
Interest and dividends	**-**	**42,281**	**-**	**42,281**
Net realized and unrealized gains	**-**	**(320,392)**	**-**	**(320,392)**
Investment advisory fees	**-**	**(23,759)**	**-**	**(23,759)**
Released from restrictions	**(42,450)**	**-**	**-**	**(42,450)**
Change in endowment net assets	**(21,869)**	**740,580**	**200**	**718,911**
Endowment net assets, June 30, 2022	**$ 28,100**	**$ 3,068,458**	**$ 33,415**	**$ 3,129,973**

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

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 6 – Non-Endowment Board Designated Net Assets

Current Needs. The Board of Directors has designated $1,120,000 and $1,070,000 of net assets without donor restrictions for current operating needs at June 30, 2022 and 2021, respectively. These funds are restricted designations imposed internally and are recorded as net assets without donor restrictions.

Note 7 – Property Held for Sale and Subsequent Event

During the year ended June 30, 2022, the Organization received an in-kind contribution of a residential property in Boulder, Colorado. The grantor requested that EFAA honor the existing lease through its maturity in August 2022, for which EFAA received minimal rental fees. Upon transfer of the property, the Organization elected to classify the asset as held for sale. The sale of the property was finalized in August 2022, for total proceeds of $312,000. The in-kind contribution and carrying value of the asset at June 30, 2022 were recorded at sale value to reflect the fair market value of the property.

Note 8 – 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 $38,286 and $36,511 during the years ended June 30, 2022 and 2021, respectively.

Note 9 – Commitments

Operating Lease. EFAA leases office space in Nederland, Colorado in order to serve the mountain communities. The lease requires monthly payments of $220 and expires in December 2022. Future minimum annual payments are $1,320 for the year ended June 30, 2023. Total rent expense for operating lease, excluding in-kind rent, was $2,592 and $2,544 for the years ended June 30, 2022 and 2021, respectively.

Note 10 – 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.

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.

Note 10 – Contingencies (continued)

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.

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.

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, 2022 and 2021 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.

Note 10 – Contingencies (continued)

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.

The Community Foundation Serving Boulder County Endowments and Concentration. EFAA is the beneficiary of a Designated Endowment Fund held by The Community Foundation Serving Boulder County (the Foundation). The donor has granted the Foundation variance power and, accordingly, these funds are not recorded on EFAA's financial statements. Each year, the Foundation may transfer up to 5% of these funds to EFAA, at which time EFAA records grant revenue for the amount of the transfer. As of June 30, 2022 and 2021, the fair market value of these funds was $23,033 and $26,465, respectively.

The Community Foundation Serving Boulder County Endowments also holds an agency endowment fund that is recorded in the Organization's financial statements. As of June 30, 2022 and 2021, the fair market value of these funds was $3,068,458 and $2,327,878, respectively.

Note 11 – 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, 2022 and 2021. Claim payments based on actual claims ultimately filed could differ materially from these estimates.

Note 12 – Concentrations of Credit Risk

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

Note 13 – Uncertainties

A global pandemic has continued from 2020 into 2022, although with diminished impacts. The effects of the pandemic have negatively impacted the economy with high inflation, and labor and supply chain shortages. Uncertainties may arise with respect to potential government mandates should the current status of the pandemic change in the future.

Note 13 – Uncertainties (continued)

The Organization had a long-term note with the United States Small Business Administration under the Paycheck Protection Program (PPP). The PPP loan program provides for forgiveness of the loan if the Organization expends the proceeds for qualified purposes and complies with other requirements. The Organization expended all funds as of June 30, 2020 and received loan forgiveness in May 2021. The total loan amount and accrued interest, totaling $297,505, has been recognized as debt forgiveness in the statement of activities.

During the year ended June 30, 2022, management discovered fraudulent purchases by an individual employee that began in the previous fiscal year. The amount is not material to the financial statements. The employee has been terminated, legal action has been taken, and changes have been made to strengthen internal controls. Legal proceedings are pending as of the date of these statements.