

INTEGRATED FAMILY COMMUNITY SERVICES
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
AUGUST 31, 2024





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INDEPENDENT AUDITORS' REPORT

Board of Directors and Management
of Integrated Family Community Services

Opinions

We have audited the accompanying financial statements of Integrated Family Community Services (the "Organization"), a nonprofit organization, which comprise the statement of financial position as of August 31, 2024, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Integrated Family Community Services as of August 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Integrated Family Community Services and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Integrated Family Community Services' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

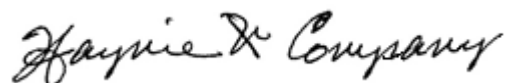
The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Integrated Family Community Services' 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 Integrated Family Community Services' 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.

Sincerely,

A handwritten signature in cursive script that reads "Haynie & Company".

Littleton, Colorado
February 25, 2025

INTEGRATED FAMILY COMMUNITY SERVICES

Statement of Financial Position

As of August 31, 2024

Assets

Current Assets

Cash & cash equivalents	\$ 1,504,205
Investments	280,643
Other assets	13,510
Gift certificates	<u>7,518</u>

Total Current Assets 1,805,876

Property and Equipment—net (Note 5) 239,772

Total Assets \$ 2,045,648

Liabilities and Net Assets

Current Liabilities

Accounts Payable	\$ 23,067
Accrued payroll liabilities	15,563
Lease commitments- financing lease	<u>16,127</u>

Total Current Liabilities 54,757

Financing Lease Obligation, net of current portion (Note 8) 57,446

Net Assets

Without Donor Restrictions

Undesignated	1,929,645
Designated (Note 12)	<u>3,800</u>
Total Net Assets Without Donor Restrictions	<u>1,933,445</u>

Total Net Assets 1,933,445

Total Liabilities and Net Assets \$ 2,045,648

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

INTEGRATED FAMILY COMMUNITY SERVICES

Statement of Activities For the Year Ended August 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Individual contributions	\$ 378,226	\$ -	\$ 378,226
Community organizations	33,282	-	33,282
Corporate contributions	39,256	-	39,256
Foundation grants	191,690	-	191,690
Energy Outreach Colorado	13,368	-	13,368
County and municipal governments	324,900	-	324,900
Government grants - Homeless & Hunger Prevention Program	104,652	143,774	248,426
Fundraising events	333,043	-	333,043
Reimbursement income	3,709	-	3,709
Interest income	45,339	-	45,339
Gain (loss) on investment	38,216	-	38,216
Net assets released from restrictions	143,774	(143,774)	-
Total Revenue	1,649,787	-	1,649,787
In-kind contributions (Note 10)	7,818,821	-	7,818,821
Total Support and Revenue	9,468,608	-	9,468,608
Expenses			
Program services -			
Enrichment programs	8,561,411	-	8,561,411
General assistance	90,600	-	90,600
Total Program	8,652,011	-	8,652,011
Supporting services -			
Management and general	42,227	-	42,227
Fundraising	327,228	-	327,228
Total Expenses	9,021,466	-	9,021,466
Change in Net Assets	447,142	-	447,142
Net Assets Beginning of Year	1,486,303	-	1,486,303
Net Assets End of Year	\$ 1,933,445	\$ -	\$1,933,445

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

INTEGRATED FAMILY COMMUNITY SERVICES

Statement of Cash Flows For the Year Ended August 31, 2024

Increase (Decrease) in Cash

Cash Flows from Operating Activities:

Cash received from donors	\$ 8,151,742
Cash paid to suppliers	(7,799,244)
Interest and dividends received	45,339
	<u>397,837</u>

Net Cash From Operating Activities

Cash Flows from Investing Activities:

Purchase of furniture and equipment	(41,054)
Purchase of investments	(37,097)

Net Cash From Investing Activities

Cash Flows from Investing Activities:

Lease payments	(15,541)
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Net Cash From Financing Activities

Net Change in Cash

Cash—beginning of year	1,200,060
Cash—end of year	<u>\$ 1,504,205</u>

Reconciliation of Change in Net Assets

Net Cash From Operating Activities:

Change in Net Assets	\$ 447,142
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	30,170
Unrealized gain(loss)	(38,216)
Changes in assets and liabilities:	
Change in prepaid expenses	(7,510)
Change in gift certificates	580
Change in accounts payable	(5,966)
Change in accrued payroll liabilities	2,303
Change in deferred revenue	(30,666)
Total Adjustments	<u>(49,305)</u>

Net Cash From Operating Activities

\$ 397,837

Supplementary Cash Flow Information

\$7,818,821 of in-kind donations and expenditures have been eliminated from cash received from donors and paid to suppliers.

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

INTEGRATED FAMILY COMMUNITY SERVICES
Statement of Functional Expenses
For the Year Ended August 31, 2024

	Program Services		Total
	General Assistance	Enrichment Programs	Program Services
Salaries	\$ 189,393	\$ -	\$ 189,393
Payroll taxes and Workmen's Comp.	17,205	-	17,205
Employee benefits	<u>5,176</u>	-	<u>5,176</u>
Total salaries and related expenses	211,774	-	211,774
General and medical assistance	363,848	-	363,848
Food	7,728,221	90,600	7,818,821
Recruitment, training & development	1,531	-	1,531
Meetings and mileage	-	-	-
Utilities	8,115	-	8,115
Accounting and auditing	960	-	960
Advertising, promotion & printing	26,689	-	26,689
Postage	2,839	-	2,839
Taxes and insurance	910	-	910
Dues and subscriptions	1,939	-	1,939
Operating supplies	1,704	-	1,704
Maintenance and repairs	11,022	-	11,022
Vehicle costs	5,019	-	5,019
Equipment expenses	52,783	-	52,783
Computer expenses	20,948	-	20,948
Contract services	330	-	330
Miscellaneous	5,656	-	5,656
Telephone	8,041	-	8,041
Event expense	-	-	-
Overhead allocation	<u>109,082</u>	-	<u>109,082</u>
Total expenses before depreciation	8,561,411	90,600	8,652,011
Depreciation	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>\$ 8,561,411</u>	<u>\$ 90,600</u>	<u>\$ 8,652,011</u>

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

INTEGRATED FAMILY COMMUNITY SERVICES
Statement of Functional Expenses (continued)
For the Year Ended August 31, 2024

	<u>Supporting Services</u>		<u>Total Expenses</u>
	<u>Management & General</u>	<u>Development/ Fundraising</u>	
Salaries	\$ 128,352	\$ 81,288	\$ 399,033
Payroll taxes and Workmen's Comp.	12,574	6,477	36,256
Employee benefits	15,198	7,367	27,741
Total salaries and related expenses	156,124	95,132	463,030
General and medical assistance	-	-	363,848
Food	-	-	7,818,821
Recruitment, training & development	194	124	1,849
Meetings and mileage	-	1,626	1,626
Utilities	-	-	8,115
Accounting and auditing	23,075	-	24,035
Advertising, promotion & printing	222	33,272	60,183
Postage	75	714	3,628
Taxes and insurance	15,159	598	16,667
Dues and subscriptions	1,317	1,313	4,569
Operating supplies	748	500	2,952
Maintenance and repairs	3	-	11,025
Vehicle costs	-	-	5,019
Equipment expenses	(40,943)	-	11,840
Computer expenses	-	10,664	31,612
Contract services	6,509	60,250	67,089
Miscellaneous	507	5,783	11,946
Telephone	-	3,953	11,994
Event expense	-	71,448	71,448
Overhead allocation	(150,933)	41,851	-
Total expenses before depreciation	12,057	327,228	8,991,296
Depreciation	30,170	-	30,170
Total expenses	<u>\$ 42,227</u>	<u>\$ 327,228</u>	<u>\$ 9,021,466</u>

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

Integrated Family Community Services

Notes to Financial Statements

August 31, 2024

1. Organization

Integrated Family Community Services (IFCS) was incorporated in 1968 for the general purpose of alleviation of poverty and the conditions of poverty in western and unincorporated Arapahoe and northern Douglas Counties, through support from individuals, local businesses, churches, governments, and civic groups. This purpose is accomplished through IFCS' Hunger Prevention Program, Homeless Prevention Program, Enrichment Programs, and other assistance.

2. Summary of Significant Accounting Policies

Method of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles as applicable to nonprofit organizations.

Basis of Presentation

The financial statements follow the Accounting Standards Codification (ASC) guidance for not-for-profit organizations, the Organization is required to report information regarding its financial position and activities according to the following net asset classifications:

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 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, whereby 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. There were no donor restricted net assets as of August 31, 2024.

Integrated Family Community Services

Notes to Financial Statements

August 31, 2024

2. Summary of Significant Accounting Policies (continued)

Basis of Accounting

The financial statements follow the Accounting Standards Codification (ASC) guidance for not-for-profit organizations, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: with donor restriction and without donor restriction.

Property and Equipment

Property and equipment are stated at cost for purchased items and at fair market value at date of gift for donated items, net of accumulated depreciation. Repairs and maintenance are charged to expense as incurred, while expenditures for major improvements and purchases of property and equipment over \$1,000 are capitalized. Gains and losses from retirement or replacement of property and equipment are reflected in operations.

Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on the straight-line basis. These useful lives range from five to fifteen years for furniture and equipment, and five to forty years for building and related improvements.

Income Taxes

IFCS is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. During August 31, 2024, IFCS had no unrelated business activities and believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. IFCS's federal tax return (Form 990) for August 31, 2024 is subject to examination by the IRS, generally for three years after it is filed.

Use of Estimates

The preparation of these financial statements requires the use of estimates and assumptions. The estimates and assumptions result in approximate rather than exact amounts.

Cash and Cash Equivalents

The organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at unpaid balances, less any allowances for credit losses. Allowances are based on experience and other circumstances that may affect the ability of donors to meet obligations. As of August 31, 2024, management has determined that no allowance is necessary.

Integrated Family Community Services

Notes to Financial Statements

August 31, 2024

2. Summary of Significant Accounting Policies (continued)

Program Services

The Organization's program services are made up of four categories:

Hunger Prevention Program: provides no-cost meals for low-income individuals, families, and seniors through their Food Market.

Homeless Prevention Program: provides qualifying families assistance with utilities and rent to keep them housed as they struggle to maintain their housing.

Enrichment Programs: provides eligible families and seniors holiday meals through their Holiday program. They also provide K-8 children in low-income families with the necessary school supplies in the Ready, Set, School! program.

Other Assistance: Recreation Passes – provide passes for clients to access community recreational programs.

Fair Value Measurements

FASB guidance requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. That 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.

Integrated Family Community Services

Notes to Financial Statements

August 31, 2024

2. Summary of Significant Accounting Policies (continued)

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 measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization 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 statement of financial position.

The carrying amount reported in the statement of financial position for cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, approximate fair value because of the immediate or short-term maturities of these financial instruments.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program, fund raising, and management and general categories. Such allocations are determined by management on an equitable basis.

Integrated Family Community Services

Notes to Financial Statements

August 31, 2024

2. Summary of Significant Accounting Policies (continued)

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Administrative expenses	Time and effort
General and medical assistance	Time and effort
Food	Time and effort

Subsequent Events

Management has evaluated subsequent events through February 25, 2025, the date which the financial statements were available to be issued.

3. Availability and Liquidity

The following represents the Organization's financial assets at August 31, 2024:

	<u>2024</u>
Financial assets at period end:	
Cash & cash equivalents	\$ 1,504,205
Investments	<u>280,643</u>
Total financial assets	1,784,848
Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>3,800</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 1,781,048</u></u>

As part of the Organization's liquidity management plan, it invests excess cash in money market funds.

Integrated Family Community Services

Notes to Financial Statements

August 31, 2024

4. Investments

The Organization's investments are in stocks and mutual funds and are valued using Level 1 inputs.

Investments are carried at fair value as of August 31, 2024 as follows:

Level 1

Stocks	\$ 204,780
Mutual Funds	<u>75,863</u>
Total Investments	<u>\$ 280,643</u>

Unrealized investment gains for the year ending August 31, 2024 amounted to \$38,216 and are recorded as Gain (Loss) on Investment on the Statement of Activities.

5. Property and Equipment

Property and equipment consisted of the following items at August 31, 2024:

Building and improvements	\$ 405,100
Furnitures and fixtures	6,845
Computer and office equipment	<u>121,648</u>
Total	533,593
Less accumulated depreciation	<u>(293,821)</u>
Net property and equipment	<u>\$ 239,772</u>

Depreciation expense for the year ended August 31, 2024 was \$30,170.

6. Commitments & Contingencies

IFCS has an annually renewing operating lease for a postage meter. This lease requires monthly payments of \$42 and automatically renews each year until canceled. Total expenses related to this lease for the year ended August 31, 2024 was \$504

In September 2023, the Organization entered into a lease arrangement for two copiers. The lease requires monthly payments of \$1,575 per month, through November 2028.

Integrated Family Community Services

Notes to Financial Statements

August 31, 2024

6. Commitments & Contingencies (continued)

During the year ended August 31, 2024, rent expense under this financing lease was \$18,900.

As of August 31, 2024, assets recorded under the financing lease were \$89,225, and accumulated amortization associated with this financing lease was \$16,995. The weighted average remaining lease term on this lease is 4.25 years. The weighted average discount rate applied to this lease is 4.288%.

Future minimum lease payments under this non-cancelable financing lease as of June 30, 2023 was as follows:

	Financing Leases
2025	\$ 18,900
2026	18,900
2027	18,900
2028	18,900
2029	4,725
Thereafter	-
Less: imputed interest	(6,751)
Total future minimum lease payments	\$ 73,574
Lease commitments - current portion	\$ 16,127
Lease commitments- long-term portion	57,446
Total	\$ 73,574

7. Related-Party Transactions

Board members participated in various volunteer and fundraising activities. In addition, board members contributed financially to IFCS. Unrestricted cash contributions of \$3,984 were made by the board members for the year ended August 31, 2024.

8. In-Kind Contributions

IFCS receives donated materials, furniture and equipment, services, and facility usage in substantial amounts in furtherance of various programs. These items are recorded in the financial records as they relate to ongoing activities of IFCS and an objective value can be assigned.

Integrated Family Community Services

Notes to Financial Statements

August 31, 2024

10. In-Kind Contributions (continued)

The following amounts have been recorded in the accompanying financial statements for the year ended August 31, 2024:

Food	\$ 7,720,853
Helping Hands for the Holidays	27,200
Ready, Set, School	30,900
Holiday programs	32,500
Gift certificates	<u>7,368</u>
Total in-kind contributions	<u>\$ 7,818,821</u>

A substantial amount of volunteer time has been donated by community organizations and individuals in furtherance of IFCS programs, fund raising campaigns, and activities which do not meet financial statement recognition criteria. Valued at minimum wage, these volunteer hours have been estimated to be worth \$337,144.

11. Employee Benefit Plan

Any full-time, year-round employee is eligible to participate in a Simple IRA retirement program. IFCS contributes up to 3 percent of an eligible employee's contribution toward the plan. Employees are fully vested upon participation in the program. Total contributions by IFCS for employees for the year ended August 31, 2024 was \$6,838.

12. Board Designated Funds

The board has designated \$3,800 in net assets without donor restrictions for capital reserves as of August 31, 2024.