



JOINT INITIATIVES FOR YOUTH AND FAMILIES

Independent Auditors' Report

And

Financial Statements

For the Year Ended June 30, 2024

JOINT INITIATIVES FOR YOUTH AND FAMILIES

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Joint Initiatives for Youth and Families
Colorado Springs, Colorado

Opinion

We have audited the accompanying financial statements of Joint Initiatives for Youth and Families (the Organization), which comprise the statement of financial position as of June 30, 2024 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt 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.

Stockman Kast Ryan & Co., LLP

March 5, 2025

JOINT INITIATIVES FOR YOUTH AND FAMILIES

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024

ASSETS

| | |
|---------------------------|---------------------|
| Cash and cash equivalents | \$ 257,255 |
| Grants receivable | 1,141,787 |
| Other assets | <u>2,450</u> |
| TOTAL ASSETS | <u>\$ 1,401,492</u> |

LIABILITIES AND NET ASSETS

LIABILITIES

| | |
|---------------------|----------------|
| Accounts payable | \$ 268,481 |
| Accrued liabilities | <u>212,901</u> |
| Total liabilities | <u>481,382</u> |

NET ASSETS

Without donor restrictions:

| | |
|------------------|---------------|
| Undesignated | 246,142 |
| Board designated | <u>20,570</u> |

Total without donor restrictions 266,712

With donor restrictions 653,398

Total net assets 920,110

TOTAL LIABILITIES AND NET ASSETS \$ 1,401,492

See notes to financial statements.

JOINT INITIATIVES FOR YOUTH AND FAMILIES

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2024

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|--------------|
| REVENUES AND SUPPORT | | | |
| Colorado Youth Detention | | | |
| Continuum services | \$ 2,094,601 | | \$ 2,094,601 |
| Foundations program services | 1,180,423 | \$ 603,420 | 1,783,843 |
| Contributions and other grants | 1,122,349 | 50,000 | 1,172,349 |
| Collaborative management program services | 267,304 | | 267,304 |
| Other | 33,628 | | 33,628 |
| Net assets released from restrictions | 474,925 | (474,925) | |
| Total revenues and support | 5,173,230 | 178,495 | 5,351,725 |
| EXPENSES | | | |
| Program services: | | | |
| Pathways | 2,589,865 | | 2,589,865 |
| Foundations | 2,146,194 | | 2,146,194 |
| Total program services | 4,736,059 | — | 4,736,059 |
| Supporting services: | | | |
| General and administrative | 294,227 | | 294,227 |
| Fundraising | 83,263 | | 83,263 |
| Total supporting services | 377,490 | — | 377,490 |
| Total expenses | 5,113,549 | — | 5,113,549 |
| CHANGE IN NET ASSETS | 59,681 | 178,495 | 238,176 |
| NET ASSETS, Beginning of year | 207,031 | 474,903 | 681,934 |
| NET ASSETS, End of year | \$ 266,712 | \$ 653,398 | \$ 920,110 |

See notes to financial statements.

JOINT INITIATIVES FOR YOUTH AND FAMILIES

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2024

| | Program Services | | Supporting Services | | Total |
|------------------------------------|---------------------|---------------------|----------------------------|------------------|---------------------|
| | Pathways | Foundations | General and Administrative | Fundraising | |
| EXPENSE | | | | | |
| Specific assistance to individuals | \$ 1,588,657 | \$ 496,225 | | | \$ 2,084,882 |
| Salaries | 812,392 | 1,119,790 | \$ 57,270 | \$ 34,634 | 2,024,086 |
| Supplies and operating | 59,094 | 136,374 | 43,091 | | 238,559 |
| Contracted services | 2,156 | 232,268 | | | 234,424 |
| Consulting and professional fees | 2,475 | | 137,182 | 45,727 | 185,384 |
| Payroll taxes | 71,137 | 100,894 | 4,398 | 2,902 | 179,331 |
| Occupancy and utilities | 34,773 | 31,331 | 4,266 | | 70,370 |
| Accounting | | | 27,236 | | 27,236 |
| Travel | 9,586 | 12,786 | 3,062 | | 25,434 |
| Training | 7,024 | 13,210 | | | 20,234 |
| Conferences | 2,571 | 3,316 | 6,175 | | 12,062 |
| Insurance | | | 9,812 | | 9,812 |
| Interest | | | 1,735 | | 1,735 |
| TOTAL | <u>\$ 2,589,865</u> | <u>\$ 2,146,194</u> | <u>\$ 294,227</u> | <u>\$ 83,263</u> | <u>\$ 5,113,549</u> |
| PERCENTAGE | 50% | 42% | 6% | 2% | 100% |

See notes to financial statements.

JOINT INITIATIVES FOR YOUTH AND FAMILIES

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2024

OPERATING ACTIVITIES

| | |
|--|---------------|
| Change in net assets | \$ 238,176 |
| Adjustments to reconcile change in net assets to net cash used in operating activities: | |
| Changes in operating assets and liabilities: | |
| Grants receivable | (78,470) |
| Other assets | 2,621 |
| Accounts payable | (265,072) |
| Accrued liabilities | <u>47,222</u> |
| Net cash used in operating activities | (55,523) |

FINANCING ACTIVITIES

| | |
|---|-----------------|
| Net cash used in financing activities – | |
| Repayment of line of credit | <u>(99,000)</u> |

DECREASE IN CASH AND CASH EQUIVALENTS (154,523)

CASH AND CASH EQUIVALENTS, Beginning of year 411,778

CASH AND CASH EQUIVALENTS, End of year \$ 257,255

See notes to financial statements.

JOINT INITIATIVES FOR YOUTH AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Joint Initiatives for Youth and Families (the Organization) is a Colorado non-profit corporation whose mission is that community leaders collaborate to build an integrated network of services and advocate for policies that improve the quality of life for children, youth and their families. The Organization's revenue is substantially provided by payments for services under state grant and contract agreements.

Basis of Presentation — The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which represents the expendable resources that are available for operations at management's discretion; and net assets with donor restrictions, which represents resources restricted by donors as to purpose or by the passage of time and resources whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

Contributions — Contributions received are recorded as support without donor restriction or with donor restriction depending on the existence or nature of any donor or grantor restrictions. When a donor restriction is met, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

The Organization reports gifts of furnishings and equipment as support without donor restriction unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire furnishings and equipment, are reported as support with donor restriction. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restriction to net assets without donor restriction at that time.

Government and Other Grants — Revenue from government and other grants are recognized as the Organization performs the contracted services or incurs outlays eligible for reimbursement under the grant agreement. The Organization is electing the simultaneous release option practical expedient to allow donor-restricted conditional grants that are recognized and used with the same reporting period as if they were unrestricted, without having to change the reporting of donor-restricted activity. The Organization had conditional promises of approximately \$750,000 at June 30, 2024, representing grants to be recognized in future periods as the Organization incurs outlays eligible for reimbursement under the grant agreements.

Tax Status — The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). As a result of this determination, the Organization may accept tax-deductible contributions. The Organization believes that it does not have any uncertain tax positions that are material to the financial statements.

Use of Estimates — Preparation of the Organization’s financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents — The Organization considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

Grants Receivable — Grants receivable are considered by management to be fully collectible and, accordingly, no allowance for credit losses is considered necessary.

Subsequent Events — The Organization has evaluated subsequent events for recognition or disclosure through the date of the Independent Auditors' Report, which is the date the financial statements were available for issuance.

2. LIQUIDITY AND AVAILABILITY

The following table reflects the Organization’s financial assets as of June 30, 2024, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date. Amounts not available include net assets with donor restrictions and board designated funds. In the event the need arises to utilize the board designated funds for liquidity purposes, the reserves could be drawn upon through board resolution.

| | |
|--|-------------------|
| Cash and cash equivalents | \$ 257,255 |
| Grants receivable | <u>1,141,787</u> |
| Total | 1,399,042 |
| Less amounts unavailable for general expenditures within one year, due to: | |
| Restricted by donors with purpose restrictions | (653,398) |
| Less amounts unavailable to management without Board's approval: | |
| Board designated | <u>(20,570)</u> |
| Total financial assets available to management to meet cash needs for general expenditures within one year | <u>\$ 725,074</u> |

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization’s typical operating procedure to manage an emergency cash flow need is to draw from the Organization’s line of credit (see Note 5). The Organization manages their cash flow through daily analysis of cash flows and budgeted expenses.

3. METHODS USED FOR ALLOCATION OF EXPENSES AMONG PROGRAM AND SUPPORTING SERVICES

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting services of the Organization. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

The expenses that are allocated include salaries and benefits, supplies, professional fees, and other operating expenses, which are allocated on the basis of estimates of time and effort spent by personnel in the various program and supporting services or actual usage.

4. NET ASSETS WITH DONOR RESTRICTIONS AND BOARD DESIGNATIONS

Net assets with donor restrictions consist of the following at June 30, 2024:

| | |
|----------------------------------|-------------------|
| Early Childhood program | \$ 452,985 |
| Pathways | 141,865 |
| Covid-19 relief | 28,607 |
| Collaborative management program | 25,000 |
| Direct assistance | <u>4,941</u> |
| Total | <u>\$ 653,398</u> |

The Board of Directors has designated a portion of net assets without donor restrictions to be used for additional training conferences, class expenses and professional development.

5. LINE OF CREDIT

The Organization has a \$100,000 unsecured line of credit with an interest rate of 14.75% and no stated maturity date. The line of credit had no outstanding balance as of June 30, 2024.

6. CONCENTRATIONS OF CREDIT RISK

The Organization received 74% of its revenue from the State of Colorado Department of Human Services during the year ended June 30, 2024. Approximately 80% of the Organization's grants receivable at June 30, 2024 were due from the State of Colorado Department of Human Services.

The Organization has cash accounts that periodically exceed the FDIC insurance limits. The Organization has not experienced any losses in such accounts.

7. RELATED PARTY TRANSACTIONS

The Organization has a month-to-month lease agreement with another organization that has Board of Directors representation. Rent of \$70,371 was paid to this related organization, during the year ended June 30, 2024.

One of the Organization's board members is the director of El Paso County Department of Human Services. The Organization recognized revenue from and expenses to this related party totaling \$446,359 and \$403,971, respectively, during the year ended June 30, 2024. Grants receivable from this related party totaled \$47,458 as of June 30, 2024.

8. SUBSEQUENT EVENT

On October 1, 2024, the Organization entered into a five-year lease agreement for office space. Monthly payments will start at \$2,645 and increase by 4% every year. Pursuant to ASC 842, this will result in the Organization recording a right-of-use asset and lease liability of approximately \$155,000.