

BROOMFIELD FISH

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

BROOMFIELD FISH
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7



January 25, 2024

INDEPENDENT AUDITORS' REPORT

Board of Directors
Broomfield FISH
Broomfield, Colorado

Opinion

We have audited the accompanying financial statements of **Community Services of Broomfield, Inc. dba Broomfield FISH** (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, 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 Broomfield FISH as of September 30, 2023, and the changes in 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Broomfield FISH 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with principles generally accepted in the United States of America; this includes 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 Broomfield FISH's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 for 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 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 Broomfield FISH'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 Broomfield FISH'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.

Report on Summarized Comparative Information

Other auditors previously audited Broomfield FISH's 2022 financial statements and they expressed an unqualified opinion in their report dated February 17, 2023. In our opinion the summarized comparative information presented herein as of and for the year ended September 30, 2022, is consistent in all material respects with the audited financial information from which it has been derived.

Taylor Roth and Company PLLC

TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
DENVER, COLORADO

BROOMFIELD FISH
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 303,504	\$ 666,944
Contracts receivable	66,550	36,560
Donations receivable (Note 4)	32,155	-
Prepaid expenses and deposits	10,385	13,329
Investments (Note 5)	453,436	255,984
Inventory	240,690	279,210
Right-of-use asset (Note 6)	270,150	-
Property and equipment (Note 7)	317,184	363,623
Total assets	<u>\$ 1,694,054</u>	<u>\$ 1,615,650</u>
 <u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 23,193	\$ 5,941
Accrued payroll costs	16,118	-
Refundable advances	3,304	14,789
Operating lease obligation (Note 6)	270,150	-
Total liabilities	<u>312,765</u>	<u>20,730</u>
 <u>Net assets</u>		
Without donor restrictions		
Undesignated	848,719	1,089,481
Board designated operating reserve	450,000	450,000
	1,298,719	1,539,481
With donor restrictions (Note 8)	82,570	55,439
Total net assets	<u>1,381,289</u>	<u>1,594,920</u>
Total liabilities and net assets	<u>\$ 1,694,054</u>	<u>\$ 1,615,650</u>

The accompanying notes are an integral part of these financial statements

BROOMFIELD FISH
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023			2022
		With Donor Restrictions		
	Without Donor Restrictions	Purpose Restrictions	Total	Total
<u>Revenue and other support</u>				
Individual and board donations	\$ 619,830	\$ 87,197	\$ 707,027	\$ 678,056
Government	67,881	516,424	584,305	2,973,696
Foundations	42,885	160,000	202,885	287,820
Special events	-	195,152	195,152	146,430
Less direct event expenses	(27,581)	-	(27,581)	(10,990)
Business donations	39,872	5,000	44,872	62,028
Faith based organizations	19,718	-	19,718	29,783
Civic organizations	19,313	-	19,313	15,340
Investment income	4,156	-	4,156	582
Other income	1,090	-	1,090	3,460
In-kind contributions (Note 9)	2,877,352	-	2,877,352	2,553,783
Net assets released from restrictions (Note 10)	936,642	(936,642)	-	-
Total revenue and other support	4,601,158	27,131	4,628,289	6,739,988
<u>Expense</u>				
Program	4,288,088	-	4,288,088	6,179,424
Supporting services				
Management and general	423,724	-	423,724	397,773
Fundraising	130,108	-	130,108	87,061
Total expense	4,841,920	-	4,841,920	6,664,258
Change in net assets	(240,762)	27,131	(213,631)	75,730
Net assets, beginning of year	1,539,481	55,439	1,594,920	1,519,190
Net assets, end of year	\$ 1,298,719	\$ 82,570	\$ 1,381,289	\$ 1,594,920

The accompanying notes are an integral part of these financial statements

BROOMFIELD FISH
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023				2022
	Supporting Services				
	Program	Management and General	Fund- raising	Total	Total
Salaries	\$ 602,378	\$ 198,579	\$ 83,658	\$ 884,615	\$ 815,893
Payroll taxes and benefits	133,426	42,423	13,180	189,029	138,016
Client assistance - food	3,039,759	-	-	3,039,759	2,553,661
Client assistance - other	309,899	-	-	309,899	2,755,171
Occupancy	142,417	40,691	20,345	203,453	192,765
Computer and software	-	36,552	-	36,552	41,606
Accounting and audit	-	46,787	-	46,787	47,099
Maintenance	11,997	3,427	1,714	17,138	9,501
Insurance	-	14,180	-	14,180	12,446
Vehicle expenses	14,035	-	-	14,035	13,067
Advertising and marketing	-	12,126	-	12,126	8,562
Office expenses	-	8,696	-	8,696	16,328
Dues and memberships	-	8,655	-	8,655	2,964
Bank and credit card fees	-	465	4,588	5,053	7,278
Development	-	-	1,740	1,740	-
Volunteer recognition	-	1,378	-	1,378	3,168
Other	1,670	477	239	2,386	929
	4,255,581	414,436	125,464	4,795,481	6,618,454
Depreciation	32,507	9,288	4,644	46,439	45,803
Total	<u>\$ 4,288,088</u>	<u>\$ 423,724</u>	<u>\$ 130,108</u>	<u>\$ 4,841,920</u>	<u>\$ 6,664,257</u>

The accompanying notes are an integral part of these financial statements

BROOMFIELD FISH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	<u>2023</u>	<u>2022</u>
Change in net assets	\$ (213,631)	\$ 75,730
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	46,439	45,803
Unrealized (gains) and losses	(2,741)	-
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in contracts receivable	(29,990)	(10,483)
(Increase)decrease in donations receivable	(32,155)	-
(Increase)decrease in accrued interest receivable	-	(575)
(Increase)decrease in inventory	38,520	(22,847)
(Increase)decrease in prepaid expenses and deposits	2,944	10,012
(Increase)decrease in right-of-use asset	112,952	-
(Decrease)increase in accounts payable	17,252	(17,608)
(Decrease)increase in accrued payroll costs	16,118	-
(Decrease)increase in refundable advances	(11,485)	(40,305)
(Decrease)increase in operating lease liability	(112,952)	-
Net cash provided(used) by operating activities	<u>(168,729)</u>	<u>39,727</u>
<u>Cash flows from investing activities</u>		
(Purchase) of investments	(450,000)	-
Proceeds from investments	255,984	-
(Reinvestment) of interest and dividends	(695)	-
Purchase of property and equipment	<u>-</u>	<u>(12,315)</u>
Net cash provided(used) by investing activities	(194,711)	(12,315)
Net increase(decrease) in cash and cash equivalents	(363,440)	27,412
Cash and cash equivalents, beginning of year	<u>666,944</u>	<u>639,532</u>
Cash and cash equivalents, end of year	<u><u>\$ 303,504</u></u>	<u><u>\$ 666,944</u></u>

The accompanying notes are an integral part of these financial statements

BROOMFIELD FISH
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 1 - NATURE OF ACTIVITIES

The Community Services of Broomfield, Inc., dba Broomfield FISH (the Organization) is a Colorado non-profit organization, incorporated in May 2001 to provide emergency financial assistance and one-on-one mentoring support and referrals to Broomfield County residents living at or below 200% of the federal poverty guidelines. The Organization is supported primarily through in-kind contributions, individual and board donations, government contracts and foundation awards. The Organization operates the following major programs:

Emergency Family Assistance:

The Organization distributes emergency food, housing and transportation assistance to Broomfield County residents who fall at or below 200% of the federal poverty guidelines. This includes a self-shop marketplace, food delivery programs, and support with rent and mortgage payments, utility payments and transportation. Total expenses were \$4,118,677 in 2023.

Community Resources and Referrals:

The Organization spends a limited amount of its budget on “small needs” items that support low income Broomfield County residents in becoming more self-sufficient. Staff meet one-on-one with residents to assess barriers to self-sufficiency and then offer resources and referrals to help overcome those barriers. Total expenses were \$169,412 in 2023.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

2. Basis of Presentation

The financial statements of Broomfield FISH have been prepared in accordance with U.S. generally accepted accounting principles which require the Organization to report 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 management and 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 that 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 statement of activities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Continued)

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

3. Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents. Cash and cash equivalents does not include those amounts held for long-term investment purposes.

4. Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received; conditional promises to give with a measurable performance barrier and a right of return are not recognized until the conditions on which they depend have been met.

5. Contracts Receivable

No allowance for doubtful accounts has been established. The Organization believes all accounts will be collected.

6. Capitalization and Depreciation

The Organization follows the practice of capitalizing all expenditures for furniture and equipment in excess of \$2,500. The fair value of donated assets is similarly capitalized. Depreciation of furniture and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

7. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

8. Income Taxes

The Organization has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

9. Functional Reporting of Expenses

For the year ended September 30, 2023, the costs of providing the 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 programs and supporting services benefited. The allocations are determined by management on a rational and systematic basis. Salaries and benefits are allocated on a time and effort basis. Occupancy expenses are allocated on square footage. All other expenses are allocated to the program or functional area benefited.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Continued)

10. Summarized Prior-Year Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2022 from which the summarized information was derived.

11. Fair Value Measurements

The Organization follows the provisions of the Fair Value Measurements and Disclosures Topic of FASB ASC, which require use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3).

12. Leases

The Organization determines if an arrangement is or contains a lease at inception and whether they will be classified as an operating or finance lease based upon the accounting criteria. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. The Organization uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, the Organization uses its incremental borrowing rate to determine the present value of the future lease payments. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization applies the short-term lease exemption of not recognizing a ROU asset and lease liability for leases that have terms of 12 months or less. Instead, the lease donations of those leases are reported as lease expense on a straight-line basis over the lease term.

13. Recently Adopted Accounting Standards

In 2022, the Organization adopted Accounting Standards Update (ASU) No. 2016-02, Leases (Topic-842), which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The Organization elected not to restate the comparative period (2021). It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases.

As a result of adopting ASU No. 2016-02, the Organization recognized right of use assets and lease liabilities of \$383,102 in its statement of financial position on October 1, 2022. The adoption had no impact upon net assets and did not result in a significant effect on amounts reported in the statement of activities or cash flows for the year.

14. Inventory

Inventory, which consists of donated food, is stated at the average wholesale price per gross pound, published by Feeding America, a national food bank distribution network. The average wholesale price per pound was \$1.92 for the year-ended September 30, 2023.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Concluded)

15. Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

16. Subsequent Events

Management has evaluated subsequent events through January 25, 2024, the date the financial statements were available for distribution.

NOTE 3 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at September 30, 2023:

<u>Financial assets at year-end:</u>	<u>Amount</u>
Cash and cash equivalents	\$ 303,504
Contracts and donations receivable	98,705
Investments	<u>453,436</u>
	<u>855,645</u>
Less amounts not available for general expenditures within one year due to:	
Donor purpose restrictions	(48,750)
Board designated operating reserve	<u>(450,000)</u>
	<u>(498,750)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 356,895</u>

The Organization's goal is generally to maintain financial assets to meet 9 months of cash operating expenses. Management considers donor restricted contributions that will be used within one year as part of its ordinary operations, as being available for general expenditures.

NOTE 4 - DONATIONS RECEIVABLE

At year-end, donations receivable is \$32,155. Management has evaluated these receivables and does not believe that an allowance for doubtful accounts is needed. Management expected payments to be received on these contracts as follows:

<u>Year</u>	<u>Amount</u>
2024	<u>\$ 32,155</u>

NOTE 5 - INVESTMENTS

At year-end, investments are stated at their quoted market prices (level 1 inputs) and consist of:

<u>Description</u>	<u>Fair Value</u>
Money Market funds	\$ 38,108
US Treasury securities	<u>415,328</u>
Total	<u>\$ 453,436</u>

Investment income and account activity is summarized as follows:

	<u>Total</u>
Balance, beginning of year	\$ 255,984
Net additions	<u>194,017</u>
Interest income	695
Unrealized and realized gains	<u>2,740</u>
Total investment return	<u>3,435</u>
Balance, end of year	<u>\$ 453,436</u>

Additionally, the organization earned \$721 of interest income on its operating cash balances.

NOTE 6 - OPERATING LEASE RIGHT OF USE ASSET AND LEASE OBLIGATION

The Organization has entered into an agreement for with the City of Broomfield for donated program and office space that is considered an operating lease agreement. The future minimum right-of-use donations are as follows:

<u>Fiscal year</u>	<u>Amount</u>
2024	\$ 125,000
2025	125,000
2026	<u>31,250</u>
Total	281,250
Less amount representing interest	<u>(11,100)</u>
Present value of minimum lease donations	<u>\$ 270,150</u>

The weighted average discount rate used to calculate the present value of future minimum lease donations was 3.72%. The weighted average lease term was 2.25 years as of year-end.

Supplemental information:

<u>Description</u>	<u>Amount</u>
In-kind rent donations included in operating leases	\$125,000
Right-of-use assets obtained in exchange for lease liabilities	\$383,102

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment consist of:

<u>Description</u>	<u>Amount</u>
Building improvements	\$ 369,229
Equipment	130,930
Vehicles	120,149
Printers	<u>1,723</u>
Total	622,031
Less: accumulated depreciation	<u>(304,847)</u>
Net property and equipment	<u>\$ 317,184</u>

Depreciation expense for the year was \$46,439.

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

At year-end net assets with donor restrictions were available for the following program purposes:

<u>Description</u>	<u>Amount</u>
Embracing Hope	\$ 78,836
Community outreach	<u>3,734</u>
Total	<u>\$ 82,570</u>

NOTE 9 - IN-KIND CONTRIBUTIONS

The fair value of donated services included as contributions in the financial statements and the corresponding program expenses for the year consist of:

<u>Description</u>	<u>Utilization in Programs/Activities</u>	<u>Donor Restrictions</u>	<u>Revenue Recognized</u>
Food (valued at (\$1.92/lb)	Programs	None	\$ 2,669,422
Facility lease	Program	None	187,500
Salesforce license	Program	None	11,715
Leadership coaching	Program	None	8,400
Gift cards	Programs	None	<u>315</u>
Total			<u>\$ 2,877,352</u>

The value of donated rent, software license fees, leadership coaching and gift cards were based on their estimated fair value.

NOTE 10 - NET ASSETS RELEASED FROM RESTRICTIONS

During the year, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes:

<u>Description</u>	<u>Amount</u>
Food	\$ 304,475
Housing, food, and operating	210,000
Housing assistance	185,000
Embracing Hope	164,786
Community outreach	39,186
Staffing assistance	<u>33,195</u>
Total	<u>\$ 936,642</u>

NOTE 11 - PENSION PLAN

The Organization has a SIMPLE IRA plan (the Plan). The Organization matches 100% of the employee contributions up to 3% of the employee's salary. Pension plan expense for the year was \$14,023.

NOTE 12 - CONCENTRATION OF CREDIT RISK

The Organization places all of its cash with two financial institutions. Amounts in excess of \$250,000 are not insured by the FDIC or related entity. At year-end, the Organization's uninsured balance at one of these financial institutions was about \$65,500. Management has evaluated its banking needs and the strength of these financial institutions and feels it is in the best long-term interest of the organization to continue its existing banking relationships.