

**COMMUNITY SERVICES OF
BROOMFIELD, INC,
dba BROOMFIELD FISH**

**Financial Statements with
Accompanying Independent
Auditors' Report**

September 30, 2020 and 2019

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statement of Financial Position.....	2
Statement of Activities.....	3
Statement of Functional Expenses.....	4
Statement of Cash Flows	5
Notes to Financial Statements	6-14



INDEPENDENT AUDITORS' REPORT

The Board of Directors
Community Services of Broomfield, Inc.
dba Broomfield FISH
Broomfield, Colorado

We have audited the accompanying financial statements of Community Services of Broomfield, Inc., dba Broomfield FISH (the Organization) which comprise the statement of financial position as of September 30, 2020 and 2019 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Services of Broomfield, Inc., dba Broomfield FISH as of September 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Tandem CPAs, LLC

Tandem CPAs, LLC

March 31, 2021

COMMUNITY SERVICES OF BROOMFIELD, INC.
dba Broomfield FISH

Statement of Financial Position
September 30, 2020 and 2019

ASSETS

Assets	2020	2019
Cash and cash equivalents	\$ 418,640	\$ 130,525
Accounts receivable, short-term	130,880	77,584
Inventory	200,836	106,078
Certificates of deposit	254,707	252,160
Prepaid expenses	8,148	9,630
Accounts receivable, long-term	-	77,500
Deposits on equipment	20,809	-
Construction in progress	40,306	-
Property and equipment, net	<u>402,446</u>	<u>445,539</u>
Total Assets	<u>\$1,476,772</u>	<u>\$1,099,016</u>

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued liabilities	31,801	22,167
Refundable advances	122,250	168,968
PPP loan payable	<u>73,632</u>	<u>-</u>
Total Liabilities	<u>\$ 227,683</u>	<u>\$ 191,135</u>
Commitments and Contingencies	-	-
Net Assets		
Without donor restrictions	1,218,178	892,881
With donor restrictions	<u>30,911</u>	<u>15,000</u>
Total Net Assets	<u>1,249,089</u>	<u>\$ 907,881</u>
Total Liabilities and Net Assets	<u>\$1,476,772</u>	<u>\$1,099,016</u>

See accompanying *Notes to Financial Statements*

COMMUNITY SERVICES OF BROOMFIELD, INC.
dba Broomfield FISH

Statement of Activities
For the Years Ended September 30, 2020 and 2019

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
Revenues, Gains and Other Support				
Contributions and Net Revenue:				
<i>Special Events:</i>				
Contributions	112,809	30,911	143,720	146,019
Less: Cost of direct benefits to donors	(27,864)	-	(27,864)	(25,351)
	84,945	30,911	115,856	120,668
<i>Public Support</i>				
Contributed food	2,709,697	-	2,709,697	1,948,575
Businesses	58,696	-	58,696	21,125
Churches	22,457	-	22,457	18,101
Individuals	858,102	-	858,102	228,342
Other organizations	966	-	966	1,009
In-kind rent	193,750	-	193,750	193,750
In-kind donations, other	23,531	-	23,531	19,025
Grants	429,056	-	429,056	173,253
<i>Other Revenue:</i>				
Interest income	4,443	-	4,443	2,889
Miscellaneous income	521	-	521	685
Net assets released from restrictions	15,000	(15,000)	-	-
	4,401,164	15,911	4,417,075	2,727,442
Expenses				
Program Services	3,797,624	-	3,797,624	2,530,403
Management and general	218,566	-	218,566	185,358
Fundraising	59,677	-	59,677	35,236
	4,075,867	-	4,075,867	2,750,997
Increase (Decrease) in Net Assets	325,297	15,911	341,208	(23,575)
Net Assets at Beginning of Year	892,881	15,000	907,881	931,456
Net Assets and End of Year.....	\$ 1,218,178	\$ 30,911	\$ 1,249,089	\$ 907,881

See accompanying *Notes to Financial Statements*

COMMUNITY SERVICES OF BROOMFIELD, INC.
dba Broomfield FISH

Statement of Functional Expenses
For the Years Ended September 30, 2020 and 2019

	<u>Program</u>	<u>Mgt & General</u>	<u>Fundraising</u>	<u>2020 Total</u>	<u>2019 Total</u>
Salaries	\$ 372,301	\$ 68,966	\$ 45,603	\$ 486,870	\$ 304,905
Payroll Tax	28,063	5,198	3,437	36,698	25,163
Other Employee Expenses	15,046	16,536	-	31,582	20,226
Accounting and Consulting	-	37,578	-	37,578	33,357
Advertising and marketing	-	10,484	-	10,484	4,933
Auto	10,211	-	-	10,211	7,589
Bank Charges	-	666	-	666	551
Computer and software	18,000	3,793	-	21,793	23,128
Copier Lease	1,923	481	-	2,404	2,215
Depreciation Expense	34,475	8,619	-	43,094	43,378
Dues and Subscriptions	-	5,121	-	5,121	1,040
Energy assistance	1,483	-	-	1,483	255
Equipment	1,262	316	-	1,578	1,769
Food purchase	4,750	-	-	4,750	7,144
Fundraising	-	-	38,501	38,501	33,539
In-Kind rent	155,000	38,750	-	193,750	193,750
Value of food distributed or discarded	2,824,622	-	-	2,824,622	2,009,828
Insurance - general liability	-	8,726	-	8,726	8,308
Medical/prescriptions assistance	30	-	-	30	232
Office Supplies	-	5,985	-	5,985	2,300
Other	20,740	7,032	-	27,772	14,469
Postage	-	26	-	26	-
Rent assistance	298,782	-	-	298,782	28,416
Travel assistance	7,228	-	-	7,228	3,840
Volunteer recognition	-	289	-	289	3,853
Water assistance	3,708	-	-	3,708	2,160
Total Expenses Before Cost of Direct Benefits	\$ 3,797,624	\$ 218,566	\$ 87,541	\$4,103,731	2,776,348
Less: Cost of direct benefits to donors	-	-	(27,864)	(27,864)	(25,351)
Total Expenses	\$ 3,797,624	\$ 218,566	\$ 59,677	\$4,075,867	\$ 2,750,997

See accompanying *Notes to Financial Statements*

COMMUNITY SERVICES OF BROOMFIELD, INC.
dba Broomfield FISH

Statement of Cash Flows
For the Years Ended September 30, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities		
Increase (decrease) in net assets	\$ 341,208	\$ (23,575)
Adjustment to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	43,094	43,379
Interest earned on certificates of deposit	(2,548)	(2,160)
Change in contributed food inventory	(94,758)	(1,701)
Changes in assets and liabilities:		
Accounts receivable	24,204	(150,505)
Prepaid expenses	1,482	(1,089)
Deposit on equipment	(20,809)	-
Accounts payable and accrued liabilities	9,634	15,100
Refundable advances	(46,718)	168,968
Net Cash Provided) by Operating Activities	<u>254,789</u>	<u>48,417</u>
Net Cash Provided by Investing Activities		
Purchase of construction in progress	(40,306)	-
Purchases of certificates of deposit	-	(250,000)
Net Cash Used by Investing Activities	<u>(40,306)</u>	<u>(250,000)</u>
Net Cash Provided by Financing Activities		
Proceeds from loans payable	73,632	-
Net Cash Provided by Financing Activities	<u>73,632</u>	<u>-</u>
Net Increase (decrease) in Cash and Cash Equivalents	288,115	(201,583)
Cash and Cash Equivalents at Beginning of Year	<u>130,525</u>	<u>332,108</u>
Cash and Cash Equivalents at End of Year.....	<u>\$ 418,640</u>	<u>\$ 130,525</u>

See accompanying *Notes to Financial Statements*

COMMUNITY SERVICES OF BROOMFIELD, INC.
dba Broomfield FISH

Notes to Financial Statements
For the Years Ending September 30, 2020 and 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose

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 residents living at or below 200% of the federal poverty guidelines.

The Organization's major programs include:

Food Distribution: Distributes food to clients whose income is at or below 200% of the Federal poverty level and are residents of the City and County of Broomfield. Total expenses were \$3,283,460 and \$2,392,880 at September 30, 2020 and 2019, respectively.

Shelter Assistance: Helps clients with rent or mortgage payments who qualify under external grantors' criteria. Total expenses were \$377,785 and \$53,964 at September 30, 2020 and 2019, respectively.

Utility Assistance: Helps with utility payments to clients who qualify under external grantors' criteria. Total expenses at September 30, 2020 and 2019 were \$30,467 and \$18,421, respectively.

Other Funding Assistance: The Organization spends limited amounts on emergency medical prescriptions and transportation costs for clients' job searches or their start of work through their first paycheck. Total expenses were \$105,912 and \$65,138 at September 30, 2020 and 2019, respectively.

The primary funding source of the Organization is private contributions of cash and in-kind goods and services from individuals, churches, businesses, and foundations. In addition, the Organization receives revenue from special events and government grants.

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting, in accordance with generally accepted accounting principles.

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions.

Contributions and Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

COMMUNITY SERVICES OF BROOMFIELD, INC.
dba Broomfield FISH

Notes to Financial Statements
For the Years Ending September 30, 2020 and 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the restriction is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Estimates

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

Support

All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as restricted support and increase net assets with donor restrictions. Contributions received with donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

Cash and Cash Equivalents

The Organization considers all unrestricted, highly liquid investments with an initial maturity date of three months or fewer to be cash and cash equivalents, with the exception of the certificates of deposit.

Property and Equipment

Property and equipment are recorded at cost, except for contributed assets which are stated at estimated fair value at the date of contribution. Depreciation expense is computed on the straight-line method over the estimated useful lives of the assets, which is generally three to fifteen years. Expenditures for renewals or betterments of \$2,500 or more that materially extend the useful lives of assets or increase their productivity are capitalized at cost. The costs and related allowances for depreciation of assets retired or otherwise disposed of are eliminated from the accounts. The resulting gain or loss is included in the determination of increase or decrease in unrestricted net assets.

Concentration of Credit Risk

The Organization maintains its cash accounts in two banks in Broomfield, Colorado. Accounts at each bank are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At September 30, 2020 and September 30, 2019, uninsured cash balances in excess of

COMMUNITY SERVICES OF BROOMFIELD, INC.
dba Broomfield FISH

Notes to Financial Statements
For the Years Ending September 30, 2020 and 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FDIC limits were \$4,708 and \$2,160, respectively.

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 gross pound was \$1.74 and \$1.67 at September 30, 2020 and 2019, respectively.

Uncertain Tax Positions

The Organization qualifies as a tax-exempt, not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code, and accordingly is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Accordingly, no provision for federal income tax is recorded in the accompanying financial statements. The Organization 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. The Organization's Federal Exempt Organization Income Tax Returns Form 990 prior to 2019 are subject to examination by the IRS generally for three years after they are filed.

Summarized Prior-Year Information

The amounts shown for the year ended September 30, 2019 in the accompanying financial statements are included to provide a basis for comparison with 2020 and present summarized totals only. Accordingly, the 2019 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2019, from which the summarized information was derived.

NOTE 2: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditure, that is, without donor or other restrictions that limit their use, within one year of the balance sheet date, comprise the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 418,640	\$ 130,525
Certificates of deposit	254,707	252,160
Accounts receivable	130,880	155,084
Less: Donor restrictions	(30,911)	(15,000)
Less: Board designations	<u>(450,000)</u>	<u>(250,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 323,316</u>	<u>\$ 272,769</u>

The Board of Trustees has established a reserve intended to provide funds for operating expenses in event of an unforeseen interruptions in regular giving. The \$450,000 reserve funds include

COMMUNITY SERVICES OF BROOMFIELD, INC.
dba Broomfield FISH

Notes to Financial Statements
For the Years Ending September 30, 2020 and 2019

NOTE 2: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (continued)

\$400,000 as an operating reserve, which is equal to approximately 6 months of cash operating expenses. The reserve fund also includes \$25,000 designated for building maintenance and \$25,000 for the replacement of vehicles. Funds are invested in accordance with Board policy.

The Board periodically reviews the reserve fund to insure it remains adequate. As of the date of this report, no changes to the reserve fund were contemplated.

NOTE 3: CERTIFICATES OF DEPOSIT

Certificates of deposit consisted of the following at September 30, 2020 and 2019:

	2020	2019
Three-month maturity	\$ 190,554	\$ 189,022
Six-month maturity	64,154	63,138
Total	\$ 254,708	\$ 252,160

The certificates bear interest ranging from 1.2% to 2.0% and are all short-term.

NOTE 4: PROPERTY AND EQUIPMENT

The following is a detail of property and equipment at September 30, 2020 and 2019:

	2020	2019
Building improvements	\$ 369,229	\$ 369,229
Equipment	83,100	83,100
Vehicles	117,150	117,150
	569,479	569,479
Less: accumulated depreciation and amortization	(167,033)	(123,940)
Total	\$ 402,446	\$ 445,539

Depreciation expense was \$43,094 and \$43,378 for the years ended September 30, 2020 and 2019, respectively.

NOTE 5: NET ASSETS WITH DONOR RESTRICTIONS AND BOARD DESIGNATIONS

Net assets with donor restrictions consisted of the following restrictions at September 30, 2020 and 2019:

	2020	2019
<i>Net assets with time/purpose restrictions</i>		
Harvest of Hope sponsorship	\$ 30,911	\$ 15,000
Total Time/Purpose Restrictions	\$ 30,911	\$ 15,000

COMMUNITY SERVICES OF BROOMFIELD, INC.
dba Broomfield FISH

Notes to Financial Statements
For the Years Ending September 30, 2020 and 2019

NOTE 5: NET ASSETS WITH DONOR RESTRICTIONS AND BOARD DESIGNATIONS (continued)

In addition to the specified donor restrictions, the Organization's board of directors has designated a portion of net assets without donor restrictions to be set aside and restricted for the following organizational purposes:

	2020	2019
<i>Board designations for operating activities:</i>		
Board-designated for operating reserves	\$ 400,000	\$ 200,000
Board-designated for building maintenance reserves	25,000	25,000
Board-designated for vehicle replacement	25,000	25,000
Total, Board Designations	\$ 450,000	\$ 250,000

NOTE 6: REFUNDABLE ADVANCES

Refundable advances represent contributions received which include conditions which have not yet been substantially met or explicitly waived by the donor. Refundable advances consisted of the following at September 30, 2020 and 2019, respectively:

	2020	2019
Colorado Health Foundation	\$ 75,000	\$ 150,000
City of Broomfield Health & Human Services	-	13,968
El Pomar Foundation	2,500	5,000
Family Resource Center Association	44,750	-
Total	\$ 122,250	\$ 168,968

NOTE 7: OPERATING LEASE COMMITMENTS

The Organization leases a copier under an operating lease arrangement with an unrelated party. Monthly lease payments are for \$116 over 48 months. In addition, the Organization pays a monthly maintenance fee of \$45 for 48 months.

Future minimum lease payments are as follows:

<u>Year</u>	<u>Total</u>
2021	1,288
Thereafter	—
Total	\$ 1,288

Total lease expense for the years ended September 30, 2020 and 2019 was \$2,404 and \$2,215, respectively.

In June 2017, the Organization moved out of its previous space provided by the City of Broomfield

**COMMUNITY SERVICES OF BROOMFIELD, INC.
dba Broomfield FISH**

**Notes to Financial Statements
For the Years Ending September 30, 2020 and 2019**

NOTE 7: OPERATING LEASE COMMITMENTS *(continued)*

(the City) and into a larger space, approximately 12,500 square feet, which houses its food bank and other offices. The lease is for fifteen years with a renewal option of up to two additional five-year terms. The City is donating the space so long as Broomfield FISH provides food, utility, shelter and transportation services to eligible individuals and families in Broomfield, Colorado. Broomfield FISH is responsible for paying for all tenant improvements, utilities and maintenance of the premises.

NOTE 8: IN-KIND CONTRIBUTIONS

Contributed food consists of 1,557,297 and 1,116,181 pounds of food from a regional food bank (54 % and 42%) and the community (46% and 58%) for the years ended September 30, 2020 and 2019, respectively. The Organization valued the contributed food at \$1.74 and \$1.67 per pound, for a total revenue of \$2,709,697 and \$1,948,575 for the years ended September 30, 2020 and 2019, respectively.

In-kind rent consists of the office space provided by the City and County of Broomfield for the Organization’s operations, which was valued by the City at \$193,750 and \$193,750 at September 30, 2020 and 2019, respectively.

Other in-kind donations consist of the following:

		2020		2019
Professional fees	\$	5,531	\$	1,025
Sales Force licenses		18,000		18,000
Total		\$ 23,531		\$ 19,025

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization in various ways, but do not meet the requirements for recognition of revenue in the financial statements.

NOTE 9: PPP LOAN

On April 22, 2020, the Organization received a Paycheck Protection Program (PPP) loan of \$73,632. The loan is forgivable if used for certain payroll, employee benefits, rent and utility payments. The forgiveness calculation will be made during the year ending September 30, 2021. Any portion of the loan not forgiven by the Small Business Administration will be repaid within two years of issuance. Interest on the portion not forgiven will accrue at 1% per year. The loan is unsecured.

COMMUNITY SERVICES OF BROOMFIELD, INC.
dba Broomfield FISH

Notes to Financial Statements
For the Years Ending September 30, 2020 and 2019

NOTE 10: CASH FLOW INFORMATION

The Organization made no interest or income tax payments for the years ended September 30, 2020 and 2019.

There were no noncash investing or financing activities for the years ended September 30, 2020 and 2019.

NOTE 11: COMMITMENTS AND CONTINGENCIES

The Organization receives grants from various sources which are subject to final review and approval, depending on the allowability of corresponding expenses charged to those programs. Any expenses not allowed by the granting authority would be reimbursable by the Organization.

NOTE 12: FAIR VALUE MEASUREMENTS

The Organization's financial instruments consist primarily of cash, certificates of deposit, accounts receivable, prepaid expenditures, accounts payable and accrued expenses, and deferred revenue.

The carrying amount of the Organization's financial instruments approximate their fair value due to the short-term nature of such instruments.

The Organization uses the following hierarchical disclosure framework pursuant to FASB ASC section 820:

Level 1: Measurement based on quoted prices for identical assets in an active market, as of the reporting date.

Level 2: Measurement based upon marketplace inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Measurement based on the Organization's assumptions about a hypothetical marketplace because observable market inputs are not available as of the reporting date.

The Organization used appropriate valuation techniques based on the available inputs to measure the fair values of its assets and liabilities. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs have the lowest priority.

COMMUNITY SERVICES OF BROOMFIELD, INC.
dba Broomfield FISH

Notes to Financial Statements
For the Years Ending September 30, 2020 and 2019

NOTE 12: FAIR VALUE MEASUREMENTS (continued)

The Organization's certificates of deposit with a fair value of \$254,707 and \$252,160 as of September 30, 2020 and 2019, respectively, are considered level 2 investments.

NOTE 13: NEW ACCOUNTING PRONOUNCEMENT

ASU 2020-05

Due to the COVID-19 pandemic, FASB issued this update as a limited deferral of the effective dates of the following standards:

- ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* – delayed one year to periods beginning after 12/15/19.
- ASU 2016-02, *Leases (Topic 842)* – delayed one year to periods beginning after 12/15/21.

Since the Organization has not yet implemented these standards, it has elected to defer implementation to the revised dates.

NOTE 14: CHANGE IN ACCOUNTING PRINCIPLE

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU clarifies and improves guidance for contributions received and contributions made, and provides guidance to organizations on how to account for certain exchange transactions. This change is preferable in that it clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities.

The change in accounting principle was adopted on a modified prospective basis in 2019. As a result, there was no cumulative-effect adjustment to opening net assets without donor restrictions or opening net assets with donor restrictions as of October 1, 2018.

NOTE 15: FUNCTIONAL EXPENSES

The financial statements report certain expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses allocated include compensation and benefits, which are allocated on the basis of estimated of time and effort; occupancy costs and depreciation, which mirror the compensation allocations; and supplies, communication and other costs based on identification or estimates of how the costs are used.

**COMMUNITY SERVICES OF BROOMFIELD, INC.
dba Broomfield FISH**

**Notes to Financial Statements
For the Years Ending September 30, 2020 and 2019**

NOTE 16: SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 31, 2021, which was the date the financial statements were available to be issued.

In March 2020, the Coronavirus (COVID-19) pandemic began to affect individuals and businesses throughout Colorado. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact and duration cannot be reasonably estimated at this time.