

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

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

September 30, 2021 and 2020

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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, 2021 and 2020 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, 2021 and 2020, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal*

Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2022, on our consideration of Community Services of Broomfield, Inc. dba Broomfield FISH's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Community Services of Broomfield, Inc. dba Broomfield FISH's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Services of Broomfield, Inc. dba Broomfield FISH's internal control over financial reporting and compliance.

Tandem CPAs, LLC

Tandem CPAs, LLC

March 21, 2022

COMMUNITY SERVICES OF BROOMFIELD, INC.
dba Broomfield FISH

Statement of Financial Position
September 30, 2021 and 2020

ASSETS

| Assets | 2021 | 2020 |
|-----------------------------|---------------------------|---------------------------|
| Cash and cash equivalents | \$ 639,532 | \$ 418,640 |
| Accounts receivable | 26,077 | 130,880 |
| Inventory | 256,364 | 200,836 |
| Certificates of deposit | 255,409 | 254,707 |
| Prepaid expenses | 23,341 | 8,148 |
| Deposits on equipment | - | 20,809 |
| Construction in progress | - | 40,306 |
| Property and equipment, net | 397,110 | 402,446 |
| Total Assets | <u>\$1,597,833</u> | <u>\$1,476,772</u> |

LIABILITIES AND NET ASSETS

| | | |
|---|---------------------------|---------------------------|
| Liabilities | | |
| Accounts payable and accrued liabilities | 23,549 | 31,801 |
| Refundable advances | 55,094 | 122,250 |
| PPP loan payable | - | 73,632 |
| Total Liabilities | <u>\$ 78,643</u> | <u>\$ 227,683</u> |
| Commitments and Contingencies | - | - |
| Net Assets | | |
| Without donor restrictions | 1,424,302 | 1,218,178 |
| With donor restrictions | 94,888 | 30,911 |
| Total Net Assets | <u>1,519,190</u> | <u>\$1,249,089</u> |
| Total Liabilities and Net Assets | <u>\$1,597,833</u> | <u>\$1,476,772</u> |

See accompanying *Notes to Financial Statements*

COMMUNITY SERVICES OF BROOMFIELD, INC.
dba Broomfield FISH

Statement of Activities
For the Years Ended September 30, 2021 and 2020

| | Without Donor Restrictions | With Donor Restrictions | 2021 Total | 2020 Total |
|--|---------------------------------------|------------------------------------|-----------------------|-----------------------|
| Revenues, Gains and Other Support | | | | |
| Contributions and Net Revenue: | | | | |
| <i>Special Events:</i> | | | | |
| Contributions | 91,482 | 75,095 | 166,577 | 143,720 |
| Less: Cost of direct benefits to donors | (3,500) | - | (3,500) | (27,864) |
| | 87,982 | 75,095 | 163,077 | 115,856 |
| <i>Public Support</i> | | | | |
| Contributed food | 2,729,358 | - | 2,729,358 | 2,709,697 |
| Businesses | 40,756 | - | 40,756 | 58,696 |
| Churches | 23,301 | - | 23,301 | 22,457 |
| Individuals | 902,711 | - | 902,711 | 858,102 |
| Other organizations | 4,975 | - | 4,975 | 966 |
| In-kind rent | 193,750 | - | 193,750 | 193,750 |
| In-kind donations, other | 25,237 | - | 25,237 | 23,531 |
| Grants | 2,516,712 | 19,793 | 2,536,505 | 429,056 |
| <i>Other Revenue:</i> | | | | |
| Interest income | 734 | - | 734 | 4,443 |
| Miscellaneous income | 179 | - | 179 | 521 |
| Net assets released from restrictions | 30,911 | (30,911) | - | - |
| Total Revenues, Gains and Other Support..... | 6,556,605 | 63,977 | 6,620,582 | 4,417,075 |
| Expenses | | | | |
| Program Services | 6,009,225 | - | 6,009,225 | 3,797,624 |
| Management and general | 273,165 | - | 273,165 | 218,566 |
| Fundraising | 68,091 | - | 68,091 | 59,677 |
| | 6,350,481 | - | 6,350,481 | 4,075,867 |
| Total Expenses..... | 6,350,481 | - | 6,350,481 | 4,075,867 |
| Increase (Decrease) in Net Assets | 206,124 | 63,977 | 270,101 | 341,208 |
| Net Assets at Beginning of Year | 1,218,178 | 30,911 | 1,249,089 | 907,881 |
| Net Assets and End of Year..... | \$ 1,424,302 | \$ 94,888 | \$ 1,519,190 | \$ 1,249,089 |

See accompanying *Notes to Financial Statements*

COMMUNITY SERVICES OF BROOMFIELD, INC.
dba Broomfield FISH

Statement of Functional Expenses
For the Years Ended September 30, 2021 and 2020

| | <u>Program</u> | <u>Mgt & General</u> | <u>Fundraising</u> | <u>2021 Total</u> | <u>2020 Total</u> |
|--|---------------------|--------------------------|--------------------|-----------------------|-----------------------|
| Salaries | \$ 500,740 | \$ 82,900 | \$ 48,661 | \$ 632,301 | \$ 486,870 |
| Payroll Tax | 35,819 | 5,930 | 3,481 | 45,230 | 36,698 |
| Other Employee Expenses | 21,216 | 22,515 | - | 43,731 | 31,582 |
| Accounting and Consulting | - | 40,185 | - | 40,185 | 37,578 |
| Advertising and marketing | - | 12,655 | - | 12,655 | 10,484 |
| Auto | 8,845 | - | - | 8,845 | 10,211 |
| Bank Charges | - | 1,123 | - | 1,123 | 666 |
| Computer and software | 18,000 | 26,767 | - | 44,767 | 21,793 |
| Copier Lease | 1,891 | 473 | - | 2,364 | 2,404 |
| Depreciation Expense | 36,458 | 9,115 | - | 45,573 | 43,094 |
| Dues and Subscriptions | - | 2,310 | - | 2,310 | 5,121 |
| Energy assistance | 1,383 | - | - | 1,383 | 1,483 |
| Equipment | 16,823 | 4,206 | - | 21,029 | 1,578 |
| Food purchase | - | - | - | - | 4,750 |
| Fundraising | - | - | 19,449 | 19,449 | 38,501 |
| In-Kind rent | 155,000 | 38,750 | - | 193,750 | 193,750 |
| Value of food distributed or discarded | 2,894,965 | - | - | 2,894,965 | 2,824,622 |
| Insurance - general liability | - | 8,951 | - | 8,951 | 8,726 |
| Medical/prescriptions assistance | - | - | - | - | 30 |
| Office Supplies | - | 6,538 | - | 6,538 | 5,985 |
| Other | 34,604 | 8,846 | - | 43,450 | 27,772 |
| Interest expense | - | 769 | - | 769 | - |
| Postage | - | 428 | - | 428 | 26 |
| Rent assistance | 2,269,057 | - | - | 2,269,057 | 298,782 |
| Travel assistance | 10,421 | - | - | 10,421 | 7,228 |
| Volunteer recognition | - | 704 | - | 704 | 289 |
| Water assistance | 4,003 | - | - | 4,003 | 3,708 |
| Total Expenses Before Cost of Direct Benefits | \$ 6,009,225 | \$ 273,165 | \$ 71,591 | \$6,353,981 | 4,103,731 |
| Less: Cost of direct benefits to donors | - | - | (3,500) | (3,500) | (27,864) |
| Total Expenses | \$ 6,009,225 | \$ 273,165 | \$ 68,091 | \$6,350,481 | \$ 4,075,867 |

See accompanying *Notes to Financial Statements*

COMMUNITY SERVICES OF BROOMFIELD, INC.
dba Broomfield FISH

Statement of Cash Flows
For the Years Ended September 30, 2021 and 2020

| | 2021 | 2020 |
|---|-------------------|-------------------|
| Cash Flows from Operating Activities | | |
| Increase in net assets | \$ 270,101 | \$ 341,208 |
| Adjustment to reconcile changes in net assets to net cash provided by operating activities: | | |
| Depreciation | 45,573 | 43,094 |
| Interest earned on certificates of deposit | (701) | (2,548) |
| Change in contributed food inventory | (55,528) | (94,758) |
| PPP loan forgiveness | (73,632) | - |
| Changes in assets and liabilities: | | |
| Accounts receivable | 104,803 | 24,204 |
| Prepaid expenses | (15,194) | 1,482 |
| Deposit on equipment | 20,809 | (20,809) |
| Accounts payable and accrued liabilities | (8,251) | 9,634 |
| Refundable advances | (67,156) | (46,718) |
| Net Cash Provided by Operating Activities | 220,824 | 254,789 |
| Net Cash Provided by Investing Activities | | |
| Purchase of property and equipment | (40,238) | - |
| Net purchase (completions) of construction in progress | 40,306 | (40,306) |
| Net Cash Provided (Used) by Investing Activities | 68 | (40,306) |
| Net Cash Provided by Financing Activities | | |
| Proceeds from loans payable | - | 73,632 |
| Net Cash Provided by Financing Activities | - | 73,632 |
| Net Increase in Cash and Cash Equivalents | 220,892 | 288,115 |
| Cash and Cash Equivalents at Beginning of Year | 418,640 | 130,525 |
| Cash and Cash Equivalents at End of Year..... | \$ 639,532 | \$ 418,640 |

See accompanying *Notes to Financial Statements*

COMMUNITY SERVICES OF BROOMFIELD, INC.
dba Broomfield FISH

Notes to Financial Statements
For the Years Ending September 30, 2021 and 2020

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:

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 \$5,863,565 and \$3,691,712 during the years ending September 30, 2021 and 2020, respectively.

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 \$145,660 and \$105,912, respectively.

Funding Sources

The primary funding sources of the Organization are private contributions of cash and in-kind goods and services from individuals, churches, businesses, and foundations, along with 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.
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Notes to Financial Statements
For the Years Ending September 30, 2021 and 2020

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, 2021 and September 30, 2020, uninsured cash balances in excess of

COMMUNITY SERVICES OF BROOMFIELD, INC.
dba Broomfield FISH

Notes to Financial Statements
For the Years Ending September 30, 2021 and 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FDIC limits were \$436,024 and \$4,708, 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 each year for the years ending September 30, 2021 and 2020.

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 2020 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, 2020 in the accompanying financial statements are included to provide a basis for comparison with 2021 and present summarized totals only. Accordingly, the 2020 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, 2020, 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>2021</u> | <u>2020</u> |
|---|-------------------|-------------------|
| Cash and cash equivalents | \$ 639,532 | \$ 418,640 |
| Certificates of deposit | 255,409 | 254,707 |
| Accounts receivable | 26,077 | 130,880 |
| Less: Donor restrictions | (66,888) | (30,911) |
| Less: Board designations | <u>(450,000)</u> | <u>(450,000)</u> |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 404,130</u> | <u>\$ 323,316</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, 2021 and 2020

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, 2021 and 2020:

| | <u>2021</u> | <u>2020</u> |
|----------------------|-------------------|-------------------|
| Three-month maturity | \$ 191,048 | \$ 190,554 |
| Six-month maturity | 64,361 | 64,154 |
| Total | <u>\$ 255,409</u> | <u>\$ 254,708</u> |

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, 2021 and 2020:

| | <u>2021</u> | <u>2020</u> |
|--|-------------------|-------------------|
| Building improvements | \$ 369,229 | \$ 369,229 |
| Equipment | 123,337 | 83,100 |
| Vehicles | <u>117,150</u> | <u>117,150</u> |
| | 609,716 | 569,479 |
| Less: accumulated depreciation and amortization | <u>(212,606)</u> | <u>(167,033)</u> |
| Total | <u>\$ 397,110</u> | <u>\$ 402,446</u> |

Depreciation expense was \$45,573 and \$43,094 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 time and purpose restrictions at September 30, 2021 and 2020:

| | <u>2021</u> | <u>2020</u> |
|--------------------------------------|------------------|------------------|
| Together We Protect grant activities | 19,793 | — |
| Harvest of Hope | <u>\$ 75,095</u> | <u>\$ 30,911</u> |
| Total Time/Purpose Restrictions | <u>\$ 94,888</u> | <u>\$ 30,911</u> |

COMMUNITY SERVICES OF BROOMFIELD, INC.
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Notes to Financial Statements
For the Years Ending September 30, 2021 and 2020

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:

| | 2021 | 2020 |
|---|------------|------------|
| <i>Board designations for operating activities:</i> | | |
| Board-designated for operating reserves | \$ 400,000 | \$ 400,000 |
| Board-designated for building maintenance reserves | 25,000 | 25,000 |
| Board-designated for vehicle replacement | 25,000 | 25,000 |
| Total, Board Designations | \$ 450,000 | \$ 450,000 |

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, 2021 and 2020, respectively:

| | 2021 | 2020 |
|------------------------------------|-----------|------------|
| Colorado Health Foundation | \$ - | \$ 75,000 |
| The Denver Foundation | 10,000 | - |
| No Kid Hungry | 15,043 | - |
| Department of Local Affairs | 30,051 | - |
| El Pomar Foundation | - | 2,500 |
| Family Resource Center Association | - | 44,750 |
| Total | \$ 55,094 | \$ 122,250 |

NOTE 7: OPERATING LEASE COMMITMENTS

The Organization leases a copier under an operating lease arrangement with an unrelated party. Monthly lease payments are for \$104 over 36 months.

Future minimum lease payments are as follows:

| <u>Year</u> | <u>Total</u> |
|-------------|--------------|
| 2022 | 624 |
| 2023 | 1,248 |
| 2024 | 1,248 |
| 2025 | 624 |
| Total | \$ 3,744 |

Total lease expense for the years ended September 30, 2021 and 2020 was \$2,364 and \$2,404, respectively.

COMMUNITY SERVICES OF BROOMFIELD, INC.
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Notes to Financial Statements
For the Years Ending September 30, 2021 and 2020

NOTE 7: OPERATING LEASE COMMITMENTS (continued)

In June 2017, the Organization moved out of its previous space provided by the City of Broomfield (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 1,568,597 and 1,557,297 pounds of food from a regional food bank (49 % and 54%) and the community (51% and 46%) for the years ended September 30, 2021 and 2020, respectively. The Organization valued the contributed food at \$1.74 per pound each year, for total revenue of \$2,729,358 and \$2,709,697 for the years ended September 30, 2021 and 2020, 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 each year at September 30, 2021 and 2020, respectively.

Other in-kind donations consist of the following:

| | 2021 | 2020 | |
|------------------------|-----------|-----------|--|
| Professional fees | \$ 6,388 | \$ 5,531 | |
| Materials and supplies | 849 | — | |
| Sales Force licenses | 18,000 | 18,000 | |
| Total | \$ 25,237 | \$ 23,531 | |

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 was forgivable if used for certain payroll, employee benefits, rent and utility payments. The forgiveness calculation was made and the loan was forgiven during the year ending September 30, 2021. The \$73,632 is included in grants revenue on the Statement of Activities for the year ending September 30, 2021.

COMMUNITY SERVICES OF BROOMFIELD, INC.
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Notes to Financial Statements
For the Years Ending September 30, 2021 and 2020

NOTE 10: CASH FLOW INFORMATION

The Organization interest payments of \$769 and \$0 and income tax payments of \$0 and \$0 for the years ended September 30, 2021 and 2020, respectively.

Noncash investing or financing activities consisted of the PPP loan forgiveness of \$73,632 and \$0 during the years ended September 30, 2021 and 2020.

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, 2021 and 2020

NOTE 12: FAIR VALUE MEASUREMENTS (continued)

The Organization's certificates of deposit with a fair value of \$255,409 and \$254,707 as of September 30, 2021 and 2020, respectively, are considered level 2 investments.

NOTE 13: NEW ACCOUNTING PRONOUNCEMENTS

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 the lease standard, it elected to defer implementation to the revised dates.

Since the Organization has no revenue that is considered exchange transactions, ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* does not apply.

NOTE 14: 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.

NOTE 15: SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 21, 2022, 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.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2021 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 21, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Community Services of Broomfield, Inc. dba Broomfield FISH's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Services of Broomfield, Inc. dba Broomfield FISH's internal control. Accordingly, we do not express an opinion on the effectiveness of Community Services of Broomfield, Inc. dba Broomfield FISH's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Services of Broomfield, Inc. dba Broomfield FISH's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Tandem CPAs, LLC

Tandem CPAs, LLC

March 21, 2022



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited Community Services of Broomfield, Inc. dba Broomfield FISH's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Community Services of Broomfield, Inc. dba Broomfield FISH's major federal programs for the year ended September 30, 2021. Community Services of Broomfield, Inc. dba Broomfield FISH's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Community Services of Broomfield, Inc. dba Broomfield FISH's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community Services of Broomfield, Inc. dba Broomfield FISH's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Community Services of Broomfield, Inc. dba Broomfield FISH's compliance.

Opinion on Each Major Federal Program

In our opinion, Community Services of Broomfield, Inc. dba Broomfield FISH complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

Report on Internal Control Over Compliance

Management of Community Services of Broomfield, Inc. dba Broomfield FISH is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Community Services of Broomfield, Inc. dba Broomfield FISH's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Community Services of Broomfield, Inc. dba Broomfield FISH's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Tandem CPAs, LLC

Tandem CPAs, LLC

March 21, 2022

COMMUNITY SERVICES OF BROOMFIELD, INC.
dba Broomfield FISH

Schedule of Expenditure of Federal Awards
For the Year Ended September 30, 2021

| Federal Grantor/Pass-through Grantor/Program or Cluster Title | Federal Assistance Listings Number | Pass-Through Entity Identifying Number | Provided to Sub-Recipients | Total Federal Expenditures |
|--|------------------------------------|--|----------------------------|----------------------------|
| <i>Department of Housing and Urban Development (HUD):</i> | | | | |
| Department of Local Affairs (DOLA): Emergency | | | | |
| Housing Assistance Program Funds | 14.228 | CMS #163918 | \$ 114,000 | \$ 114,000 |
| <i>Total Department of Housing and Urban Development (HUD)</i> | | | <u>114,000</u> | <u>114,000</u> |
| <i>Department of the Treasury:</i> | | | | |
| Coronavirus Relief Funds | 21.019 | CMS #163918 | 88,355 | 88,355 |
| Emergency Rent Assistance Program Funds | 21.023 | CMS #168389 | 1,035,949 | 1,112,949 |
| <i>Total Department of the Treasury</i> | | | <u>1,124,304</u> | <u>1,201,304</u> |
| <i>Department of Health and Human Services (HHS):</i> | | | | |
| Family Resource Center (CARES ACT) | 93.498 | CO Family Resource Center Association | 27,000 | 27,000 |
| <i>Total Department of Health and Human Services (HHS)</i> | | | <u>27,000</u> | <u>27,000</u> |
| <i>Department of Homeland Security (DHS)</i> | | | | |
| Emergency Food and Shelter Program (EFSP): | | | | |
| Funds through United Way (Phase 37) | 97.024 | 37-0994-01 001 E9 | 6,618 | 6,618 |
| Funds through United Way (CARES ACT) | 97.024 | CARES-0994-01 001 E9 | 6,706 | 6,706 |
| Funds through United Way (Phase 38) | 97.024 | 38-0994-01 001 E9 | 7,500 | 7,500 |
| <i>Total Department of Homeland Security (DHS)</i> | | | <u>20,824</u> | <u>20,824</u> |
| Total Expenditures of Federal Financial Awards | | | \$ 1,286,128 | \$ 1,363,128 |

The accompanying notes are an integral part of this schedule.

COMMUNITY SERVICES OF BROOMFIELD, INC.
dba Broomfield FISH

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Community Services of Broomfield, Inc. dba Broomfield FISH under programs of the federal government for the year ended September 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Community Services of Broomfield, Inc. dba Broomfield FISH, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3: INDIRECT COST RATE

Community Services of Broomfield dba Broomfield FISH has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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

**Summary Schedule of Prior Audit Findings
For the Year Ended September 30, 2021**

The Organization did not meet the threshold required for a Single Audit during the year ending September 30, 2020. Therefore, there is no schedule of prior year audit findings.

COMMUNITY SERVICES OF BROOMFIELD, INC.
dba Broomfield FISH

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2021

Part I: Summary of Auditors' Results

Financial Statements

| | |
|--|-------------|
| Type of auditor's report issued | Unqualified |
| Internal control over financial reporting: | |
| Material weakness identified | None noted |
| Significant deficiencies identified | None noted |
| Deficiencies identified that are not considered to be Significant deficiencies or material weakness | None noted |
| Noncompliance material to financial statements noted | None noted |

Federal Awards

| | |
|--|-------------|
| Internal control over major programs: | |
| Material weakness identified | None noted |
| Significant deficiencies identified | None noted |
| Deficiencies identified that are not considered to be Significant deficiencies or material weakness | None noted |
| Type of auditor's report issued on compliance for major programs | Unqualified |
| Any audit findings disclosed that are required to be reported in Accordance with the Uniform Guidance | None noted |
| Major program – DOLA – Emergency Rent Assistance Program Funds | 21.023 |
| Dollar threshold used to identify Type A from Type B programs | \$750,000 |
| Identified as low-risk auditee | No |
| Findings | None |

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

**Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2021**

Part II: Findings Related to Financial Statements as Required by Government Auditing Standards

FINDINGS

There were no audit findings for the year ending September 30, 2021.

Part III: Findings Related to Federal Awards

Department of the Treasury

Emergency Rent Assistance Program Funds – Federal Assistance Listing # 21.023
Grant period – year ending September 30, 2021

Findings: There were no audit findings for the year ending September 30, 2021.