

COMMUNITY FOOD SHARE, INC.

FINANCIAL STATEMENTS

June 30, 2025 and 2024

C O N T E N T S

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Community Food Share, Inc.
Boulder, Colorado

Opinion

We have audited the accompanying financial statements of Community Food Share, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, the related statements of activities, functional expenses and cash flows for the years 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 Community Food Share, Inc. as of June 30, 2025 and 2024, 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.

Basis for Opinion

We conducted our audits 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 Community Food Share, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Food Share, Inc.'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 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 Community Food Share, Inc.'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 Community Food Share, Inc.'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.

A handwritten signature in black ink that reads "Cahill & Associates" followed by a stylized flourish or initial.

CAHILL & ASSOCIATES, P.C.
Boulder, Colorado
September 17, 2025

COMMUNITY FOOD SHARE, INC.
Statements of Financial Position
June 30, 2025 and 2024

ASSETS		
	June 30,	
	<u>2025</u>	<u>2024</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,165,899	\$ 1,487,176
Receivable - Grants, Pledges and Other	146,238	290,728
Inventory	746,965	1,282,056
Investments	8,017,324	8,017,585
Total Current Assets	<u>10,076,426</u>	<u>11,077,545</u>
PROPERTY AND EQUIPMENT		
Land	725,194	725,194
Building	7,017,171	6,935,962
Machinery and Equipment	2,052,525	1,758,830
	9,794,890	9,419,986
Accumulated Depreciation	(3,756,912)	(3,331,580)
Net Property and Equipment	<u>6,037,978</u>	<u>6,088,406</u>
OTHER ASSETS		
Deposits and Prepaid Expenses	122,835	94,173
Total Other Assets	<u>122,835</u>	<u>94,173</u>
TOTAL ASSETS	<u>\$ 16,237,239</u>	<u>\$ 17,260,124</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 212,338	\$ 173,455
Accrued Compensation and Payroll Taxes	405,003	394,149
Deferred Revenue	40,658	7,000
Security Deposit	5,572	5,572
Total Current Liabilities	<u>663,571</u>	<u>580,176</u>
NET ASSETS		
Without Donor Restrictions		
Undesignated	13,670,525	14,903,792
Board Designated	1,476,168	1,476,168
With Temporary Donor Restrictions	426,975	299,988
Total Net Assets	<u>15,573,668</u>	<u>16,679,948</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 16,237,239</u>	<u>\$ 17,260,124</u>

See Accompanying Notes to Financial Statements

COMMUNITY FOOD SHARE, INC.
Statements of Activities
For the Years Ended June 30, 2025 and 2024

	2025			2024
	Without Donor Restrictions	With Temporary Donor Restrictions	Total	Total
SUPPORT AND REVENUE				
Donated Food	\$ 25,176,840	\$ -	\$ 25,176,840	\$ 25,741,580
Contributions	4,200,796	372,420	4,573,216	3,405,259
Special Events	150,905	-	150,905	212,709
Grants	1,118,220	-	1,118,220	1,573,808
Lease Income	101,657	-	101,657	101,959
Investment Income	669,014	-	669,014	687,102
Government Contracts	1,219,954	-	1,219,954	1,533,293
Earned Income	43,792	-	43,792	67,903
Support and Revenue	\$ 32,681,178	\$ 372,420	\$ 33,053,598	\$ 33,323,613
Release of Temporarily Restricted Net Assets	<u>245,433</u>	<u>(245,433)</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	\$ 32,926,611	\$ 126,987	\$ 33,053,598	\$ 33,323,613
EXPENSES				
Program Services	31,981,227	-	31,981,227	30,726,211
Management and General	1,122,502	-	1,122,502	1,083,192
Fundraising	1,056,149	-	1,056,149	1,287,988
TOTAL EXPENSES	\$ 34,159,878	\$ -	\$ 34,159,878	\$ 33,097,391
INCREASE (DECREASE) IN NET ASSETS	(1,233,267)	126,987	(1,106,280)	226,222
NET ASSETS, Beginning of Year	16,379,960	299,988	16,679,948	16,453,726
NET ASSETS, End of Year	\$ 15,146,693	\$ 426,975	\$ 15,573,668	\$ 16,679,948

See Accompanying Notes To Financial Statements

COMMUNITY FOOD SHARE, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2025

	<u>Program Services</u>	<u>Management & General</u>	<u>Fund Raising</u>	<u>Total 2025</u>
PERSONNEL EXPENSES				
Salaries and Wages	\$ 2,310,160	\$ 495,034	\$ 495,034	\$ 3,300,228
Payroll Taxes & Workers' Comp	162,098	34,735	34,735	231,568
Employee Benefits	246,103	80,563	52,737	379,403
Retirement Plan Costs	61,610	13,202	13,202	88,014
	<u>2,779,971</u>	<u>623,534</u>	<u>595,708</u>	<u>3,999,213</u>
OTHER OPERATING EXPENSES				
Administrative Insurance	-	168,488	-	168,488
Bank and Credit Card Fees	79	1,360	45,975	47,414
Board Expenses	-	5,415	-	5,415
Break Room Supplies	6,271	4,858	3,749	14,878
Communications	3,041	18,685	-	21,726
Computers and Software	40,952	22,584	72,124	135,660
Conferences and Meetings	2,533	1,215	1,302	5,050
Contributions to Other Agencies	70,550	61,204	-	131,754
Donor Development	-	-	34,180	34,180
Dues, Publications and Subscriptions	3,032	14,975	2,085	20,092
Cost of Acquired Food Distributed	2,417,187	-	-	2,417,187
Miscellaneous	-	42	-	42
Occupancy	259,237	36,638	-	295,875
Office Expense	7,051	10,668	11,181	28,900
Professional Services	5,346	102,708	3,375	111,429
Recruiting Expense	-	4,339	-	4,339
Research and Participant Engagement	1,600	-	-	1,600
Special Events	-	-	43,167	43,167
Staff Development	10,847	31,015	3,480	45,342
Telephone	-	9,066	-	9,066
Transportation	176,176	-	-	176,176
Travel	1,625	2,992	221	4,838
Warehouse Equipment and Supplies	42,645	-	-	42,645
	<u>3,048,172</u>	<u>496,252</u>	<u>220,839</u>	<u>3,765,263</u>
OTHER FUNDRAISING EXPENSES				
Direct Mail/Newsletter/Postage	-	-	160,420	160,420
Marketing	15,821	2,716	79,182	97,719
	<u>15,821</u>	<u>2,716</u>	<u>239,602</u>	<u>258,139</u>
NON-CASH EXPENSES				
Donated Food Distributed	25,711,931	-	-	25,711,931
Depreciation	425,332	-	-	425,332
	<u>26,137,263</u>	<u>-</u>	<u>-</u>	<u>26,137,263</u>
	<u>\$ 31,981,227</u>	<u>\$ 1,122,502</u>	<u>\$ 1,056,149</u>	<u>\$ 34,159,878</u>

See Accompanying Notes to Financial Statements

COMMUNITY FOOD SHARE, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2024

	<u>Program Services</u>	<u>Management & General</u>	<u>Fund Raising</u>	<u>Total 2024</u>
PERSONNEL EXPENSES				
Salaries and Wages	\$ 1,587,075	\$ 612,898	\$ 729,876	\$ 2,929,849
Payroll Taxes & Workers' Comp	129,682	50,081	59,639	239,402
Employee Benefits	153,206	70,673	54,989	278,868
Retirement Plan Costs	34,341	15,842	12,326	62,509
	<u>1,904,304</u>	<u>749,494</u>	<u>856,830</u>	<u>3,510,628</u>
OTHER OPERATING EXPENSES				
Administrative Insurance	-	105,473	-	105,473
Bank and Credit Card Fees	-	1,392	44,973	46,365
Board Expenses	-	4,778	-	4,778
Break Room Supplies	5,975	4,548	3,029	13,552
Communications	1,912	12,880	-	14,792
Computers and Software	54,526	22,302	65,812	142,640
Conferences and Meetings	1,620	1,060	64	2,744
Contributions to Other Agencies	6,000	-	-	6,000
Donor Development	3,967	-	16,830	20,797
Dues, Publications and Subscriptions	8,903	7,079	1,364	17,346
Cost of Acquired Food Distributed	2,443,992	-	-	2,443,992
Miscellaneous	-	397	30	427
Occupancy	275,153	662	-	275,815
Office Expense	2,530	11,001	982	14,513
Professional Services	90	71,796	-	71,886
Recruiting Expense	82	9,190	295	9,567
Research and Participant Engagement	15,102	-	-	15,102
Special Events	-	-	49,383	49,383
Staff Development	8,492	68,546	497	77,535
Telephone	-	8,407	-	8,407
Transportation	156,113	220	619	156,952
Travel	5,533	957	579	7,069
Warehouse Equipment and Supplies	56,404	-	-	56,404
	<u>3,046,394</u>	<u>330,688</u>	<u>184,457</u>	<u>3,561,539</u>
OTHER FUNDRAISING EXPENSES				
Direct Mail/Newsletter/Postage	47	54	151,455	151,556
Marketing	18,085	2,956	95,246	116,287
	<u>18,132</u>	<u>3,010</u>	<u>246,701</u>	<u>267,843</u>
NON-CASH EXPENSES				
Donated Food Distributed	25,373,375	-	-	25,373,375
Depreciation	384,006	-	-	384,006
	<u>25,757,381</u>	<u>-</u>	<u>-</u>	<u>25,757,381</u>
	<u>\$ 30,726,211</u>	<u>\$ 1,083,192</u>	<u>\$ 1,287,988</u>	<u>\$ 33,097,391</u>

See Accompanying Notes to Financial Statements

COMMUNITY FOOD SHARE, INC.
Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

CASH FLOWS FROM OPERATING ACTIVITIES	2025	2024
Support and Revenue Received	\$ 7,698,256	\$ 7,354,476
Salaries and Operating Expenses Paid	<u>(7,967,882)</u>	<u>(7,347,325)</u>
Net Cash Provided (Used) by Operating Activities	<u>(269,626)</u>	<u>7,151</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property and Equipment	(374,904)	(353,286)
Investments Redeemed (Purchased), Net	<u>323,253</u>	<u>(64,418)</u>
Net Cash Provided (Used) by Investing Activities	<u>(51,651)</u>	<u>(417,704)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(321,277)	(410,553)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>1,487,176</u>	<u>1,897,729</u>
CASH AND CASH EQUIVALENTS - End of Year	<u>\$ 1,165,899</u>	<u>\$ 1,487,176</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
CHANGE IN NET ASSETS	\$ (1,106,280)	\$ 226,222
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation (Non-cash expense)	425,332	384,006
Unrealized Gain on Investments	(322,992)	(293,779)
Changes in Operating Assets and Liabilities:		
Decrease in Receivables	144,490	37,302
Increase in Deposits and Prepaid Expenses	(28,662)	(12,361)
(Increase) Decrease in Inventory	535,091	(395,446)
Increase in Accounts Payable & Accrued Expenses	49,737	77,288
(Increase) Decrease in Deferred Revenue	<u>33,658</u>	<u>(16,081)</u>
Total Adjustments	<u>836,654</u>	<u>(219,071)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (269,626)</u>	<u>\$ 7,151</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH OPERATING ACTIVITIES:		
Donated Food Received	<u>\$ 25,176,840</u>	<u>\$ 25,741,580</u>
Donated Food Distributed	<u>\$ (25,711,931)</u>	<u>\$ (25,373,375)</u>

See Accompanying Notes to Financial Statements

COMMUNITY FOOD SHARE, INC.

Notes to Financial Statements

June 30, 2025 and 2024

NOTE 1 - ORGANIZATION PURPOSE

Community Food Share, Inc. (CFS or the Organization), is a Colorado nonprofit corporation. The Organization's mission is to eliminate hunger in Boulder and Broomfield Counties through engagement, collaboration, and leadership. The non-profit food bank distributes food through a network of more than 40 partner agencies as well as onsite and mobile pantries that directly serve low-income families and seniors. Food procurement prioritizes nutritious foods like fresh produce, protein, and dairy. The organization leverages local and national food donor relationships, negotiates significant savings on produce and protein purchases, engages volunteers and collaborates with a strong network of community partners. CFS relies upon financial support from contributions by individuals, corporations and foundations as well as government grants to support its programs.

NOTE 2 - SIGNIFICANT ACCOUNTING PRINCIPLES

Basis of Presentation

CFS reports information regarding its financial position and activities according to two classes of net assets those without donor restrictions and those with donor restrictions. The net assets with donor restrictions are segregated into two types: temporarily restricted and permanently restricted. As of June 30, 2025 and 2024 CFS had no net assets that were permanently restricted.

Use of Estimates

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

Cash and Cash Equivalents

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

Allowance for Uncollectibles

Accounts receivable and pledges receivable are considered fully collectible, therefore, no provision for doubtful accounts has been included in the financial statements.

Inventory

Inventory is comprised of donated and purchased food. Donated food is valued at the average wholesale price per gross pound published by Feeding America, a national food bank distribution network, in its most recent *Product Valuation Survey Methodology*.

Investments

Purchased securities are initially recorded at cost; donated securities are recorded as contributions at their fair market value at the date of donation. Unrealized gains and losses are recorded at each balance sheet date for any fluctuations in the investment's fair market value. Investments consist of fixed-income securities, stocks and mutual funds.

Property and Equipment

Property and equipment are reported at cost if purchased, or at estimated fair market value if donated. Depreciation is recorded using the straight line method over estimated useful lives ranging from three to ten years for machinery and equipment, forty years for the building and fifteen to forty years for building components. Gains or losses on the disposition of property and equipment are recorded in the year of sale or retirement. Capital expenditures greater than \$2,500 are capitalized and depreciated over their useful lives.

NOTE 2 - SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

Credit Risk

Financial instruments that potentially subject the organization to credit risk consist of cash deposits, certificates of deposit, money market funds, US government securities, stocks and mutual funds held at a bank and investment firm.

Bank cash accounts, certificates of deposit and money market funds are held at the primary bank and affiliated financial institutions to achieve full coverage by the FDIC of \$250,000 per account type. Stocks and mutual funds are protected from potential losses attributable to troubled brokerage firms by the SIPC up to \$500,000, with a limit of \$250,000 for cash. In addition the primary financial institution maintains private insurance providing additional coverage beyond the SIPC limitations. US Government securities are direct obligations of the federal government.

As of June 30, 2025 all cash and fixed income securities were \$3,104,345 above described coverages while the stock and mutual funds were in excess of the limits by \$5,082,806. None of the coverages apply to potential losses due to market fluctuations.

Deferred Revenue

Deferred revenue consists of advance payments for special events to be held in the upcoming year. The Organization had balances of \$40,658 and \$7,000 in the deferred revenue accounts at June 30, 2025 and 2024 respectively.

Contributions

Contributions, including unconditional promises to give, are recognized in the period the promises to give are made. Restricted contributions whose restrictions are accomplished in the same fiscal year are reported as unrestricted contributions.

Donated Food, Equipment, Goods and Materials

Donated food, equipment, goods and materials that relate to food distribution and administration are reported at their estimated fair market values at the time of receipt.

Donated Services

The Organization recognizes the value of donated services that create nonfinancial assets or that require specialized skills provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The accompanying financial statements do not, however, reflect the value of the significant number of volunteer hours donated.

Concentration Risk

CFS is dependent on third-party contributors for the vast majority of the food it distributes. For the year ended June 30, 2025, donations received from Feeding America, the Organization's largest food contributor, accounted for approximately 50% of the food it received.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Temporarily Restricted Net Assets and Net Assets Released from Restrictions

Special purpose donations are accounted for as an increase in temporarily restricted net assets and are to be used only for the purpose, or the time frame, specifically designated by the donor. When a purpose restriction is accomplished or a time restriction has lapsed, temporarily restricted net assets are reclassified to unrestricted net assets.

NOTE 2 - SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

Income Tax Status

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and has been classified as "other than a private foundation". Therefore, no provision for income taxes has been made in the accompanying financial statements.

CFS files federal Form 990 - Return of Organization Exempt from Income Tax - with the Internal Revenue Service.

NOTE 3 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted activity for the year consisted of the following transactions:

	<u>Beginning Balance</u>	<u>Received</u>	<u>Released</u>	<u>Ending Balance</u>
Snap Support	\$ -	\$ 10,050	\$ (10,050)	\$ -
Nutrition	44,164	-	(44,164)	-
Blue Spruce	-	175,000	(132,800)	42,200
Program Support	-	131,325	(131,325)	-
Elder Share	68,711	-	(68,711)	-
Resident Support	107,497	277,385	(269,855)	115,027
Participant Evaluation	26,857	-	(21,177)	5,680
Food Purchases	52,759	330,938	(282,893)	100,804
Special Projects/Programming	-	185,000	(21,736)	163,264
Mesa Seed Foundation Purchases	-	20,000	(20,000)	-
Totals	<u>\$ 299,988</u>	<u>\$ 1,129,698</u>	<u>\$ (1,002,711)</u>	<u>\$ 426,975</u>

NOTE 4 - BOARD DESIGNATED NET ASSETS

In order to be proactive in maintaining operations during seasonal cash flow fluctuations and unforeseen declines in revenues, Board policy mandates the designation of 25% of the annual budget as an Operating Reserve. This designation was \$1,178,168 at June 30, 2025. The Board has also designated a Capital Reserve to cover the anticipated costs for two years' budgeted equipment acquisitions and building improvements. This designation was \$298,000 at June 30, 2025.

NOTE 6 - SUB-LEASED FACILITY REVENUE

The Organization leases space in its building that is not currently required for its own operations to a third party:

The lease is dated March 1, 2021 and expires on March 31, 2026 with a three year option to renew at expiration. Monthly lease income is currently \$6,175 plus common area maintenance charges with a 3% yearly increase built in.

Total lease income for the years ended June 30, 2025 and 2024 was \$72,742 and \$70,935 respectively.

NOTE 6 - SUB-LEASED FACILITY REVENUE (Continued)

Future rental payments, excluding common area maintenance charges, for the terms of the current lease is as follows:

For the year ended June 30, 2026	\$55,373
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NOTE 7 - DONATED FOOD, MATERIALS AND SERVICES

The Organization recognizes the value of donated food, goods and services in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*.

CFS accounts for the estimated wholesale value of food donated and distributed based on the number of pounds received and distributed. Approximately 12,810,747 and 12,887,072 pounds of food (excluding purchased food) were distributed for the years ended June 30, 2025 and 2024, respectively. The cost of donated food includes the value of food that is lost due to spoilage. The method used for valuation is based upon the average wholesale value per gross pound as published by Feeding America, a national food bank distribution network, in its most recent *Product Valuation Survey Methodology*. This per pound value was \$1.90 and \$1.97 in 2025 and 2024, respectively.

NOTE 8 - OPERATING LEASES

The Organization leases a postage meter under an operating lease. Future minimum rental payments under the terms of the lease are as follows:

2026	\$ 2,345
2027	2,345
2028	2,345
2029	<u>2,149</u>
	<u>\$ 9,184</u>

Rental expense for the years ended June 30, 2025 and 2024 was \$2,384 and \$2,158 respectively.

NOTE 9 - INVESTMENTS

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the methods available to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described below:

(i) **Level 1**—Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

(ii) **Level 2**—Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets
Quoted prices for identical or similar assets or liabilities in inactive markets

NOTE 9 - INVESTMENTS (Continued)

Inputs other than quoted prices that are observable for the asset or liability
Inputs that are derived principally from or corroborated by observable
data by correlation or by other means

(iii) **Level 3**—Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation used for the Organization's assets measured at fair value, on a recurring basis. There have been no changes to the methodologies used at June 30, 2025 and 2024.

(i) Mutual funds: Valued at the net asset value (NAV) of shares on the last trading day of the fiscal year, which is the basis for transactions at that date.

(ii) Governmental obligations: Valued at the closing price reported on the active market on which the individual securities are traded. If the obligation is not actively traded, the Organization uses a pricing service.

(iii) Real estate investments funds: Valued at the net asset value (NAV) of shares held by the Organization at year end.

(iv) Certificates of deposit: Valued at cost plus accrued interest, which approximates fair value due to the short-term nature of these investments.

(v) Life insurance policy: Valued at the cash surrender value at year end.

The following table sets forth by level the Organization's financial instruments at fair value as of June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Measured using Level 1 fair value methods:		
Mutual Funds	\$ 2,674,290	\$ 2,611,710
Stocks	2,908,516	3,002,243
Fixed Corporate Bonds	2,414,499	2,383,562
Accrued Interest	20,019	20,070
	<u>\$ 8,017,324</u>	<u>\$ 8,017,585</u>

Investments consist of stocks and mutual funds. Investment income and change in market value is recorded in the statement of activities as follows:

For the year ended June 30:	<u>2025</u>	<u>2024</u>
Interest and Dividends	\$ 252,942	\$ 291,139
Realized Gain (Loss)	93,079	102,184
Unrealized Gain (Loss)	<u>322,993</u>	<u>293,779</u>
	<u>\$ 669,014</u>	<u>\$ 687,102</u>

NOTE 10 - EMPLOYEE BENEFIT PLANS

On April 1, 2018 CFS started offering a SIMPLE retirement plan. Employees can contribute from their salary up to the maximum deferral allowed by tax law. CFS matches employee contributions up to 3% of their salaries.

CFS made contributions to the retirement plans totaling \$88,013 and \$62,509 for the years ended June 30, 2025 and 2024 respectively.

NOTE 11 - SUBSEQUENT EVENTS

Management has evaluated all other subsequent events through September 17, 2025, the date which the financial statements were available to be issued and found nothing that would have a material effect on the financial statements.