

COBBLED STREETS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

TOGETHER WITH INDEPENDENT ACCOUNTANTS'
REVIEW REPORT

COBBLED STREETS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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TAYLORROTH

Certified Public Accountants

WORKING EXCLUSIVELY WITH NONPROFITS

March 12, 2024

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Cobbled Streets
Denver, Colorado

We have reviewed the accompanying financial statements of **Cobbled Streets** (a Colorado nonprofit corporation) which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; 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.

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Cobbled Streets and meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Taylor Roth and Company PLLC

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

COBBLED STREETS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

	<u>2023</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 96,477
Accounts receivable	30,298
Investments (Note 4)	198,365
Prepaid expenses	589
Capitalized film costs (Note 5)	<u>306,834</u>
Total assets	<u><u>\$ 632,563</u></u>
<u>Liabilities and net assets</u>	
Accounts payable	\$ 18,077
Payroll liabilities	<u>15,829</u>
Liabilities	<u>33,906</u>
Net assets	
Undesignated	<u>598,657</u>
Total liabilities and net assets	<u><u>\$ 632,563</u></u>

See accompanying notes and independent accountants' review report

COBBLED STREETS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
<u>Revenue and other support</u>			
Individuals and board contributions	\$ 448,929	\$ -	\$ 448,929
Grants	86,000	-	86,000
Investment income	15,033	-	15,033
Corporations	3,593	-	3,593
In-kind contributions (Note 7)	64,667	-	64,667
	618,222	-	618,222
<u>Expense</u>			
Program services			
Total program services	512,039	-	512,039
Supporting services			
Management and general	48,902	-	48,902
Fundraising	52,393	-	52,393
Total	613,334	-	613,334
Change in net assets	4,888	-	4,888
Net assets, beginning of year	593,769	-	593,769
Net assets, end of year	\$ 598,657	\$ -	\$ 598,657

See accompanying notes and independent accountants' review report

COBBLED STREETS

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2023

	2023			
	Program	Management and General	Fund- raising	Total
Salaries	\$ 186,153	\$ 5,430	\$ 11,219	\$ 202,802
Payroll taxes and benefits	20,494	829	1,382	22,705
Program: Experiences	129,690	-	-	129,690
Professional services	67,593	39,383	14,653	121,629
Program: Ambassadors	62,087	-	-	62,087
Fundraising expense	-	-	17,554	17,554
Program Basic Needs	16,874	-	-	16,874
Travel	8,333	1,691	1,550	11,574
Program: Other	9,543	-	-	9,543
Office supplies	5,200	438	3,268	8,906
Meals	2,039	572	888	3,499
Telephone/ internet	2,708	305	272	3,285
Bank fees	20	184	1,607	1,811
Liability insurance	1,305	-	-	1,305
Other	-	70	-	70
Total	<u>\$ 512,039</u>	<u>\$ 48,902</u>	<u>\$ 52,393</u>	<u>\$ 613,334</u>

See accompanying notes and independent accountants' review report

COBBLED STREETS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023
<u>Cash flows from operating activities</u>	
Change in net assets	\$ 4,888
Adjustments to reconcile change in net assets to net cash provided by operating activities	
(Gains) losses and earnings on investments, net	(1,456)
 <u>Changes in operating assets and liabilities</u>	
(Increase) decrease in accounts receivable	(29,998)
(Increase) decrease in prepaid expenses	1,089
(Increase) decrease in capitalized film costs	(140,814)
(Decrease) increase in accounts payable	10,035
(Decrease) increase in accrued payroll liabilities	7,925
Net cash provided(used) by operating activities	(148,331)
 <u>Cash flows from investing activities</u>	
Sale of investments	483,556
(Purchase) of investments	(311,568)
(Reinvestment) of interest and dividends	(11,860)
Net cash provided(used) by investing activities	160,128
Net increase in cash and cash equivalents	11,797
Cash and cash equivalents, beginning of year	84,680
Cash and cash equivalents, end of year	\$ 96,477

See accompanying notes and independent accountants' review report

COBBLED STREETS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

NOTE 1 - NATURE OF ACTIVITIES

Cobbled Streets is a 501 (c)(3) organization that focuses on providing experiences and opportunities for foster children while promoting healthy relationships with adults. These opportunities take many forms, such as art, sports, equine therapy, and many others, providing transformative experiences for kids in foster care. The Organization is primarily supported by individual and board donations.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

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

2. Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions: Net assets that are subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

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

3. Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents, except for those amounts that are held in the investment portfolio for long-term purposes.

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

4. Revenue and Revenue Recognition

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

5. Capitalization and Depreciation

The Organization follows a practice of capitalizing all expenditures for furniture and equipment in excess of \$2,500. The fair value of donated assets is similarly capitalized. Depreciation of furniture and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. As of year-end, the Organization did not have any capitalized furniture or equipment.

6. Estimates

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

7. Income Taxes

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

8. Functional Reporting of Expenses

For the year ended December 31, 2023, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocations are determined by management on a rational and systematic basis. Salaries and benefits are allocated on a time and effort basis. All other expenses are allocated on a time and effort basis.

9. Fair Value Measurements

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

10. Subsequent Events

Management has evaluated subsequent events through March 12, 2024, the date the financial statements were available to be issued..

NOTE 3 - AVAILABILITY AND LIQUIDITY

The following represents Cobbled Streets's financial assets at December 31, 2023:

<u>Financial assets at year-end</u>	<u>Amount</u>
Cash and cash equivalents	\$ 96,477
Accounts receivable	30,298
Investments	<u>198,365</u>
Financial assets available to meet cash needs for general expenditures within one year:	<u>\$ 325,140</u>

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

NOTE 4 - INVESTMENTS

At year-end, investments are reported on the basis of quoted market prices (level one inputs), and consist of:

<u>Description</u>	<u>Amount</u>
Cash and money balances	\$ 35,131
Fixed income	156,966
Equities	4,529
Mutual funds	<u>1,739</u>
Total	<u>\$ 198,365</u>

Investment income and account activity is summarized as follows:

<u>Description</u>	<u>Total Investments</u>
Balance, beginning of year	\$ 357,037
Additions	311,568
Subtractions	(483,557)
Total investment return	<u>13,316</u>
Balance, end of year	<u>\$ 198,365</u>

NOTE 5 - CAPITALIZED FILM COSTS

Starting in 2020, the Organization began the development and production of a documentary film and associated video about the challenges faced by foster children. The project is anticipated to be completed in 2024 or 2025.

The Organization has capitalized costs associated with the development and production of the film and video. The capitalized costs largely include costs for a production company, travel costs, and allocated Organization staff costs.

Upon completion and release of the film, the Organization will begin to amortize the capitalized costs. Management currently anticipates amortizing the costs over a life of five years, representing the estimated useful life of the finished video and documentary.

NOTE 6 - PENSION PLAN

The Organization has adopted a Simple IRA retirement plan. The plan allows eligible employees to defer a portion of their compensation. The Organization matches up to 3% of each employee's salary after one year of service. During the year pension expense was \$3,518.

NOTE 7 - IN-KIND CONTRIBUTIONS

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

<u>Description</u>	<u>Utilization in Programs/Activities</u>	<u>Donor Restrictions</u>	<u>Revenue Recognized</u>
Tickets & experiences	Programs	None	\$ 33,335
Professional services	Programs, Admin, Fundraising	None	22,783
Fundraising services	Fundraising	None	<u>8,549</u>
Total			<u>\$ 64,667</u>

The value of tickets, experiences, professional services and fundraising services were based on their estimated fair value.

NOTE 8 - CONCENTRATION OF FUNDING SOURCE

During the year, the Organization recognized approximately \$200,000, or 37% of its revenue and other support, from two donors. The funding was primarily used for program expenses and general operating costs.