



AUDITED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED SEPTEMBER 30, 2015
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014**



CENTER FOR PEOPLE WITH DISABILITIES

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Center for People with Disabilities
Boulder, Colorado

We have audited the accompanying financial statements of the Center for People with Disabilities (the "Center"), which comprise the statement of financial position as of September 30, 2015, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from the Center's September 30, 2014 financial statements and in our report dated February 12, 2015, we expressed an unqualified opinion on those 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from 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 the Center for People with Disabilities as of September 30, 2015, and the changes in its net assets, its cash flows, and functional expenses for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Anton Collins Mitchell LLP

Boulder, Colorado
February 1, 2016

CENTER FOR PEOPLE WITH DISABILITIES
STATEMENT OF FINANCIAL POSITION
AT SEPTEMBER 30, 2015
WITH SUMMARIZED FINANCIAL INFORMATION
AT SEPTEMBER 30, 2014

ASSETS	2015	2014
CURRENT ASSETS:		
Cash and cash equivalents	\$ 245,394	\$ 258,558
Grants receivable	104,996	62,986
Program service fees receivable	74,026	59,526
Other receivables	4,346	40,758
Prepaid expenses	2,250	12,654
Total current assets	<u>431,012</u>	<u>434,482</u>
PROPERTY AND EQUIPMENT:		
Land	350,000	350,000
Buildings and improvements	1,036,634	1,036,634
Furniture and equipment	18,988	18,988
Vehicles	11,000	6,000
Total property and equipment	<u>1,416,622</u>	<u>1,411,622</u>
Less accumulated depreciation	<u>(412,088)</u>	<u>(383,842)</u>
Net property and equipment	<u>1,004,534</u>	<u>1,027,780</u>
RESTRICTED CASH AND OTHER ASSETS:		
Restricted cash	6,689	12,144
Loan fees, net of accumulated amortization	12,406	16,324
Deposits	5,181	5,181
Total restricted cash and other assets	<u>24,276</u>	<u>33,649</u>
TOTAL ASSETS	<u><u>\$ 1,459,822</u></u>	<u><u>\$ 1,495,911</u></u>

Continued.

CENTER FOR PEOPLE WITH DISABILITIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AT SEPTEMBER 30, 2015
WITH SUMMARIZED FINANCIAL INFORMATION
AT SEPTEMBER 30, 2014

	<u>2015</u>	<u>2014</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 3,395	\$ 8,997
Accrued personnel and other expenses	89,093	77,437
Deferred revenue	40,363	16,547
Current portion of long-term debt	32,761	28,172
Assets held for others	6,689	6,628
Total current liabilities	<u>172,301</u>	<u>137,781</u>
LONG-TERM LIABILITIES:		
Long-term debt, net of current portion	<u>620,134</u>	<u>652,513</u>
TOTAL LIABILITIES	<u>792,435</u>	<u>790,294</u>
NET ASSETS:		
Unrestricted	667,387	700,161
Temporarily restricted	-	5,456
Total net assets	<u>667,387</u>	<u>705,617</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,459,822</u></u>	<u><u>\$ 1,495,911</u></u>

See accompanying notes to the financial statements.

CENTER FOR PEOPLE WITH DISABILITIES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2015 Total</u>	<u>2014 Total</u>
SUPPORT AND REVENUE:				
Public support				
Grant income	\$ 944,554	\$ -	\$ 944,554	\$ 1,075,007
Contributions	21,970	24,904	46,874	32,591
Revenue				
Program service fees	1,187,210	-	1,187,210	1,106,543
Interest income	151	-	151	6,651
Other income	3,186	-	3,186	7,718
Net assets released from restrictions	30,360	(30,360)	-	-
Total support and revenue	<u>2,187,431</u>	<u>(5,456)</u>	<u>2,181,975</u>	<u>2,228,510</u>
EXPENSES:				
Program services	1,797,676	-	1,797,676	1,884,669
General and administrative	325,279	-	325,279	235,470
Fundraising	97,250	-	97,250	60,832
Total expenses	<u>2,220,205</u>	<u>-</u>	<u>2,220,205</u>	<u>2,180,971</u>
CHANGE IN NET ASSETS BEFORE OTHER CHANGES IN NET ASSETS	(32,774)	(5,456)	(38,230)	47,539
OTHER CHANGES IN NET ASSETS				
Insurance proceeds	-	-	-	101,706
Flood and fire repairs	-	-	-	(71,161)
Total other changes in net assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,545</u>
CHANGE IN NET ASSETS	(32,774)	(5,456)	(38,230)	78,084
NET ASSETS, beginning of year	<u>700,161</u>	<u>5,456</u>	<u>705,617</u>	<u>627,533</u>
NET ASSETS, end of year	<u>\$ 667,387</u>	<u>\$ -</u>	<u>\$ 667,387</u>	<u>\$ 705,617</u>

See accompanying notes to the financial statements.

**CENTER FOR PEOPLE WITH DISABILITIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER, 30 2014**

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (38,230)	\$ 78,084
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	28,246	28,446
Amortization of loan fees	3,918	3,918
Provision for bad debt	1,148	1,062
In-kind donation of vehicle	(5,000)	-
(Increase) decrease in operating assets:		
Grants receivable	(43,158)	25,885
Program service fees receivable	(14,500)	10,256
Other receivables	36,412	(36,573)
Prepaid expenses and deposits	10,404	(10,708)
Increase (decrease) in operating liabilities:		
Accounts payable	(5,602)	(2,447)
Accrued personnel and other expenses	11,656	33,208
Deferred revenue	23,816	(137,733)
Net cash from operating activities	<u>9,110</u>	<u>(6,602)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment and improvements	-	(11,983)
Collection of note receivable	-	200,000
Collection of interest receivable	-	6,000
Net change in assets held for others	61	(3,400)
Net cash from investing activities	<u>61</u>	<u>190,617</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Draws on line of credit	25,000	42,239
Payments on line of credit	(25,000)	(55,086)
Proceeds from long-term debt	67,000	-
Payments on long-term debt	(94,790)	(26,686)
Net cash from financing activities	<u>(27,790)</u>	<u>(39,533)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(18,619)	144,482
CASH AND CASH EQUIVALENTS, beginning of year	<u>270,702</u>	<u>126,220</u>
CASH AND CASH EQUIVALENTS, end of year	<u>252,083</u>	<u>270,702</u>
Cash and cash equivalents	245,394	258,558
Restricted cash	6,689	12,144
Total cash and cash equivalents	<u>\$ 252,083</u>	<u>\$ 270,702</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	<u>\$ 26,493</u>	<u>\$ 27,596</u>

See accompanying notes to the financial statements.

**CENTER FOR PEOPLE WITH DISABILITIES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2015
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Program Services					2015	2014
	Independent Living	Personal Assistance	Total Program Services	General & Admin	Fundraising	Total	Total
Personnel costs	\$ 625,179	\$ 831,386	\$ 1,456,565	\$ 253,505	\$ 88,344	\$ 1,798,414	\$ 1,575,616
Occupancy	81,992	5,115	87,107	10,685	1,097	98,889	73,557
Participant costs	50,945	7,916	58,861	1,039	57	59,957	205,519
Professional services	17,147	10,609	27,756	15,918	2,704	46,378	125,771
Travel and entertainment	9,334	25,236	34,570	3,877	714	39,161	37,718
Insurance	12,881	17,847	30,728	4,691	1,452	36,871	33,335
Depreciation and amortization	11,089	13,448	24,537	7,136	491	32,164	32,364
Interest	16,425	3,709	20,134	5,563	796	26,493	27,596
Postage and printing	12,530	2,753	15,283	4,458	600	20,341	16,353
Communications	10,135	2,120	12,255	2,715	134	15,104	17,115
Supplies	10,257	1,364	11,621	2,327	271	14,219	3,978
Agency dues and meetings	213	2,675	2,888	9,901	-	12,789	14,452
Vehicle and equipment expenses	9,127	-	9,127	1,337	-	10,464	7,153
Other expenses	4,196	534	4,730	2,127	105	6,962	8,688
Advertising	663	-	663	-	485	1,148	694
Bad debt expense	716	135	851	-	-	851	1,062
Total expenses	<u>\$ 872,829</u>	<u>\$ 924,847</u>	<u>\$ 1,797,676</u>	<u>\$ 325,279</u>	<u>\$ 97,250</u>	<u>\$ 2,220,205</u>	<u>\$ 2,180,971</u>

See accompanying notes to the financial statements.

**CENTER FOR PEOPLE WITH DISABILITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Note 1: Summary of Significant Accounting Policies—This summary of significant accounting policies of the Center for People with Disabilities (the “Center”) is presented to assist in understanding the Center’s financial statements. The financial statements and notes are representations of management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America (“GAAP”) and have been consistently applied in the preparation of the financial statements.

Nature of Operations—The Center is a Colorado not-for-profit corporation founded in 1977. The Center has offices in Boulder, Longmont, and Thornton, Colorado, providing services to individuals in the surrounding communities. The Center offers a support network of resources, information, and services to people with disabilities.

The Center finances its operations largely through grants and fee charges to provide services for federal and state agencies and city and county governments. The Center also receives support from contributions.

The Center's program services are activities that result in goods and services being distributed to consumers and include the following:

Independent Living Program—Provides resources, information and services to support people with disabilities in achieving independence. Included in these services are advocacy, skills training, day programs, information and referral, transition back into the community from nursing care, counseling, peer support groups and specialized services for people with visual impairment, blindness and hearing loss.

Personal Assistance Program—In-home attendant services to prevent unnecessary institutionalization in nursing homes.

Subsidized Housing Program—Assistance in locating and obtaining suitable housing for elderly or disabled individuals and their families. This program was discontinued as of December 31, 2013 and therefore only three months of activity for this program are included in the statement of activities for the year ended September 30, 2014.

Basis of Presentation—The Center’s financial statements are prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. The Financial Accounting Standards Board “FASB”, sets GAAP which is followed to ensure the financial condition, results of operations, and cash flows are consistently reported. References to GAAP issued by the FASB in these footnotes are to the FASB Accounting Standards Codification, sometimes referred to as the “Codification” or “ASC”.

Continued.

**CENTER FOR PEOPLE WITH DISABILITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Note 1: Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)—ASC 958-205 *Not-for-Profit Entities - Presentation of Financial Statements* requires the Center to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Center is required to present a statement of cash flows.

Comparative Financial Information—The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP and consequently has not been reported upon in the current auditor's opinion. Accordingly, such information should be read in conjunction with the Center's audited financial statements for the year ended September 30, 2014, from which the summarized information was derived.

Cash and Cash Equivalents—For the purpose of reporting cash flows, cash and cash equivalents include cash on hand, cash in bank, cash in savings, investments with an original maturity of three months or less, and restricted cash.

Restricted Cash—Restricted cash consists of cash and money market funds held for the benefit of various individuals, scholarships and participants in the U.S. Department of Housing and Urban Development's Section 8 voucher program.

Receivables—Receivables consist mainly of grants and program service fees receivable. Grants receivable are amounts due under reimbursable grant contracts with government agencies. Program service fees consist of amounts due from individuals and Medicaid. An allowance for doubtful accounts is determined based upon the review and analysis of the collectability of each outstanding account. Management believes no allowance for doubtful accounts was necessary at September 30, 2015 and 2014.

Property and Equipment—Property and equipment is recorded at cost or fair market value in the case of donated items. Expenditures for and contributions of equipment with a value greater than \$5,000 are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the property and equipment, which are generally thirty to forty years for buildings and three to five years for equipment, furniture and vehicles.

Property and equipment acquired with restricted grant funds are recorded as unrestricted upon the purchase of the equipment.

Continued.

**CENTER FOR PEOPLE WITH DISABILITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Note 1: Summary of Significant Accounting Policies (continued)

Property and Equipment (continued)—Management assesses the carrying value of long-lived assets for impairment when circumstances indicate such amounts may not be recoverable from future operations. Generally, assets to be held and used in operations are considered impaired if the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset. If impairment is indicated, the loss is measured based on the amount by which the carrying value exceeds its fair value. Management does not believe that any indicators of impairment have occurred, and therefore no impairment losses were incurred during the years ended September 30, 2015 and 2014.

Revenue Recognition—

Contributions—In accordance with ASC 958-605 *Not-for-Profit Entities - Revenue Recognition*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending upon the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending upon the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Grants and Fixed Contracts—Revenue from grants and fixed contracts are recognized when earned.

Program Service Fees—Program service fees are primarily generated from providing services to private pay and Medicaid eligible recipients. Revenues are recorded when the service has been provided.

In-Kind Donations—Donated services, goods and equipment are recorded at estimated fair values as revenue and expenses, or capitalized assets, depending on the nature of the donation. The contribution of services is recognized if the services received either create or enhance non-financial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Center received in-kind donations of a vehicle and supplies totaling \$7,995 during the year ended September, 30, 2015. The vehicle valued at \$5,000 is included in vehicles on the statement of financial position and the supplies are included on the statement of activities under program supplies.

Deferred Revenue—Amounts received from grants and contracts in excess of amounts earned represent deferred revenue. These amounts are dependent upon the timing of cash receipts and cash disbursements and vary from year to year.

Continued.

**CENTER FOR PEOPLE WITH DISABILITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Note 1: Summary of Significant Accounting Policies (continued)

Advertising—ASC 720-35 *Other Expenses - Advertising Costs* requires direct response advertising to be capitalized when it can be shown that customers responded to a specific advertisement and there is probable future economic benefit. The Center does not currently use direct response advertising; hence advertising costs are expensed when incurred.

Use of Estimates—In preparing financial statements in accordance with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, support and revenues, and expenses. Accordingly, actual results could differ from those estimates and those differences could be material.

Functional Expense Allocation—Whenever possible, the Center charges directly identifiable expenses to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Center.

Income Taxes—The Center is a qualified not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code, and the Colorado Income Tax Act of 1964 (as amended). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements. Management believes there are no uncertain tax positions at September 30, 2015 that more-likely-than-not would cause the Center to incur taxes, penalties or interest. The Center is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for fiscal years before 2012.

Note 2: Note Receivable—The Center held a \$200,000 note receivable, which bore interest at 4% and was scheduled to mature on March 22, 2019. The note was collateralized by a second deed of trust on real estate. Interest was due annually, with the principal due at maturity. The note receivable and all accrued interest were collected in July 2014.

Note 3: Loan Fees—Costs related to the issuance of the note payable are deferred and amortized over the term of the loan using the straight-line method, which approximates the effective interest method. Annual amortization expense is \$3,918, and is included in interest expense on the statement of functional expenses. Accumulated amortization totaled \$26,773 and \$22,855 at September 30, 2015 and 2014, respectively.

Continued.

**CENTER FOR PEOPLE WITH DISABILITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Note 4: Assets Held for Others—In May 2001, a trust account was established for a disabled individual naming the Center as trustee. The purpose of the trust is to create a discretionary supplemental care fund for the beneficiary, and not to displace any public or private financial assistance that may otherwise be available. The funds are held in a separate bank account and included in restricted cash in the accompanying statement of financial position. Total assets held for others at September 30, 2015 and 2014, were \$6,689 and \$6,628, respectively, and included in current liabilities on the statements of financial position.

Note 5: Long-Term Debt—The Center has a long-term note payable with a financial institution with an interest rate of 4.75%. Principal and interest payments in the amount of \$4,524 are due monthly, with the principal balance and remaining accrued interest due at maturity in November 2018. This note payable is secured by a deed of trust in the Center’s land and building.

The Center also has a Community Development Block Grant award from the City of Boulder in the amount of \$115,000. Terms of the grant agreements provide that the City of Boulder holds an appreciating interest in real property owned by the Center. Payment is due under this agreement if the Center discontinues using the property as an integral part of its program. The total amount of this loan is recorded as a long-term obligation for the Center and is included in the schedule below under “Thereafter”.

In July 2015, the Center entered into a promissory note with the County of Boulder in the amount of \$67,000, which matures in 99 years, unless cancelled by the County of Boulder. The purpose of the promissory note was to assist in paying down the principal of the note payable with the financial institution listed above. The Center’s land and building serve as collateral for the note. The total amount of this note is recorded as a long-term obligation for the Center and is included in the schedule below under “Thereafter”.

Scheduled principal payments are as follows for the years ending September 30:

Year Ending September 30,	Amount
2016	\$ 32,761
2017	34,416
2018	36,090
2019	367,628
Thereafter	182,000
	\$ 652,895

Continued.

**CENTER FOR PEOPLE WITH DISABILITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Note 6: Line of Credit—The Center has a revolving line of credit with its primary banking institution in the amount of \$150,000. Interest accrues at a variable interest rate of prime plus 1.75% (5.00% at September 30, 2015 and 2014), or the floor rate of 5.00%. The revolving line of credit matures June 10, 2016 and the balance was \$0 at both September 30, 2015 and 2014.

Note 7: Restricted Net Assets—Temporarily restricted net assets as of September 30, 2014 consisted of funds restricted solely for scholarships. There were no temporarily restricted net assets as of September 30, 2015.

Note 8: Operating Leases—The Center leases equipment and office space under operating lease agreements expiring from December 2016 to October 2018. Total rent expense for the years ended September 30, 2015 and 2014, was \$62,458 and \$52,797, respectively, and is included in occupancy expense and printing and postage expense in the statement of functional expenses.

Future minimum lease payments are as follows:

Years Ending September 30,	Amount
2016	\$ 62,319
2017	51,840
2018	45,307
2019	3,203
	<u>\$ 162,669</u>

Note 9: Concentration of Credit Risk—Financial instruments that potentially subject the Center to concentrations of credit risk consist principally of temporary cash investments. The Center places its temporary cash investments with high credit quality financial institutions and attempts to limit its amount of credit exposure to any one financial institution. However, at various times during the years ended September 30, 2015 and 2014, the Center's cash balances exceeded the federally insured limits. As of September 30, 2015 and 2014, the Center had approximately \$24,000 and \$0, on deposit with financial institutions in excess of the federally insured limits, respectively. The Center has never experienced any losses related to these balances.

Continued.

**CENTER FOR PEOPLE WITH DISABILITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015
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Note 10: Concentration of Credit Risk (continued)—For the year ended September 30, 2015, 36%, 20% and 12% of grant income was received from three grantors. For the year ended September 30, 2014, 23%, 19%, 18% and 17% of grant income was received from four grantors. At September 30, 2015 two grantors accounted for 65% and 16% of outstanding grants receivable. At September 30, 2014 two grantors accounted for 80% and 15% of outstanding grants receivable.

Note 11: Contingencies—Certain grants require the fulfillment of specific conditions as set forth in the instruments of the grants. Failure to fulfill the conditions could result in the return of the funds to the grantors. Grant costs billed to federal and state agencies are subject to audit by these agencies.

During the fiscal year ended September 30, 2015, the Center identified billings to Medicaid that were not supported by proper documentation. The Center self-reported these findings to Medicaid and is working to resolve the issue. The Center believes the services were provided. At this time management does not believe there will be any recourse brought against the Center. Accordingly, no adjustment has been recorded in the financial statements.

Note 12: Subsequent Events—In accordance with ASC 855, *Subsequent Events*, the Center has evaluated subsequent events through February 1, 2016, which is the date these financial statements were available to be issued. There are no subsequent events that require recognition or additional disclosure in these financial statements.