



# **Center for People with Disabilities**

Audited Financial Statements

September 30, 2018 and 2017



# 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 statements of financial position as of September 30, 2018 and 2017, and the related statements of activities, cash flows, and functional expenses 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.

### *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, 2018 and 2017, and the changes in its net assets, functional expenses and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

ACM LLP

Greeley, Colorado  
January 31, 2019

# Center for People with Disabilities

## Statements of Financial Position

<i>As of September 30,</i>	2018	2017
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 573,455	\$ 527,371
Grants receivable	64,790	83,911
Other receivables	102,180	57,351
Total current assets	<u>740,425</u>	<u>668,633</u>
<b>PROPERTY AND EQUIPMENT:</b>		
Land	350,000	350,000
Buildings and improvements	1,036,634	1,036,634
Furniture and equipment	18,988	18,988
Vehicles	6,000	6,000
Total property and equipment	<u>1,411,622</u>	<u>1,411,622</u>
Less accumulated depreciation	<u>(492,707)</u>	<u>(466,721)</u>
Net property and equipment	<u>918,915</u>	<u>944,901</u>
<b>RESTRICTED CASH AND OTHER ASSETS:</b>		
Restricted cash	314,433	6,628
Deposits	5,658	5,658
Total restricted cash and other assets	<u>320,091</u>	<u>12,286</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,979,431</u></b>	<b><u>\$ 1,625,820</u></b>

*Continued.*

# Center for People with Disabilities

## Statements of Financial Position

<i>As of September 30,</i>	2018	2017
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 11,462	\$ 22,515
Accrued personnel expenses	133,625	151,835
Deferred revenue	8,750	30,548
Current portion of long-term debt	11,245	35,642
Assets held for others	6,628	6,628
Total current liabilities	<u>171,710</u>	<u>247,168</u>
<b>LONG-TERM LIABILITIES:</b>		
Long-term debt, net of unamortized capitalized loan fees (\$652 and \$4,570, respectively)	<u>682,482</u>	<u>546,717</u>
<b>TOTAL LIABILITIES</b>	<u>854,192</u>	<u>793,885</u>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>NET ASSETS:</b>		
Unrestricted	1,038,239	831,935
Temporarily	87,000	-
Total net assets	<u>1,125,239</u>	<u>831,935</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,979,431</u>	<u>\$ 1,625,820</u>

*See accompanying notes to financial statements.*

# Center for People with Disabilities

## Statements of Activities

Years Ended September 30,	2018			2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE:</b>						
Public support						
Grant income	\$ 1,356,771	\$ 87,000	\$ 1,443,771	\$ 1,229,690	\$ -	\$ 1,229,690
Contributions	13,811	-	13,811	13,626	-	13,626
Revenue						
Program service fees	1,277,609	-	1,277,609	1,417,688	-	1,417,688
Interest income	450	-	450	126	-	126
Other income	10,246	-	10,246	829	-	829
Total support and revenue	<u>\$2,658,887</u>	<u>87,000</u>	<u>2,745,887</u>	<u>2,661,959</u>	<u>-</u>	<u>2,661,959</u>
<b>EXPENSES:</b>						
Program services	2,077,346	-	2,077,346	2,188,395	-	2,188,395
General and administrative	306,204	-	306,204	287,176	-	287,176
Fundraising	69,033	-	69,033	88,708	-	88,708
Total expenses	<u>2,452,583</u>	<u>-</u>	<u>2,452,583</u>	<u>2,564,279</u>	<u>-</u>	<u>2,564,279</u>
<b>CHANGE IN NET ASSETS</b>	206,304	87,000	293,304	97,680	-	97,680
<b>NET ASSETS, beginning of year</b>	<u>831,935</u>	<u>-</u>	<u>831,935</u>	<u>734,255</u>	<u>-</u>	<u>734,255</u>
<b>NET ASSETS, end of year</b>	<u>\$ 1,038,239</u>	<u>\$ 87,000</u>	<u>\$ 1,125,239</u>	<u>\$ 831,935</u>	<u>\$ -</u>	<u>\$ 831,935</u>

*See accompanying notes to financial statements.*

# Center for People with Disabilities

## Statements of Cash Flows

<i>Year Ended September 30,</i>	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 293,304	\$ 97,680
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	25,986	27,087
Amortization of loan fees	3,918	3,918
Provision for bad debt	1,253	10,325
Grants payable	(182,000)	-
(Increase) decrease in operating assets:		
Grants receivable	17,868	(13,145)
Other receivables	(44,829)	3,892
Deposits	-	16,894
Increase (decrease) in operating liabilities:		
Accounts payable	(11,053)	702
Accrued personnel expenses	(18,210)	48,488
Deferred revenue	(21,798)	3,194
Net cash flows from operating activities	<b>64,439</b>	<b>199,035</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Draw on long-term debt	700,000	-
Payments on long-term debt	(410,550)	(34,016)
Net cash flows from financing activities	<b>289,450</b>	<b>(34,016)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Debt proceeds restricted for renovations	(307,805)	-
Net cash flows from investing activities	<b>(307,805)</b>	<b>-</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>46,084</b>	<b>165,019</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>527,371</b>	<b>362,352</b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 573,455</b>	<b>527,371</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid during the year for interest	<b>\$ 30,632</b>	<b>\$ 20,274</b>

*See accompanying notes to financial statements.*



# Center for People with Disabilities

## Statements of Functional Expenses

Year Ended September 30,

2018

	Program Services			General & Admin	Fundraising	Total
	Independent Living	Personal Assistance	Total Program Services			
Personnel costs	\$ 764,013	\$ 905,673	\$ 1,669,686	\$ 218,699	\$ 63,171	\$ 1,951,556
Occupancy	89,188	6,827	96,015	13,237	1,463	110,715
Participant costs	61,992	5,784	67,776	709	78	68,563
Professional services	26,970	24,181	51,151	11,905	1,104	64,160
Travel and entertainment	24,887	23,102	47,989	13,053	138	61,180
Insurance	13,333	15,087	28,420	5,965	702	35,087
Depreciation	9,877	11,172	21,049	8,336	520	29,905
Interest	9,588	10,846	20,434	9,693	505	30,632
Postage and printing	8,948	7,943	16,891	3,153	659	20,703
Communications	7,630	7,969	15,599	2,642	311	18,552
Supplies	9,318	3,737	13,055	4,101	186	17,342
Agency dues and meetings	4,917	8,507	13,424	6,371	157	19,952
Vehicle and equipment expenses	13,158	-	13,158	6,139	17	19,314
Other expenses	12	-	12	2,201	-	2,213
Advertising	667	767	1,434	-	22	1,456
Bad debt expense	1,253	-	1,253	-	-	1,253
Total expenses	<u>\$ 1,045,751</u>	<u>\$ 1,031,595</u>	<u>\$ 2,077,346</u>	<u>\$ 306,204</u>	<u>\$ 69,033</u>	<u>\$ 2,452,583</u>

*Continued.*

# Center for People with Disabilities

## Statements of Functional Expenses

Year Ended September 30,

2017

	Program Services			General & Admin	Fundraising	Total
	Independent Living	Personal Assistance	Total Program Services			
Personnel costs	\$ 768,563	\$ 1,047,960	\$ 1,816,523	\$ 207,498	\$ 78,455	\$ 2,102,476
Occupancy	65,211	10,616	75,827	19,899	2,843	98,569
Participant costs	46,479	3,967	50,446	-	-	50,446
Professional services	26,454	21,012	47,466	10,257	1,538	59,261
Travel and entertainment	32,238	23,599	55,838	5,249	251	61,338
Insurance	17,092	11,518	28,610	7,431	1,115	37,156
Depreciation	12,460	8,397	20,857	5,417	813	27,087
Interest	9,323	6,290	15,613	7,971	608	24,192
Postage and printing	7,076	7,164	14,240	3,560	533	18,333
Communications	5,425	6,354	11,778	4,494	462	16,734
Supplies	8,523	6,282	14,805	6,643	439	21,887
Agency dues and meetings	6,046	9,256	15,302	5,008	1,363	21,673
Vehicle and equipment expenses	9,209	1,555	10,764	2,671	88	13,523
Other expenses	-	-	-	1,078	-	1,078
Advertising	-	-	-	-	200	200
Bad debt expense	1,606	8,719	10,325	-	-	10,325
Total expenses	<u>\$ 1,015,706</u>	<u>\$ 1,172,689</u>	<u>\$ 2,188,394</u>	<u>\$ 287,176</u>	<u>\$ 88,708</u>	<u>\$ 2,564,278</u>

*See accompanying notes to financial statements.*

# Center for People with Disabilities

## Notes to Financial Statements

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### 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'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.

#### *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”.

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.

# Center for People with Disabilities

## Notes to Financial Statements

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### *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, expenses, and disclosure of contingent liabilities. Accordingly, actual results could differ from those estimates and those differences could be material.

### *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 funds received from issued debt set aside for renovations of the office in Boulder, Colorado. At September 30, 2018, the balance remaining was \$307,743. In addition, there are funds held in a trust account 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. At September 30, 2018 and 2017, the balance remaining was \$6,690 and 6,628, respectively.

### *Grants and Other Receivables*

Receivables consist mainly of grants and program service fees receivable. Grants receivable are amounts due under reimbursable grant contracts with government agencies. Other receivables consist of program service fees 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. Bad debt expense was \$1,253 and 10,325, respectively for the years ended September 30, 2018 and 2017; management believes no allowance for doubtful accounts was necessary for those years.

### *Property and Equipment*

Property and equipment is recorded at cost when the asset is purchased or fair market value at the date of donation. 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.

# Center for People with Disabilities

## Notes to Financial Statements

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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, 2018 and 2017.

### ***Revenue Recognition***

*Unconditional 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 nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets. 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. Contributions are recorded when cash or unconditional promises to give have been received or ownership of donated assets to be used directly in operations is transferred.

*Conditional Grants and Fixed Contracts:* Revenue from grants and fixed contracts are recognized when conditions are met. Restricted grants that are received and expire in the same year are shown as unrestricted in the financial statements. Expense reimbursement grants are classified as unrestricted.

*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 and revenue is earned.

*Deferred Revenue:* Amounts received in advance from cost reimbursement grants and contracts before conditions are met or 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.

### ***Donated Goods and Services***

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

# Center for People with Disabilities

## Notes to Financial Statements

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typically need to be purchased if not provided by donation. The Center did not receive any in-kind donations of supplies which are included in revenue and support in the accompanying financial statements.

### *Advertising*

*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.

### *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.

### *Financial Instruments and Credit Risk*

Financial instruments that potentially subject the Center to concentrations of credit risk consist principally of cash and cash equivalents held by financial institutions. The Center places its cash and cash equivalents 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, 2018 and 2017, the Center's cash balances exceeded the federally insured limits. As of September 30, 2018 and 2017, the Center had approximately \$563,000 and \$291,000, on deposit with financial institutions in excess of the federally insured limits, respectively. The Center has never experienced any losses related to these balances.

### *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, 2018 and 2017 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 2015.

# Center for People with Disabilities

## Notes to Financial Statements

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### *New Accounting Pronouncements*

In August of 2016, the FASB issued Accounting Standards Update (“ASU”) 2016-14, *Topic 958, Presentation of Financial Statements of Not-for-Profit Entities*. The ASU simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. The ASU is effective for entities with financial statement fiscal years beginning after December 15, 2017 and for interim period beginning after December 15, 2018. Early adoption is permitted. Management is currently evaluating the impact of adoption of this standard on its financial statements.

In May of 2014, the FASB issued ASU 2014-09, *Topic 606, Revenue from Contracts with Customer*. ASU 2014-09 for nonpublic entities should be applied for entities with an annual reporting period beginning after December 15, 2018 and interim reporting periods within annual reporting periods beginning after December 15, 2019. Early adoption is permitted beginning after December 15, 2016. Management is currently evaluating the impact of adoption of this standard on its financial statements.

In June of 2018, the FASB issued ASU 2018-08, *Contributions Receivable and Made*. The purpose of this ASU is to clarify and improve the scope and accounting guidance for contributions received and made. The new guidance aid in the classification of contributions and exchange transactions. The new guidance is effective for public business entities with fiscal years beginning after December 15, 2018. For all other organizations the new guidance is effective for fiscal years beginning after December 15, 2019 and interim period with fiscal years beginning after December 15, 2020. Management is currently evaluating the impact of adoption of this standard on its financial statements.

In February of 2016, the FASB issued ASU 2016-02, *Topic 842, Leases*. The purpose of this ASU is to establish the principle to report transparent and economically neutral information about the assets and liabilities that arise from leases. The new guidance is effective for public business entities with fiscal years beginning after December 15, 2018. For all other organizations the new guidance is effective for fiscal years beginning after December 15, 2019 and interim period with fiscal years beginning after December 15, 2020. Management is currently evaluating the impact of adoption of this standard on its financial statements.

### *Reclassifications*

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported net assets or changes in net assets.

# Center for People with Disabilities

## Notes to Financial Statements

### 2. GRANTS RECEIVABLE

As of September 30, 2018 and 2017, grants receivable are due within one year and totaled \$64,790 and 83,911. Based on past history and assessment of the donors involved, management expects all of the unconditional promises to give to be collected as promised.

### 3. LONG-TERM DEBT

The Center had a long-term note payable with a financial institution with an interest rate of 4.75% that was set to mature in November 2018. Principal and interest payments in the amount of \$4,524 were due monthly, with the principal balance and remaining accrued interest due at maturity in November 2018. This note payable was secured by a deed of trust in the Center's land and building. The note was paid in full in April of 2018.

On April 4, 2018, the Center entered into a note payable to a financial institution for \$700,000 maturing April 2028 with an interest rate of 4.60% for the first 60 months and 5.15% for the remainder of the loan. Payments, including principle and interest, of \$3,617 are owed monthly for the term of the loan. Upon maturity of the loan, a one-time payment of the remaining principal and interest of \$572,532 becomes due. The loan is secured by a lien on the financed building as well as other assets held by the Center.

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

<i>Year Ending September 30,</i>	<b>Amount</b>
2019	\$ 11,245
2020	11,691
2021	12,337
2022	12,925
2023	13,000
Thereafter	633,181
	<u>\$ 694,379</u>
Debt issuance costs	<u>(652)</u>
	<u>\$ 693,727</u>

### 4. LINE OF CREDIT

The Center had a revolving line of credit with its primary banking institution in the amount of \$150,000. Interest accrued at a variable interest rate of 5% or prime plus 1.5%, whichever is greater. This revolving line of credit was closed in January 2018.



# Center for People with Disabilities

## Notes to Financial Statements

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On April 4, 2018, the Center established a new revolving line of credit with its primary banking institution in the amount of \$100,000. Interest accrues at a variable interest rate of prime rate plus 0.75% (6.00% at September 30, 2018). The revolving line of credit Matures on May 4, 2021.

The Center did not draw on either line of credit during the years ended September 30, 2018 or 2017.

### 5. CONTINGENT LIABILITIES

In January 2008 and July 2015, the Center was awarded \$115,000 and \$67,000, respectively, through grants from the City and County of Boulder (“Boulder”) for the purchase and reduction of debt which was paid in full in April of 2018 (Note 4). Additionally, in December of 2008, the Center was awarded an additional \$20,000 from Boulder for the purpose of construction of a circular driveway. The grants restrict use of the related property for certain programs; in the event that the use of such property is no longer in compliance with the grant agreements the appreciated grant is required to be returned. The “appreciated grant” shall mean the amount of the original grant increased or decreased, as applicable, by the same percentage that the value of the related property has increased or decreased from the date of debt issuance and the date the debt becomes payable. A promissory note and deed of trust was given as security to assure compliance with the conditions set forth by each award. The Center had originally recorded the grants in long-term debt, however, during the year ended September 30, 2018, Boulder released the deed of trust and cancelled the promissory note for the \$115,000. As a result of this precedent, management believes that the likelihood that the Center would be obligated to repay the appreciated grants is remote. Therefore, as of September 30, 2018, a total of \$182,000 was derecognized from long-term debt and recognized as revenue in grant income in the statement of activities for the year ended September 30, 2018. The remaining promissory notes both mature in 99 years, unless cancelled by Boulder. As of September 30, 2018, no events of default or other events have occurred which would obligate the Center to repay the grant.

### 6. RESTRICTED NET ASSETS

Temporarily restricted net assets are as follows for the years ended September 30, 2018 and 2017:

<i>As of September 30,</i>	2018	2017
Building restricted for programs	\$ 87,000	\$ -
Total temporarily restricted net assets	\$ 87,000	\$ -

# Center for People with Disabilities

## Notes to Financial Statements

### 7. OPERATING LEASES

The Center leases equipment and office space under operating lease agreements expiring from October 2018 to June 2023. Total lease expense for the years ended September 30, 2018 and 2017, was \$58,240 and \$66,400, 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:

<i>Year Ending September 30,</i>	<b>Amount</b>
2019	\$ 24,814
2020	10,176
2021	4,734
2022	4,734
2023	3,551
	<b>\$ 48,009</b>

### 8. CONCENTRATIONS

For the year ended September 30, 2018, 43% and 27%, of grant and program service revenue income was received from two government entities. For the year ended September 30, 2017, 57%, 17%, and 14% of grant and program service revenue was received from three government entities. At September 30, 2018 four grantors accounted for 36%, 24%, 14% and 11% of outstanding grants receivable. At September 30, 2017 four grantors accounted for 37%, 25%, 19% and 15% of outstanding grants receivable.

### 9. SUBSEQUENT EVENTS

In accordance with ASC 855, *Subsequent Events*, the Center has evaluated subsequent events through January 31, 2019, 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.