



Center for People with Disabilities

Audited Financial Statements

September 30, 2019 and 2018



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, 2019 and 2018, 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.



Emphasis of Matter

As discussed in Note 2 to the financial statements, during the fiscal year ending September 30, 2019, the Center adopted Accounting Standards Update (“ASU”) No. 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

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, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

ACM LLP

Denver, Colorado
January 27, 2020

Center for People with Disabilities

Statements of Financial Position

<i>As of September 30,</i>	2019	2018
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 631,975	\$ 573,455
Accounts receivables	163,579	102,180
Grants receivable	101,004	64,790
Total current assets	896,558	740,425
PROPERTY AND EQUIPMENT:		
Land	350,000	350,000
Buildings and improvements	1,048,634	1,036,634
Furniture and equipment	18,988	18,988
Vehicles	78,364	6,000
Total property and equipment	1,495,986	1,411,622
Less accumulated depreciation	(526,989)	(492,707)
Net property and equipment	968,997	918,915
RESTRICTED CASH AND OTHER ASSETS:		
Restricted cash	309,509	314,433
Deposits	5,658	5,658
Total restricted cash and other assets	315,167	320,091
TOTAL ASSETS	\$ 2,180,722	\$ 1,979,431

Continued.

Center for People with Disabilities

Statements of Financial Position

<i>As of September 30,</i>	2019	2018
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 29,600	\$ 11,462
Accrued personnel expenses	166,334	133,625
Deferred revenue	8,750	8,750
Current portion of long-term debt	11,691	11,245
Assets held for others	6,628	6,628
Total current liabilities	223,003	171,710
LONG-TERM LIABILITIES:		
Long-term debt, net of unamortized capitalized loan fees (\$0 and \$652, respectively)	671,034	682,482
TOTAL LIABILITIES	894,037	854,192
COMMITMENTS AND CONTINGENCIES		
NET ASSETS:		
Without donor restrictions	1,147,979	1,038,239
With donor restrictions	138,706	87,000
Total net assets	1,286,685	1,125,239
TOTAL LIABILITIES AND NET ASSETS	\$ 2,180,722	\$ 1,979,431

See accompanying notes to financial statements.

Center for People with Disabilities

Statements of Activities

<i>Year Ended September 30,</i>	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Public support						
Grant income	\$ 1,347,414	\$ 136,042	\$ 1,483,456	\$ 1,356,771	\$ 87,000	\$ 1,443,771
Contributions	17,158	-	17,158	13,811	-	13,811
Revenue						
Program service fees	1,466,806	-	1,466,806	1,277,609	-	1,277,609
Interest income	1,489	-	1,489	450	-	450
Other income	8,104	-	8,104	10,246	-	10,246
Release from restrictions	84,336	(84,336)	-	-	-	-
Total support and revenue	2,925,307	51,706	2,977,013	2,658,887	87,000	2,745,887
EXPENSES:						
Program services	2,491,668	-	2,491,668	2,077,346	-	2,077,346
General and administrative	265,076	-	265,076	306,204	-	306,204
Fundraising	58,823	-	58,823	69,033	-	69,033
Total expenses	2,815,567	-	2,815,567	2,452,583	-	2,452,583
CHANGE IN NET ASSETS	109,740	51,706	161,446	206,304	87,000	293,304
NET ASSETS, beginning of year	1,038,239	87,000	1,125,239	831,935	-	831,935
NET ASSETS, end of year	\$ 1,147,979	\$ 138,706	\$ 1,286,685	\$ 1,038,239	\$ 87,000	\$ 1,125,239

See accompanying notes to financial statements.

Center for People with Disabilities

Statements of Cash Flows

<i>Year Ended September 30,</i>	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 161,446	\$ 293,304
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	34,282	25,986
Amortization of loan fees	-	3,918
Provision for bad debt	5	2,213
Grants payable	-	(182,000)
(Increase) decrease in operating assets:		
Grants receivable	(36,219)	17,868
Other receivables	(61,399)	(44,829)
Increase (decrease) in operating liabilities:		
Accounts payable	18,138	(11,053)
Accrued personnel expenses	32,709	(18,210)
Deferred revenue	-	(21,798)
Net cash flows from operating activities	148,962	65,399
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment and improvements	(84,364)	-
Net change in restricted cash	4,924	(307,805)
Net cash flows from investing activities	(79,440)	(307,805)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Draw on long-term debt	-	700,000
Payments on long-term debt	(11,002)	(410,550)
Net cash flows from financing activities	(11,002)	289,450
NET CHANGE IN CASH AND CASH EQUIVALENTS	58,520	47,044
CASH AND CASH EQUIVALENTS, beginning of year	574,415	527,371
CASH AND CASH EQUIVALENTS, end of year	\$ 632,935	\$ 574,415
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ 31,748	\$ 20,274

See accompanying notes to financial statements.

Center for People with Disabilities

Statements of Functional Expenses

<i>Year Ended September 30,</i>	2019					
	Program Services			General	Fundraising	Total
	Independent Living	Personal Assistance	Total Program Services	& Admin		
Personnel costs	\$ 1,021,328	\$ 961,958	\$ 1,983,286	\$ 191,154	\$ 53,671	\$ 2,228,111
Professional services	51,149	65,898	117,047	11,172	687	128,906
Occupancy	93,197	5,991	99,188	8,391	1,204	108,783
Participant costs	57,110	6,205	63,315	10,277	111	73,703
Travel and entertainment	40,132	23,454	63,586	10,000	30	73,616
Insurance	15,913	15,704	31,617	6,436	777	38,830
Depreciation	14,847	14,425	29,272	4,469	542	34,283
Interest	13,121	12,735	25,856	5,255	637	31,748
Vehicle and equipment expenses	13,992	7,415	21,407	5,388	46	26,841
Agency dues and meetings	5,308	8,704	14,012	4,755	218	18,985
Communications	7,785	7,729	15,514	2,911	370	18,795
Supplies	10,802	4,168	14,970	2,120	255	17,345
Postage and printing	6,720	5,497	12,217	2,740	275	15,232
Bad debt expense	-	373	373	-	-	373
Advertising	8	-	8	3	-	11
Other expenses	-	-	-	5	-	5
Total expenses	\$ 1,351,412	\$ 1,140,256	\$ 2,491,668	\$ 265,076	\$ 58,823	\$ 2,815,567

Continued.

Center for People with Disabilities

Statements of Functional Expenses

<i>Year Ended September 30,</i>	2018					
	Program Services			General	Fundraising	Total
	Independent Living	Personal Assistance	Total Program Services	& Admin		
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	7,918	9,212	17,130	8,336	520	25,986
Interest	11,547	12,805	24,352	9,693	505	34,550
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	\$ 1,045,751	\$ 1,031,594	\$ 2,077,345	\$ 306,204	\$ 69,033	\$ 2,452,582

See accompanying notes to financial statements.

Center for People with Disabilities

Notes to Financial Statements

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 program, information and referral, transition back into the community from nursing care, peer groups and specialized services for people with visual impairment, blindness and hearing loss, employment preparedness and Veteran directed care.

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

Basis of Accounting

The financial statements of the Center have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), which require the Center to report information regarding its financial position and activities according to the following net asset classifications:

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 Center. These net assets may be used at the discretion of the Center’s management and the board of directors.

Center for People with Disabilities

Notes to Financial Statements

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Center or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. The Center does not have any net assets restricted 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 statements of activities.

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 which are required to be segregating from other cash accounts. At September 30, 2019 and 2018, the balance remaining was \$302,819 and \$307,743, respectively. In addition, there are funds held in a separate checking account held for the benefit of various people. 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, 2019 and 2018, the balance remaining was \$6,690.

Grants and Accounts 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 \$373 and \$1,253, respectively for the years ended September 30, 2019 and 2018; management believes no allowance for doubtful accounts was necessary for those years.

Center for People with Disabilities

Notes to Financial Statements

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.

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, 2019 and 2018.

Revenue Recognition

Unconditional Contributions: In accordance with ASC 958-605 *Not-for-Profit Entities - Revenue Recognition*, contributions received are recorded as revenue with or without donor restrictions, depending upon the existence and nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are 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, Medicaid and VA eligible recipients. Revenues are recorded when the service has been provided and revenue is earned.

Center for People with Disabilities

Notes to Financial Statements

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 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

Accounting Standards Codification ("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

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of activities and the statements of functional expenses. The Center treats all costs as direct and indirect costs. General administration and general operating expenses are considered indirect expenses. Direct costs are costs that can be identified specifically with a program or project and therefore are charged to that program or project. All facility related expenses are allocated based on square footage. All other indirect expenses that cannot be charged direct such as entertainment, postage, depreciation, agency dues, contract services etc. are charged with a salary-based allocation.

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, 2019 and 2018, the Center's cash balances exceeded the federally insured limits. As of September 30, 2019 and 2018, the Center had approximately \$700,000 and \$563,000, on deposit with financial institutions in excess of the federally insured limits, respectively. The Center has never experienced any losses related to these balances.

Center for People with Disabilities

Notes to Financial Statements

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, 2019 and 2018 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 2016.

New Accounting Pronouncements

In May of 2014, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) 2014-09, *Topic 606, Revenue from Contracts with Customers*. 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 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). This ASU requires that a lease liability and related right-of-use-asset representing the lessee’s right to use or control the asset be recorded on the statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the statement of activities and changes in net assets and the statement of cash flows will be substantially unchanged from the existing lease accounting guidance. ASU 2016-02 will be effective for the Center’s fiscal year beginning after December 31, 2019.

Center for People with Disabilities

Notes to Financial Statements

2. CHANGE IN ACCOUNTING PRINCIPLE

In August 2016, the FASB issued ASU No. 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The ASU addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Center has implemented ASU 2016-14 and has adjusted the presentation in the statement of financial position and statement of activities and changes in net assets accordingly. The ASU has been applied retrospectively to all periods presented.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

<i>September 30,</i>	2019	2018
Cash and cash equivalents	\$ 631,975	\$ 573,455
Contributions and grants receivable	264,583	166,970
Financial assets available to meet general expenditures over the next year	\$ 896,558	\$ 740,425

The Center's long-term goal is generally to build financial assets to meet 30 days of operating expenses, which is approximately \$260,000. The Center currently has approximately 60 days of cash reserves to cover operating expenses. The Center also has available a line of credit with a limit of \$100,000 to use to meet short term liabilities, although the Center does not regularly rely on the line of credit to meet operating liabilities. The Center has minimal debt and a portion of the program expenses are incurred as part of reimbursable grants.

4. GRANTS RECEIVABLE

As of September 30, 2019 and 2018, grants receivable are due within one year and totaled \$101,004 and \$64,790. Based on past history and assessment of the donors involved, management expects all of the receivables to be collected as promised.

5. LONG-TERM DEBT

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.

Center for People with Disabilities

Notes to Financial Statements

Scheduled principal payments are as follows:

<i>Year Ending September 30,</i>	Amount
2019	\$ 11,691
2020	12,337
2021	12,925
2022	13,000
2023	13,036
Thereafter	619,736
	\$ 682,725

6. LINE OF CREDIT

The Center had a 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% (5.75% at September 30, 2019). The revolving line of credit Matures on May 4, 2021.

The Center did not draw on the line of credit during the years ended September 30, 2019 or 2018.

7. 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 5). 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, 2019, no events of default or other events have occurred which would obligate the Center to repay the grant.

Center for People with Disabilities

Notes to Financial Statements

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are as follows for the years ended September 30, 2019 and 2018:

<i>As of September 30,</i>	2019	2018
Building restricted for programs	\$ 87,000	\$ 87,000
Restricted for programs	51,706	-
Total net assets with donor restrictions	\$ 138,706	\$ 87,000

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows:

<i>For the Year Ended September 30,</i>	2019	2018
Satisfaction of purpose restriction	\$ 84,336	\$ -
Total releases from net assets	\$ 84,336	\$ -

9. 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, 2019 and 2018, was \$61,542 and \$58,240, 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>	Amount
2020	\$ 65,746
2021	50,085
2022	4,734
2023	3,551
	\$ 124,116

10. CONCENTRATIONS

For the year ended September 30, 2019, 41% and 21%, of grant and program service revenue income was received from two government entities. For the year ended September 30, 2018, 43% and 27% of grant and program service revenue was received from two government entities. At September 30, 2019 two grantors accounted for 38% and 29% of outstanding grants receivable. At September 30, 2018 four grantors accounted for 36%, 24%, 14% and 11% of outstanding grants receivable.

Center for People with Disabilities

Notes to Financial Statements

11. SUBSEQUENT EVENTS

In accordance with ASC 855, *Subsequent Events*, the Center has evaluated subsequent events through January 27, 2020, 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.