Center for People With Disabilities

Audited Financial Statements

September 30, 2020 and 2019

Center for People with Disabilities

Contents

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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, 2020, and the related statements of activities, cash flows, and functional expenses for the year 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 audit. We conducted our audit 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 2020 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 on the 2020 financial statements. 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 2020 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 2020 financial statements.

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, 2020, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matter – Prior Period Financial Statements

The financial statements of the Center as of and for the year ended September 30, 2019 were audited by ACM LLP, whose partners and professional staff joined BDO USA, LLP as of August 1, 2020, and has subsequently ceased operations. ACM LLP expressed an unmodified opinion on those statements in their report dated January 27, 2020.

Emphasis of Matter

The COVID-19 global pandemic in 2020 (see Note 8) has caused business disruptions in a variety of industries, markets and geographic regions, which has resulted in considerable uncertainty as to the financial impact and durations, which cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

BDO USA, LLP

January 28, 2021

Center for People with Disabilities

Statements of Financial Position

As of September 30,	2020	2019
Assets		
Current assets		
Cash and cash equivalents	$ **990,404**	$ 631,975
Accounts receivables	**195,693**	163,579
Grants receivable	**117,070**	101,004
Total current assets	**1,303,167**	896,558
Property and equipment		
Land	**350,000**	350,000
Buildings and improvements	**1,744,228**	1,048,634
Furniture and equipment	**-**	18,988
Vehicles	**72,364**	78,364
Total property and equipment	**2,166,592**	1,495,986
Less accumulated depreciation	**(543,554)**	(526,989)
Total property and equipment, net	**1,623,038**	968,997
Other assets		
Restricted cash	**6,134**	309,509
Deposits	**7,258**	5,658
Total other assets	**13,392**	315,167
Total assets	$ **2,939,597**	$ 2,180,722
Liabilities and nets assets		
Current liabilities		
Accounts payable	$ **37,379**	$ 29,600
Accrued personnel expenses	**149,028**	166,334
Deferred revenue	**15,192**	8,750
Current portion of notes payable	**12,337**	11,691
Assets held for others	**137,275**	6,628
Total current liabilities	**351,211**	223,003
Long term liabilities		
Notes payable	**1,076,303**	671,034
Total liabilities	**1,427,514**	894,037
Commitments and Contingencies		
Net assets		
Without donor restrictions	**1,230,083**	1,147,979
With donor restrictions	**282,000**	138,706
Total net assets	**1,512,083**	1,286,685
Total liabilities and net assets	$ **2,939,597**	$ 2,180,722

See accompanying notes to financial statements.

Center for People with Disabilities

Statements of Activities

Year Ended September 30,	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue						
Public support						
Grant income	$ **1,438,442**	$ **195,000**	$ **1,633,442**	$ 1,347,414	$ 136,042	$ 1,483,456
Contributions	**63,480**	**-**	**63,480**	17,158	-	17,158
Revenue						
Program service fees	**1,425,628**	**-**	**1,425,628**	1,466,806	-	1,466,806
Interest income	**2,059**	**-**	**2,059**	1,489	-	1,489
Other income	**10,167**	**-**	**10,167**	8,104	-	8,104
Release from restrictions	**51,706**	**(51,706)**	**-**	84,336	(84,336)	-
Total support and revenue	**2,991,482**	**143,294**	**3,134,776**	2,925,307	51,706	2,977,013
Expenses						
Program services	**2,608,405**	**-**	**2,608,405**	2,491,668	-	2,491,668
General and administrative	**244,653**	**-**	**244,653**	265,076	-	265,076
Fundraising	**56,320**	**-**	**56,320**	58,823	-	58,823
Total expenses	**2,909,378**	**-**	**2,909,378**	2,815,567	-	2,815,567
Change in net assets	**82,104**	**143,294**	**225,398**	109,740	51,706	161,446
Net assets, beginning of year	**1,147,979**	**138,706**	**1,286,685**	1,038,239	87,000	1,125,239
Net assets, end of year	$ **1,230,083**	$ **282,000**	$ **1,512,083**	$ 1,147,979	$ 138,706	$ 1,286,685

See accompanying notes to financial statements.

Center for People with Disabilities

Statements of Cash Flows

Year Ended September 30,	2020	2019
Cash flows from operating activities		
Change in net assets	**$ 225,398**	$ 161,446
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	**41,554**	34,282
Provision for bad debt	**-**	5
(Increase) decrease in operating assets		
Grants receivable	**(16,066)**	(36,219)
Accounts receivable	**(32,114)**	(61,399)
Assets held for others	**130,647**	-
Deposits	**(1,600)**	-
Increase (decrease) in operating liabilities:		
Accounts payable	**7,779**	18,138
Accrued personnel expenses	**(17,306)**	32,709
Deferred revenue	**6,442**	-
Net cash flows from operating activities	**344,734**	148,962
Cash flows from investing activities		
Purchase of equipment and improvements	**(695,595)**	(84,364)
Net cash flows from investing activities	**(695,595)**	(84,364)
Cash flows from financing activities		
Proceeds from notes payable	**418,300**	-
Payments on notes payable	**(12,385)**	(11,002)
Net cash flows from financing activities	**405,915**	(11,002)
Change in cash and cash equivalents	**55,054**	53,596
Cash and cash equivalents, beginning of year	**941,484**	887,888
Cash and cash equivalents, end of year	**$ 996,538**	$ 941,484
Cash and cash equivalents	**990,404**	631,975
Restricted cash	**6,134**	309,509
Total cash and cash equivalents	**$ 996,538**	$ 941,484
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	**$ 31,017**	$ 31,748

See accompanying notes to financial statements.

Center for People with Disabilities

Statement of Functional Expenses

Year Ended September 30,	2020					
	Program Services					
	Independent Living	Personal Assistance	Total Program Services	General & Admin	Fundraising	Total
Personnel costs	$ 1,138,595	$ 947,497	$ 2,086,092	$ 169,356	$ 53,459	$ 2,308,907
Professional services	119,844	32,130	151,974	16,138	321	168,433
Occupancy	67,694	40,174	107,868	13,123	970	121,961
Participant costs	73,371	8,140	81,511	763	4	82,278
Depreciation	13,270	9,478	22,748	18,535	271	41,554
Insurance	19,521	13,944	33,465	5,976	398	39,839
Interest	15,198	10,856	26,054	4,653	310	31,017
Travel and entertainment	10,943	10,762	21,705	592	71	22,368
Communications	9,881	9,122	19,003	2,919	156	22,078
Supplies	8,581	7,140	15,721	2,401	106	18,228
Vehicle and equipment expenses	8,473	5,011	13,484	3,315	37	16,836
Agency dues and meetings	5,620	7,885	13,505	2,722	94	16,321
Postage and printing	7,382	4,308	11,690	1,846	123	13,659
Bad debt expense	-	3,258	3,258	-	-	3,258
Other expenses	72	255	327	2,314	-	2,641
Total expenses	$ 1,498,445	$ 1,109,960	$ 2,608,405	$ 244,653	$ 56,320	$ 2,909,378

See accompanying notes to financial statements.

Center for People with Disabilities

Statement of Functional Expenses

Year Ended September 30,	2019					
	Program Services					
	Independent Living	Personal Assistance	Total Program Services	General & Admin	Fundraising	Total
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	541	34,282
Interest	13,121	12,735	25,856	5,255	638	31,749
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
Other expenses	-	373	373	-	-	373
Advertising	8	-	8	3	-	11
Bad debt expense	-	-	-	5	-	5
Total expenses	$ 1,351,412	$ 1,140,256	$ 2,491,668	$ 265,076	$ 58,823	$ 2,815,567

See accompanying notes to financial statements.

1. Summary of 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 as a federally and state certified center for independent living.

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 and maintaining independence. Included in these services are advocacy, skills training, day program, information and referral, transition back into the community from nursing care, youth transition services, peer groups and specialized services for people with visual impairment, blindness and hearing loss, employment preparedness and Veteran directed care.

Personal Assistance Program: Skilled and non-skilled 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 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.

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, whereby 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 primarily 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, 2020, there was no remaining balance, and as of September 30, 2019 the balance was $302,819.

In addition, certain funds held in a separate account held for the benefit of various people. The purpose of which was to create a discretionary supplemental care fund for their beneficiaries. The program was suspended prior to 2018 and at September 30, 2020 and 2019, the balance remaining was $6,134 and $6,690, respectively.

Grants and Accounts Receivable

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. All receivables are recorded at net realizable value. An allowance for doubtful accounts is determined based upon the review and analysis of the collectability of each outstanding account. Bad debt expense was $3,258 and $5, respectively, for the years ended September 30, 2020 and 2019. 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 building improvements 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, 2020 and 2019.

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 and contributions that are received and expire or have restrictions met 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 Veteran Affairs 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 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, 2020 and 2019, the Center's cash balances exceeded the federally insured limits. As of September 30, 2020 and 2019, the Center had approximately $480,000 and $700,000, 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, 2020 and 2019 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 2017.

Recently Adopted Accounting Pronouncements

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 has retrospectively adopted ASU 2018-09 as of September 30, 2020, and the ASU did not have a material impact on the financial statements.

New Accounting Pronouncements Issued but Not Yet Adopted

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, 2020 and interim reporting periods within annual reporting periods beginning after December 15, 2019. 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, 2020. Management is currently evaluating the impact of adoption of this standard on its financial statements.

2. Liquidity and Availability of Resources

September 30,	**2020**	**2019**
Cash and cash equivalents	**$ 990,404**	$ 631,975
Grants and accounts receivable	**312,763**	264,583
Financial assets available to meet general expenditures over the next year	**$ 1,303,167**	$ 896,558

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 more than four months of cash reserves to cover operating expenses as of September 30, 2020. 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. The Center has minimal short-term debt obligations and a portion of the program expenses are incurred as part of reimbursable grants.

3. Notes Payable and Line of Credit

Note Payable

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 balance 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.

Note Payable - Paycheck Protection Program

As a result of the economic stimulus efforts by the U.S. Government related to the COVID-19 outbreak (see Note 8), the Center received a Paycheck Protection Program Loan through the Small Business Administration in the amount of $418,300. The loan may be forgiven if loan proceeds are used for approved expenses and the Center maintains its workforce; however, the benefit to the Center at the date these financials were available to be issued is unknown.

Scheduled principal payments on notes payable are as follows:

Year Ending September 30,	**Amount**
2021	$ 12,337
2022	12,925
2023	13,000
2024	13,036
2025	13,826
Thereafter	605,216
	670,340
Paycheck Protection Program loan	418,300
Total long term debt	$ 1,088,640

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% (4.00% at September 30, 2020). 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, 2020 or 2019.

4. 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. 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. 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. The remaining promissory notes which have not been formally released both mature in 99 years, unless cancelled by Boulder. As of September 30, 2020, no events of default or other events have occurred which would obligate the Center to repay the grant.

In March 2020, the Center was awarded $175,000 from Boulder for improvements to be made on the property mentioned above. The grant restricts use of the related property where improvements were made for certain programs and provides certain events of default; in the event that the use of such property is no longer in compliance with the grant agreement or a default event occur grant is required to be repaid plus 5% interest. A promissory note, which matures in 99 years, unless called by Boulder, and a deed of trust was given as security to assure compliance with the conditions set forth by the award. The Center recorded the grant as a contribution during the year end September 30, 2020. Management believes that the likelihood that the Center would be obligated to repay the grant is remote. As of September 30, 2020, no events of default or other events have occurred which would obligate the Center to repay the grant.

5. Net Assets

Net assets with donor restrictions are as follows as of September 30, 2020 and 2019:

As of September 30,	2020	2019
Building restricted for programs (Note 4)	**$ 262,000**	$ 87,000
Restricted for garden improvements	**20,000**	-
Restricted for programs	**-**	51,706
Total net assets with donor restrictions	**$ 282,000**	$ 138,706

6. Operating Leases

The Center leases equipment and office space under operating lease agreements expiring through June 2023. Total lease expense for the years ended September 30, 2020 and 2019, was $61,024 and $61,542, 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:

Year Ending September 30,	Amount
2021	$ 49,827
2022	4,734
2023	3,551
	$ 58,112

7. Concentrations

For the year ended September 20, 2020, 18%, 17% and 13% of grant and program service revenue income was received from three government entities. For the year ended September 30, 2019, 41% and 21% of grant and program service revenue was received from two government entities.

At September 30, 2020, three grantors accounted for 30%, 25% and 17% of outstanding grants receivable. At September 30, 2019, one grantor accounted for 30% of outstanding grants receivable.

At September 30, 2020, two third-party payers accounted for 82% and 18% of outstanding accounts receivable. At September 30, 2019, two third-party payers accounted for 38% and 22% of accounts receivable.

8. COVID-19 Impact

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Center's financial condition, liquidity, and future results of operations. Management is actively monitoring the COVID-19 outbreak and its effect on the Center's financial condition, liquidity, operations, suppliers, industry, and workforce. The Center has been an incredible resource for the people with disabilities and the local agencies in the communities they serve during the uncertain times. The Center transitioned their services to remote access and complied with the Governor's work from home mandate immediately. The Center showed resilience with their creativity in delivering services using various alternative methods. Some services such as Home Health continued to be delivered in-person. The Center was unable to continue their Adult Day program permanently as result of the pandemic. In some intervals throughout the pandemic, the Center offered in-person services by appointments only and adapted their environments by initiating health screening protocols and spatially changing the work environment for staff and consumer safety. Health and safety of their consumers and staff remained the priority at all times.

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security (CARES) Act." The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property.

The Center has applied for, and has received, funds under the Paycheck Protection Program in the amount of $418,300. The application for these funds requires the Center to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of the Center. This certification further requires the Center to take into account their current business activity and their ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business. The receipt of these funds, and the forgiveness of the loan attendant to these funds, is dependent on the Center having initially qualified for the loan and qualifying for the forgiveness of such loan based on their future adherence to the forgiveness criteria.

Management will continue to examine the impact that the CARES Act may have on the Center. Currently, management is unable to determine with certainty the impact that the CARES Act will have on the Center's financial condition, results of operation, or liquidity.

9. Subsequent Events

In accordance with ASC 855, *Subsequent Events*, the Center has evaluated subsequent events through January 28, 2021, which is the date these financial statements were available to be issued. Other than events identified below, no additional subsequent events were identified.

On January 18, 2021, The Center received notice of forgiveness for their Paycheck Protection Program loan from the bank that issues the loan. The Center is still awaiting notice of forgiveness from the Small Business Administration. See Note 8 for details of the Paycheck Protection Program loan.