Center for People With Disabilities

Audited Financial Statements
September 30, 2021 and 2020

Center for People with Disabilities

Contents

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Independent Auditor's Report

Board of Directors
Center for People with Disabilities
Boulder, Colorado

Opinion

We have audited the financial statements of the Center for People with Disabilities (the "Center"), which comprise the statements of financial position as of September 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Center as of September 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

BDO USA, LLP

March 1, 2022

Center for People with Disabilities

Statements of Financial Position

As of September 30,	2021	2020
Assets		
Current assets		
Cash and cash equivalents	$ **972,203**	$ 990,404
Accounts receivables, net	**331,029**	195,693
Grants receivable	**88,725**	117,070
Total current assets	**1,391,957**	1,303,167
Property and equipment		
Land	**350,000**	350,000
Buildings and improvements	**1,788,974**	1,744,228
Vehicles	**72,364**	72,364
Total property and equipment	**2,211,338**	2,166,592
Less accumulated depreciation	**(606,932)**	(543,554)
Total property and equipment, net	**1,604,406**	1,623,038
Other assets		
Restricted cash	**6,131**	6,134
Deposits	**8,653**	7,258
Total other assets	**14,784**	13,392
Total assets	$ **3,011,147**	$ 2,939,597
Liabilities and nets assets		
Current liabilities		
Accounts payable	$ **26,783**	$ 37,379
Accrued personnel expenses	**241,723**	280,230
Deferred revenue	**14,179**	15,192
Current portion of notes payable	**13,000**	12,337
Assets held for others	**195,522**	6,073
Total current liabilities	**491,207**	351,211
Long term liabilities		
Notes payable, net of current portion	**619,213**	1,076,303
Total liabilities	**1,110,420**	1,427,514
Commitments and Contingencies		
Net assets		
Without donor restrictions	**1,544,404**	1,230,083
With donor restrictions	**356,323**	282,000
Total net assets	**1,900,727**	1,512,083
Total liabilities and net assets	$ **3,011,147**	$ 2,939,597

See accompanying notes to financial statements.

Center for People with Disabilities

Statements of Activities

Year Ended September 30,	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue						
Program service fees	**$ 1,455,928**	**$ -**	**$ 1,455,928**	$ 1,425,628	$ -	$ 1,425,628
Grant income	**1,601,854**	**146,949**	**1,748,803**	1,438,442	195,000	1,633,442
Contributions	**16,234**	**-**	**16,234**	63,480	-	63,480
Interest income	**2,811**	**-**	**2,811**	2,059	-	2,059
Other income	**12,436**	**-**	**12,436**	10,167	-	10,167
Gain on debt forgiveness	**418,300**	**-**	**418,300**	-	-	-
Release from restrictions	**72,626**	**(72,626)**	**-**	51,706	(51,706)	-
Total support and revenue	**3,580,189**	**74,323**	**3,654,512**	2,991,482	143,294	3,134,776
Expenses						
Program services	**2,868,474**	**-**	**2,868,474**	2,608,405	-	2,608,405
General and administrative	**336,962**	**-**	**336,962**	244,653	-	244,653
Fundraising	**60,432**	**-**	**60,432**	56,320	-	56,320
Total expenses	**3,265,868**	**-**	**3,265,868**	2,909,378	-	2,909,378
Change in net assets	**314,321**	**74,323**	**388,644**	82,104	143,294	225,398
Net assets, beginning of year	**1,230,083**	**282,000**	**1,512,083**	1,147,979	138,706	1,286,685
Net assets, end of year	**$ 1,544,404**	**$ 356,323**	**$ 1,900,727**	$ 1,230,083	$ 282,000	$ 1,512,083

See accompanying notes to financial statements.

Center for People with Disabilities

Statements of Cash Flows

Year Ended September 30,	2021	2020
Cash flows from operating activities		
Change in net assets	**$ 388,644**	$ 225,398
Adjustments to reconcile change in net assets		
to net cash flows from operating activities:		
Depreciation	**63,378**	41,554
Provision for bad debt	**2,608**	-
Forgiveness of loan	**(418,300)**	-
(Increase) decrease in operating assets		
Grants receivable	**28,345**	(16,066)
Accounts receivable	**(137,944)**	(32,114)
Assets held for others	**189,449**	130,647
Deposits	**(1,395)**	(1,600)
Increase (decrease) in operating liabilities:		
Accounts payable	**(10,596)**	7,779
Accrued personnel expenses	**(38,507)**	(17,306)
Deferred revenue	**(1,013)**	6,442
Net cash flows from operating activities	**64,669**	344,734
Cash flows from investing activities		
Purchase of equipment and improvements	**(44,746)**	(695,595)
Net cash flows from investing activities	**(44,746)**	(695,595)
Cash flows from financing activities		
Proceeds from notes payable	**-**	418,300
Payments on notes payable	**(38,127)**	(12,385)
Net cash flows from financing activities	**(38,127)**	405,915
Change in cash and cash equivalents	**(18,204)**	55,054
Cash and cash equivalents, beginning of year	**996,538**	941,484
Cash and cash equivalents, end of year	**$ 978,334**	$ 996,538
Cash and cash equivalents	**972,203**	990,404
Restricted cash	**6,131**	6,134
Total cash and cash equivalents	**$ 978,334**	$ 996,538
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	**$ 30,281**	$ 31,017

See accompanying notes to financial statements.

Center for People with Disabilities

Statement of Functional Expenses

Year Ended September 30,	2021					
	Program Services					
	Independent Living	Personal Assistance	Total Program Services	General & Admin	Fundraising	Total
Personnel costs	$ 1,151,746	$ 1,036,786	$ 2,188,532	$ 253,846	$ 55,936	$ 2,498,314
Occupancy	96,288	22,217	118,505	10,734	839	130,078
Participant costs	98,328	9,006	107,334	531	-	107,865
Professional services	191,478	48,233	239,711	15,787	733	256,231
Travel and entertainment	2,335	11,059	13,394	-	-	13,394
Insurance	17,367	16,858	34,225	7,601	637	42,463
Depreciation	21,482	20,852	42,334	20,256	788	63,378
Interest	12,388	12,019	24,407	5,419	454	30,280
Postage and printing	5,359	4,422	9,781	2,164	167	12,112
Communications	13,229	7,184	20,413	4,737	229	25,379
Supplies	30,509	4,141	34,650	2,524	477	37,651
Agency dues and meetings	6,178	7,337	13,515	5,799	146	19,460
Vehicle and equipment expenses	12,896	5,937	18,833	5,325	22	24,180
Other expenses	117	115	232	2,239	4	2,475
Bad debt expense	1,284	1,324	2,608	-	-	2,608
Total expenses	**$ 1,660,984**	**$ 1,207,490**	**$ 2,868,474**	**$ 336,962**	**$ 60,432**	**$ 3,265,868**

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

See accompanying notes to financial statements.

1. Summary of Accounting Policies and Nature of Organization

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.

COVID-19 and CARES Act

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 continues to monitor 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.

On March 27, 2020, President Trump signed into law the "Coronavirus Aid, Relief, and Economic Security Act ("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.

During the year ended September 30, 2020, the Center applied for, and received, funds through the Small Business Administration ("SBA") in the amount of $418,300, pursuant to the Paycheck Protection Program ("PPP") under the CARES Act. The loan and accrued interest are subject to forgiveness by the SBA, so long as funds are used on certain eligible expenses which include payroll costs, health care benefits, mortgage payments, rent, and utilities as defined in the CARES Act and subsequently issued rulings. The Center received notice of forgiveness from the SBA on January 27, 2021 and therefore has recognized these funds as forgiveness of debt within the Statement of Activities for the year ended September 30, 2021. The Center has not accrued a liability associated with the risks of an adverse SBA review.

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.

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, and investments with an original maturity of three months or less.

Restricted Cash

Restricted cash consists of certain funds held in a separate account held for the benefit of various people. The purpose was to create a discretionary supplemental care fund for their beneficiaries. The program was suspended prior to 2018 and at September 30, 2021 and 2020, the balance remaining was $6,131 and $6,134, respectively.

Grants Receivable

Grants receivable are amounts due under reimbursable grant contracts with government agencies and are expected to be collected within one year. All amounts are considered fully collectible, therefor no allowance for uncollectible grants receivable.

Accounts Receivable

Accounts receivables consist of program service fees due from individuals and Medicaid. When an unconditional right to payment exists, subject only to the passage of time. The right is treated as a receivable. Accounts receivable, including billed and unbilled amounts, for which unconditional right to payment exists, and estimated amounts due from Medicaid are receivables if the right to consideration is unconditional. An allowance for doubtful accounts is determined based upon the review and analysis of the collectability of each outstanding account. Management believes no allowance for doubtful accounts was necessary as of September 30, 2021 and 2020, as price concessions, uncollectible amounts and other deductions are considered implicit price concessions that are direct reductions to individual accounts receivable. Amounts deemed uncollectible are recorded to bad debt expense.

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, 2021 and 2020.

Deferred Revenue

Amounts received in advance from cost reimbursement grants 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.

Revenue Recognition

On October 1, 2020, the Center adopted Financial Accounting Standards Board ("FASB") ASC 606, *Revenue from Contracts with Customers* and all related amendments ("ASC 606") with respect to all contracts. The Center accounts for contract revenue in accordance with the new revenue standard, which requires the Center to recognize contract revenue in a manner which depicts the transfer of goods or services to its customers at an amount that reflects the consideration the Center expects to receive in exchange for those goods or services. The Center adopted the new revenue standard retrospectively and there were no significant adjustments recognized.

Additionally, on October 1, 2019, the Center adopted 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 aids in the classification of contributions and exchange transactions. The Center adopted the new revenue standard retrospectively and there were no significant adjustments recognized.

Program Service Fees

Program service fees are fee for service revenue and are reported at the amount that reflects the consideration to which the Center expects to be entitled in exchange for providing patient care. Program service fees are primarily generated from providing services to private pay, Medicaid and Veterans Affairs eligible recipients. Generally, the Center bills the third-party payors several days after the services are performed, and revenue is recognized as the performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Center. The Center determined that all performance obligations are met at a point in time, as all patient services are completed on the date of service with no additional performance obligations related to specific services performed on a specific day. Revenue for performance obligations satisfied at a point in time is generally recognized when service are provided to our patients and customers, whether that be independent living assessment and assistance or services provided through the Veterans program.

The Center determines the transaction price based on standard charges for goods and services provided, as agreed upon within the relevant agreements. The Center determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. The Center determines its estimate of implicit price concessions based on its historical collection experience with this class of patients.

A summary of the payment arrangements with major third-party payors follows:

- **Medicare and Medicaid** - The Center receives reimbursements for services covered under these agreements and are generally paid at determined rates per occasion of service or per covered member.

- **Veterans Administration** - The Center received a monthly per member, per month fee for all Veterans enrolled in the program. The Center receives a fee for service for each assessment performed by the Center upon enrollment into the program.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in entities entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Center's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Center.

Grants and 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. 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 contributions are recorded as deferred revenue until the condition has been satisfied.

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. Restricted grants and contributions that are received and expire or have restrictions met in the same year are shown as without donor restrictions in the financial statements.

Revenue from expense reimbursement grants is recognized when the expense is incurred that has met the qualification for reimbursement.

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, 2021 and 2020, the Center's balances of cash and cash equivalents exceeded the federally insured limits. As of September 30, 2021 and 2020, the Center had approximately $150,000 and $480,000, 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, 2021 and 2020 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 2018.

New Accounting Pronouncements Issued but Not Yet Adopted

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, 2021. Management is currently evaluating the impact of adoption of this standard on its financial statements.

2. Liquidity and Availability of Resources

September 30,	**2021**	**2020**
Cash and cash equivalents	**$ 972,203**	$ 990,404
Grants and accounts receivable	**419,754**	312,763
Financial assets available to meet general expenditures over the next year	**$ 1,391,957**	$ 1,303,167

The Center's long-term goal is generally to build financial assets to meet 30 days of operating expenses, which is approximately $268,000. The Center currently has more than three months of cash reserves to cover operating expenses as of September 30, 2021. 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.

Scheduled principal payments on notes payable are as follows:

Year Ending September 30,		**Amount**
2022	$	13,000
2023		13,036
2024		13,826
2025		15,782
2026		15,345
Thereafter		561,224
Total long term debt	$	632,213

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, 2021). The revolving line of credit matures on May 4, 2024. The Center did not draw on the line of credit during the years ended September 30, 2021 or 2020.

Paycheck Protection Loan

During the year end September 30, 2020, the Center applied for, and received, funds through the SBA in the amount of $418,300, pursuant to ("PPP") under the CARES Act, as described in Note 1. As of September 30, 2020, this amount was presented as debt on the Statement of Financial Position. During the year ended September 30, 2021, The Center received notice of forgiveness from the SBA recognized these funds as forgiveness of debt within the Statement of Activities for the year ended September 30, 2021.

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, 2021, 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, 2021, no events of default or other events have occurred which would obligate the Center to repay the grant.

In May 2021, the Center was awarded $25,000 from Boulder to use for capital debt reduction. The grant restricts the use of the funds solely for reduction of debt 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, 2021. Management believes that the likelihood that the Center would be obligated to repay the grant is remote. As of September 30, 2021, no events of default or other events have occurred which would obligate the Center to repay the grant.

These amounts are recorded as net assets with donor restrictions, as the funds were restricted for specific purpose.

5. Net Assets

Net assets with donor restrictions are as follows as of September 30, 2021 and 2020:

As of September 30,	**2021**	2020
Building restricted for programs (Note 4)	**$ 287,000**	$ 262,000
Restricted for building improvements	**-**	20,000
Restricted for programs	**69,323**	-
Total net assets with donor restrictions	**$ 356,323**	$ 282,000

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, 2021 and 2020, was $61,738 and $61,024, 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
2022	$ 63,139
2023	9,161
	$ 72,300

7. Concentrations

For the year ended September 30, 2021, 22% and 16% of grant and program service revenue was received from two government entities. For the year ended September 30, 2020, 18%, 17% and 13% of grant and program service revenue income was received from three government entities.

At September 30, 2021, one grantor accounted for 11% of outstanding grants receivable. At September 30, 2020, three grantors accounted for 30%, 25% and 17% of outstanding grants receivable.

At September 30, 2021, one third-party payers accounted for 69% of accounts receivable. At September 30, 2020, two third-party payers accounted for 82% and 18% of outstanding accounts receivable.

8. Retirement Plan

The Center adopted a 401(k) Profit Sharing Plan covering all employees of the Center effective May 2021. The Center can make discretionary employer matching contributions and profit-sharing contributions. The Center’s contributions for the year ended September 30, 2021 was $12,669.

9. Subsequent Events

In accordance with ASC 855, *Subsequent Events*, the Center has evaluated subsequent events through March 1, 2022, which is the date these financial statements were available to be issued. No subsequent events were identified.