The Center for People With Disabilities

(a nonprofit Colorado corporation)
Boulder, Colorado

Financial Statements

September 30, 2022 and 2021

The Center for People With Disabilities

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Independent Auditors' Report

To the Board of Directors
The Center for People With Disabilities
Boulder, Colorado

Opinion

We have audited the accompanying financial statements of The Center for People With Disabilities (a nonprofit organization), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of The Center for People With Disabilities as of September 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. The financial statements of The Center for People With Disabilities as of September 30, 2021 were audited by other auditors whose report dated March 1, 2022 expressed an unmodified opinion on those statements.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section in our report. We are required to be independent of The Center for People With Disabilities and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 for People With Disabilities' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditors' 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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 for People With Disabilities' 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 for People With Disabilities' 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.

Altruic Advisors, CPAs

Certified Public Accountants

Boulder, Colorado
January 31, 2023

The Center for People With Disabilities

Statements of Financial Position

September 30	**2022**	2021
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 1,256,362**	$ 972,203
Accounts receivable	**299,425**	331,029
Grants receivable	**182,754**	88,725
Prepaid expenses	**953**	-
Total current assets	**1,739,494**	1,391,957
Property and Equipment		
Land	**350,000**	350,000
Building and improvements	**1,793,008**	1,788,974
Vehicles	**72,364**	72,364
	2,215,372	2,211,338
Less accumulated depreciation	**(673,470)**	(606,932)
	1,541,902	1,604,406
Construction in progress	**3,511**	-
Net property and equipment	**1,545,413**	1,604,406
Other Assets		
Restricted cash	**-**	6,131
Security deposits	**4,173**	8,653
Total other assets	**4,173**	14,784
Total assets	**$ 3,289,080**	$ 3,011,147
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	**$ 255,557**	$ 26,783
Accrued personnel expenses	**138,359**	241,723
Refundable advances	**75,000**	14,179
Notes payable, current portion	**15,350**	13,000
Assets held for others	**232,211**	195,522
Total current liabilities	**716,477**	491,207
Long-Term Liabilities		
Notes payable, net of current portion	**601,944**	619,213
Total liabilities	**1,318,421**	1,110,420
Net Assets		
Without donor restrictions	**1,499,032**	1,544,404
With donor restrictions	**471,627**	356,323
Total net assets	**1,970,659**	1,900,727
Total liabilities and net assets	**$ 3,289,080**	$ 3,011,147

The accompanying Notes are an integral part of these financial statements

The Center for People With Disabilities

Statement of Activities

Year ended September 30, 2022

Operating Support and Revenue	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support			
Grants and contributions	$ 1,589,948	$ 184,627	$ 1,774,575
Net assets released from restrictions			
Satisfaction of purpose restrictions	69,323	(69,323)	-
Total operating support	1,659,271	115,304	1,774,575
Operating Revenue			
Program service income	889,911	-	889,911
Total operating support and revenue	2,549,182	115,304	2,664,486
Operating Expenses			
Program services	2,112,014	-	2,112,014
Supporting services			
General and administrative	410,359	-	410,359
Fundraising	85,866	-	85,866
Total operating expenses	2,608,239	-	2,608,239
Total operating support and revenue in excess (deficit) of operating expenses	(59,057)	115,304	56,247
Other Changes			
Miscellaneous income	13,032	-	13,032
Interest	653	-	653
Total other changes	13,685	-	13,685
Change in Net Assets	(45,372)	115,304	69,932
Net Assets, Beginning of Year	1,544,404	356,323	1,900,727
Net Assets, End of Year	$ 1,499,032	$ 471,627	$ 1,970,659

The Center for People With Disabilities

Statement of Activities

Year ended September 30, 2021

Operating Support and Revenue	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support			
Grants and contributions	$ 1,618,088	$ 146,949	$ 1,765,037
Net assets released from restrictions			
Satisfaction of purpose restrictions	72,626	(72,626)	-
Total operating support	1,690,714	74,323	1,765,037
Operating Revenue			
Program service income	1,455,928	-	1,455,928
Total operating support and revenue	3,146,642	74,323	3,220,965
Operating Expenses			
Program services	2,868,474	-	2,868,474
Supporting services			
General and administrative	336,962	-	336,962
Fundraising	60,432	-	60,432
Total operating expenses	3,265,868	-	3,265,868
Total operating support and revenue in excess (deficit) of operating expenses	(119,226)	74,323	(44,903)
Other Changes			
Gain on debt forgiveness	418,300	-	418,300
Interest	2,811	-	2,811
Other income	12,436	-	12,436
Total other changes	433,547	-	433,547
Change in Net Assets	314,321	74,323	388,644
Net Assets, Beginning of Year	1,230,083	282,000	1,512,083
Net Assets, End of Year	$ 1,544,404	$ 356,323	$ 1,900,727

The Center for People With Disabilities

Statement of Functional Expenses

Year ended September 30, 2022

	Program Services			Supporting Services			
	Independent Living	Personal Assistance	Total	General and Administrative	Fundraising	Total	Total Expenses
Salaries	$ 1,159,617	$ 76,316	$ 1,235,933	$ 236,618	$ 58,916	$ 295,534	$ 1,531,467
Payroll taxes	84,981	5,591	90,572	16,772	4,473	21,245	111,817
Employee benefits	150,595	9,908	160,503	29,723	7,926	37,649	198,152
Retirement benefits	16,714	1,099	17,813	3,299	880	4,179	21,992
Total personnel costs	1,411,907	92,914	1,504,821	286,412	72,195	358,607	1,863,428
Professional services	255,961	7,068	263,029	26,981	1,957	28,938	291,967
Occupancy	106,639	-	106,639	22,980	2,703	25,683	132,322
Participant costs	75,236	-	75,236	23	49	72	75,308
Depreciation	37,895	-	37,895	26,113	2,530	28,643	66,538
Insurance	42,317	968	43,285	10,276	2,377	12,653	55,938
Interest	20,515	-	20,515	6,580	1,424	8,004	28,519
Agency dues and meetings	11,293	-	11,293	7,522	611	8,133	19,426
Communications	13,966	-	13,966	4,894	565	5,459	19,425
Printing and postage	11,048	-	11,048	4,550	552	5,102	16,150
Supplies	6,053	-	6,053	6,993	455	7,448	13,501
Travel	11,649	687	12,336	727	48	775	13,111
Other expenses	660	36	696	6,104	-	6,104	6,800
Vehicle and equipment expenses	5,202	-	5,202	204	-	204	5,406
Advertising	-	-	-	-	400	400	400
Total expenses	$ 2,010,341	$ 101,673	$ 2,112,014	$ 410,359	$ 85,866	$ 496,225	$ 2,608,239

The accompanying Notes are an integral
part of these financial statements

The Center for People With Disabilities

Statement of Functional Expenses

Year ended September 30, 2021

	Program Services			Supporting Services			
	Independent Living	Personal Assistance	Total	General and Administrative	Fundraising	Total	Total Expenses
Salaries	$ 987,587	$ 888,686	$ 1,876,274	$ 188,044	$ 47,548	$ 235,592	$ 2,111,866
Payroll taxes	71,802	64,778	136,579	15,843	3,668	19,511	156,090
Employee benefits	86,529	78,064	164,593	19,093	4,422	23,515	188,108
Retirement benefits	5,828	5,258	11,086	1,286	298	1,584	12,670
Total personnel costs	1,151,746	1,036,786	2,188,532	224,266	55,936	280,202	2,468,734
Professional services	191,478	48,233	239,711	15,787	733	16,520	256,231
Occupancy	96,288	22,217	118,505	10,734	839	11,573	130,078
Participant costs	98,328	9,006	107,334	531	-	531	107,865
Insurance	17,367	16,858	34,225	37,181	637	37,818	72,043
Depreciation	21,482	20,852	42,334	20,256	788	21,044	63,378
Office expenses	30,509	4,141	34,650	2,524	477	3,001	37,651
Interest	12,388	12,019	24,407	5,419	454	5,873	30,280
Communications	13,229	7,184	20,413	4,737	229	4,966	25,379
Vehicle and equipment expenses	12,896	5,937	18,833	5,325	22	5,347	24,180
Agency dues and meetings	6,178	7,337	13,515	5,799	146	5,945	19,460
Travel	2,335	11,059	13,394	-	-	-	13,394
Printing and postage	5,359	4,422	9,781	2,164	167	2,331	12,112
Bad debt expense	1,284	1,324	2,608	-	-	-	2,608
Other expenses	117	115	232	2,239	4	2,243	2,475
Total expenses	$ 1,660,984	$ 1,207,490	$ 2,868,474	$ 336,962	$ 60,432	$ 397,394	$ 3,265,868

The Center for People With Disabilities

Statements of Cash Flows

Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash

Years ended September 30	2022	2021
Cash Flows From Operating Activities		
Change in net assets	**$ 69,932**	$ 388,644
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	**66,538**	63,378
Provision for bad debt	**-**	2,608
Gain on debt forgiveness	**-**	(418,300)
Increase (decrease) from changes in assets and liabilities		
Accounts receivable	**31,604**	(137,944)
Grants receivable	**(94,029)**	28,345
Prepaid expenses	**(953)**	-
Security deposits	**4,480**	(1,395)
Accounts payable	**228,774**	(10,596)
Accrued personnel expenses	**(103,364)**	(38,507)
Refundable advances	**60,821**	(1,013)
Assets held for others	**36,689**	189,449
Net cash provided by operating activities	**300,492**	64,669
Cash Flows From Investing Activities		
Purchases of property and equipment	**(7,545)**	(44,746)
Net cash used by investing activities	**(7,545)**	(44,746)
Cash Flows From Financing Activities		
Payments on notes payable	**(14,919)**	(38,127)
Net cash used by financing activities	**(14,919)**	(38,127)
Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash	**278,028**	(18,204)
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	**978,334**	996,538
Cash, Cash Equivalents, and Restricted Cash, End of Year	**$ 1,256,362**	$ 978,334
Supplemental Information		
Cash paid for interest	**$ 28,519**	$ 30,280

Note 1 – Nature of Organization and Significant Accounting Policies

Nature of Organization. The Center for People With Disabilities ("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 revenues and other support are derived principally from program services and charitable contributions from interested parties.

Description of Program Services:

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.

Description of Supporting Services:

General and Administrative. Includes the functions necessary to provide support to the Center's program activities. General and administrative activities include those that provide governance (Board of Directors), oversight, business management, financial recordkeeping, budgeting, legal services, human resource management, and similar activities that ensure an adequate working environment and an equitable employment program.

Fundraising. Provides the structure necessary to encourage and secure private financial support from individuals, foundations, and corporations, including donations and pledges.

Basis of Accounting. The financial statements of the Center have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents. Cash consists of checking and savings accounts held at financial institutions. For purposes of the statement of cash flows, the Center considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents.

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, the balance remaining was $6,131.

Note 1 – Nature of Center and Significant Accounting Policies (continued)

Accounts Receivable. Accounts receivable are stated net of allowances for uncollectible accounts. At the time accounts receivable are originated, the Center considers an allowance for doubtful accounts based on the creditworthiness of the member. The allowance is continually reviewed and adjusted to maintain the allowance at a level considered adequate to cover future uncollectible amounts. The allowance is management's best estimate of uncollectible amounts and is determined based on historical performance that is tracked by the Center on an ongoing basis. Management believes that all accounts receivable are fully collectible at September 30, 2022 and 2021.

Grants Receivable. Grants receivable are recognized only when the conditions on which they depend are substantially met and the grants become unconditional. Grants receivable are amounts due under reimbursable grant contracts with government agencies and are expected to be collected within one year. Management believes that all grants receivable are fully collectible at September 30, 2022 and 2021.

Property and Equipment. It is the Center's policy to capitalize property and equipment at cost for purchases over $5,000, while repair and maintenance items are charged to expense. Donations of property and equipment are capitalized at their estimated fair value at the date of gift. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Property and equipment is depreciated using the straight-line method over the estimated useful lives of the assets, which is generally five years for vehicles, and fifteen to forty years for building and building improvements. Depreciation expense for the years ended September 30, 2022 and 2021 was $66,538 and $63,378, respectively.

Impairment of Long-Lived Assets. In the event that facts and circumstances indicate that property and equipment, or other assets, may be impaired, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying amount to determine if a write-down to market value would be necessary. No impairment losses were recorded during the years ended September 30, 2022 and 2021.

Refundable Advance. Amounts received in advance from cost reimbursement grants before conditions are met or in excess of amounts earned represent refundable advances. These amounts are dependent upon the timing of cash receipts and cash disbursements and vary from year to year.

Basis of Net Asset Presentation. The Center reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions. Net assets resulting from revenues generated by receiving contributions that have no donor stipulations, providing services, and receiving interest and other income, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

Net Assets With Donor Restrictions. Net assets resulting from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose restriction is accomplished.

Note 1 – Nature of Center and Significant Accounting Policies (continued)

Grants and Contributions. Grants and contributions are recognized when donations are received. Donor-restricted grants and contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Grants and contributions that are restricted by the grantor or donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the grants and contributions are recognized.

Revenue Recognition.

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 services are provided to 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 is as 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 receives a monthly per member 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.

Contract Balances. The following table provides information about the Center's receivables from contracts with customers at September 30:

	2022	2021
Accounts receivable, beginning of year	**$ 331,029**	$ 195,693
Accounts receivable, end of year	**$ 299,425**	$ 331,029

Note 1 – Nature of Center and Significant Accounting Policies (continued)

Contributed Services. Contributed services are recognized if the services received satisfy the criteria for recognition. Contributed services are recognized if services either (a) create or enhance a nonfinancial asset or (b) require specialized skills that are provided by persons possessing those skills and would typically need to be purchased if not provided by donation. There were no contributed services during the years ended September 30, 2022 and 2021.

Functional Allocation of Expenses. Direct expenses have been allocated to the applicable program for which the expenses were incurred. Indirect expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

Advertising. The Center expenses advertising costs, including donated advertising, as incurred. Total advertising expense for the year ended September 30, 2022 was $400. There were no advertising expenses during the year ended September 30, 2021.

Income Taxes. The Center is a nonprofit corporation exempt from income taxes as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made.

Reclassifications. Certain amounts from the prior year financial statements have been reclassified to conform to the current year presentation without affecting net assets as of September 30, 2021.

Subsequent Events. The Center evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through January 31, 2023, the date at which the financial statements were available for release.

Note 2 – Notes 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 principal 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 becomes due. The loan is secured by a lien on the financed building as well as other assets held by the Center.

Scheduled maturities of the long-term notes payable are as follows at September 30, 2022:

Year ended September 30	Total
2023	$ 15,350
2024	16,071
2025	16,826
2026	17,617
2027	18,444
Thereafter	532,986
	$ 617,294

Note 2 – Notes Payable (continued)

The Center was in compliance with all financial and reporting covenants as of September 30, 2022.

During the year end September 30, 2020, the Center applied for, and received funds through the SBA's Paycheck Protection Program in the amount of $418,300. 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 and recognized these funds as forgiveness of debt within the statement of activities for the year ended September 30, 2021.

Note 3 – 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, Colorado ("City of Boulder") for the purchase and reduction of debt which was paid in full in April 2018. Additionally, in December 2008, the Center was awarded an additional grant of $20,000 from the City of 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 to 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 City of 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 City of Boulder. As of September 30, 2022, 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 the City of 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 occurs, the grant is required to be repaid, plus 5% interest. A promissory note, which matures in 99 years unless called by the City of Boulder, and a deed of trust were 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, 2022, no events of default or other events have occurred which would obligate the Center to repay the grant.

Note 3 – Contingent Liabilities (continued)

In May 2021, the Center was awarded $25,000 from the City of 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 occurs, the grant is required to be repaid, plus 5% interest. A promissory note, which matures in 99 years unless called by the City of Boulder, and a deed of trust were 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, 2022, 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.

Note 4 – Net Assets with Donor Restrictions

The balances of net assets with donor restrictions are as follows:

	Oct 1, 2021 Balance	**Additions**	**Releases**	**Sept 30, 2022 Balance**
Purpose restrictions:				
Building restricted for programs	**$ 287,000**	**$ -**	**$ -**	**$ 287,000**
Building improvements	**-**	**75,000**	**-**	**75,000**
Restricted for programs	**69,323**	**109,627**	**69,323**	**109,627**
Total	**$ 356,323**	**$ 184,627**	**$ 69,323**	**$ 471,627**

	Oct 1, 2020 Balance	Additions	Releases	Sept 30, 2021 Balance
Purpose restrictions:				
Building restricted for programs	$ 262,000	$ 25,000	$ -	$ 287,000
Building improvements	20,000	-	20,000	-
Restricted for programs	-	121,949	52,626	69,323
Total	$ 282,000	$ 146,949	$ 72,626	$ 356,323

Note 5 – Lease Commitments

The Center leases equipment and office space under operating lease agreements expiring through October 2023. Total lease expense for the years ended September 30, 2022 and 2021, was $55,715 and $61,024, respectively, and is included in occupancy expense and printing and postage expense in the accompanying statements of functional expenses.

Note 5 – Lease Commitments (continued)

Future minimum lease payments are as follows at September 30, 2022:

Year ended September 30	Total
2023	$ 42,514
2024	2,785
	$ 45,299

Note 6 – Line of Credit

The Center has a revolving line of credit with its primary banking institution in the amount of $100,000. Interest accrues at a variable interest rate of the Prime Rate as published by the Wall Street Journal, plus 0.75% (7.00% at September 30, 2022). 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, 2022 and 2021.

Note 7 – 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 during for the years ended September 30, 2022 and 2021 were $21,992 and $12,670, respectively.

Note 8 – Liquidity and Availability of Resources

The Center receives significant contributions and promises to give that are restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Center manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability; maintaining adequate liquid assets to fund near-term operating needs; and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. To achieve these guiding principles, the Center forecasts its future cash flows and monitors its liquidity quarterly, and monitors its reserves annually.

Additionally, in the event of an unanticipated liquidity need, the Center could draw upon its $100,000 line of credit, all of which is available at September 30, 2022. During the years ended September 30, 2022 and 2021, the level of liquidity and reserves was managed within the policy requirements.

Note 8 – Liquidity and Availability of Resources (continued)

The Center's financial assets available for general expenditures within one year are as follows at September 30:

	2022	2021
Financial assets at year-end:		
Cash and cash equivalents	**$ 1,256,362**	$ 972,203
Accounts receivable	**299,425**	331,029
Grants receivable	**182,754**	88,725
Financial assets available for general expenditures within one year	**$ 1,738,541**	$ 1,391,957

Substantially all of the Center's net asset restrictions are generally released within the next fiscal year. The Center anticipates that all net asset restrictions as of September 30, 2022 will be fully released during the next fiscal year.

Note 9 – Concentrations of Credit Risk

Major Grantors. For the years ended September 30, 2022 and 2021, 27% and 19% of total support and revenue, respectively, was received from one government entity.

Accounts Receivable. At September 30, 2022 and 2021, one third-party payer accounted for 16% and 69% of accounts receivable, respectively.

Bank Deposits. At certain times during the years ended September 30, 2022 and 2021, the Center maintained cash balances in excess of federally insured limits.