



Connections for Independent Living

Financial Statements
September 30, 2019 and 2018

Connections for Independent Living

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Independent Auditor's Report

Board of Directors
Connections for Independent Living
Greeley, Colorado

We have audited the accompanying statements of financial position of Connections for Independent Living (the "Organization"), which comprise the statement of financial position as of September 30, 2019 and the related statement of activities, functional expenses, and cash flows 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 financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Connections for Independent Living as of September 30, 2019, 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.

Emphasis of Matter

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



Other Matter - Prior Period Financial Statements

The financial statements of Connections for Independent Living as of and for the year ended September 30, 2018 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 August 6, 2019.

BDO USA, LLP

December 11, 2020
Denver, Colorado

Financial Statements

Connections for Independent Living

Statements of Financial Position

<i>September 30,</i>	2019	2018
Assets		
Current assets		
Cash and cash equivalents	\$ 481,463	\$ 554,298
Investments	345,164	340,146
Grants receivable	77,733	102,567
Service fees receivable, net	81,331	7,507
Prepaid expenses and other assets	-	25,510
Total current assets	985,691	1,030,028
Property and equipment		
Land	70,600	70,600
Building and improvements	637,428	637,428
Furniture and equipment	35,691	35,691
Less: accumulated depreciation	(156,792)	(137,350)
Total property and equipment, net	586,927	606,369
Total assets	\$ 1,572,618	\$ 1,636,397
Liabilities and net assets		
Current liabilities		
Accounts payable	\$ 37,719	\$ 15,362
Accrued wages payable	27,714	25,217
Accrued compensated absences	22,114	28,166
Other accrued liabilities	-	70,799
Total current liabilities	87,547	139,544
Total liabilities	87,547	139,544
Commitments and contingencies		
Net assets		
Available for operations	898,144	890,484
Net investment in property and equipment	586,927	606,369
Net assets without donor restrictions	1,485,071	1,496,853
Total net assets	1,485,071	1,496,853
Total liabilities and net assets	\$ 1,572,618	\$ 1,636,397

See accompanying notes to the financial statements.

Connections for Independent Living

Statements of Activities

<i>Years Ended September 30,</i>	2019 Without Donor Unrestricted	2018 Without Donor Unrestricted
Revenues and gains		
Program service fees	\$ 312,509	\$ 223,222
In-kind donations	44,220	-
Grants and contributions	673,632	773,574
Investment income, net	5,018	2,684
Special events	6,052	9,860
Miscellaneous	788	9,550
Loss on returned grant	-	(70,799)
Total revenues and gains	1,042,219	948,091
Expenses		
Program services		
Independent living	371,323	405,283
Interpreter services	217,113	145,265
Housing and urban development	46,084	43,131
Community transitions	65,247	36,342
Total program services	699,767	630,021
Supporting services		
Management and general	312,329	238,474
Fundraising	41,905	6,881
Total support services	354,234	245,355
Total expenses	1,054,001	875,376
Change in net assets	(11,782)	72,715
Net assets at beginning of year	1,496,853	1,424,138
Net assets at end of year	\$ 1,485,071	\$ 1,496,853

See accompanying notes to the financial statements.

Connections for Independent Living

Statements of Cash Flows

<i>Years Ended September 30,</i>	2019	2018
Cash flow from operating activities		
Change in net assets	\$ (11,782)	\$ 72,715
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	19,442	19,442
Bad Debt	9,603	18,832
(Increase) decrease in operating assets:		
Service fees receivable	(54,992)	(1,223)
Provision for losses on accounts receivable	(28,435)	-
Grants receivable	24,834	78,731
Prepaid expenses and other assets	25,510	(25,010)
Increase (decrease) in operating liabilities:		
Accounts payable	22,357	(3,959)
Accrued expenses	(10,303)	(21,968)
Other accrued expenses	(64,051)	70,799
Net cash flows from operating activities	(67,817)	208,359
Cash flows from investing activities		
Re-invested Interest on certificates of deposit	(5,018)	(2,684)
Purchase of property and equipment	-	(34,764)
Net cash flows from investing activities	(5,018)	(37,448)
Change in cash and cash equivalents	(72,835)	170,911
Cash and cash equivalents at beginning of year	554,298	383,387
Cash and cash equivalents at end of year	\$ 481,463	\$ 554,298

See accompanying notes to the financial statements.

Connections for Independent Living

Statements of Functional Expenses

Year Ended September 30, 2019

	Program Services				Supporting Services				Total Expenses
	Independent Living	Community Transitions	Housing and Urban Development	Interpreter Services	Total Program Services	Management and General	Fund - Raising	Total Support Services	
Personnel expenses	\$ 218,021	\$ 60,732	\$ 44,120	\$ 53,319	\$ 376,192	\$ 292,444	\$ -	\$ 292,444	\$ 668,636
Professional fees	55,588	-	-	-	55,588	7,298	-	7,298	62,886
In-kind donations	-	-	-	-	-	3,988	40,232	44,220	44,220
Supplies	14,450	1,480	-	33	15,963	277	1,585	1,862	17,825
Telephone	5,864	54	-	387	6,305	-	-	-	6,305
Postage and shipping	2,227	-	-	-	2,227	21	-	21	2,248
Insurance	15,730	2	-	-	15,732	-	-	-	15,732
Repairs and maintenance	14,757	-	-	-	14,757	1,441	-	1,441	16,198
Printing and publications	2,765	-	-	289	3,054	-	-	-	3,054
Travel	6,744	96	994	36,593	44,427	221	88	309	44,736
Training and education	120	-	-	-	120	-	-	-	120
Specific assistance to individuals	48	2,585	-	-	2,633	-	-	-	2,633
Bad debt	-	-	-	9,603	9,603	-	-	-	9,603
Miscellaneous	10,248	60	228	1,155	11,691	-	-	-	11,691
Utilities	10,463	-	-	-	10,463	-	-	-	10,463
Rent	2,475	-	-	-	2,475	-	-	-	2,475
Interpreter expenses	-	-	-	115,734	115,734	-	-	-	115,734
Total expenses before depreciation	359,500	65,009	45,342	217,113	686,964	305,690	41,905	347,595	1,034,559
Depreciation	11,823	238	742	-	12,803	6,639	-	6,639	19,442
Total expenses	\$ 371,323	\$ 65,247	\$ 46,084	\$ 217,113	\$ 699,767	\$ 312,329	\$ 41,905	\$ 354,234	\$ 1,054,001

See accompanying notes to the financial statements.

Connections for Independent Living

Statements of Functional Expenses

Year Ended September 30, 2018

	Program Services					Supporting Services			Total Expenses
	Independent Living	Community Transitions	Housing and Urban Development	Interpreter Services	Total Program Services	Management and General	Fund Raising	Total Support Services	
Personnel expenses	\$ 309,643	\$ 27,685	\$ 38,011	\$ 39,771	\$ 415,110	\$ 167,853	\$ -	\$ 167,853	\$ 582,963
Professional fees	23,300	1,944	2,813	3,009	31,066	33,973	10	33,983	65,049
Supplies	12,225	32	-	-	12,257	1,220	6,371	7,591	19,848
Telephone	3,495	70	219	-	3,784	1,963	-	1,963	5,747
Postage and shipping	2,306	-	-	-	2,306	-	-	-	2,306
Insurance	9,404	280	676	184	10,544	5,250	-	5,250	15,794
Repairs and maintenance	1,293	20	63	-	1,376	5,670	-	5,670	7,046
Printing and publications	2,186	-	80	-	2,266	-	-	-	2,266
Travel	8,695	103	72	30,960	39,830	88	-	88	39,918
Training and education	908	-	-	256	1,164	-	-	-	1,164
Specific assistance to individuals	-	5,805	-	-	5,805	-	-	-	5,805
Bad debt	-	-	-	18,832	18,832	-	-	-	18,832
Miscellaneous	6,428	35	52	55	6,570	12,209	-	12,209	18,779
Utilities	6,427	130	403	-	6,960	3,609	-	3,609	10,569
Rent	7,150	-	-	-	7,150	-	500	500	7,650
Interpreter expenses	-	-	-	52,198	52,198	-	-	-	52,198
Total expenses before depreciation	393,460	36,104	42,389	145,265	617,218	231,835	6,881	238,716	855,934
Depreciation	11,823	238	742	-	12,803	6,639	-	6,639	19,442
Total expenses	\$ 405,283	\$ 36,342	\$ 43,131	\$ 145,265	\$ 630,021	\$ 238,474	\$ 6,881	\$ 245,355	\$ 875,376

See accompanying notes to the financial statements.

Connections for Independent Living

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Organization

Connections for Independent Living (the “Organization”) was incorporated on February 11, 1988, under the laws of the State of Colorado and is a nonprofit organization providing assistance and support to individuals with disabilities. The Organization provides services to the following Colorado counties: Weld, Yuma, Washington, Larimer, Sedgwick, Logan, Phillips, and Morgan. A staff of professionals and volunteers provide advocacy, peer counseling, independent living, skills training, sign language interpreters, and information and referral services. The Organization’s business office is located in Greeley, Colorado.

The Organization’s major programs are described below:

Independent Living: The Organization has five core independent living services:

Peer Support: Staff members who have disabilities provide support, teaching, and information sharing with participants to help in overcoming barriers, handling the stresses of having a disability, and sharing resources helpful in maintaining independence.

Information and Referral: Information and referral services to all individuals who need help finding the appropriate community support.

Individual and Systems Advocacy: The Organization not only advocates for individuals, but also works to eliminate physical and attitudinal barriers in the community.

Independent Living Skills Training: Instruction to develop independent living skills in areas such as personal care, coping, budgeting, and social skills.

Transition: Staff assists in identifying resources and support systems that allow individuals to relocate from nursing homes to an independent life in the community at large.

Housing and Urban Development: The organization provides Housing Choice Vouchers as a subcontractor for the Division of Housing and maintains an affordable housing list for people with disabilities.

Community Transitions: Disability expertise is provided to the High Plains Library District and the City of Greeley. Specifically, with respect to the City of Greeley, Connections for Independent Living routinely provides advice for the Adaptive and Inclusive Recreation Program. The Organization is also available to any other agencies that request our expertise.

Interpreter Services: Provide, on a fee for service basis, sign language interpreting for individuals who are hearing impaired. Fees are paid by the business utilizing the service, as an accommodation under the Americans with Disabilities Act (“ADA”).

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (“GAAP”), as promulgated in the Financial Accounting Standards Board (“FASB”) publication, *FASB Accounting Standards Codification*[™] (“*FASB Codification*”).

Connections for Independent Living

Notes to Financial Statements

Cash and Cash Equivalents

The Organization considers all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents.

Investments

Investment purchases are initially recorded at cost, or if donated, at their fair value on the date of donation. At September 30, 2019 and 2018, investments consist of certificates of deposit with original maturities in excess of three months, and money market funds held for long-term purposes. Certificates of deposit and money market funds are reported at their fair values in the Statements of Financial Position.

Fair Value Measurements

The FASB Codification establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

- Level 1 - Observable inputs such as quoted prices in active markets for identical assets or liabilities;
- Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in inactive markets, or model-derived valuations in which all significant inputs are observable or can be derived principally from, or corroborated by, observable market data;
- Level 3 - Unobservable inputs are used when little or no market data is available.

In determining fair value, the Organization utilizes greatest valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

Financial Instruments and Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist of cash, certificates of deposit, money market funds and receivables.

Cash and cash equivalents and certificates of deposit are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Organization has never experienced any losses related to these balances. The Organization had approximately, \$201,000 and \$267,000 amounts on deposit in excess of federally insured limits at September 30, 2019 and 2018, respectively.

Connections for Independent Living

Notes to Financial Statements

Grants Receivable

Grants received from an unconditional promise to give that are expected to be collected within one year are recorded at net realizable value, which approximates fair value. Unconditional promises to give that are expected to be collected in future years are initially recorded at fair value, which is measured as the present value of their expected future cash flows. As there are no long-term promises to give, no present value discount was recorded for September 30, 2019 and 2018. Conditional promises to give are not included as support until the conditions are sustainably met.

The Organization provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The Organization's estimate is based on historical collection experience and a review of the current status of accounts receivable. It is reasonably possible that the Organization's estimate of the allowance for doubtful accounts will change. The Organization has determined that no allowance is necessary as of September 30, 2019 and 2018.

Service Fees Receivable

Accounts receivable from service fees are reported at their net realizable value if the amounts are due within one year. An allowance for doubtful accounts is based on an analysis of expected collection rates determined from experience. The allowance for doubtful accounts was \$18,832 as of September 31, 2018. No allowance was considered necessary as of September 30, 2019.

Property and Equipment

All property and equipment with an estimated useful life of greater than one year and a unit cost of \$5,000 or greater are capitalized and depreciated over the estimated useful lives of the assets using the straight-line method. Estimated useful lives are as follows:

Description	Estimated lives
Building and improvements	15-40 years
Furniture and equipment	5-10 years

Maintenance and repairs are charged to expense as incurred. When depreciable assets are disposed of, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in change in net assets.

Long-Lived Assets

The Organization periodically reviews long-lived assets, including identifiable intangibles, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Organization evaluates the recoverability of its long-lived assets based on estimated undiscounted future cash flows and provides for impairment if such undiscounted cash flows are insufficient to recover the carrying amount of the long-lived asset. If impaired, the long-lived asset is written down to its estimated fair value. No events have occurred which indicate the carrying amount of the Organization's long-lived assets may not be recoverable.

Connections for Independent Living

Notes to Financial Statements

Revenue Recognition

Grants and Contributions received are recorded as net assets without donor restrictions and net assets with donor restrictions, depending on the existence and nature of the donor restrictions. All grants and contributions are considered to be net assets without donor restrictions unless specifically restricted by the donor or subject to legal restrictions. Net assets are reclassified to net assets without donor restrictions in the period in which donor restrictions expire. Restrictions expire when purpose restrictions are fulfilled or at the time restriction expires. Net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions in the period in which the donor restrictions expire.

Grants and Contributions are recorded when cash or unconditional promises to give have been received or ownership of the donated asset to be used directly in operations is transferred to the charity. There were no conditional grants or contributions at year end.

Program service fee revenue and all other revenue is recorded when services have been performed or assets have been delivered.

In-Kind Donations

Materials and other assets received as donations are recorded and reflected in the accompanying financial statements at their fair values at the date of receipt.

Donated services are recognized at their fair market value when received if those services create or enhance nonfinancial assets or when services are provided by those possessing the specialized skills required to perform the services and that would typically need to be purchased if not otherwise donated.

Income Taxes and Tax Status

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has been classified by the Internal Revenue Service as a nonprofit organization other than a private foundation. However, income from activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. There was no income from business unrelated to the Organization's exempt purpose during the years ended September 30, 2019 and 2018.

The Organization believes that it has conducted its operations in accordance with, and has properly maintained, its tax-exempt status, and that it has taken no material uncertain tax positions that qualify for recognition or disclosure in the financial statements. The Organization is no longer subject to U.S. federal, state and local, U.S. income tax examinations by tax authorities for fiscal years before 2017.

Functional Allocation of Expenses

The costs of providing the various programs and other activities are presented on a functional basis in the Statements of Functional Expenses. Certain categories of expenses are attributable to program expense or one or more supporting functions. Those expenses include but are not limited to salaries, payroll taxes, benefits and professional fees. These expenses are allocated to program, general and administrative, and fundraising functions based on their utility of time and cost to each class. Other allocated costs include rent, utilities, depreciation, telephone, insurance, repairs and maintenance which is allocated based on square footage.

Connections for Independent Living

Notes to Financial Statements

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and such differences could be material.

Recently Adopted Accounting Pronouncements

In August of 2016, the Financial Accounting Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-14, Topic 958, *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. The ASU is effective for entities with financial statement fiscal years beginning after December 15, 2017 and for interim period beginning after December 15, 2018. Management has adopted ASU 2016-14 as of October 1, 2018 and the ASU has been applied retrospectively to all periods presented and the adoption of this standard did not have a material impact on the financial statements.

Recently Issued Accounting Pronouncements

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

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

In February of 2016, the FASB issued ASU 2016-02, Topic 842, *Leases*. The purpose of this ASU is to establish the principle to report transparent and economically neutral information about the assets and liabilities that arise from leases. The new guidance is effective for public business entities with fiscal years beginning after December 15, 2018. For all other organizations the new guidance is effective for fiscal years beginning after December 15, 2020 and interim period with fiscal years beginning after December 15, 2021. Management is currently evaluating the impact of adoption of this standard on its consolidated financial statements.

2. Availability of Resources and Liquidity

The Organization’s goal is generally to maintain financial assets to meet 12 months of operating expenses as of each calendar year end. Total financial assets available as of September 30, 2019 approximate 7 months of expenses. The Organization maintains adequate cash reserves to meet this requirement. Additionally, as further described in Note 8, *Subsequent Events*, the COVID-19 outbreak adds uncertainty as to the impact on the Organization’s future funding.

Connections for Independent Living

Notes to Financial Statements

Cash and cash equivalents	\$ 481,463
Investments	345,164
Service fees receivable	81,331
Grants receivable	77,733
Financial assets available to meet general expenditures over the next year	\$ 985,691

3. Fair Value Disclosures

Assets measured at fair value on a recurring basis have been categorized into a hierarchy based on the observable and unobservable inputs used to measure fair value:

Description	Assets at fair value as of September 30, 2019			
	Level 1	Level 2	Level 3	Total
Certificates of deposit (1)	\$ -	\$ 257,363	\$ -	\$ 257,363
Money market (2)	87,801	-	-	87,801
Total	\$ 87,801	\$ 257,363	\$ -	\$ 345,164

Description	Assets at fair value as of September 30, 2018			
	Level 1	Level 2	Level 3	Total
Certificates of deposit (1)	\$ -	\$ 253,844	\$ -	\$ 253,844
Money market (2)	86,302	-	-	86,302
Total	\$ 86,302	\$ 253,844	\$ -	\$ 340,146

(1) The fair values of certificates of deposits are based on current interest rates for instruments with similar characteristics, as estimated by the custodians of the securities. Management has determined that the pricing models utilized by the custodians provide reasonable estimations of the fair values of the certificates of deposits.

(2) Money market funds are a cash equivalents held for long-term purposes with carrying amounts which approximate fair value.

4. Pension Plan

The Organization established a Section 403(b) Retirement Plan for all eligible employees. All employees who work 20 hours or more per week are eligible to participate in this plan after the completion of one year of service. Employees can contribute up to 21% of their compensation to this plan. The Organization will contribute up to a maximum of 4% of an employee's compensation. The Organization contributed \$11,842 and \$10,047 to employee accounts for the years ended September 30, 2019 and 2018, respectively.

Connections for Independent Living

Notes to Financial Statements

5. Leases

The Organization leases office space under an operating lease agreement with a term expiring March 1, 2019 and was not renewed. The lease expense for the years ended September 30, 2019 and 2018 was \$2,475 and \$7,650, respectively and is included in rent expense on the statement of functional expenses.

6. Other Contingencies

On December 5, 2018, the Organization was subject to a financial and administrative review by the Colorado Department of Labor and Employment for the year ended September 30, 2018. As a result of the review, a total of \$70,799 in costs were identified as costs deemed to be unallowable due to lack of sufficient documentation to support such reimbursed costs, which management recorded in other accrued liabilities.

7. Concentrations

The following table presents concentrations of support and grants receivables as of, and for the years ended, September 30, 2019 and 2018. There were no concentrations of program service fee revenue or receivables.

<i>Years ended September 30,</i>	2019	2018
Revenue and support		
State of Colorado grants	57%	68%
Federal grants	6%	11%
Accounts receivable		
University of Northern Colorado	60%	0%
Grants receivable		
State of Colorado grants	100%	100%

8. Subsequent Events

The COVID-19 outbreak, which was declared a worldwide pandemic on March 11, 2020 by the World Health Organization (“WHO”), has caused business disruptions in a variety of industries, markets and geographic regions. As a result of the spread of the COVID-19, public events and the Organization’s activities have been limited and economic uncertainty. On January 30, 2020, the WHO announced a global health emergency due to a new strain of coronavirus originating in Wuhan, China (“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.

Connections for Independent Living

Notes to Financial Statements

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 Organization's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity in the future.

The Organization received a federal award, dated April 20, 2020, to support, prevent, prepare for and respond to COVID-19, as outlined in the Coronavirus Preparedness and Response Supplemental Appropriations Act, 202. Additionally, as provided for in the Office of Management and Budget Memorandum M.20-11 - Administrative Relief for Recipients and Applicants of Federal Assistance Directly Impacted by the COVID-19, ACL authorizes recipients to incur pre-award cost prior to the effective date of the award dating back to January 20, 2020.

The adverse economic effects of the COVID-19 outbreak have not materially decreased demand for the Organization's services but have the potential to do so based on the restrictions in place by governments trying to curb the outbreak and changes in consumer behavior. The Organization has analyzed the current expense structure of the business to ensure any expenses which are not deemed necessary to maintain current operations are eliminated or reduced improve cash flows.

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.

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

The date to which events occurring after September 30, 2019, the date of the most recent statement of financial position, have been evaluated by management for possible adjustment to the financial statements or disclosure is December 11, 2020, which is the date on which the financial statements were available to be issued have risen which could have negative financial impact on donations and program service revenues. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. The extent to which the Organization's customer base or cancellations will be affected is also uncertain. Therefore, while we expect this matter to negatively impact the Organization's business, results of operations, and financial position, the related financial impact cannot be reasonable estimated at this time.