



## **Connections for Independent Living**

Financial Statements

For the Years Ended September 30, 2022, and 2021

# Connections for Independent Living

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Connections for Independent Living  
Greeley, Colorado

### Opinion

We have audited the accompanying financial statements of Connections for Independent Living (a nonprofit organization), which comprise the statement of financial position as of September 30, 2022, and the related statements of activities and changes in net assets, 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 respects, the financial position of Connections for Independent Living as of September 30, 2022, 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 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 of our report. We are required to be independent of Connections for Independent Living 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.

### Prior Period Financial Statements

The financial statements of Connections for Independent Living as of September 30, 2021 were audited by other auditors whose report dated February 16, 2022 expressed an unmodified opinion on those statements.

### 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 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 Connections for Independent Living's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## 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 auditors' 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 Connections for Independent Living'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 Connections for Independent Living'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.

*Schlenker & Cantwell, P.A.*

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SCHLENKER & CANTWELL, P.A.  
Certified Public Accountants

February 23, 2023  
Albuquerque, New Mexico

# Connections for Independent Living

## Statements of Financial Position

<i>Years Ended September 30,</i>	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 56,823	\$ 144,001
Investments	9,823	6,804
Grants receivable	78,148	54,695
Service fees receivable, net	22,832	81,707
Prepaid expenses and other assets	5,477	4,972
<b>Total current assets</b>	<b>173,103</b>	<b>292,179</b>
<b>Property and equipment</b>		
Land	70,600	70,600
Building and improvements	638,644	638,644
Furniture and equipment	75,012	75,012
Less: accumulated depreciation	(228,413)	(202,803)
<b>Total property and equipment</b>	<b>555,843</b>	<b>581,453</b>
<b>Total assets</b>	<b>728,946</b>	<b>873,632</b>
<b>Liabilities and net assets</b>		
<b>Current liabilities</b>		
Accounts payable	25,310	27,596
Accrued wages payable	10,815	9,808
Accrued compensated absences	39,707	44,425
Deferred revenue	11,238	-
Other accrued liabilities	693	179,169
<b>Total current liabilities</b>	<b>87,763</b>	<b>260,998</b>
<b>Total Liabilities</b>	<b>87,763</b>	<b>260,998</b>
<b>Net assets</b>		
Net assets without donor restrictions	641,183	596,936
Net assets with donor restrictions	-	15,698
<b>Total net assets</b>	<b>641,183</b>	<b>612,634</b>
<b>Total liabilities and net assets</b>	<b>\$ 728,946</b>	<b>\$ 873,632</b>

*See accompanying notes to the financial statements.*

## Connections for Independent Living

### Statements of Activities

<i>Years Ended September 30,</i>	<b>2022</b>			<b>2021</b>
	Without Donor Restrictions	With Donor Restrictions	2022 Total	Comparative Totals 2021
<b>Revenues and gains</b>				
Program service fees	\$ 292,965	\$ -	\$ 292,965	\$ 275,299
In-kind Donations	29,112	-	29,112	-
Grants and Contributions	1,091,719	-	1,091,719	1,004,927
Investment Income	3,556	-	3,556	1,324
Miscellaneous	591	-	591	7,059
Net assets released from restrictions	15,698	(15,698)	-	-
<b>Total revenues and gains</b>	<b>1,433,641</b>	<b>(15,698)</b>	<b>1,417,943</b>	<b>1,288,609</b>
<b>Expenses</b>				
<b>Program services</b>				
Independent living	930,771	-	930,771	984,489
Interpreter Services	292,996	-	292,996	1,248
Housing DOH	71,843	-	71,843	88,482
Community Transitions	45	-	45	347,625
<b>Total program services</b>	<b>1,295,655</b>	<b>-</b>	<b>1,295,655</b>	<b>1,421,844</b>
<b>Support services</b>				
Management and general	93,727	-	93,727	303,320
Fundraising	12	-	12	1,513
<b>Total support services</b>	<b>93,739</b>	<b>-</b>	<b>93,739</b>	<b>304,833</b>
<b>Total expenses</b>	<b>1,389,394</b>	<b>-</b>	<b>1,389,394</b>	<b>1,726,677</b>
Change in net assets	44,247	(15,698)	28,549	(438,068)
<b>Net assets at beginning of year</b>	<b>596,936</b>	<b>15,698</b>	<b>612,634</b>	<b>1,050,702</b>
<b>Net assets at end of year</b>	<b>\$ 641,183</b>	<b>\$ -</b>	<b>\$ 641,183</b>	<b>\$ 612,634</b>

*See accompanying notes to the financial statements.*

## Connections for Independent Living

### Statements of Cash Flow

<i>Years Ended September 30,</i>	2022	2021
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 28,549	\$ (438,068)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	25,610	27,303
Bad Debt	-	292
Forgiveness of PPP Loan	(178,476)	-
Net realized and unrealized gain on investments	(3,019)	(1,140)
(Increase) decrease in operating assets:		
Service fees receivable	58,875	57,091
Grants receivable	(23,453)	(713)
Prepaid Expense and other Assets	(502)	(4,516)
Increase (decrease) in operating liabilities:		
Accounts payable	(2,286)	2,514
Accrued expenses	(3,715)	(6,610)
Deferred Revenue	11,239	-
<b>Net cash flows from operating activities</b>	<b>(87,178)</b>	<b>(363,847)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	-	(11,386)
<b>Net cash flows from investing activities</b>	<b>-</b>	<b>(11,386)</b>
<b>Cash flows from financing activities</b>		
Proceeds from Notes Payable - PPP Loan	-	178,419
<b>Net cash flows from financing activities</b>	<b>-</b>	<b>178,419</b>
<b>Change in cash and cash equivalents</b>	<b>(87,178)</b>	<b>(196,814)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>144,001</b>	<b>340,815</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 56,823</b>	<b>\$ 144,001</b>

*See accompanying notes to the financial statements.*

## Connections for Independent Living Statements of Functional Expenses

Year Ended September 30, 2022	Program Services					Supporting Services			
	Independent Living	Community Transitions	Housing DOH	Interpreter Services	Total Program Services	Management and General	Fund Raising	Total Support Services	Total Expenses
Personnel expenses	\$ 772,555	\$ 45	\$ 58,144	\$ 105,386	\$ 936,130	\$ 11,573	\$ -	\$ 11,573	\$ 947,703
Professional fees	53,556	-	323	3,009	56,888	38,652	-	38,652	95,540
Supplies	12,666	-	655	51	13,372	6,452	-	6,452	19,824
Telephone	13,758	-	421	814	14,993	4,236	-	4,236	19,229
Postage and shipping	3,701	-	685	10	4,396	86	12	98	4,494
Insurance	2,350	-	-	-	2,350	10,250	-	10,250	12,600
Repairs and maintenance	5,492	-	255	-	5,747	4,469	-	4,469	10,216
Printing and publications	17,566	-	18	23,165	40,749	6,364	-	6,364	47,113
Travel	2,807	-	721	-	3,528	3	-	3	3,531
Training and education	8,164	-	120	315	8,599	1,548	-	1,548	10,147
Specific assistance to individuals	3,760	-	-	-	3,760	-	-	-	3,760
Bad debt	-	-	-	1,539	1,539	-	-	-	1,539
Miscellaneous	7,387	-	168	5,392	12,947	5,769	-	5,769	18,716
Utilities	1,889	-	-	-	1,889	2,473	-	2,473	4,362
Rent	-	-	9,052	-	9,052	-	-	-	9,052
Interest expense	-	-	-	-	-	60	-	60	60
Interpreter expenses	7,961	-	-	147,937	155,898	-	-	-	155,898
Total expenses before depreciation	913,612	45	70,562	287,618	1,271,837	91,935	12	91,947	1,363,784
Depreciation	17,159	-	1,281	5,378	23,818	1,792	-	1,792	25,610
Total expenses	\$ 930,771	\$ 45	\$ 71,843	\$ 292,996	\$ 1,295,655	\$ 93,727	\$ 12	\$ 93,739	\$ 1,389,394

*See Accompanying Notes to the Financial Statements*



## Connections for Independent Living

### Statements of Functional Expenses

<i>Year Ended September 30, 2021</i>	Program Services					Supporting Services				Total
	Independent Living	Community Transitions	Housing DOH	Interpreter Services	Total Program Services	Management and General	Fund Raising	Total Support Services	Total Expenses	
Personnel expenses	\$ 795,358	\$ 934	\$ 82,828	\$ 170,789	\$ 1,049,909	\$ 80,078	\$ -	\$ 80,078	\$ 1,129,987	
Professional fees	99,526	-	93	1,115	100,734	147,370	-	147,370	248,104	
Supplies	34,130	41	2,482	1,958	38,611	20,156	1,326	21,482	60,093	
Telephone	10,140	-	551	1,236	11,927	6,215	-	6,215	18,142	
Postage and shipping	930	-	385	-	1,315	529	37	566	1,881	
Insurance	8,847	-	-	-	8,847	7,152	-	7,152	15,999	
Repairs and maintenance	4,751	-	713	7,445	12,909	-	-	-	12,909	
Printing and publications	1,547	-	-	-	1,547	6,386	-	6,386	7,933	
Travel	1,853	-	-	2	1,855	276	-	276	2,131	
Training and education	1,732	-	-	150	1,882	5,535	150	5,685	7,567	
Specific assistance to individuals	-	-	-	-	-	3,302	-	3,302	3,302	
Bad debt	-	-	-	292	292	-	-	-	292	
Miscellaneous	6,930	-	338	8,389	15,657	14,173	-	14,173	29,830	
Utilities	2,219	-	-	-	2,219	2,318	-	2,318	4,537	
Interest expense	-	-	-	-	-	-	-	-	-	
Rent	-	-	-	-	-	-	-	-	-	
Interpreter Expenses	418	-	-	156,249	156,667	-	-	-	156,667	
<b>Total expenses before depreciation</b>	<b>968,381</b>	<b>975</b>	<b>87,390</b>	<b>347,625</b>	<b>1,404,371</b>	<b>293,490</b>	<b>1,513</b>	<b>295,003</b>	<b>1,699,374</b>	
Depreciation	16,108	273	1,092	-	17,473	9,830	-	9,830	27,303	
<b>Total expenses</b>	<b>\$ 984,489</b>	<b>\$ 1,248</b>	<b>\$ 88,482</b>	<b>\$ 347,625</b>	<b>\$ 1,421,844</b>	<b>\$ 303,320</b>	<b>\$ 1,513</b>	<b>\$ 304,833</b>	<b>\$ 1,726,677</b>	

*See Accompanying Notes to the Financial Statements*

# Connections for Independent Living

## Notes to Financial Statements

September 30, 2022, and 2021

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### 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, the Organization routinely provides advice for the Adaptive and Inclusive Recreation Program. The Organization is also available to any other agencies that request expertise.

*Interpreting 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”).

# Connections for Independent Living

## Notes to Financial Statements

September 30, 2022, and 2021

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### ***Basis of Accounting***

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”), following the recommendations of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958, *Financial Statements for Not-for-Profit Organizations*. The financial statements, accordingly, reflect all significant receivables, payables, and other liabilities. The Organization reports information regarding its financial position and activities according to two classes of net assets:

*Without Donor Restrictions* - Net assets that are available for use in general operations and are not subject to donor (or certain grantor) restrictions. The governing board may designate from net assets without donor restrictions for an operating reserve or other purpose. The board has not designated any assets as of September 30, 2022 or 2021.

*With Donor Restrictions* - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be held in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is when the time stipulated has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

### ***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, 2022 and 2021, investments consist of money market funds held for long-term purposes. 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.

# Connections for Independent Living

## Notes to Financial Statements

September 30, 2022, and 2021

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### ***Fair Value Measurements - continued***

The mutual funds are deemed to be a level 1 investment.

### ***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 did not have any amounts on deposit in excess of federally insured limits at September 30, 2022 and 2021.

### ***Advertising***

Advertising costs are expensed as incurred. Advertising expenses were \$40,703 and \$1,272 for the years ended September 30, 2022, and 2021 respectively.

### ***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, 2022 and 2021. 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, 2022 and 2021.

### ***Service Fee Receivable***

Service fees receivable are recorded when all performance obligations for the related service have been met. These amounts 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. No allowance was considered necessary as of September 30, 2022 and 2021. During the years ended September 30, 2022 and 2021, there were certain specific service fees receivable related to several vendors that were deemed to be uncollectible and bad debt expense was recorded.

### ***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:

# Connections for Independent Living

## Notes to Financial Statements

September 30, 2022, and 2021

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### ***Property and Equipment-continued***

<b>Description</b>	<b>Estimated lives</b>
Building and improvements	15-40 years
Furniture and equipment	5-10 years

Maintenance and repairs expensed as they are 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.

### ***Revenue Recognition***

On October 1, 2020, the Organization 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 Organization accounts for contract revenue in accordance with the new revenue standards, which requires the Organization 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 Organization expects to receive in exchange for those goods or services. The Organization adopted the new revenue standard retrospectively and there were no significant adjustments recognized.

Additionally, on October 1, 2020, the Organization 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 Organization adopted the new revenue standard retrospectively and there were no significant adjustments recognized.

### ***Program Service Fees***

Program service fee revenue consists of fee for service revenue related to housing and sign language interpreting services. Program service fees are considered exchange transactions, which are subject to ASC 606.

The Organization receives a fee from the Colorado Division of Housing to assist individuals in processing housing vouchers for Section 8 housing. The Organization receives a set amount per voucher processed. The performance obligation is the processing of the voucher, and revenue is recorded monthly based on the number of vouchers processed and the agreed upon revenue per voucher, including those billed and unbilled. Amounts

# Connections for Independent Living

## Notes to Financial Statements

September 30, 2022, and 2021

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### *Program Service Fees-continued*

received prior to meeting the performance obligation are included in deferred revenue. As of September 30, 2022 and 2021, there were no amounts received prior to meeting the performance obligation.

The Organization provides sign language interpretive services to other organizations. The performance obligation is providing the interpretive service, and revenue is recognized when the service is provided at the agreed-upon contractual rate. Revenue is recognized when the service is provided. Amounts received prior to meeting the performance obligation are included in deferred revenue. As of September 30, 2022 and 2021, there were no amounts received prior to meeting the performance obligation.

### *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 on the existence and nature of any donor restrictions. Contributions are recorded when cash or unconditional promises to give have been received or ownership of the donated assets to be used directly in operations is transferred. Conditional contributions were 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.

### *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.

During the year ended September 30, 2022, the organization received the following in-kind contributions:

<b>In-Kind Donation</b>	
Services	\$ 28,617
Goods	495
Total In-Kind Donation	<u>\$ 29,112</u>

# Connections for Independent Living

## Notes to Financial Statements

September 30, 2022, and 2021

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### ***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 the estimated usage 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.

### ***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, 2022 and 2021.

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 2018.

### ***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 Issued Accounting Pronouncements***

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, 2021, and interim period with fiscal years beginning after December 15, 2021. Management is currently evaluating the impact of adoption of this standard on its financial statements.

In September 2020, the FASB issued ASU 2020-07, Topic 958, *Not-for-Profit-Entities*. The purpose of this ASU is to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The new guidance is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Management is currently evaluating the impact of adoption of this standard on its financial statements.

# Connections for Independent Living

## Notes to Financial Statements

September 30, 2022, and 2021

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### 2. Availability of Resources and Liquidity

The Organization's goal is 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, 2022, approximate 4 months of expenses. Additionally, as further described in Note 3, the COVID -19 outbreak adds uncertainty as to the impact on the Organization's future funding.

	2022	2021
Cash and cash equivalents	\$ 56,823	\$ 144,001
Investments	9,823	6,804
Service fees receivable	22,832	81,707
Grants receivable	78,148	54,695
Financial assets	167,626	287,207
Less: amounts restricted for specific purpose	-	(15,698)
Financial assets available to meet general expenditures over the next year	\$ 167,626	\$ 271,509

### 3. Net Assets

During the year ended September 30, 2021, contributions of \$25,000 were received that were restricted by the donor for a specific program. During the year ended September 30, 2021, \$9,302 were used to meet that specific program. Net assets with donor restrictions as of September 30, 2021, was \$15,698. As of and for the year ended September 30, 2022, there were no net assets with donor restrictions.

During the year ended September 30, 2022, there were no additional restricted contributions received by a donor for a specific program. The \$15,698 fiscal year beginning balance was used to meet that specific program.

### 4. Retirement Plan

The Organization established a Section 403(b) Retirement Plan for all eligible employees. All employees are eligible to participate in this plan after one full year of service or 1,000 hours. The Organization contributed \$25,408 and \$13,349 to employee accounts for the years ended September 30, 2022, and 2021, respectively.



# Connections for Independent Living

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### 5. Concentrations

The following table presents concentrations of grants receivables and revenue as of, and for the years ended, September 30, 2022, and 2021. There were no concentrations of program service fee revenue or receivables.

<u>Years Ended September 30,</u>	<u>2022</u>	<u>2021</u>
<b>Revenue and support</b>		
State of Colorado Grants	56%	53%
Federal Grants	19%	10%
<b>Accounts Receivable</b>		
University of Northern Colorado	45%	42%
Colorado Dept of Labor	38%	0%
Medical Center of the Rockies	0%	23%
<b>Grant Receivables</b>		
State of Colorado Grants	0%	100%

### 6. Subsequent Events

In accordance with ASC 855, *Subsequent Events*, the Organization has evaluated subsequent events through February 23, 2023, which is the date the financial statements were available to be issued. Other than events identified below, no additional subsequent events were identified.