



Connections for Independent Living

Financial Statements

For the Years Ended September 30, 2023, and 2022

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, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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, 2023 and 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.

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.

SCHLENKER & CANTWELL, P.A.

Certified Public Accountants

January 22, 2024

Albuquerque, New Mexico

Connections for Independent Living

Statements of Financial Position

<i>Years Ended September 30,</i>	2023	2022
Assets		
Current assets		
Cash and cash equivalents	\$ 56,476	\$ 56,823
Investments	12,048	9,824
Grants receivable	71,580	78,148
Service fees receivable, net	62,632	22,832
Prepaid expenses and other assets	5,480	5,474
Total current assets	208,216	173,101
Property and equipment		
Land	70,600	70,600
Building and improvements	638,644	638,644
Furniture and equipment	78,493	75,012
Less: accumulated depreciation	(253,917)	(228,413)
Total property and equipment	533,820	555,843
Total assets	742,036	728,944
Liabilities and net assets		
Current liabilities		
Accounts payable	53,861	25,310
Accrued wages payable	27,050	10,815
Accrued compensated absences	8,140	39,707
Deferred revenue	6,248	11,238
Other accrued liabilities	1,126	693
Total current liabilities	96,425	87,763
Total Liabilities	96,425	87,763
Net assets		
Net assets without donor restrictions	645,611	641,181
Total net assets	645,611	641,181
Total liabilities and net assets	\$ 742,036	\$ 728,944

See accompanying notes to the financial statements.

Connections for Independent Living

Statements of Activities

<i>Years Ended September 30,</i>	2023	2022
Revenues and gains		
Program service fees	\$ 335,204	\$ 292,965
In-kind Donations	90,228	29,112
Grants and Contributions	997,673	1,091,719
Investment Income	2,268	3,554
Miscellaneous	408	591
Total revenues and gains	1,425,781	1,417,941
Expenses		
Program services		
Independent living	876,941	930,771
Interpreter Services	350,335	292,996
Housing DOH	91,419	71,843
Community Transitions	155	45
Outdoor Equity	5,547	-
Veterans Independence	2,429	-
Digital Equity	5,715	-
Total program services	1,332,541	1,295,655
Support services		
Management and general	88,810	93,727
Fundraising	-	12
Total support services	88,810	93,739
Total expenses	1,421,351	1,389,394
Change in net assets	4,430	28,547
Net assets at beginning of year	641,181	612,634
Net assets at end of year	\$ 645,611	\$ 641,181

See accompanying notes to the financial statements.

Connections for Independent Living

Statements of Cash Flow

<i>Years Ended September 30,</i>	2023	2022
Cash flows from operating activities		
Change in net assets	\$ 4,430	\$ 28,549
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	25,504	25,610
Forgiveness of PPP Loan	433	(178,476)
Net realized and unrealized gain on investments	(2,225)	(3,019)
(Increase) decrease in operating assets:		
Service fees receivable	(39,800)	58,875
Grants receivable	6,566	(23,453)
Prepaid Expense and other Assets	-	(502)
Increase (decrease) in operating liabilities:		
Accounts payable	28,550	(2,286)
Accrued expenses	(15,334)	(3,715)
Deferred Revenue	(4,991)	11,239
Net cash flows from operating activities	3,133	(87,178)
Cash flows from investing activities		
Purchase of property and equipment	(3,480)	-
Net cash flows from investing activities	(3,480)	-
Change in cash and cash equivalents	(347)	(87,178)
Cash and cash equivalents at beginning of year	56,823	144,001
Cash and cash equivalents at end of year	\$ 56,476	\$ 56,823

See accompanying notes to the financial statements.

Connections for Independent Living

Statements of Functional Expenses

Year Ended September 30, 2023	Program Services								Supporting Services			
	Independent Living	Community Transitions	Housing DOH	Interpreter Services	Outdoor Equity	Veterans Independence	Digital Equity	Total Program Services	Management and General	Fund Raising	Total Support Services	Total Expenses
Personnel expenses	\$ 720,251	\$ 152	\$ 62,200	\$ 104,563	\$ 4,364	\$ 2,135	\$ -	\$ 893,665	\$ 14,524	\$ -	\$ 14,524	\$ 908,189
Professional fees	75,095	-	262	362	-	-	-	75,719	26,619	-	26,619	102,338
Supplies	10,565	-	659	37	179	15	-	11,455	12,197	-	12,197	23,652
Telephone	9,418	-	2,633	850	151	-	-	13,052	3,960	-	3,960	17,012
Postage and shipping	32	-	1,192	-	-	-	-	1,224	55	-	55	1,279
Insurance	9,822	-	-	-	-	-	-	9,822	8,371	-	8,371	18,193
Repairs and maintenance	5,104	-	144	-	36	-	-	5,284	1,291	-	1,291	6,575
Printing and publications	3,359	-	21	90,228	330	-	-	93,938	214	-	214	94,152
Travel	1,167	-	87	-	40	190	-	1,484	494	-	494	1,978
Training and education	6,819	-	742	-	50	-	5,613	13,224	3,577	-	3,577	16,801
Specific assistance to individuals	5,055	-	-	-	-	-	-	5,055	-	-	-	5,055
Bad debt	-	-	-	3,146	-	-	-	3,146	-	-	-	3,146
Miscellaneous	11,807	-	200	3,160	298	46	-	15,511	8,974	-	8,974	24,485
Utilities	2,711	-	-	-	-	-	-	2,711	2,872	-	2,872	5,583
Housing Deposit Grant Expense	-	-	21,639	-	-	-	-	21,639	-	-	-	21,639
Interpreter expenses	-	-	-	141,702	-	-	-	141,702	4,068	-	4,068	145,770
Total expenses before depreciation	861,205	152	89,779	344,048	5,448	2,386	5,613	1,308,631	87,216	-	87,216	1,395,847
Depreciation	15,736	3	1,640	6,287	99	43	102	23,910	1,594	-	1,594	25,504
Total expenses	\$ 876,941	\$ 155	\$ 91,419	\$ 350,335	\$ 5,547	\$ 2,429	\$ 5,715	\$ 1,332,541	\$ 88,810	\$ -	\$ 88,810	\$ 1,421,351

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	Outdoor Equity	Veterans Independence	Digital Equity	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	
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

Notes to Financial Statements

September 30, 2023, and 2022

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, 2023, and 2022

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, 2023 or 2022.

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, 2023 and 2022, 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, 2023, and 2022

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, 2023 and 2022.

Advertising

Advertising costs are expensed as incurred. Advertising expenses were \$94,152 and \$40,703 for the years ended September 30, 2023, and 2022 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, 2023 and 2022. 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 no allowance was necessary as of September 30, 2023 and 2022.

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, 2023 and 2022. During the years ended September 30, 2023 and 2022, 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, 2023, and 2022

Property and Equipment-continued

Description	Estimated lives
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.

Adoption of New Accounting Standards - Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, Leases (ASC 842). This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

Leases

The Organization determines if an arrangement is a lease at inception. Operating leases are included in right-of-use ("ROU") assets - operating and lease liability - operating, and finance leases are included in right-of-use ("ROU") assets - financing and lease liability - financing in the statements of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as an expense as incurred and these leases are not included as lease liabilities or right-of-use assets on the statements of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities. There were no leases that met the requirements of capitalization for ASC-842

Connections for Independent Living

Notes to Financial Statements

September 30, 2023, and 2022

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 received prior to meeting the performance obligation are included in deferred revenue. As of September 30, 2023 and 2022, 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, 2023 and 2022, 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

Connections for Independent Living

Notes to Financial Statements

September 30, 2023, and 2022

Grants and Contributions - continued

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, 2023, the organization received the following in-kind contributions:

In-Kind Donation	2023	2022
Services	\$ 90,228	\$ 28,617
Goods	-	495
	-	-
Total In-Kind Donation	\$ 90,228	\$ 29,112

Adoption of New Accounting Standards - Contributed Nonfinancial Assets

In September 2020, FASB issued amended guidance for contributed nonfinancial assets with ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958). The guidance requires the presentation of contributed nonfinancial assets as a separate line item in the statement of activities, disclosure of the disaggregated amount by type, and disclosure of qualitative information about whether the contributed nonfinancial assets were monetized or utilized during the reporting period as well as a description of the programs or other activities in which the assets were used. The guidance also requires disclosure of any donor-imposed restrictions and a description of valuation techniques. The Organization adopted ASU 2020-07 for the year ending September 30, 2023. Total in-kind professional services were \$90,228 and \$29,112 for the years ended September 30, 2023, and 2022, respectively.

Connections for Independent Living

Notes to Financial Statements

September 30, 2023, and 2022

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, 2023 and 2022.

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.

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, 2023, 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.

	2023	2022
Cash and cash equivalents	\$ 56,476	\$ 56,823
Investments	12,048	9,824
Service fees receivable	62,632	22,832
Grants receivable	71,580	78,148
Financial assets available to meet general expenditures over the next year	\$ 202,736	\$ 167,627

Connections for Independent Living

Notes to Financial Statements

September 30, 2023, and 2022

3. Net Assets

During the year ended September 30, 2023, there were no restricted contributions received by a donor for a 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 \$35,546 and \$25,408 to employee accounts for the years ended September 30, 2023, and 2022, respectively.

5. Concentrations

The following table presents concentrations of grants receivables and revenue as of, and for the years ended, September 30, 2023, and 2022. There were no concentrations of program service fee revenue or receivables.

<i>Years Ended September 30,</i>	2023	2022
Revenue and support		
State of Colorado Grants	74%	56%
Federal Grants	21%	19%
Accounts Receivable		
University of Northern Colorado	0%	45%
Colorado Dept of Labor	45%	38%
Center for People With Disabilities	5%	0%
Grant Recievables		
State of Colorado Grants	2%	0%

6. Subsequent Events

In accordance with ASC 855, *Subsequent Events*, the Organization has evaluated subsequent events through January 22, 2024, which is the date the financial statements were available to be issued. Other than events identified below, no additional subsequent events were identified.