

Financial Statements and
Independent Auditor's Report

**Eastern Colorado Services for the
Developmentally Disabled, Inc.
dba Eastern Colorado Services**

June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Eastern Colorado Services for the Developmentally
Disabled, Inc. dba Eastern Colorado Services

We have audited the accompanying financial statements of Eastern Colorado Services for the Developmentally Disabled, Inc. dba Eastern Colorado Services (the Center), which comprise the statement of financial position as of June 30, 2021, and the related statements 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 from 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 that 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 Eastern Colorado Services for the Developmentally Disabled, Inc. dba Eastern Colorado Services as of June 30, 2021, 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.

Report on Summarized Comparative Information

We have previously audited the Center's 2020 financial statements, and our report dated October 23, 2020, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The summary of revenues, support and expenses by program on pages 22 through 25 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information on pages 22 through 25 is fairly stated in all material respects in relation to the financial statements as a whole.

Logan, Thomas + Johnson, LLC

Broomfield, Colorado
October 26, 2021

Financial Statements

Eastern Colorado Services for the Developmentally Disabled, Inc.
 dba Eastern Colorado Services
 STATEMENT OF FINANCIAL POSITION
 June 30, 2021
 (With summarized financial information as of June 30, 2020)

	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 3,565,703	\$ 3,802,133
Accounts receivable		
Fees and grants from governmental agencies	1,208,629	1,002,535
Vocational contracts and other	46,878	19,484
Prepaid expenses and other	39,162	35,353
Workshop inventory	8,752	8,630
Total current assets	4,869,124	4,868,135
Restricted cash funds held for others	103,407	159,017
Land, buildings and equipment, net	2,297,699	2,488,815
Total assets	\$ 7,270,230	\$ 7,515,967
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 841,062	\$ 875,042
Funds held for others	103,407	159,017
Current portion of loans payable	-	533,065
Total current liabilities	944,469	1,567,124
Long-term debt, net of current portion		
Loans payable	-	650,969
Total liabilities	944,469	2,218,093
Net assets		
Without donor restrictions		
Net investment in land, buildings and equipment	2,297,699	2,488,815
Funds held for others	103,407	159,017
Undesignated	3,924,655	2,650,042
Total net assets without donor restrictions	6,325,761	5,297,874
Total liabilities and net assets	\$ 7,270,230	\$ 7,515,967

The accompanying notes are an integral part of this statement.

Eastern Colorado Services for the Developmentally Disabled, Inc.
dba Eastern Colorado Services
STATEMENT OF ACTIVITIES
Year ended June 30, 2021
(With summarized financial information for the year ended June 30, 2020)

	Without donor restrictions	
	2021	2020
Revenues and support		
Fees and grants from governmental agencies		
Fees for services		
State of Colorado		
State General Fund	\$ 887,182	\$ 1,045,539
Medicaid	6,693,859	7,162,876
Counties and cities	210,156	216,001
Grants and other		
Other	2,107	6,107
Total fees and grants from governmental agencies	7,793,304	8,430,523
Public support – contributions	36,077	9,167
Residential room and board	576,047	588,396
Other revenue	207,210	351,915
Total revenues and support	8,612,638	9,380,001
Expenses		
Program services		
Medicaid comprehensive	6,585,354	6,751,535
State adult supported living	30,909	86,365
Medicaid adult supported living	84,162	319,511
Children's extensive support	7,780	25,609
Early intervention	420,568	557,955
Family support	103,784	79,278
Case management	961,596	892,100
Total program services	8,194,153	8,712,353
Supporting services		
Management and general	588,676	544,030
Total expenses	8,782,829	9,256,383
CHANGE IN NET ASSETS BEFORE OTHER CHANGES	(170,191)	123,618
Forgiveness of PPP loan and accrued interest	1,198,078	-
CHANGE IN NET ASSETS	1,027,887	123,618
Net assets, beginning of year	5,297,874	5,174,256
Net assets, end of year	\$ 6,325,761	\$ 5,297,874

The accompanying notes are an integral part of this statement.

Eastern Colorado Services for the Developmentally Disabled, Inc.
 dba Eastern Colorado Services
 STATEMENT OF FUNCTIONAL EXPENSES
 Year ended June 30, 2021
 (With summarized financial information for the year ended June 30, 2020)

	Program Services			
	Medicaid comprehen- sive	State adult supported living	Medicaid adult supported living	Children's extensive support
Expenses				
Salaries, benefits and taxes	\$ 5,018,564	\$ 5,691	\$ 54,791	\$ -
Professional services	406,144	-	-	-
Staff development and travel	5,809	13	130	-
Vehicles	112,131	147	1,453	-
Occupancy and equipment	227,677	241	2,391	-
Supplies	187,393	188	1,868	7,780
Other	59,085	392	20,249	-
Food	185,112	-	-	-
Insurance	141,581	134	1,330	-
Interest	-	-	-	-
Purchased services	-	23,806	-	-
Depreciation	241,858	297	1,950	-
Total expenses	<u>\$ 6,585,354</u>	<u>\$ 30,909</u>	<u>\$ 84,162</u>	<u>\$ 7,780</u>

The accompanying notes are an integral part of this statement.

Program Services

Early interven- tion	Family support	Case manage- ment	Management and general	Total	
				2021	2020
\$141,788	\$ -	\$841,223	\$ 462,967	\$ 6,525,024	\$ 6,690,018
268,812	-	4,260	5,941	685,157	899,439
412	-	3,646	507	10,517	21,309
-	-	3,952	984	118,667	187,953
1,803	-	25,806	5,669	263,587	262,629
3,281	60	45,582	44,351	290,503	349,718
1,591	103,598	17,480	43,494	245,889	226,026
-	-	-	-	185,112	179,359
418	-	6,998	3,084	153,545	129,556
-	-	-	11,807	11,807	2,236
-	-	-	-	23,806	43,498
2,463	126	12,649	9,872	269,215	264,642
<u>\$420,568</u>	<u>\$103,784</u>	<u>\$961,596</u>	<u>\$ 588,676</u>	<u>\$ 8,782,829</u>	<u>\$ 9,256,383</u>

The accompanying notes are an integral part of this statement.

Eastern Colorado Services for the Developmentally Disabled, Inc.
dba Eastern Colorado Services
STATEMENT OF CASH FLOWS
Year ended June 30, 2021

(With summarized financial information for the year ended June 30, 2020)

	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 1,027,887	\$ 123,618
Adjustments to reconcile the change in net assets to net cash provided by (used in) operating activities		
Depreciation	269,215	264,642
(Gain) loss on disposal of land, buildings and equipment	(2,800)	68,967
Gain on insurance proceeds for damage to buildings and vehicles	-	(3,314)
Gain on forgiveness of PPP loan	(1,184,034)	-
Change in assets and liabilities		
(Increase) decrease in accounts receivable	(233,488)	120,348
Increase in prepaid expenses	(3,809)	(11,432)
Increase in inventories	(122)	(584)
Increase (decrease) in accounts payable and accrued expenses	(36,382)	157,862
Net cash provided by (used in) operating activities	(163,533)	720,107
Cash flows from investing activities		
Purchase of land, buildings and equipment	(78,099)	(232,698)
Payments from accounts payable for fixed assets	(53,208)	-
Proceeds from disposal of land, buildings and equipment	2,800	1,200
Insurance proceeds received for damage to buildings and vehicles	-	49,682
Net cash used in investing activities	(128,507)	(181,816)
Cash flows from financing activities		
Proceeds from loans payable	-	1,184,034
Net cash provided by financing activities	-	1,184,034
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	(292,040)	1,722,325
Cash, cash equivalents, and restricted cash at beginning of year	3,961,150	2,238,825
Cash, cash equivalents, and restricted cash at end of year	\$ 3,669,110	\$ 3,961,150
Noncash investing and financing activities		
Forgiveness of PPP loan and accrued interest	\$ 1,198,078	\$ -
Fixed asset additions in accounts payable	\$ -	\$ 53,208

The accompanying notes are an integral part of this statement.

Eastern Colorado Services for the Developmentally Disabled, Inc.
dba Eastern Colorado Services
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This description of Eastern Colorado Services for the Developmentally Disabled, Inc. dba Eastern Colorado Services' (the Center) nature of activities and summary of significant accounting policies is presented to assist in understanding the Center's financial statements.

1. *Summary of Business Activities*

Eastern Colorado Services for the Developmentally Disabled, Inc., a Colorado nonprofit corporation, was incorporated under the laws of the State of Colorado in 1973 for the purpose of providing a community center board to coordinate programs through interagency cooperation and local agencies to provide services to persons with developmental disabilities in various Colorado counties. The Board of Directors approved a change to the Center's name to Eastern Colorado Services for the Developmentally Disabled, Inc. dba Eastern Colorado Services, a Colorado nonprofit corporation, on January 31, 2013 to more accurately represent the broader populations served. The Center's revenue comes primarily from the State of Colorado for services provided.

2. *Description of Services Provided*

The major program services or supports and functional activities directly provided or purchased by the Center are:

Program Services or Supports

Comprehensive (Medicaid) refers to residential services, adult day services or supports and transportation activities as specified in the eligible person's Individualized Plan (IP). Included are a number of different types of residential settings, which provide an array of training, learning, experiential and support activities provided in residential living alternatives designed to meet individual needs. Additionally, adult day services provide opportunities for individuals to experience and actively participate in valued roles in the community. These services and supports enable individuals to access and participate in typical community activities such as work, recreation, and senior citizen activities. Finally, transportation activities refer to "Home to Day Program transportation" services relevant to an individual's work schedule as specified in the IP. For these purposes, "work schedule" is defined broadly to include adult and retirement activities such as education, training, community integration and employment.

Adult Supported Living (State and Medicaid) provides individualized living services for persons who are responsible for their own living arrangements in the community.

Eastern Colorado Services for the Developmentally Disabled, Inc.
dba Eastern Colorado Services
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. *Description of Services Provided (Continued)*

Program Services or Supports (Continued)

Children's Extensive Support is a deeming waiver (only the child's income is considered in determining eligibility) intended to provide needed services and supports to eligible children under the age of eighteen years in order for the children to remain in or return to the family home. Waiver services are targeted to children having extensive support needs, which require constant line-of-sight supervision due to significantly challenging behaviors and/or co-existing medical conditions. Available services include personal assistance, household modification, specialized medical equipment and supplies, professional services and community connection services.

Early Intervention is support for children from birth through age two which offers infants and toddlers and their families services and supports to enhance child development in the areas of cognition, speech, communication, physical, motor, vision, hearing, social-emotional development, and self help skills; parent-child or family interaction; and early identification, screening and assessment services.

Family Support provides an array of supportive services to the person with a developmental disability and his/her family when the person remains within the family home, thereby preventing or delaying the need for out-of-home placement which is unwanted by the person or the family.

Case Management is the determination of eligibility for services and supports, service and support coordination, and the monitoring of all services and supports delivered pursuant to the IP, and the evaluation of results identified in the IP.

Supporting Services

Management and General includes those activities necessary for planning, coordination, and overall direction of the organization, financial administration, general board activities and other related activities indispensable to the Center's corporate existence.

3. *Basis of Accounting*

Financial statements of the Center have been prepared on the accrual basis, whereby revenue is recorded when services are performed and expenses are recognized when incurred.

Eastern Colorado Services for the Developmentally Disabled, Inc.
dba Eastern Colorado Services
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. *Use of Estimates*

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, support and expenses during the reporting period. Actual results could differ from those estimates.

5. *Subsequent Events*

The Center has evaluated events and transactions occurring subsequent to the end of the fiscal year for potential recognition or disclosure through October 26, 2021, the date on which the financial statements were issued, and the Center did not identify any events or transactions that would have a material impact on the financial statements.

6. *Cash and Cash Equivalents and Restricted Cash*

The Center considers cash to be cash on hand and cash on deposit, subject to immediate withdrawal, and cash equivalents to be certificates of deposit with an original maturity of three months or less. Restricted cash consists of monies held for individuals receiving the Center's services. The Center maintains its cash balances in various financial institutions, which at times, may exceed federally insured limits. The Center has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

7. *Accounts Receivable*

The majority of the Center's accounts receivable is due from the State of Colorado. Accounts receivable are due according to contractual terms and are stated at the amount management expects to collect from outstanding balances. The Center believes all receivables are collectible and that no allowance for doubtful accounts is necessary. The Center writes off accounts receivable to bad debt expense after reasonable collection efforts have been made. Payments subsequently received on such receivables, if any, are recorded as other revenue.

8. *Workshop Inventory*

The cost of inventories of workshop supplies was determined principally on a first-in, first-out method under the lower of cost or market method of accounting.

Eastern Colorado Services for the Developmentally Disabled, Inc.
dba Eastern Colorado Services
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. *Land, Buildings and Equipment*

Land, buildings and equipment acquired in excess of \$5,000 are capitalized at cost for purchased assets and at estimated fair value, at the date of receipt, for donated property. Depreciation is provided on the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	20–40
Building improvements	5-15
Administrative equipment	3–5
Program equipment	3–5
Transportation equipment	3–5

10. *Revenue Recognition*

Revenue is reported at the amount that reflects the consideration to which the Center expects to be entitled in exchange for providing services. Program revenue consists primarily of funds received from the State of Colorado for Medicaid and other services, miscellaneous smaller grants and awards from federal, state, county and municipal sources. Billings for services are billed after the services are performed. As performance obligations are satisfied, revenue is recognized.

Performance obligations are determined based on the nature of the services provided. As performance obligations are satisfied over time, revenue is recognized based on when related services are performed. This method provides for the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligations. Revenue received in advance is deferred to the applicable period in which the related program services are performed and at which time will be recognized in the period in which the related services are performed. Transaction price is based on standard charges for services provided, which is set by the State of Colorado.

11. *Accounting for Contributions*

All contributions are considered to be without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods, or are restricted by the donor for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises to give, which do not state a due date, are presumed to be time-restricted by the donor until received and are reported as net assets with donor restrictions.

Eastern Colorado Services for the Developmentally Disabled, Inc.
dba Eastern Colorado Services
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. *Accounting for Contributions (Continued)*

A donor restriction expires when a stipulated time restriction ends, when an unconditional promise with an implied time restriction is collected, or when a purpose restriction is accomplished. Upon expiration, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. Restricted contributions received in the same year in which the restrictions are met are recorded as an increase in net assets without donor restrictions.

12. *Change in Accounting Policy*

As of July 1, 2020, the Center adopted the provisions of Accounting Standards Update (ASU) 2018-08, *Not-for Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The updated standard clarifies and improves the scope and the accounting guidance for contributions received and contributions made. The Center implemented ASU 2018-08 and there was no effect on the financial statements. Prior to July 1, 2020, the Center had implemented ASU 2018-08 where it was a resource recipient.

13. *Income Taxes*

The Center is operated as a nonprofit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Center recognizes tax liabilities when, despite the Center's belief that its tax return positions are supportable, the Center believes that certain positions may not be fully sustained upon review by tax authorities. Benefits from tax positions are measured at the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement. The Center has concluded there is no tax liability or benefit required to be recorded as of June 30, 2021. The Center is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods. The Center believes it is no longer subject to income tax examinations for the years prior to the year ended June 30, 2018.

14. *Functional Allocation of Expenses*

The costs of supporting various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Certain costs have been allocated to program and management and general based on estimates of number of employees per department and mileage.

Eastern Colorado Services for the Developmentally Disabled, Inc.
dba Eastern Colorado Services
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

15. *Recent Accounting Pronouncements*

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The most significant change for lessees is the requirement under the new guidance to recognize right-of-use assets and lease liabilities for all leases not considered short-term leases. Changes to the lessor accounting model include: (a) synchronizing key aspects of the model with the new revenue recognition guidance, such as basing whether a lease is similar to a sale or whether control of the underlying asset has transferred to the lessee and (b) prospectively eliminating the specialized accounting for leveraged leases. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The ASU will be effective for fiscal years beginning after December 15, 2019, with early adoption permitted. In November 2019, the FASB issued ASU 2019-10, which defers the effective date of ASU 2016-02 one year, making it effective for annual reporting periods beginning after December 15, 2020. In June 2020, the FASB issued ASU 2020-05, which allows certain entities the option to delay the adoption by one year, making it effective for annual reporting periods beginning after December 15, 2021. The Center is in the process of evaluating the impact of this new guidance.

NOTE B – CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position that sum to the total of the same such amounts shown in the statement of cash flows.

Cash and cash equivalents	\$ 3,565,703
Restricted cash	<u>103,407</u>
	\$ <u>3,669,110</u>

NOTE C – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Eastern Colorado Services for the Developmentally Disabled, Inc.
dba Eastern Colorado Services
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE C – LIQUIDITY AND AVAILABILITY (CONTINUED)

Cash and cash equivalents	\$ 3,565,703
Accounts receivable	<u>1,255,507</u>
	\$ <u>4,821,210</u>

As a part of the Center’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE D – LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment consists of the following at June 30, 2021:

Buildings and improvements	\$ 4,122,833
Administrative equipment	658
Program equipment	184,177
Transportation equipment	<u>920,306</u>
	5,227,974
Less accumulated depreciation and amortization	<u>3,221,228</u>
	2,006,746
Land	<u>290,953</u>
	\$ <u>2,297,699</u>

Depreciation expense was \$269,215 for the year ended June 30, 2021.

NOTE E – LOANS PAYABLE AND LINE OF CREDIT

On April 17, 2020, the Center obtained an unsecured loan of \$1,184,034 through the Paycheck Protection Program (PPP) from a financial institution with a fixed rate of 1.00%. Under the CARES Act, the Center must submit a Loan Forgiveness Application and meet various criteria as defined in the Paycheck Protection Flexibility Act in order for the loan to be potentially be forgiven. On June 23, 2021, the \$1,184,034 loan and accrued interest of \$14,044 were forgiven.

The Center established a \$100,000 unsecured line of credit with a bank at an annual interest rate of prime plus 2% to be no less than 5%. The line of credit matured on April 5, 2021 and was not renewed.

Interest expense for the year ended June 30, 2021 was \$11,807.

Eastern Colorado Services for the Developmentally Disabled, Inc.
dba Eastern Colorado Services
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE F – LEASES

The Center leases numerous case management offices, and an adult day facility under operating lease arrangements which expire through fiscal year 2022. Rental expense under these leases for the year ended June 30, 2021 was \$12,308.

NOTE G – TAX DEFERRED ANNUITY PLAN

The Center has adopted an Employees' Tax Deferred Annuity 403(b) Plan to which both the Center and eligible employees contribute. Center contributions are 5% of the employees' compensation. All employees who have completed one year of service and have reached the age of eighteen are eligible for employer contributions. The Center's contribution for the year ended June 30, 2021 totaled \$178,342.

NOTE H – FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated included utilities, telephone, supplies, and equipment, which are allocated on the basis of number of employees per department. Transportation costs including gas and oil, vehicle insurance and vehicle repairs and maintenance are allocated to each program based on the mileage used.

NOTE I – RELATED PARTY TRANSACTIONS

The Center receives a substantial amount of revenue from the State of Colorado. The amount of receivables the Center has from the State of Colorado as of June 30, 2021 totaled \$1,116,524. The Center has a payable to the State of Colorado in the amount of \$32,601 which is recorded in accounts payable and accrued expenses. These transactions are considered to be transactions with a related party by virtue of the significant management influence exercised by the State of Colorado through contract provisions.

NOTE J – RISKS AND UNCERTAINTIES

In March 2020, the World Health Organization declared coronavirus (COVID-19) a global pandemic. This contagious disease outbreak has adversely affected workforces, customers, economies, and financial markets globally. This outbreak could adversely affect the

Eastern Colorado Services for the Developmentally Disabled, Inc.
dba Eastern Colorado Services
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE J – RISKS AND UNCERTAINTIES (CONTINUED)

Center's ability to provide services, and reduce funding sources available. It is not possible for the Center to predict the duration or magnitude of the adverse results of the outbreak and its effects on the organization's activities or results of operations, financial condition, or liquidity, at this time.

Supplementary Information

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Eastern Colorado Services for the Developmentally Disabled, Inc.
dba Eastern Colorado Services
SUMMARY OF REVENUES, SUPPORT AND EXPENSES BY PROGRAM
Year ended June 30, 2021
(With summarized financial information for the year ended June 30, 2020)

	<u>Program Services</u>		
	<u>Non specified</u>	<u>Medicaid comprehen- sive</u>	<u>State adult supported living</u>
Revenues and support			
Fees and grants from governmental agencies			
Fees for services			
State of Colorado			
State General Fund	\$ -	\$ -	\$ 30,713
Medicaid	-	6,007,382	-
Counties and cities	210,156	-	-
Grants and other			
Other	-	68	-
Total fees and grants from governmental agencies	<u>210,156</u>	<u>6,007,450</u>	<u>30,713</u>
Public support - contributions	36,077	-	-
Residential room and board	-	576,047	-
Other revenue	5,576	117,117	659
Total revenues and support	<u>\$251,809</u>	<u>\$ 6,700,614</u>	<u>\$ 31,372</u>
Expenses			
Salaries			
Direct care	\$ -	\$ 2,831,941	\$ 2,705
Other	-	1,271,768	1,895
Payroll taxes	-	517,497	663
Employee benefits	-	397,358	428
Total personal services	<u>-</u>	<u>5,018,564</u>	<u>5,691</u>
Medical professional services			
Other	-	45,427	-
Other professional services	-	360,717	-
Staff development	-	2,443	-
Staff travel	-	3,366	13

Program Services

Medicaid adult supported living	Children's extensive support	Early interven- tion	Family support	Case manage- ment	Management and general	Total	
						2021	2020
\$ -	\$ -	\$256,802	\$109,288	\$ 336,795	\$ 153,584	\$ 887,182	\$ 1,045,539
88,217	7,990	-	-	540,655	49,615	6,693,859	7,162,876
-	-	-	-	-	-	210,156	216,001
-	-	-	-	2,039	-	2,107	6,107
88,217	7,990	256,802	109,288	879,489	203,199	7,793,304	8,430,523
-	-	-	-	-	-	36,077	9,167
-	-	-	-	-	-	576,047	588,396
-	-	74,401	-	9,457	-	207,210	351,915
<u>\$ 88,217</u>	<u>\$ 7,990</u>	<u>\$331,203</u>	<u>\$109,288</u>	<u>\$ 888,946</u>	<u>\$ 203,199</u>	<u>\$ 8,612,638</u>	<u>\$ 9,380,001</u>
\$ 26,814	\$ -	\$ 41,069	\$ -	\$ -	\$ -	\$ 2,902,529	\$ 3,199,684
17,350	-	71,041	-	695,770	383,474	2,441,298	2,368,180
6,445	-	8,320	-	54,447	28,487	615,859	593,916
4,182	-	21,358	-	91,006	51,006	565,338	528,238
54,791	-	141,788	-	841,223	462,967	6,525,024	6,690,018
-	-	-	-	-	-	45,427	49,292
-	-	268,812	-	4,260	5,941	639,730	850,147
-	-	6	-	562	151	3,162	7,837
130	-	406	-	3,084	356	7,355	13,472

(Continued)

Eastern Colorado Services for the Developmentally Disabled, Inc.
dba Eastern Colorado Services
SUMMARY OF REVENUES, SUPPORT AND EXPENSES BY PROGRAM (CONTINUED)
Year ended June 30, 2021
(With summarized financial information for the year ended June 30, 2020)

	<u>Program Services</u>		
	<u>Non specified</u>	<u>Medicaid comprehen- sive</u>	<u>State adult supported living</u>
Vehicles			
Fuel and oil	\$ -	\$ 96,098	\$ 147
Maintenance	-	16,033	-
Occupancy			
Rent	-	-	-
Maintenance	-	61,125	55
Utilities	-	134,368	162
Equipment			
Maintenance	-	32,184	24
Supplies			
Production materials	-	(3,664)	-
Other	-	191,057	188
Telephone	-	51,327	90
Dues and subscriptions	-	7,758	2
Food	-	185,112	-
Insurance	-	141,581	134
Interest	-	-	-
Other	-	-	300
Total direct program expenses	-	6,343,496	6,806
Purchased services	-	-	23,806
Expenses before depreciation	-	6,343,496	30,612
Depreciation	-	241,858	297
Total expenses	<u>\$ -</u>	<u>\$ 6,585,354</u>	<u>\$ 30,909</u>

Program Services

Medicaid adult supported living	Children's extensive support	Early interven- tion	Family support	Case manage- ment	Management and general	Total	
						2021	2020
\$ 1,453	\$ -	\$ -	\$ -	\$ 3,952	\$ 984	\$ 102,634	\$ 130,591
-	-	-	-	-	-	16,033	57,362
-	-	625	-	11,683	-	12,308	18,948
543	-	121	-	539	547	62,930	56,519
1,608	-	1,057	-	8,532	4,195	149,922	158,086
240	-	-	-	5,052	927	38,427	29,076
-	-	-	-	-	-	(3,664)	5,309
1,868	7,780	3,281	60	45,582	44,351	294,167	344,409
887	-	1,591	-	17,093	6,468	77,456	78,736
16	-	-	-	75	11,159	19,010	20,322
-	-	-	-	-	-	185,112	179,359
1,330	-	418	-	6,998	3,084	153,545	129,556
-	-	-	-	-	11,807	11,807	2,236
19,346	-	-	103,598	312	25,867	149,423	126,968
82,212	7,780	418,105	103,658	948,947	578,804	8,489,808	8,948,243
-	-	-	-	-	-	23,806	43,498
82,212	7,780	418,105	103,658	948,947	578,804	8,513,614	8,991,741
1,950	-	2,463	126	12,649	9,872	269,215	264,642
<u>\$ 84,162</u>	<u>\$ 7,780</u>	<u>\$420,568</u>	<u>\$103,784</u>	<u>\$961,596</u>	<u>\$ 588,676</u>	<u>\$ 8,782,829</u>	<u>\$ 9,256,383</u>