

Financial Statements and  
Independent Auditor's Report

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

June 30, 2022

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## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

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, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Eastern Colorado Services for the Developmentally Disabled, Inc. dba Eastern Colorado Services as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis of 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our audit. We believe 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center'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 the Center'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.

#### **Report on Summarized Comparative Information**

We have previously audited the Center's 2021 financial statements, and our report dated October 26, 2022, 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, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Logan, Thomas & Johnson, LLC*

Broomfield, Colorado  
February 27, 2023

*Financial Statements*

Eastern Colorado Services for the Developmentally Disabled, Inc.  
 dba Eastern Colorado Services  
 STATEMENT OF FINANCIAL POSITION  
 June 30, 2022  
 (With summarized financial information as of June 30, 2021)

	2022	2021
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 4,104,069	\$ 3,565,703
Accounts receivable		
Fees and grants from governmental agencies	1,050,822	1,208,629
Vocational contracts and other	4,368	46,878
Prepaid expenses and other	16,680	39,162
Workshop inventory	8,780	8,752
Total current assets	5,184,719	4,869,124
Restricted cash funds held for others	124,431	103,407
Land, buildings and equipment, net	2,116,605	2,297,699
Total assets	\$ 7,425,755	\$ 7,270,230
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 821,303	\$ 841,062
Funds held for others	124,431	103,407
Total current liabilities	945,734	944,469
Total liabilities	945,734	944,469
Net assets		
Without donor restrictions		
Net investment in land, buildings and equipment	2,116,605	2,297,699
Undesignated	4,363,416	4,028,062
Total net assets without donor restrictions	6,480,021	6,325,761
Total liabilities and net assets	\$ 7,425,755	\$ 7,270,230

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, 2022  
 (With summarized financial information for the year ended June 30, 2021)

	Without donor restrictions	
	2022	2021
Revenues and support		
Fees and grants from governmental agencies		
Fees for services		
State of Colorado		
State General Fund	\$ 973,422	\$ 887,182
Medicaid	6,679,388	6,693,859
Counties and cities	324,730	210,156
Grants and other		
Other	398,973	2,107
Total fees and grants from governmental agencies	8,376,513	7,793,304
Public support – contributions	11,470	36,077
Residential room and board	526,539	576,047
Other revenue	212,066	207,210
Total revenues and support	9,126,588	8,612,638
Expenses		
Program services		
Medicaid comprehensive	6,583,600	6,585,354
State adult supported living	42,506	30,909
Medicaid adult supported living	145,469	84,162
Children's extensive support	11,245	7,780
Early intervention	532,488	420,568
Family support	71,310	103,784
Case management	962,129	961,596
Total program services	8,348,747	8,194,153
Supporting services		
Management and general	623,581	588,676
Total expenses	8,972,328	8,782,829
CHANGE IN NET ASSETS BEFORE OTHER CHANGES	154,260	(170,191)
Forgiveness of PPP loan and accrued interest	-	1,198,078
CHANGE IN NET ASSETS	154,260	1,027,887
Net assets, beginning of year	6,325,761	5,297,874
Net assets, end of year	\$ 6,480,021	\$ 6,325,761

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, 2022

(With summarized financial information for the year ended June 30, 2021)

	<b>Program Services</b>			
	Medicaid comprehen- sive	State adult supported living	Medicaid adult supported living	Children's extensive support
Expenses				
Salaries, benefits and taxes	\$ 4,937,911	\$ 6,286	\$ 109,949	\$ -
Professional services	419,359	-	-	-
Staff development and travel	10,264	59	519	-
Vehicles	147,780	155	1,346	-
Occupancy and equipment	234,363	690	5,995	-
Supplies	225,090	698	6,066	11,095
Other	56,267	401	15,137	150
Food	177,776	-	-	-
Insurance	147,802	298	2,590	-
Interest	-	-	-	-
Purchased services	-	33,373	-	-
Depreciation	226,988	546	3,867	-
Total expenses	<u>\$ 6,583,600</u>	<u>\$ 42,506</u>	<u>\$ 145,469</u>	<u>\$ 11,245</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	
				2022	2021
\$ 144,193	\$ -	\$ 818,693	\$ 502,649	\$ 6,519,681	\$ 6,525,024
374,319	-	1,380	6,780	801,838	685,157
272	-	5,120	1,776	18,010	10,517
-	-	5,584	3,013	157,878	118,667
2,478	-	19,005	7,771	270,302	263,587
6,842	-	55,837	46,317	351,945	290,503
1,387	71,152	38,903	44,099	227,496	245,889
-	-	-	-	177,776	185,112
396	-	6,210	1,698	158,994	153,545
-	-	-	-	-	11,807
-	-	-	-	33,373	23,806
2,601	158	11,397	9,478	255,035	269,215
<u>\$ 532,488</u>	<u>\$ 71,310</u>	<u>\$ 962,129</u>	<u>\$ 623,581</u>	<u>\$ 8,972,328</u>	<u>\$ 8,782,829</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, 2022  
(With summarized financial information for the year ended June 30, 2021)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ 154,260	\$ 1,027,887
Adjustments to reconcile the change in net assets to net cash provided by (used in) operating activities		
Depreciation	255,035	269,215
(Gain) loss on disposal of land, buildings and equipment	9,367	(2,800)
Gain on forgiveness of PPP loan	-	(1,184,034)
Change in assets and liabilities		
(Increase) decrease in accounts receivable	200,317	(233,488)
(Increase) decrease in prepaid expenses	22,482	(3,809)
Increase in inventories	(28)	(122)
Increase (decrease) in accounts payable and accrued expenses	1,265	(36,382)
Net cash provided by (used in) operating activities	<u>642,698</u>	<u>(163,533)</u>
Cash flows from investing activities		
Purchase of land, buildings and equipment	(86,208)	(78,099)
Payments from accounts payable for fixed assets	-	(53,208)
Proceeds from disposal of land, buildings and equipment	2,900	2,800
Net cash used in investing activities	<u>(83,308)</u>	<u>(128,507)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	559,390	(292,040)
Cash, cash equivalents, and restricted cash at beginning of year	<u>3,669,110</u>	<u>3,961,150</u>
Cash, cash equivalents, and restricted cash at end of year	<u>\$ 4,228,500</u>	<u>\$ 3,669,110</u>
Noncash investing and financing activities		
Forgiveness of PPP loan and accrued interest	\$ -	\$ 1,198,078

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, 2022

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, a Colorado nonprofit 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. Residential settings include host homes, group homes, apartment settings and family caregivers. Family caregivers are a family member who provides care to the person where the person lives. 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, 2022

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, 2022

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 February 27, 2023, 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, except for Note I.

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, 2022

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, 2022

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. *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, 2022. 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, 2019.

13. *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.

14. *Prior Year Summarized Information*

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Eastern Colorado Services for the Developmentally Disabled, Inc.  
dba Eastern Colorado Services  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

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	\$ 4,104,069
Restricted cash	<u>124,431</u>
	\$ <u>4,228,500</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, 2022

NOTE C – LIQUIDITY AND AVAILABILITY (CONTINUED)

Cash and cash equivalents	\$ 4,104,069
Accounts receivable	<u>1,055,190</u>
	\$ <u>5,159,259</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, 2022:

Buildings and improvements	\$ 4,141,630
Administrative equipment	658
Program equipment	178,487
Transportation equipment	<u>955,218</u>
	5,275,993
Less accumulated depreciation and amortization	<u>3,450,341</u>
	1,825,652
Land	<u>290,953</u>
	\$ <u>2,116,605</u>

Depreciation expense was \$255,035 for the year ended June 30, 2022.

NOTE E – LEASES

The Center leases numerous case management offices, and an adult day facility under operating lease arrangements which expired during fiscal year 2022, at which time the lease arrangement became month to month. Rental expense under these leases for the year ended June 30, 2022 was \$6,688.

NOTE F – 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, 2022 totaled \$167,671.

Eastern Colorado Services for the Developmentally Disabled, Inc.  
dba Eastern Colorado Services  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

NOTE G – 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 H – 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, 2022 totaled \$864,070. The Center has a payable to the State of Colorado in the amount of \$3,915 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 I – SUBSEQUENT EVENTS

In August 2022 the Center sold a residential facility for \$349,000.