

SIX POINTS EVALUATION AND TRAINING, INC

FINANCIAL STATEMENTS AND REPORT OF  
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

June 30, 2023

**SIX POINTS EVALUATION AND TRAINING, INC.**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Six Points Evaluation and Training, Inc.

**Opinion**

We have audited the accompanying financial statements of Six Points Evaluation and Training, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, 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 Six Points Evaluation and Training, Inc. as of June 30, 2023, and the changes in its net assets, statement of functional expenses, and its cash flows for the year 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Six Points Evaluation and Training, Inc. 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 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 Six Points Evaluation and Training, Inc.'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 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 Six Points Evaluation and Training, Inc.'s internal control. Accordingly, no such opinion is expressed.

**Certified Public Accountants**

- 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 Six Points Evaluation and Training, Inc.'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.

*Blair and Associates, P.C.*

Cedaredge, Colorado  
December 18, 2023

**SIX POINTS EVALUATION AND TRAINING, INC.**  
**Statement of Financial Position**  
**June 30, 2023 and 2022**

	2023	2022
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	\$ 244,956	\$ 286,190
Accounts receivable	32,000	46,723
Deposits	500	500
Prepaid expenses	3,559	6,680
Total current assets	281,015	340,093
Capital assets, net of accumulated depreciation	1,782,373	1,804,871
Total assets	\$ 2,063,388	\$ 2,144,964
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable	\$ 6,029	\$ 12,693
Accrued Payroll Liabilities	2,799	3,278
Accrued payroll costs	49,196	40,792
Total liabilities	58,025	56,763
Net assets		
Without donor restrictions		
Undesignated	1,985,156	2,033,023
Board designated (Note 3)	-	13,964
With donor restrictions (Note 6)	20,207	41,214
Total net assets	2,005,363	2,088,201
Total liabilities and net assets	\$ 2,063,388	\$ 2,144,964

The accompanying notes are an integral part of this statement.

**SIX POINTS EVALUATION AND TRAINING, INC.**  
**Statement of Activities**  
**For the Years Ended June 30, 2023 and 2022**

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support						
Merchandise sales	\$ 480,557	\$ -	\$ 480,557	\$ 453,797	\$ -	\$ 453,797
Contracts and grants	440,863	-	440,863	409,929	-	409,929
PP Loan forgiveness (Note 5)	-	-	-	146,720	-	146,720
Contributions	117,387	15,215	132,602	63,217	48,493	111,710
Room and board	37,431	-	37,431	43,627	-	43,627
Fundraising	16,410	-	16,410	6,496	-	6,496
Gain on sale of asset	(275)	-	(275)	6,000	-	6,000
Interest income	772	-	772	861	-	861
Inkind contributions	2,500	-	2,500	-	-	-
Other income	-	-	-	-	-	-
Net assets released from restrictions (Note 7)	36,222	(36,222)	-	27,624	(27,624)	-
Total revenue and other support	<b>1,131,867</b>	<b>(21,007)</b>	<b>1,110,860</b>	1,158,271	20,869	1,179,140
Expenses						
Program services	887,806	-	887,806	861,054	-	861,054
Supporting services						
Management and general	221,006	-	221,006	209,593	-	209,593
Fundraising	84,886	-	84,886	83,135	-	83,135
Total expenses	<b>1,193,698</b>	-	<b>1,193,698</b>	1,153,782	-	1,153,782
Change in net position	(61,831)	(21,007)	(82,838)	4,489	20,869	25,358
Net assets, beginning of year	<b>2,046,987</b>	<b>41,214</b>	<b>2,088,201</b>	2,042,498	20,345	2,062,843
Net assets, end of year	<b>\$ 1,985,156</b>	<b>\$ 20,207</b>	<b>\$ 2,005,363</b>	<b>\$ 2,046,987</b>	<b>\$ 41,214</b>	<b>\$ 2,088,201</b>

The accompanying notes are an integral part of this statement.

**SIX POINTS EVALUATION AND TRAINING, INC.**  
**Statement of Functional Expenses**  
**For the Years Ended June 30, 2023 and 2022**

	2023				2022			
	Program Services	Management and General	Fund Raising	Total	Program Services	Management and General	Fund Raising	Total
Salaries	\$ 615,530	\$ 110,480	\$ 63,131	\$ 789,141	\$ 590,449	\$ 105,978	\$ 60,559	\$ 756,986
Payroll taxes	50,617	9,085	5,191	64,893	73,882	13,261	7,577	\$ 94,720
Client needs	74,727	-	-	74,727	71,250	-	-	\$ 71,250
Office expenses	14,105	49,366	7,052	70,523	13,144	46,003	6,572	\$ 65,719
Insurance	37,504	6,731	3,847	48,082	39,865	7,155	4,089	\$ 51,109
Professional Fees-accounting	-	19,804	-	19,804	-	17,427	-	\$ 17,427
Bank fees	13,202	4,400	-	17,602	10,862	3,621	-	\$ 14,483
Travel	24,187	8,062	-	32,249	10,272	3,424	-	\$ 13,696
Information technology	3,445	3,445	-	6,890	2,622	2,621	-	\$ 5,243
Advertising	2,566	461	263	3,290	3,144	564	322	\$ 4,030
Improvements	65	65	-	130	1,792	1,792	-	\$ 3,584
Thrift store	3,177	-	-	3,177	2,378	-	-	\$ 2,378
Indirect fundraising	-	-	2,252	2,252	-	-	1,358	\$ 1,358
Other	2,676	481	275	3,432	1,804	324	184	\$ 2,312
Total Expenses	\$ 841,801	\$ 212,380	\$ 82,011	\$ 1,136,193	\$ 821,464	\$ 202,170	\$ 80,661	\$ 1,104,295
Depreciation	46,005	8,626	2,875	57,506	39,590	7,423	2,474	49,487
	<u>\$ 887,806</u>	<u>\$ 221,006</u>	<u>\$ 84,886</u>	<u>\$ 1,193,698</u>	<u>\$ 861,054</u>	<u>\$ 209,593</u>	<u>\$ 83,135</u>	<u>\$ 1,153,782</u>

The accompanying notes are an integral part of this statement.

**SIX POINTS EVALUATION AND TRAINING, INC.**  
**Statement of Cash Flows**  
**For the Years Ended June 30, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
Cash flows from operating activities		
Change in net position	<b>\$ (82,838)</b>	\$ 25,358
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	<b>57,506</b>	49,488
Paycheck Protection Program loan forgiveness	-	(146,720)
(Gain)/loss on sale of assets	<b>275</b>	(6,000)
 Change in operating assets and liabilities		
(Increase) decrease in accounts receivable	<b>14,723</b>	(17,377)
(Increase) decrease in prepaid expenses	<b>3,121</b>	1,393
Increase (decrease) in accounts payable and accrued liabilities	<b>1,261</b>	9,961
Net cash provided by (used in) operating activities	<b>(5,952)</b>	(83,897)
 Cash flows from investing activities		
(Additions) to fixed assets	<b>(35,282)</b>	(39,916)
Net cash provided by (used in) investing activities	<b>(35,282)</b> -	(123,813)
 Cash flow from financing activities		
Loan proceeds	-	-
Borrowing on Paycheck Protection Loan	-	-
Net cash provided by (used in) financing activities	-	-
 Net increase (decrease) in cash and cash equivalents	<b>(41,234)</b>	(123,813)
Cash and cash equivalents, beginning of year	<b>286,190</b>	410,003
Cash and cash equivalents, end of year	<b>\$ 244,956</b>	\$ 286,190
 <u>Supplemental disclosure</u>		
Interest paid	<b>\$ -</b>	\$ -

The accompanying notes are an integral part of this statement.



**SIX POINTS EVALUATION AND TRAINING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 1 - NATURE OF ACTIVITIES**

Six Points Evaluation and Training, Inc. (Six Points) is a nonprofit corporation formed in July 1981 to improve quality of life for persons with physical or developmental disabilities by providing rehabilitation services, training, placement, and employment. It also provides such individuals with the opportunity to have a residential living experience apart from an institution, and to be integrated into the community. The Organization is supported primarily through thrift store merchandise sales, contracts and grants, and contributions.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES**

1. Basis of Accounting and Framework

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. These financial statements are prepared in accordance with Generally Accepted Accounting Principles.

2. Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets with donor restrictions are subject to donor-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 may be perpetual in nature, such as those that the donor stipulates those resources be maintained in perpetuity.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

The Organization's unspent contributions are reported in net assets with donor contributions if the donor limited their use, as are promised contributions that are not yet due. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

**SIX POINTS EVALUATION AND TRAINING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (cont.)**

3. Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

4. Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received; conditional promises to give with a measurable performance barrier and a right of return are not recognized until the conditions on which they depend have been met.

5. Capitalization and Depreciation

The Organization follows a practice of capitalizing all expenditures for furniture and equipment in excess of \$1,000. The fair value of donated assets is similarly capitalized. Depreciation of furniture and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

6. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

7. Income Taxes

Six Points Evaluation and Training, Inc. has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

8. Inventory

Inventory in the thrift store consists of donated items and is not recorded on the balance sheet because no objective basis is available to determine its value.

9. Lease Commitments

The Organization is responsible for several residential leases for which the tenant is a client of the Organization. The terms of these leases vary, but none are for more than one year.

10. Functional Reporting of Expenses

The costs of providing 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 of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The significant expenses that are allocated include personnel, depreciation, and interest, which are allocated on the basis of estimated time and effort.

11. Summarized Prior-Year 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 generally accepted accounting principles.

**SIX POINTS EVALUATION AND TRAINING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (cont.)**

Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022.

12. Subsequent Events

Management has evaluated subsequent events through December 18, 2023, the date the financial statements were available to be issued.

**NOTE 3 - AVAILABILITY AND LIQUIDITY**

The following represents Six Points Evaluation and Training, Inc.'s financial assets as of June 30, 2023 including donor restricted cash that will be spent during the coming year.

<u>Financial assets at year end</u>	<u>Amount</u>
Cash and cash equivalents	\$ 244,956
Grants and accounts receivables	32,000
Total	276,956
Less: Board designated net assets	-
Donor restricted net assets	(20,207)
Total financial assets available to meet cash needs for general expenditures within one year	\$ 256,749

Six Points Evaluation and Training, Inc.'s goal is to maintain available financial assets sufficient to meet 90-150 days of general operating expenses. Management considers donor restricted contributions that will be used within one year as part of its ordinary operations, as being available for general expenditures. Board designated operating and capital reserves may be accessed at the board's discretion.

**NOTE 4 - PROPERTY AND EQUIPMENT**

At year-end, property and equipment consisted of the following:

<u>Description</u>	<u>Amount</u>
Land	\$ 566,000
Building and improvements	1,539,726
Vehicles	96,913
Furniture and equipment	31,787
Total	2,234,426
Less: accumulated depreciation	(452,053)
Net property and equipment	\$ 1,782,373

Depreciation and amortization expense for the year was \$57,506.

**SIX POINTS EVALUATION AND TRAINING, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE 5 - DONOR RESTRICTED NET ASSETS**

Donor restricted net assets are to be used for the following purposes:

<u>Program</u>	<u>Amount</u>
Next Fifty	\$ 5,520
Recreation fund	6,789
Staff appreciation fund	468
Gunnison Home Association	3,435
Employee welfare	2,245
Town of Crested Butte	<u>1,750</u>
Total	<u><u>\$ 20,207</u></u>

**NOTE 6 - NET ASSETS RELEASED FROM RESTRICTIONS**

During the year, net assets were released by satisfying program restrictions as follows:

<u>Program</u>	<u>Amount</u>
Next Fifty	\$ 18,815
Recreation fund	3,350
Capital improvements	6,272
Gunnison Home Association	7,030
Employee welfare	<u>755</u>
Total	<u><u>\$ 36,222</u></u>

**NOTE 7 - CONCENTRATION OF CREDIT RISK**

The Organization places most of its cash with one financial institution. Amounts over \$250,000 are not insured by the Federal Deposit Insurance Corporation or related entity. At year end, the Organization's did not have any cash balances that were uninsured. Management has evaluated its banking needs and the strength of the financial institution and feels it is in the best long-term interest of the organization to continue its existing relationship.