

SIX POINTS EVALUATION AND TRAINING, INC

FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

June 30, 2024

SIX POINTS EVALUATION AND TRAINING, INC.

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of 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, 2024, and the related statements of activities 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, 2024, 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 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.
- 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 23, 2024

SIX POINTS EVALUATION AND TRAINING, INC.
Statement of Financial Position
June 30, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 348,517	\$ 244,956
Accounts receivable	82,685	32,000
Deposits	500	500
Prepaid expenses	28	3,559
Total current assets	431,730	281,015
Capital assets, net of accumulated depreciation	1,753,833	1,782,373
Total assets	\$ 2,185,563	\$ 2,063,388
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 9,697	\$ 6,029
Accrued Payroll Liabilities	2,577	2,799
Accrued payroll costs	48,944	49,196
Total liabilities	61,218	58,025
Net assets		
Without donor restrictions		
Undesignated	2,037,200	1,975,146
Board designated (Note 3)	10,010	10,010
With donor restrictions (Note 5)	77,135	20,207
Total net assets	2,124,345	2,005,363
Total liabilities and net assets	\$ 2,185,563	\$ 2,063,388

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, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support						
Merchandise sales	\$ 567,263	\$ -	\$ 567,263	\$ 480,557	\$ -	\$ 480,557
Contracts and grants	530,300	-	530,300	440,863	-	440,863
Contributions	124,958	70,800	195,758	117,387	15,215	132,602
Room and board	43,506	-	43,506	37,431	-	37,431
Fundraising	9,012	-	9,012	16,410	-	16,410
Gain on sale of asset	433	-	433	(275)	-	(275)
Interest income	865	-	865	772	-	772
Inkind contributions	-	-	-	2,500	-	2,500
Net assets released from restrictions (Note 7)	13,872	(13,872)	-	36,222	(36,222)	-
Total revenue and other support	<u>1,290,209</u>	<u>56,928</u>	<u>1,347,137</u>	<u>1,131,867</u>	<u>(21,007)</u>	<u>1,110,860</u>
Expenses						
Program services	920,158	-	920,158	887,806	-	887,806
Supporting services						
Management and general	221,419	-	221,419	221,006	-	221,006
Fundraising	86,578	-	86,578	84,886	-	84,886
Total expenses	<u>1,228,155</u>	<u>-</u>	<u>1,228,155</u>	<u>1,193,698</u>	<u>-</u>	<u>1,193,698</u>
Change in net position	62,054	56,928	118,982	(61,831)	(21,007)	(82,838)
Net assets, beginning of year	1,985,156	20,207	2,005,363	2,046,987	41,214	2,088,201
Net assets, end of year	<u>\$ 2,047,210</u>	<u>\$ 77,135</u>	<u>\$ 2,124,345</u>	<u>\$ 1,985,156</u>	<u>\$ 20,207</u>	<u>\$ 2,005,363</u>

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, 2024 and 2023

	2024				2023			
	Program Services	Management and General	Fund Raising	Total	Program Services	Management and General	Fund Raising	Total
Salaries	\$ 637,557	\$ 114,433	\$ 65,390	\$ 817,381	\$ 615,530	\$ 110,480	\$ 63,131	789,141
Payroll taxes	55,963	10,045	5,740	71,747	50,617	9,085	5,191	64,893
Client needs	79,110	-	-	79,110	74,727	-	-	74,727
Office expenses	11,670	40,846	5,835	58,351	14,105	49,366	7,052	70,523
Insurance	36,614	6,572	3,755	46,941	37,504	6,731	3,847	48,082
Professional Fees-accounting	-	17,883	-	17,883	-	19,804	-	19,804
Bank fees	13,655	4,551	-	18,206	13,202	4,400	-	17,602
Travel	17,885	5,962	-	23,847	24,187	8,062	-	32,249
Information technology	11,724	11,724	-	23,448	3,445	3,445	-	6,890
Advertising	1,559	280	160	1,999	2,566	461	263	3,290
Improvements	-	-	-	-	65	65	-	130
Thrift store	5,668	-	-	5,668	3,177	-	-	3,177
Indirect fundraising	-	-	2,557	2,557	-	-	2,252	2,252
Other	2,326	418	239	2,983	2,676	481	275	3,432
Total Expenses	<u>\$ 873,731</u>	<u>\$ 212,714</u>	<u>\$ 83,676</u>	<u>\$ 1,170,121</u>	<u>\$ 841,801</u>	<u>\$ 212,380</u>	<u>\$ 82,011</u>	<u>\$ 1,136,192</u>
Depreciation	<u>46,427</u>	<u>8,705</u>	<u>2,902</u>	<u>58,034</u>	<u>46,005</u>	<u>8,626</u>	<u>2,875</u>	<u>57,506</u>
	<u><u>\$ 920,158</u></u>	<u><u>\$ 221,419</u></u>	<u><u>\$ 86,578</u></u>	<u><u>\$ 1,228,155</u></u>	<u><u>\$ 887,806</u></u>	<u><u>\$ 221,006</u></u>	<u><u>\$ 84,886</u></u>	<u><u>\$ 1,193,698</u></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, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Change in net position	\$ 118,982	\$ (82,838)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	58,034	57,506
(Gain)/loss on sale of assets	(433)	275
Change in operating assets and liabilities		
(Increase) decrease in accounts receivable	(50,685)	14,723
(Increase) decrease in prepaid expenses	3,531	3,121
Increase (decrease) in accounts payable and accrued liabilities	3,193	1,261
Net cash provided by (used in) operating activities	<u>132,622</u>	<u>(5,952)</u>
Cash flows from investing activities		
(Additions) to fixed assets	<u>(29,061)</u>	<u>(35,282)</u>
Net cash provided by (used in) investing activities	<u>(29,061)</u>	<u>(35,282)</u>
Cash flow from financing activities		
Loan proceeds	<u>-</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	103,561	(41,234)
Cash and cash equivalents, beginning of year	244,956	286,190
Cash and cash equivalents, end of year	<u>\$ 348,517</u>	<u>\$ 244,956</u>
<u>Supplemental disclosure</u>		
Interest paid	\$ -	\$ -

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, 2024

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 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, 2024

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, 2024

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, 2023.

12. Subsequent Events

Management has evaluated subsequent events through December 23, 2024, 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, 2024, 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	\$ 348,517
Grants and accounts receivables	82,685
Total	431,202
Less: Board designated net assets	(10,010)
Donor restricted net assets	(77,135)
Total financial assets available to meet cash needs for general expenditures within one year	\$ 344,057

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	1,562,287
Vehicles	96,913
Furniture and equipment	31,787
Total	2,256,987
Less: accumulated depreciation	(503,154)
Net property and equipment	\$ 1,753,833

Depreciation and amortization expense for the year was \$58,034.

SIX POINTS EVALUATION AND TRAINING, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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	\$ 2,812
Recreation fund	2,952
Staff appreciation fund	468
CFGV Dola	59,266
Employee welfare	3,837
El Pomar foundation	7,800
Total	<u>\$ 77,135</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	\$ 2,708
Recreation fund	3,837
CFGV Dola	734
Gunnison Home Association	3,435
Employee welfare	1,408
Town of Crested Butte	1,750
Total	<u>\$ 13,872</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.