COLORADO CENTER ON LAW & POLICY

Financial Statements

For the Years Ended
December 31, 2022 and 2021 (Restated)

INDEX TO FINANCIAL STATEMENTS

Ryan, Gunsauls & O'Donnell, LLC
Certified Public Accountants

Independent Auditors' Report

Board of Directors
Colorado Center on Law & Policy

Opinion

We have audited the accompanying financial statements of Colorado Center on Law & Policy, (a nonprofit organization), which comprise the statement of financial position as of December 31, 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 Colorado Center on Law & Policy as of December 31, 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 for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Colorado Center on Law & Policy 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 Colorado Center on Law & Policy's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing

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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 Colorado Center on Law & Policy'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 Colorado Center on Law & Policy'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 Colorado Center on Law & Policy's 2021 (restated) financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 4, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 (restated), is consistent, in all material respects, with the audited financial statements from which it has been derived.

Ryan, Gunsauls & O'Donnell, LLC

Denver, Colorado
December 21, 2023

COLORADO CENTER ON LAW & POLICY
Statements of Financial Position
December 31, 2022 and 2021 (Restated)

ASSETS

	2022	2021
Current assets:		
Cash and cash equivalents	$ 882,859	$ 1,076,709
Restricted cash - fiscal sponsorship	167,760	834,486
Investments - bonds and CD	649,775	649,653
Grants and contributions receivable, current portion	747,009	788,085
Fiscal sponsorship receivable	25,000	88,536
Prepaids	5,844	11,428
Total current assets	**2,478,247**	**3,448,897**
Other assets:		
Deposit	7,850	7,850
Grants and contributions receivable, net of current portion and discounts	553,329	1,030,182
Right of use assets - operating, net	1,474,093	-
Total other assets	**2,035,272**	**1,038,032**
Total assets	**$ 4,513,519**	**$ 4,486,929**

LIABILITIES AND NET ASSETS

	2022	2021
Current liabilities:		
Accounts payable	$ 140,854	$ 21,360
Accrued expenses	10,705	20,323
Current portion of lease liability - operating	180,219	-
Fiscal sponsorship payable	167,760	745,950
Total current liabilities	**499,538**	**787,633**
Long-term liabilities:		
Lease liability - operating, net of current portion	1,293,874	-
Total long-term liabilities	**1,293,874**	**-**
Total liabilities	**1,793,412**	**787,633**
Net assets:		
Without donor restriction	(142,012)	1,121,553
With donor restriction	2,862,119	2,577,743
Total net assets	**2,720,107**	**3,699,296**
Total liabilities and net assets	**$ 4,513,519**	**$ 4,486,929**

See accompanying independent auditors' report and notes to financial statements.

COLORADO CENTER ON LAW & POLICY
Statements of Activities
For the Year Ended December 31, 2022 with Summarized Comparative Totals for 2021 (Restated)

	Without donor restrictions	With donor restrictions	**2022 Total**	**2021 Summarized**
Revenue and support:				
Grants and contributions	$ 700,718	$ 1,136,059	**$ 1,836,777**	**$ 3,556,505**
Lease income	3,550	-	**3,550**	**700**
Fiscal sponsorship income	600	-	**600**	**188,740**
Other income	399	-	**399**	**8,042**
In-kind contributions	-	-	**-**	**45,141**
Special event income	-	-	**-**	**2,347**
Released from restrictions	851,683	(851,683)	**-**	**-**
Total revenue and support	**1,556,950**	**284,376**	**1,841,326**	**3,801,475**
Functional expenses:				
Program services	2,622,891	-	**2,622,891**	**2,338,635**
Management and general	141,098	-	**141,098**	**232,317**
Fundraising	69,995	-	**69,995**	**73,072**
Total functional expenses	**2,833,984**	**-**	**2,833,984**	**2,644,024**
Change in net assets from operating activities	**(1,277,034)**	**284,376**	**(992,658)**	**1,157,451**
Non-operating income:				
Miscellaneous expense	12,998	-	**12,998**	**-**
Net investment income	471	-	**471**	**553**
Change in net assets from non-operating activities	**13,469**	**-**	**13,469**	**553**
Change in net assets	**(1,263,565)**	**284,376**	**(979,189)**	**1,158,004**
Net assets at beginning of year as previously reported	1,121,553	1,537,743	**2,659,296**	**2,541,292**
Prior period adjustment (Note 12)	-	1,040,000	**1,040,000**	**-**
Net assets at beginning of year as restated	1,121,553	2,577,743	**3,699,296**	**2,541,292**
Net assets at end of year	**$ (142,012)**	**$ 2,862,119**	**$ 2,720,107**	**$ 3,699,296**

See accompanying independent auditors' report and notes to financial statements.

COLORADO CENTER ON LAW & POLICY
Statements of Functional Expenses
For the Year Ended December 31, 2022 with Summarized Comparative Totals for 2021 (Restated)

	Program Services					2022	
	CCLP	MHC	**Total**	**Management and general**	**Fundraising**	**Total expenses**	**2021 (Summarized)**
Salaries and related expenses	$ 1,354,185	$ 97,396	$ 1,451,581	$ 76,674	$ 34,968	**$ 1,563,223**	**$ 1,547,839**
Other program costs	368,052	483,899	851,951	2,832	7,062	**861,845**	**438,909**
Professional services	101,173	32,917	134,090	12,515	7,843	**154,448**	**133,121**
Occupancy	79,578	2,211	81,789	12,088	7,084	**100,961**	**108,562**
IT software, services and consultants	23,690	7,684	31,374	3,623	4,056	**39,053**	**75,079**
Office costs	16,062	(392)	15,670	9,273	4,459	**29,402**	**21,136**
Other staff costs	4,151	601	4,752	17,024	5	**21,781**	**21,707**
Telephone and internet	13,944	340	14,284	1,376	1,224	**16,884**	**17,216**
Dues and subscriptions	13,460	525	13,985	1,034	567	**15,586**	**8,643**
Insurance	7,794	1,343	9,137	440	513	**10,090**	**-**
Travel	3,193	5,768	8,961	356	-	**9,317**	**-**
Printing and copying	4,750	121	4,871	723	434	**6,028**	**10,300**
Board and staff meetings	155	4	159	3,109	14	**3,282**	**906**
Fundraising	-	80	80	-	1,748	**1,828**	**7,889**
Taxes	202	5	207	31	18	**256**	**-**
Payments to affiliates	-	-	-	-	-	**-**	**109,834**
Fiscal sponsor fees	-	-	-	-	-	**-**	**93,906**
In-kind contribution expense	-	-	-	-	-	**-**	**45,141**
Other expense	-	-	-	-	-	**-**	**3,836**
Total other operating expenses	$ 1,990,389	$ 632,502	**$ 2,622,891**	**$ 141,098**	**$ 69,995**	**$ 2,833,984**	**$ 2,644,024**

See accompanying independent auditors' report and notes to financial statements.

COLORADO CENTER ON LAW & POLICY
Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021 (Restated)

	2022	2021
Cash flows from operating activities:		
Change in net assets	$ (979,189)	$ 1,158,004
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Amortization on right of use assets - operating	133,431	-
Decrease (increase) in operating assets:		
Grants and contributions receivable	517,929	(717,684)
Fiscal sponsorship receivable	63,536	(88,536)
Prepaids	5,584	(7,096)
(Decrease) increase in operating liabilities:		
Accounts payable	119,494	20,057
Accrued expenses	(9,618)	(11,008)
Payments on lease liabilities - operating	(133,431)	-
Fiscal sponsorship payable	(578,190)	67,186
Net cash (used in) provided by operating activities	**(860,454)**	**420,923**
Cash flows from investing activities:		
Reinvested interest	(122)	(160)
Purchase of investments	-	(252,512)
Net cash used in investing activities	**(122)**	**(252,672)**
Net change in cash and cash equivalents and restricted cash	**(860,576)**	**168,251**
Cash and cash equivalents and restricted cash, beginning of year	1,911,195	1,742,944
Cash and cash equivalents and restricted cash, end of year	**1,050,619**	**1,911,195**
Cash and cash equivalents	882,859	1,076,709
Restricted cash - fiscal sponsor	167,760	834,486
Cash and cash equivalents and restricted cash, end of year	**$ 1,050,619**	**$ 1,911,195**
Supplemental disclosure of non-cash operating activity:		
Right of use assets purchased through operating leases	$ 1,607,524	$ -

See accompanying independent auditors' report and notes to financial statements.

Note 1: Nature of Operations

Colorado Center on Law & Policy (CCLP) was established in August 1998 from the legal aid community, so that people would continue to have access to justice after Congress imposed advocacy restrictions on federally funded legal services. CCLP is a leader in increasing access to health care, family economic security, job training, and other critical family needs and support.

CCLP focuses on securing access to food, health, housing and income to build a more equitable state with its programs. Through research, education, advocacy and litigation, CCLP works with community members, policy-makers and leaders in health care, employment and human services to forge pathways from poverty and remove barriers that prevent Coloradoans from meeting their basic needs and being self-sufficient.

Note 2: Summary of Significant Accounting Policies

The summary of significant accounting policies of CCLP are presented to assist in understanding the CCLP's financial statements. The financial statements and notes are representations of CCLP's management who are responsible for the integrity and objectivity of the financial statements. These accounting policies conform with U.S. generally accepted accounting principles (U.S. GAAP) and have been consistently applied in the preparation of financial statements.

Basis of Presentation

The financial statements have been prepared in accordance with U.S. GAAP, which requires CCLP to report information regarding its financial position and activities according to the following net asset classifications:

> *Net assets without donor restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of CCLP These net assets may be used at the discretion of CCLP's management and the board of directors.
>
> *Net assets with donor restrictions* – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of CCLP or by passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Basis of Accounting

CCLP's financial statements are prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and

Note 2: Summary of Significant Accounting Policies, continued

Use of Estimates, continued

liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. It is reasonably possible that estimates may change in the near term.

Fair Value

The financial statements consist primarily of cash and cash equivalents, receivables, and payables. The amounts reported in the financial statements approximate fair values because of their short maturities.

Cash and Cash Equivalents

CCLP considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents restricted by donors are not considered cash and cash equivalents for purposes of the statement of cash flows.

Restricted Cash - Fiscal Sponsorship

CCLP serves as a fiscal sponsor for an unincorporated organization (the Project) that conducts a series of program activities that align with CCLP's mission. Restricted cash to be spent on the Project at December 31, 2022 and 2021 was $167,760 and $834,486, respectively.

Grants and Contributions Receivable

Contributions receivable, including promises to give, are recognized as revenues in the period received. Contributions whose restrictions are met in the same period they are received are recorded as revenues in net assets with donor restrictions and as net assets released from restrictions. Unconditional pledges with terms greater than one year are initially recorded at fair value based on their estimated future cash flows. Pledges are discounted to present value using a discount rate commensurate with the risk involved. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Gifts of assets other than cash are recorded at their estimated fair value.

Grants receivable from grants and contracts include obligations from customers who pay for services rendered. Individual governmental and private grant arrangements that are evaluated and determined whether they are nonreciprocal, meaning the granting entity has not received a direct benefit of commensurate value in exchange of resources provided. Instead, revenues are recognized like a conditional contribution, when the barrier to entitlement is overcome. The barrier to entitlement is considered overcome when expenditures associated with each grant are determined to be allowable and all other significant conditions of the grant are met.

Total grants and contributions receivable were $1,300,338 and $1,818,267 as of December 31, 2022 and 2021, respectively.

Note 2: Summary of Significant Accounting Policies, continued

Investments

Investments are carried at fair value as determined by quoted prices on the last business day of the fiscal year. Donated investments are recorded at fair value at the date of receipt. Investment income may be either without donor restrictions or with donor restriction when earned.

Public Support and Contributions

Public support and contributions received are recorded as revenues and net assets with or without donor restrictions, depending on the existence and nature of any donor restrictions or by law. In general, grants received by CCLP are considered contributions. Public support and contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as increases in net assets with donor restrictions. When a restriction is fulfilled, (that is, when a stipulated time restriction ends, or the purpose of restriction is accomplished), net assets with donor restrictions are reclassified and reported in the statements of activities as net assets without donor restrictions. However, if a restriction is fulfilled in the same period in which the contribution is received, the support is reported as net assets without donor restrictions.

Revenue Recognition

In accordance with ASC Sub-Topic 958-605, *Revenue Recognition*, CCLP must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of release or a promise to transfer assets exist. Indicators of a barrier include a measurable performance-related barrier or other measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of an agreement. Topic 958 prescribes that CCLP should not consider probability of compliance with the barrier when determining if such contributions are conditional and should be reported as a conditional contribution liability until such conditions are met. At December 31, 2022 and 2021, CCLP did not have any conditional contribution liabilities.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The statement of functional expenses presents the natural classification detail of expenses by function and reports certain categories of expenses that are attributed to more than one program or supporting function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and related expenses and staff benefits are allocated on the basis of estimates of time and effort, rent and utilities have been allocated on a square footage basis, other expenses are allocated based on specific identification of the actual cost per invoice based on coding of that expense and allocation of time.

Note 2: Summary of Significant Accounting Policies, continued

In-Kind Contributions

Donated materials and services are recorded as contributions as their fair values at the date of donation. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by CCLP. Volunteers also provide services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Income Taxes

CCLP is exempt under Section 501(c)(3) of the Internal Revenue Code and classified as other than a private foundation. CCLP is subject to income tax on any unrelated business income. As of December 31, 2022 and 2021, no unrelated business income was earned by CCLP.

CCLP has adopted the provisions of *Income Taxes*. In determining the recognition of uncertain tax positions, CCLP applies a more-likely-than-not recognition threshold and determines the measurement of uncertain tax positions considering the amounts and probabilities of the outcomes that could be realized upon ultimate settlement with taxing authorities. CCLP positions taken on its federal tax returns for the open tax years 2019 through 2021, and did not note any matters that would require recognition or which may have an effect on its tax-exempt status.

New Accounting Standards

In February 2016, FASB issued ASU No. 2016-02, *Leases* (Topic 842). FASB ASC 842 supersedes the lease requirements in FASB ASC 840. Under FASB ASC 842, lessees are required to recognize assets and liabilities on the statement of financial position for most leases and provide enhanced disclosures. CCLP adopted FASB ASC 842, with a date of initial application of January 1, 2022, by applying the modified retrospective transition approach and using the additional (and optional) transition method provided by ASU No. 2018-11, *Leases* (Topic 84): Targeted Improvements. CCLP did not restate prior comparative periods as presented under FASB ASC 840 and instead evaluated whether a cumulative effect adjustment to net assets as of January 1, 2022 was necessary for the cumulative impact of adoption of FASB 842. The most significant effects of adopting FASB ASC 842 was the recognition of $1,607,524 of operating lease right of use (ROU) assets and a total of $1,607,524 of current and long-term operating lease liabilities on the statement of financial position as of January 1, 2022. No cumulative effect adjustment to net assets as of January 1, 2022 was necessary. FASB ASC 842 did not have a significant effect on the results of operations or cash flows for the year ended December 31, 2022. As part of the transition, CCLP implemented new internal controls and key system functionality to enable the preparation of financial information on adoption and elected to apply the following practical expedients:

Package of practical expedients:

- Election not to reassess whether any expired or existing contracts are or contain leases.
- Election not to reassess the lease classification for any expired or existing leases.
- Election not to reassess initial direct costs on any existing leases.

Note 2: Summary of Significant Accounting Policies, continued

Comparative Financial 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 U.S. GAAP. Accordingly, such information should be read in conjunction with the audited financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Note 3: Availability and Liquidity

The following represents financial assets at December 31, 2022 and 2021:

	2022	2021
Financial assets at year-end:		
Cash and cash equivalents	$ 882,859	$ 1,076,709
Restricted cash - fiscal sponsorship	167,760	834,486
Grants and contributions receivable	1,300,338	1,818,267
Investments	649,775	649,653
Fiscal sponsorship receivable	25,000	88,536
Total financial assets	3,025,732	4,467,651
Less amounts not available to be used within one year:		
Long-term grant receivable	553,329	1,030,182
Restricted cash - fiscal sponsorship	167,760	834,486
Total amounts unavailable	721,089	1,864,668
Financial assets available to meet general expenditures over the next twelve months	$ 2,304,643	$ 2,602,983

CCLP's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit. CCLP has a cash reserve in the amount of $30,000.

Note 4: Off Balance Sheet Credit Risk

CCLP has a potential concentration of credit risk in that it maintains deposits with financial institutions in excess of amount insured by the Federal Deposit Insurance Corporation (FDIC). The maximum deposit insurance amount is $250,000 per institution per account holder. As of December 31, 2022 and 2021 CCLP had $826,622 and $1,665,562 in excess of FDIC limits, respectively. CCLP has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

Note 5: Grants and Contributions Receivable

For the years ended December 31, 2022 and 2021, there were grants and contributions receivable due in more than one year, that were reflected at the present value of estimated future cash flows using a discount rate of 4.27%, which was reflected as a discount that is amortized over the life of the associated receivables.

As of December 31,	2022	2021
Less than one year	$ 747,009	$ 788,085
One to five years	640,591	1,030,182
Less: unamortized discount	(87,262)	-
Total grants and contributions receivable	$ 1,300,338	$ 1,818,267

Note 6: Investments and Fair Value Measurements

CCLP follows the guidance for Fair Value Measurements. The guidance defines fair values, establishes a consistent framework for measuring fair value, and expands disclosure requirements for fair value measurements. Under the guidance, assets and liabilities are grouped in three levels, based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1 – Valuation is based upon quoted prices for identical instruments traded in active markets.
- Level 2 – Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.
- Level 3 – Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobserved assumptions reflect the instrument’s own estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow models and similar techniques.

Under the guidance, the CCLP bases fair values on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements for assets and liabilities where there exists limited or no observable market data and, therefore, are based primarily upon CCLP's estimates, are often calculated based on current pricing policy, the economic and competitive environment, the characteristics of the asset or liability and other such factors. Therefore, the results cannot be determined with precision and may not be realized in an actual sale or immediate settlement of the asset or liability. Additionally, there may be inherent weaknesses in any calculation technique and changes in the underlying assumptions used, including discount rates and estimates of future cash flows that could significantly affect the results of current or future values.

Note 6: Investments and Fair Value Measurements, continued

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value of investments of CCLP as of December 31, 2022 are as follows:

	Level 1	Level 2	Level 3	Total
Certificates of deposit	$ -	$ 252,734	$ -	$ 252,734
Taxable bonds	397,041	-	-	397,041
Total assets at fair value	$ 397,041	$ 252,734	$ -	$ 649,775

The fair value of investments of CCLP as of December 31, 2021 are as follows:

	Level 1	Level 2	Level 3	Total
Certificates of deposit	$ -	$ 252,612	$ -	$ 252,612
Interest-bearing cash	397,041	-	-	397,041
Total assets at fair value	$ 397,041	$ 252,612	$ -	$ 649,653

Note 7: Fiscal Sponsorship Payable

CCLP acts as a fiscal sponsor to the Project by establishing a restricted fund to receive contributions of cash and other property designated for the support of the Project, and to make disbursements in furtherance of the Project's mission to advance racial equity, environmental equity, health equity, and economic equity by ensuring that residents of the Denver metro area have access to safe, equitable mobility, affordable housing, and economic equity. CCLP accepts tax-deductible donations on behalf of fiscally sponsored projects and administers the expenditures of those funds for designated tax-exempt charitable purposes. The related fiscal sponsorship payable amounts were $167,760 and $745,950 as of December 31, 2022 and 2021, respectively.

Note 8: Net Assets With Donor Restrictions

At December 31, 2022 and 2021, certain net assets have been classified as with donor restrictions from the following sources:

	2022	2021
The Colorado Health Foundation	$ 770,839	$ 582,696
PB&K Family Foundation	750,000	900,000
Colorado Trust	317,491	221,211
The Denver Foundation	230,000	130,000
Individual contribution	105,000	75,000
SPARCC	100,220	191,000
New Venture Fund	99,470	-

Note 8: Net Assets With Donor Restrictions, continued

	2022	2021
Community Catalyst	83,350	9,000
Caring for Colorado	75,000	75,000
HealthOne	55,000	55,000
National Skills Coalition	50,000	25,000
Community First Foundation	50,000	-
The Interfaith Alliance of Colorado	45,000	45,000
Wend II, Inc.	40,000	140,000
The Women's Foundation of Colorado	35,000	35,000
Jay and Rose Phillips Family Foundation	16,016	8,000
Colorado Coalition for the Homeless	15,003	15,003
Piton	12,000	-
Early Milestones Colorado	8,030	-
Kaiser Foundation	4,000	-
Colorado Department of Labor & Employment	600	-
Sargent Shriver National Center on Poverty Law	100	-
Gates Family Foundation	-	50,000
Rose Community Foundation	-	20,833
	$ 2,862,119	$ 2,577,743

Note 9: In-Kind Contribution and Expense

CCLP received donated materials and services for the years ended December 31, 2022 and 2021 in the amount of $-0- and $45,141, respectively.

Note 10: Leases

CCLP entered into multiple right-of-use (ROU) operating leases for office space and equipment. ROU assets and lease liabilities are recognized at January 1, 2022, the adoption date of ASU 842. Lease liabilities are based on the present value of future lease payments over the expected lease terms. CCLP has elected the option to use the risk-free interest rate determined using a period comparable to lease terms as the discount rate for leases where the implicit rate is not readily available. The risk-free rate option has been applied at 6%. ROU assets and lease liabilities as of December 31, 2022 are presented as separate line items on the statement of financial position.

The lease term and discount rate are as follows as of December 31, 2022 and 2021:

	2022	2021
Right-of-use operating leases remaining terms	3 to 9 years	ASU 842 not adopted
Right-of-use operating leases discount rate	6%	ASU 842 not adopted

Lease expense for lease payments is recognized on a straight-line basis over the lease term. The components of lease expense are as follows for the year ended December 31, 2022 and 2021:

Note 10: **Leases, continued**

	2022	2021
Right-of-use operating:		
Operating lease expense	$ 138,497	ASU 842 not adopted
Total lease expenses	$ 138,497	ASU 842 not adopted

Cash paid for amounts included in the measurements of lease liabilities as of December 31, 2022 and 2021 is as follows:

	2022	2021
Operating cash flows for operating leases	$ 133,431	ASU 842 not adopted

The following table summarizes the maturity of ROU lease liabilities under operating lease for subsequent years as of December 31, 2022:

2023	$ 187,060
2024	189,801
2025	186,348
2026	182,606
2027	179,226
Thereafter	603,610
	1,528,651
Less interest	(54,558)
Total lease liabilities	1,474,093
Less current portion, lease liability	(180,219)
Long-term portion, lease liability	$ 1,293,874

Note 11: Concentration

CCLP received 18% and 37% of its support from one and two donors during the years ended December 31, 2022 and 2021, respectively. The one and two donors accounted for 15% and 49% of outstanding grants and contributions receivable as of December 31, 2022 and 2021, respectively.

Note 12: Prior Period Adjustments

The prior year financial statements did not accurately reflect transactions related to multi-year grants and contributions revenues and related receivables which resulted in an understatement of total assets, change in net assets, and net assets of $1,040,000.

Note 13: **Retirement Plan**

CCLP sponsors a tax-deferred annuity plan (the Plan) qualified under Section 403(b) of the Internal Revenue Code. The Plan covers full-time employees of CCLP. CCLP's contributions to the Plan during the years ended December 31, 2022 and 2021 were $29,899 and $23,723, respectively.

Note 14: Subsequent Events

CCLP has evaluated subsequent events and transactions for potential recognition or disclosure through the date at which the financial statements were available to be issued, which is the date of the independent auditors' report, and noted the following subsequent events that require disclosure.

CCLP provided incubator services for Mile High Connects (MHC) as it is unable to obtain their own 501(c)(3) designation and formed a fiscal sponsorship. During the year ended December 31, 2023, MHC decided to terminate this fiscal sponsorship agreement, the fiscal sponsorship payable, restricted cash, and receivables were eliminated from CCLP's books as of June 30, 2023.

In September 2023, CCLP entered into a revolving line of credit agreement with a financial institution with a maximum allowable balance of $250,000. The interest rate is based on the Secured Overnight Financing Rate (SOFR) plus 1% (SOFR rate at agreement initiation date was 5.3%). The line of credit is secured by a first lien on the CCLP's investment account at Baird and is due on demand.