

**ADAPTIVE SPORTS CENTER OF
CRESTED BUTTE, INC.**

FINANCIAL STATEMENTS

April 30, 2021

ADAPTIVE SPORTS CENTER OF CRESTED BUTTE, INC.

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HAMBLIN AND ASSOCIATES, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Adaptive Sports Center of Crested Butte, Inc.

We have audited the accompanying financial statements of the Adaptive Sports Center of Crested Butte, Inc. (a nonprofit organization), which comprise the statement of financial position as of April 30, 2021, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center as of April 30, 2021 and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Hamblin and Associates

Hamblin and Associates
August 13, 2021
Golden, Colorado

Basic Financial Statements

ADAPTIVE SPORTS CENTER OF CRESTED BUTTE, INC.

STATEMENT OF FINANCIAL POSITION

April 30, 2021

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 2,045,898
Investments	483,904
Accounts Receivable	1,232
Grants Receivable	74,110
Pledges Receivable	413,575
Prepaid/Deferred Expenses	78,386
Merchandise Inventory	7,042
Total Current Assets	<u>3,104,147</u>

PROPERTY AND EQUIPMENT

Total Property and Equipment, Net	<u>15,812,016</u>
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Total Assets	<u><u>\$ 18,916,163</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 78,395
Accrued Liabilities	68,898
Accrued Compensated Absences	97,981
Deferred Revenue	224,954
Note Payable, Current	29,718
Total Current Liabilities	<u>499,946</u>

Long-Term Portion of Notes Payable	<u>929,192</u>
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Total Liabilities	<u>1,429,138</u>
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NET ASSETS

Without donor restrictions:

Undesignated	1,395,870
Board-designated	350,000
Invested in property and equipment, net of related debt	14,853,106
Total without donor restrictions	<u>16,598,976</u>

With donor restrictions (Note 6)

Perpetual in nature	391,540
Purpose restrictions	496,509
Total with donor restrictions	<u>888,049</u>

Total Net Assets	<u>17,487,025</u>
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Total Liabilities and Net Assets	<u><u>\$ 18,916,163</u></u>
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The accompanying notes are an integral part of the financial statements.

ADAPTIVE SPORTS CENTER OF CRESTED BUTTE, INC.

STATEMENT OF ACTIVITIES
Year Ended April 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND GAINS			
Public Support:			
Contributions	\$ 987,609	\$ 209,612	\$ 1,197,221
Proposals - Fund raising	222,455	-	222,455
Grants	198,664	-	198,664
Program Income:			
Winter	165,717	-	165,717
Less Scholarships	(76,134)	-	(76,134)
Summer	21,702	-	21,702
Less Scholarships	(12,420)	-	(12,420)
Locker Revenue	151,478	-	151,478
Special Events:			
Crested Butte Open	880,759	-	880,759
Other	76,716	-	76,716
Total Public Support	<u>2,616,546</u>	<u>209,612</u>	<u>2,826,158</u>
Interest Income	77,231	-	77,231
Other Income	354,016	-	354,016
Net Assets Released from Restriction	<u>1,338,798</u>	<u>(1,338,798)</u>	<u>-</u>
Total Revenues and Gains	<u>4,386,591</u>	<u>(1,129,186)</u>	<u>3,257,405</u>
EXPENSES			
Program Services:			
Winter	1,678,315	-	1,678,315
Summer	913,295	-	913,295
Total Program Services	<u>2,591,610</u>	<u>-</u>	<u>2,591,610</u>
Supporting Services:			
General and Administrative	192,300	-	192,300
Fund Raising	498,953	-	498,953
Total Supporting Services	<u>691,253</u>	<u>-</u>	<u>691,253</u>
Total Expenses	<u>3,282,863</u>	<u>-</u>	<u>3,282,863</u>
CHANGE IN NET ASSETS	1,103,728	(1,129,186)	(25,458)
NET ASSETS - Beginning of Year	<u>15,580,248</u>	<u>2,017,235</u>	<u>17,597,483</u>
Prior period adjustment (Note 10)	<u>(85,000)</u>	<u>-</u>	<u>(85,000)</u>
NET ASSETS - End of Year	<u>\$ 16,598,976</u>	<u>\$ 888,049</u>	<u>\$ 17,487,025</u>

The accompanying notes are an integral part of the financial statements.

ADAPTIVE SPORTS CENTER OF CRESTED BUTTE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended April 30, 2021

	<u>Program Services</u>	<u>General and Administration</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries and wages	\$ 978,034	\$ 75,347	\$ 183,998	\$ 1,237,379
Employee benefits	67,790	8,348	15,007	91,145
Payroll taxes	49,032	16,434	40,131	105,597
Professional fees:				
Accounting	7,916	3,294	5,295	16,505
Advertising	56,964	-	15,516	72,480
Office expenses	8,214	5,849	5,921	19,984
Occupancy	164,051	16,047	14,379	194,477
Travel	-	-	1,771	1,771
Conferences & meetings	3,586	-	-	3,586
Interest expense	37,714	-	-	37,714
Depreciation	439,013	48,821	-	487,834
Insurance	219,929	15,758	26,669	262,356
Program activities				
In-kind expenses*	456,825	-	64,942	521,767
Camps	39,174	-	-	39,174
Equipment/supplies	10,944	-	-	10,944
Vehicle expense	9,217	-	-	9,217
Other program expense	43,207	-	-	43,207
Fundraising	-	-	125,324	125,324
Miscellaneous	-	2,402	-	2,402
	<u>\$ 2,591,610</u>	<u>\$ 192,300</u>	<u>\$ 498,953</u>	<u>\$ 3,282,863</u>
	78.9%	5.9%	15.2%	

* In-kind expenses excludes the amount capitalized.

The accompanying notes are an integral part of the financial statements.

ADAPTIVE SPORTS CENTER OF CRESTED BUTTE, INC.

STATEMENT OF CASH FLOWS
Year Ended April 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Assets	\$ (25,458)
Adjustments to Reconcile Net Assets to	
Net Cash Provided by Operating Activities:	
Depreciation	487,834
Changes in Assets and Liabilities:	
(Increase) Decrease in:	
Accounts Receivable	80,345
Grants Receivable	(74,110)
Pledges Receivable	913,349
Prepaid/Deferred Expenses	24
Inventory	2,710
Increase (Decrease) in:	
Accounts Payable	62,235
Other Payables	(52,701)
Accrued Liabilities	41,941
Accrued Compensated Absences	4,054
Deferred Revenue	108,628
Net Cash Provided by Operating Activities	<u>1,548,851</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Net Disposition (Acquisition) of Property and Equipment	(117,133)
Net Cash Provided (Used) by Investing Activities	<u>(117,133)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Debt Service	<u>(1,214,158)</u>
Net Cash Provided (Used) by Financing Activities	<u>(1,214,158)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	217,560
CASH AND CASH EQUIVALENTS, Beginning	<u>1,828,338</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 2,045,898</u>
Supplemental Information for Noncash Activities:	
In-Kind Contributions	521,767
In-Kind Expenses (including amount capitalized)	<u>(521,767)</u>
Total	<u>-</u>

The accompanying notes are an integral part of the financial statements.

ADAPTIVE SPORTS CENTER OF CRESTED BUTTE, INC.

NOTES TO FINANCIAL STATEMENTS

April 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The Adaptive Sports Center of Crested Butte, Inc. (the Center), located in Crested Butte, Colorado, was incorporated December 26, 1995. The Center is a non-profit corporation organized under the laws of the State of Colorado for the purpose of providing outdoor recreation programs for individuals with disabilities. The Center's major sources of revenues are grants and contributions, programs, and special events.

Basis of Accounting and Financial Statement Presentation

The accompanying financial statements of the Center have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to not-for-profit organizations. The financial statements are reported on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. The financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) in reporting information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

The Center's basic financial statements report information of all its accounting funds. A fund is defined as a fiscal and accounting record with self-balancing accounts. Until May 1, 2021, the Center used two accounting funds to maintain its financial records.

The **Operating Fund** is used to account for all financial resources except those accounted for in another fund, and is the general operating fund of the Center.

The **Kelsey Wright Building Fund** was used to account for activities and financial resources, with respect to capital campaign activities, including the acquisition, development, and construction of a new building in Mt. Crested Butte, Colorado. The Board of Directors voted to establish the Building Fund in fiscal year ending April 30, 2016. With the completion of the Kelsey Wright Building during FY21, this fund was collapsed into the Operating Fund as of May 1, 2020.

Contributions

Contributions are recorded as support "with donor restrictions" or "without donor restrictions" depending on the existence and/or nature of any donor restrictions. Donor-restricted support, including pledges, is recorded as an increase in net assets with donor restrictions. When a donor restriction expires, 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.

ADAPTIVE SPORTS CENTER OF CRESTED BUTTE, INC.

NOTES TO FINANCIAL STATEMENTS

April 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donor restricted contributions, whose restrictions are met in the same reporting period, may be reported as unrestricted. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value.

The Center uses the allowance method to determine uncollectible promises to give. All unconditional promises to give are deemed collectible by management, and accordingly, no allowance has been provided.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Center considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash equivalents. Money market accounts are considered cash and cash equivalents because of their liquidity.

Investments

The Center follows FASB ASC 820, *Fair Value Measurements*, in reporting investments. FASB ASC 820 requires the use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs from the asset or liability (Level 3). These classifications are intended to reflect the observability of the inputs used in the valuation of investments and are not necessarily an indication of risk or liquidity.

Merchandise Inventory

Merchandise inventory consists of t-shirts and other items valued at cost.

Concentrations Risk

Financial instruments that potentially subject the Center to concentrations of credit risk consist of cash in excess of Federal Deposit Insurance Corporation (FDIC) limits. The Center places its cash accounts with creditworthy, high quality financial institutions. At April 30, 2021, the Center's cash and cash equivalents bank balances do not exceed FDIC limits.

ADAPTIVE SPORTS CENTER OF CRESTED BUTTE, INC.

NOTES TO FINANCIAL STATEMENTS

April 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

The Center capitalizes all property and equipment with a useful life greater than one year and a cost of \$2,000 or more. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with specific restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Center reports expiration of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Center reclassifies temporarily restricted net asset to unrestricted net assets at that time.

Donated items are recorded at fair market value upon the date of donation. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets, ranging from three to thirty-nine and a half years.

Contributed Services

Contributed Services are recognized as contributions in accordance with FASB ASC 958, *Accounting for Contributions Received and Contributions Made*, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with these skills, and would otherwise be purchased by the Center. In addition, 50 volunteers donated 1,834 hours to the Center's programs. Although the fair value of the donated services would be \$52,328, no amounts have been reflected in the accompanying financial statements for those donated services because they do not meet the criteria for revenue recognition established by FASB ASC 958.

Advertising and Marketing Costs

The Center expenses advertising and marketing costs as they are incurred. These costs were \$72,480 for the year ended April 30, 2021.

Use of Estimates

The preparation of financial statements, in conformity with U.S. generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ADAPTIVE SPORTS CENTER OF CRESTED BUTTE, INC.

NOTES TO FINANCIAL STATEMENTS

April 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Center is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and qualifies for the charitable contribution deduction. The Center has adopted the provisions of ASC 740-10-25 (FIN48), pertaining to accounting for uncertainty in income taxes. Management has determined the effects of uncertain tax positions are not material to the Organization for recognition or disclosure in the accompanying financial statements and, accordingly, no income tax liability has been recorded for uncertain income tax positions in the accompanying financial statements.

Functional Allocation of Expenses

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

NOTE 2: INVESTMENTS

Investments at April 30, 2021 of \$483,904 were Level 1 equity investments. Interest income for the year ended April 30, 2021 was \$77,231.

NOTE 3: PROPERTY AND EQUIPMENT

Changes in property and equipment for the year ended April 30, 2021 is as follows:

	Balance <u>May 01, 2020</u>	Additions	Disposals & Adjustments	Balance April 30, 2021
Land	\$ -	\$ 20,505	\$ -	\$ 20,505
Program Equipment	461,133	-	4,833	456,300
Challenge Course Equipment	29,966	-	625	29,341
Office Furniture and Equipment	87,091	-	41,656	45,435
Vehicles	209,670	-	-	209,670
Buildings and Improvements	16,750,307	82,312	-	16,832,619
Total Property and Equipment	<u>17,538,167</u>	<u>102,817</u>	<u>47,114</u>	<u>17,593,870</u>
Accumulated Depreciation	<u>(1,355,450)</u>	<u>(487,834)</u>	<u>(61,430)</u>	<u>(1,781,854)</u>
Net Property and Equipment	<u>\$ 16,182,717</u>	<u>\$ (385,017)</u>	<u>\$ (14,316)</u>	<u>\$ 15,812,016</u>

Depreciation expense for the year ended April 30, 2021 was \$487,834.

NOTE 4: IN-KIND CONTRIBUTIONS

The Center recorded donated in-kind contribution revenue of \$521,767 and a corresponding in-kind expense.

ADAPTIVE SPORTS CENTER OF CRESTED BUTTE, INC.

NOTES TO FINANCIAL STATEMENTS

April 30, 2021

NOTE 5: LONG-TERM LIABILITIES

The following summarizes the changes in Adaptive Sports Center's long-term debt activities for the year ended April 30, 2021.

	Balance May 1, 2020	Additions	Retirements	Balance April 30, 2021	Current Portion
Gunnison Bank & Trust	\$ 416,238	\$ -	\$ 123,608	\$ 292,630	\$ 29,718
Community Banks	1,237,980	-	863,200	374,780	-
	<u>\$ 1,654,218</u>	<u>\$ -</u>	<u>\$ 986,808</u>	<u>\$ 667,410</u>	<u>\$ 29,718</u>

Gunnison Bank & Trust. In 2016, the Adaptive Sports Center purchased a building in Crested Butte, Colorado for \$991,152. To finance part of the purchase, the Center obtained a 30-year note (with a 20-year maturity) from Gunnison Bank and Trust Company, at an initial interest rate of 5%, with monthly payments (principal and interest) of \$3,656. In March 2026, the interest rate will change from fixed 5% to a variable rate, never less than 5% per annum but not more than 16%. The final payment is due May 3, 2033. Interest paid during year ended April 30, 2021 was \$20,263. Future commitments as of April 30, 2021 are:

For the year ended

<u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 29,718	\$ 14,153	\$ 43,871
2023	31,260	12,611	43,871
2024	32,882	10,989	43,871
2025	34,588	9,283	43,871
2026	36,383	7,488	43,871
2027-2031	127,798	10,783	138,581
	<u>\$ 292,630</u>	<u>\$ 65,308</u>	<u>\$ 357,938</u>

Community Banks of Colorado. On July 11, 2018, the Center obtained a \$5,000,000 line of credit building loan from Community Banks of Colorado. The purpose of the loan was to finance construction of the Kelsey Wright Building. The loan terms required whenever there is a loan balance, interest payments are due at the end of each month, along with principal payments sufficient to reduce the annual balance to preset thresholds. The note is due July 31, 2023 for any unpaid principal and interest. As of April 30, 2021, the balance of \$374,780 was below the \$2,500,000 threshold of the final payment period. According to the promissory note, this means no principal payments are due until July 31, 2023. Interest paid during year ended April 30, 2021 was \$17,452.

Small Business Administration – Paycheck Protection Program (PPP). In April of 2020, the Center received a PPP loan, and expended the funds before April 30, 2020. This loan was forgiven in 2021. The Center received another PPP loan in 2021 in the amount of \$291,500. Management expects this loan will also be forgiven in FY22.

ADAPTIVE SPORTS CENTER OF CRESTED BUTTE, INC.

NOTES TO FINANCIAL STATEMENTS

April 30, 2021

NOTE 6: NET ASSETS

Net assets with donor restrictions are generally not available for normal operations, unless specified in the donor agreements.

Net Assets With Donor Restrictions – Purpose Restrictions

Net assets with donor restrictions, based on purpose, consisted of the following at April 30, 2021:

Roger Pepper	\$ 196,636
Kellen Sams	34,049
Frank Fialkoff	61,766
Down Syndrome - Sun Up Sun Down	6,499
Visually Impaired	157,558
Ladies Session	<u>40,000</u>
Total restricted for purpose	<u><u>\$ 496,509</u></u>

Changes in Net Assets With Donor Restrictions – Perpetual in Nature

Changes in net assets with donor restrictions, perpetual in nature, during year-ended April 30, 2021 were:

	<u>Balance</u> <u>5/1/20</u>	<u>Transfers</u>	<u>Contributions</u>	<u>Balance</u> <u>4/30/21</u>
Adam Lockard Endowment	\$ 143,215	\$ -	\$ 15,895	\$ 159,110
Calandra Family Endowment	67,500	-	3,500	71,000
Mary & Luis Garcia Scholarship Fund	-	-	101,000	101,000
General Endowment	<u>-</u>	<u>-</u>	<u>60,430</u>	<u>60,430</u>
Total perpetual in nature	<u><u>\$ 210,715</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 180,825</u></u>	<u><u>\$ 391,540</u></u>

The Center follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and its own governing documents. UPMIFA requires the historical dollar amount of a donor-restricted endowment fund be preserved. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable under UPMIFA.

Permanent Endowment Funds

The Adam Lockard Endowment Fund of the Adaptive Sports Center of Crested Butte, Inc. was established as a permanent endowment fund of the Adaptive Sports Center on August 4, 2014. The fund is only to be used for at-risk youth programming at the Adaptive Sports Center.

The Calandra Family Fund was established as a permanent endowment fund of the Adaptive Sports Center on February 2, 2015. The fund is only to be used for equipment purchases of the Adaptive Sports Center.

ADAPTIVE SPORTS CENTER OF CRESTED BUTTE, INC.

NOTES TO FINANCIAL STATEMENTS

April 30, 2021

Permanent Endowment Funds (Continued)

The Mary and Luis Garcia Scholarship Fund of the Adaptive Sports Center of Crested Butte was established December 4, 2020. The fund shall be used solely for participant scholarships.

On December 2, 2020, a general endowment was established with a donation of \$50,517.

NOTE 7: LIQUIDITY AND AVAILABILITY

The following represents the Center's financial assets that could readily be available within one year of the statement of financial position date to meet general expenditures:

	<u>April 30, 2021</u>
Financial assets at year-end:	
Cash and cash equivalents	\$ 2,045,898
Receivables	488,917
Investments	483,904
Total financial assets at year-end:	<u>2,529,802</u>
Less amounts unavailable:	
Cash with donor restrictions	496,509
Investments with donor restrictions	391,540
Total amounts unavailable:	<u>888,049</u>
Financial assets available to meet general expenditures in the next 12 months	<u>\$ 1,641,753</u>

The Center's goal is generally to maintain financial assets to meet 180 days of operating expenses.

NOTE 8: BUSINESS CONDITIONS

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The Center is closely monitoring its financial liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the Center's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on its customers, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Center's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

ADAPTIVE SPORTS CENTER OF CRESTED BUTTE, INC.

NOTES TO FINANCIAL STATEMENTS

April 30, 2021

NOTE 9: SUBSEQUENT EVENTS

Management evaluated events that occurred subsequent to the year-ended April 30, 2021 through the date of issuance of these financial statements. No additional disclosures were required.

NOTE 10: PRIOR PERIOD ADJUSTMENT

Management changed the estimate of allowance for doubtful accounts for FY19, resulting in an \$85,000 decrease in beginning net assets for year-ended April 30, 2021.