Financial Statements

For the Year Ended December 31, 2023



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors Coalitions and Collaboratives, Inc. Lake George, Colorado

Opinion

We have audited the accompanying financial statements of Coalitions and Collaboratives, Inc. (the Corporation), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and changes in net assets, 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 Coalitions and Collaboratives, Inc., as of December 31, 2023, 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 Coalitions and Collaboratives, 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 Coalitions and Collaboratives, 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 free financial statements as a whole are 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 quarantee that an audit conducted in accordance with generally accepted auditing standards and Government 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 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 and Government 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 Coalitions and Collaboratives, 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 Coalitions and Collaboratives, 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.

Report on Summarized Comparative Information

We have previously audited Coalitions and Collaboratives, Inc.'s 2022 financial statements, and our report dated August 24, 2023, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of (CFR) Part 200, Uniform Administrative Federal Regulations Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2024, on our consideration of Coalitions and Collaboratives, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Coalitions and Collaboratives, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Coalitions and Collaboratives, Inc.'s internal control over financial reporting and compliance.

Waugh & Goodwin, LLP

Colorado Springs, Colorado September 13, 2024

Statement of Financial Position

December 31, 2023

(With Comparative Amounts for December 31, 2022)

<u>ASSETS</u>			
		<u>2023</u>	2022
CURRENT ASSETS:			
Cash and cash equivalents	\$	282,123	\$ 177,749
Restricted cash		18,360	27,386
Grants receivable		92,585	608,619
Due from related party		68,010	148,112
Prepaid expenses		22,009	22,676
Total current assets		483,087	 984,542
TOTAL ASSETS	\$	483,087	\$ 984,542
LIABILITIES AND NET ASSE	<u>TS</u>		
CURRENT LIABILITIES:			
Accounts payable	\$	148,848	\$ 426,720
Due to related party		1,123	472
Accrued liabilities		90,019	88,765
Short-term note payable - insurance		14,063	 14,154
Total current liabilities		254,053	 530,111
TOTAL LIABILITIES		254,053	530,111
NET ASSETS:			
Without donor restrictions		(65,984)	240,379
With donor restrictions		295,018	214,052
Total net assets		229,034	 454,431
TOTAL LIABILITIES AND NET ASSETS	\$	483,087	\$ 984,542

Statement of Activities and Changes in Net Assets

For the Year Ended December 31, 2023

(With Comparative Totals For the Year Ended December 31, 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Totals	2022 Totals
REVENUE AND SUPPORT:				
Government grants	\$ 2,333,664	41,585	\$ 2,375,249	\$ 2,036,778
Management fees	753,248		753,248	935,494
In-kind donations	281,368		281,368	10,861
Foundation and individual support	11,744	220,000	231,744	177,623
Other grant revenue	1,950		1,950	3,165
Interest	439	(400 440)	439	
Satisfied program restrictions	180,619	(180,619)		
Total revenue and support	3,563,032	80,966	3,643,998	3,163,921
EXPENSES:				
Program services:				
Collaborative development				
and conservation	2,702,982		2,702,982	1,796,927
Program operations	341,950		341,950	228,504
Forest health and fuels mitigation	280,201		280,201	310,173
Habitat	60,685		60,685	53,271
Total program services	3,385,818		3,385,818	2,388,875
Supporting services:				
General and administrative	443,120		443,120	525,911
Financial development	40,457		40,457	45,853
Total supporting services	483,577		483,577	571,764
Total expenses	3,869,395		3,869,395	2,960,639
CHANGE IN NET ASSETS	(306,363)	80,966	(225,397)	203,282
NET ASSETS, beginning of year	240,379	214,052	454,431	251,149
NET ASSETS, end of year	\$ (65,984)	\$ 295,018	\$ 229,034	\$ 454,431

See Notes to Financial Statements

Statement of Functional Expenses

For the Year Ended December 31, 2023

(With Comparative Totals For the Year Ended December 31, 2022)

		Program Ser	vices				Supporting		
	Collaborative Development & Conservation	Program Operations	Forest Health & Fuels Mitigation	Habitat	Total Program Services	General & Administrative	Financial Development	2023 Totals	2022 Totals
Bank, credit card, and									
other fees	\$	\$ 837	\$	\$	\$ 837	\$ 418	\$	\$ 1,255	\$ 498
Books, subscriptions & reference		1,570			1,570			1,570	
Conference, conventions,		1,570			1,570			1,570	
and meetings	2,465				2,465	1,012		3,477	249
Contract and professional									
services	294,609				294,609	17,386		311,995	128,081
Cost share									
Employee benefits	37,039	65,350	11,831	2,153	116,373	32,714	2,085	151,172	77,581
Equipment operation and rental						20		20	9,159
Event expense						117		117	-,
Grants	1,489,134				1,489,134	34,350		1,523,484	1,309,939
In-kind expenses	255,289	24,553			279,842	1,527		281,369	10,861
Insurance						27,532		27,532	22,038
Occupancy		2,800			2,800	5,865		8,665	6,700
Office expenses	15,512	8,849			24,361	7,522		31,883	33,753
Other expenses	3,577	5,751			9,328		807	10,135	2,053
Payroll taxes	46,017	16,638	22,717	4,853	90,225	23,353	3,086	116,664	99,771
Professional fees		8,520			8,520			8,520	
Salaries	511,102	197,378	245,653	53,679	1,007,812	287,123	34,479	1,329,414	1,235,647
Supplies	465	0.704			465	1,358		1,823	1,596
Travel and meetings	47,773	9,704			57,477	2,823		60,300	22,713
	\$ 2,702,982	\$ 341,950	\$ 280,201	\$ 60,685	\$ 3,385,818	\$ 443,120	\$ 40,457	\$ 3,869,395	\$ 2,960,639

See Notes to Financial Statements

Statement of Cash Flows

For the Year Ended December 31, 2023

(With Comparative Amounts For the Year Ended December 31, 2022)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (225,397)	\$ 203,282
Adjustments to reconcile change in		
net assets to net cash provided (used)		
by operating activities:		
Change in assets and liabilities:		
(Increase) decrease in assets:		
Grants receivable	516,034	(200,792)
Due from related parties	80,102	19,453
Prepaid expenses	667	1,157
Increase (decrease) in liabilities:		
Accounts payable	(277,872)	61,105
Due to related parties	651	(4,349)
Accrued liabilities	1,254	(9,876)
Net cash provided by		
operating activities	95,439	69,980
CASH FLOWS FROM FINANCING ACTIVITIES:		
Note payable - insurance, net	(91)	(9,691)
Net cash used by financing activities	(91)	(9,691)
NET INCREASE IN CASH	95,348	60,289
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH,		
beginning of year	205,135	144,846
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH,		
end of year	\$ 300,483	<u>\$ 205,135</u>

COALITIONS AND COLLABORATIVES, INC. Notes to Financial Statements For the Year Ended December 31, 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Coalitions and Collaboratives, Inc. (the Corporation) was incorporated in the state of Colorado in October 2014 and commenced operations in early 2015. The Corporation was established to foster on-the-ground conservation efforts that protect and restore natural resources and local communities by supporting conservation organizations across the nation. To achieve the vision of people working together, for people and the planet, the Corporation undertakes the following mission driven activities:

- Mentoring placed-based collaborative organizations.
- Providing financial, technical, and staff support.
- Empowering through an inclusive iterative communitybased approach.
- Investing in people by helping to increase the capacity of local groups.
- Engaging and educating local, regional, and national leaders on some of the most pressing conservation issues of our time.

Grants Receivable

Grants receivable are recorded at the amount the Corporation expects to collect on balances outstanding at year-end. Based on management's assessment of its history with agencies having outstanding balances and current relationships with them, it has concluded that losses realized on balances outstanding at year-end will be immaterial; accordingly, no allowance for uncollectible accounts is maintained.

Unrecorded conditional grants receivable were \$5,935,000 as of December 31, 2023.

Contributions

Contributions are recorded when received as without donor restrictions, with donor restrictions - temporary in nature, or with donor restrictions - perpetual in nature, depending on the existence or nature of any donor restrictions.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Contributions - continued

When a donor restriction is met, net assets with donor restrictions - temporary in nature are reclassified to net assets without donor restrictions and reported in the statement of activities as satisfied program restrictions. Contributions with donor-imposed restrictions that are met in the same reporting period are reported as unrestricted support. Contributions include Foundation and individual support.

Government Grants

The government grants are of two primary types: conditional contributions and contracts with customers. An agreement is a conditional contribution if its primary purpose is to enable the Corporation to provide a service to, or conduct research for, the water quality and ecological health of the watershed or the general public rather than to serve the direct needs of the granting or contracting party. In other words, the agreement is a conditional contribution if any benefit to the granting or contracting party is indirect and insubstantial as compared to the public benefit. In contrast, if the grant or contract provides a benefit directly to the granting or contracting party, the agreement is a contract with a customer. All of the Corporation's government grants at December 31, 2023 and 2022 are conditional contributions.

Donated Assets, Property and Equipment, and Services

The Corporation's policy related to donated assets is to utilize the assets given to carry out the mission of the Corporation. If an asset is provided that does not allow the Corporation to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset. The Corporation did not sell any donated assets received during the years ending December 31, 2023, and 2022.

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 the Corporation. The Corporation also received donated services from other contributors and volunteers that do not meet the above criteria, and therefore, are excluded from the financial statements.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue from Contracts with Customers

Management fees - The Corporation receives management fees from Coalition for the Upper South Platte (CUSP) and Arkansas River Watershed Collaborative (ARWC) for payroll related costs. Revenue is recognized when the performance obligation is met, which is at the time the services are performed.

Other Revenue - Other revenue consists primarily of event revenue and cost sharing. Revenue is recognized when the performance obligation is met, which is at the time of the event or at the time the services are performed.

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. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Some of the expenses which are allocated include salaries, payroll taxes, and benefits, which are allocated on the basis of time and effort.

Cash and Cash Equivalents

Cash and cash equivalents consist of the Corporation's checking and savings accounts.

		<u>2023</u>	<u>2022</u>
Cash and cash equivalents Restricted cash	\$	282,123 18,360	\$ 177,749 27,386
Total cash, cash equivalents, and restricted cash as shown in the statement of cash flows	<u>\$</u>	300,483	\$ 205,135

Income Taxes

The Corporation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income tax on income related to its exempt purpose. Accordingly, no income tax provision has been recorded.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Income Taxes - continued

The Corporation's Form 990, Return of Organization Exempt from Income Tax, is subject to examination by various taxing authorities, generally for three years after the date it was filed. Management of the Corporation believes that it does not have any uncertain tax positions that are material to the financial statements.

Economic Dependency

The Corporation is economically dependent on grants and contracts from several government agencies in order to sustain its operations at current levels.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Supplemental Cash Flow Disclosures

Cash flows from operating activities reflect interest paid of \$837 and \$1,073 during the years ended December 31, 2023 and 2022, respectively. No income taxes were paid either year.

The Corporation had noncash financing transactions for insurance premiums of \$15,539 and \$19,953 during the years ending December 31, 2023 and 2022, respectively.

Date of Management's Review

In preparing the financial statements, the Corporation has evaluated events and transactions for potential recognition or disclosure through September 13, 2024, the date that the financial statements were available to be issued.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Prior Year Comparisons

The financial statements include certain prior year summarized comparative information in total but not by net asset class or functional expense classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

B. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Corporation's financial assets available within one year of the Statement of Financial Position date for general expenditure are as follows:

2023		2022
\$ 282,123	\$	177,749
18,360		27,386
68,010		148,112
 92,585		608,619
461,078		961,866
 (295,018)		(214,052)
\$ 166,060	\$	747,814
\$	\$ 282,123 18,360 68,010 92,585 461,078 (295,018)	\$ 282,123 \$ 18,360 68,010 92,585 461,078 (295,018)

As described in Note D to the financial statements, the Corporation has a \$50,000 line of credit available to be used for general expenditures. As part of the Corporation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The primary objectives of the Corporation are to preserve and protect the Corporation's assets and to provide liquidity for operations.

C. NOTE PAYABLE - INSURANCE

In October 2022, the Corporation entered into a note payable to finance its insurance premiums. In November 2023, the Corporation entered into a new note payable to finance insurance premiums. The balances at December 31, 2023, and 2022, are as follows:

	2023	<u>2022</u>
Unsecured note payable to First Insurance. This note requires monthly payments of \$2,095.84, including interest at 10.850%, through October 2023.	\$	\$ 14,154
Unsecured note payable to First Insurance. This note requires monthly payments of \$1,652, including interest at 13.55%, through October 2024.	14,063	
	\$ 14,063	\$ 14,154

D. LINE OF CREDIT

During the year ended December 31, 2022, the Corporation obtained a line of credit from a local bank. The line of credit is \$50,000, has an interest rate of ZB NA prime plus 13.24% and expires August 2, 2026. The line of credit is collateralized by certain assets of the Corporation. At December 31, 2023 and 2022, the balance outstanding on the line of credit was \$0.

E. NET ASSETS WITH DONOR RESTRICTION - TEMPORARY IN NATURE

Net assets with donor restriction - temporary in nature are available for the following purposes:

	<u>2023</u>	<u>2022</u>
Forest to Faucets	\$ 175,000	\$ 175,000
Clear Creek project	63,968	26,900
Collaborative development	 56,050	 12,152
Total	\$ 295,018	\$ 214,052

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose.

E. NET ASSETS WITH DONOR RESTRICTION - TEMPORARY IN NATURE - Continued

During the years ended December 31, 2023 and 2022, net assets were released from temporary restrictions by satisfying the following restricted purposes:

	<u>2023</u>	<u>2022</u>
Forest to Faucets	\$ 175,000	\$ 175,000
Collaborative development	3,602	7,848
Clear Ceek project	 2,017	
Total	\$ 180,619	\$ 182,848

F. IN-KIND CONTRIBUTIONS

The fair value of donated goods and services included as contributions in the financial statements and the corresponding expense categories for the years ended December 31, 2023 and 2022, are as follows:

	<u>2023</u>	<u>2022</u>
Services: Professional and technical services	\$ 280,268	\$ 10,407
Goods: Office supplies	 1,100	 454
Total	\$ 281,368	\$ 10,861

The services were utilized in the Collaborative Development, Outreach, Program Operations and General and Administrative programs.

G. RETIREMENT PLAN

The Corporation has adopted a SIMPLE retirement plan that covers all employees meeting specific age and length of service requirements. Employees may make discretionary contributions to the plan.

The Corporation matches each employee's contribution up to 3% of their earnings.

For the years ended December 31, 2023 and 2022, employer contributions to the plan amounted to \$24,192 and \$20,266, respectively.

H. OPERATING LEASE AGREEMENTS

The Corporation assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. As the Corporation's leases do not provide an implicit rate, the Corporation uses the risk-free discount rate based on the five-year Treasury bond rate as of the later of the date of adoption of the lease standard or the initial date of the lease term in determining the present value of lease payments in determination of the respective right-of-use (ROU) assets and liabilities.

Under ASU 2016-02, the Corporation has made an accounting policy election to apply the short-term lease recognition exemption for all applicable classes of underlying assets. Leases with a term of 12 months or less that do not include an option to purchase the underlying asset, are not recorded on the balance sheet as ROU assets or lease liabilities. The Corporation has elected to expense the cost of the short-term leases on the straight-line basis in the accompanying Statements of Activities.

The Corporation leased office space from CUSP on a month-to-month basis through September 2022. The Corporation entered into a 12-month lease for office space in Denver, Colorado, which will expire November 2023. This lease was renewed for another 12 months. The lease expense paid on these leases during the years ended December 31, 2023 and 2022 were \$8,665 and \$6,700, respectively.

I. RELATED PARTIES

The Corporation's employees provide services for CUSP and ARWC projects. The Corporation charges a management fee to CUSP and ARWC for employee time utilized, as well as respective payroll taxes, benefits, and workers compensation insurance. The Corporation invoices CUSP and ARWC for their share of general liability and director and officer insurance. CUSP was invoiced \$467,121 and \$607,541 for these services during the years ended December 31, 2023 and 2022, respectively. ARWC was invoiced \$273,078 and \$268,396 for these services during the years ended December 31, 2023 and 2022, respectively.

The Corporation leased office space on a month-to-month basis from CUSP through September 2022. Rent paid to CUSP during the years ended December 31, 2023 and 2022 was \$4,050 and \$5,400, respectively.

I. RELATED PARTIES - Continued

In addition, at December 31, 2023 and 2022, the Corporation had receivables due from CUSP in the amount of \$17,618 and \$122,839, respectively, and payables due to CUSP in the amount of \$1,123 and \$472, respectively. At December 31, 2023 and 2022, the Corporation had trade receivables due from ARWC in the amount of \$50,392 and \$25,273, respectively. No amounts were payable to ARWC. The receivables are from contracts with customers.

The Corporation, ARWC and CUSP share employees and may have common Board Members.

J. UNCERTAINTIES

With the rising cost of inflation and potential risk of recession, it is uncertain what effect these factors may have on the operations of the Corporation in the coming year.

COALITIONS AND COLLABORATIVES, INC. SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 2023

Federal Grantor/ Pass-through Grantor Program Title	Assistance Listing Number	Contract/ Grant Number	Federal Expenditures	Passed-through to Subrecipients
U.S. Forest Service				
Cooperative Fire Assistance	10.698	18-CA-11132543-050	\$ 2,285,519	\$ 1,485,108
Total expenditures of federal a	awards		\$ 2,285,519	\$ 1,485,108

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Coalitions and Collaboratives, Inc. under programs of the federal government for the year ended December 31, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Coalitions and Collaboratives, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Coalitions and Collaboratives, Inc.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Coalitions and Collaboratives, Inc. has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.