# AUDIO INFORMATION NETWORK OF COLORADO, INC.
# DBA AFTERSIGHT

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

Aftersight

# AFTERSIGHT

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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May 9, 2024

INDEPENDENT AUDITORS' REPORT

Board of Directors
Aftersight
Boulder, Colorado

**Opinion**

We have audited the accompanying financial statements of **Audio Information Network of Colorado, Inc. dba Aftersight**, (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, 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 Aftersight, 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. 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 Aftersight, 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 Aftersight'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 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, including omissions, 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 Aftersight'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 Aftersight'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 Aftersight's December 31, 2022 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 13, 2023. 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.

Taylor Roth and Company Pllc

TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
DENVER, COLORADO

**AFTERSIGHT**

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

| | 2023 | 2022 |
|---|---|---|
| Assets | | |
| Cash and cash equivalents | $ 313,991 | $ 267,187 |
| Grants receivable (Note 3) | 304,913 | 346,513 |
| Prepaid expenses and deposits | 12,732 | 16,631 |
| Property and equipment, net (Note 4) | 3,264 | 5,166 |
| Financing lease right of use asset, net | - | 25,529 |
| Operating lease right of use asset, net (Note 2) | - | 22,094 |
| Investments (Note 6) | 13,479 | 11,948 |
| Total assets | $ 648,379 | $ 695,068 |
| Liabilities and net assets | | |
| Liabilities | | |
| Accounts payable | $ 8,535 | $ 2,270 |
| Accrued payroll expenses | 50,624 | 53,483 |
| Lease obligations (Note 2) | - | 54,383 |
| Total liabilities | 59,159 | 110,136 |
| Net assets | | |
| Without donor restrictions | | |
| Undesignated | 284,300 | 297,016 |
| Investment in property and equipment | 3,264 | 5,166 |
| | 287,564 | 302,182 |
| With donor restrictions (Note 5) | 301,656 | 282,750 |
| Total net assets | 589,220 | 584,932 |
| Total liabilities and net assets | $ 648,379 | $ 695,068 |

The accompanying notes are an integral part of these financial statements

**AFTERSIGHT**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

| | 2023 | | | 2022 |
|---|---|---|---|---|
| | Without Donor Restrictions | With Donor Restrictions | Total | Total |
| Revenue and other support | | | | |
| Government grants | $ 324,118 | $ 540,000 | $ 864,118 | $ 853,436 |
| Contributions | 160,702 | 35,396 | 196,098 | 158,659 |
| Special events (net of direct expense) | 25,420 | - | 25,420 | 21,524 |
| Less: cost of donor benefits | (8,202) | - | (8,202) | (6,286) |
| Net investment income (Note 6) | 3,688 | - | 3,688 | (1,797) |
| Net assets released from restrictions (Note 7) | 556,490 | (556,490) | - | - |
| Total revenue and other support | 1,062,216 | 18,906 | 1,081,122 | 1,025,536 |
| Expense | | | | |
| Program services | 798,007 | - | 798,007 | 720,384 |
| Supporting services | | | | |
| Management and general | 139,995 | - | 139,995 | 126,940 |
| Fund-raising | 138,832 | - | 138,832 | 121,194 |
| Total expense | 1,076,834 | - | 1,076,834 | 968,518 |
| Change in net assets | (14,618) | 18,906 | 4,288 | 57,018 |
| Net assets, beginning of year | 302,182 | 282,750 | 584,932 | 527,914 |
| Net assets, end of year | $ 287,564 | $ 301,656 | $ 589,220 | $ 584,932 |

The accompanying notes are an integral part of these financial statements

**AFTERSIGHT**

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

| | 2023 | | | | 2022 |
|---|---|---|---|---|---|
| | | Supporting Services | | | |
| | Program Services | Management and General | Fund-raising | Total | Total |
| Salaries | $ 404,254 | $ 32,340 | $ 102,411 | $ 539,005 | $ 460,664 |
| Payroll taxes and benefits | 101,996 | 8,160 | 25,839 | 135,995 | 127,660 |
| Telephone and communications | 70,885 | 30,380 | - | 101,265 | 95,821 |
| Professional fees | 52,806 | 30,298 | 3,463 | 86,567 | 52,996 |
| Occupancy expense | 69,353 | 738 | 3,689 | 73,780 | 57,087 |
| Accounting | - | 28,907 | - | 28,907 | 31,366 |
| Office expense | 23,633 | 251 | 1,257 | 25,141 | 28,441 |
| Travel and meals | 13,890 | - | - | 13,890 | 18,381 |
| Marketing | 6,943 | 3,984 | 455 | 11,382 | 12,120 |
| Insurance | 10,580 | 113 | 562 | 11,255 | 10,427 |
| Conferences and meetings | 11,075 | - | - | 11,075 | 12,442 |
| Equipment and supplies | 10,866 | - | - | 10,866 | 13,512 |
| Special events expense | - | - | 8,202 | 8,202 | - |
| Interest | - | 4,593 | - | 4,593 | 7,376 |
| | 776,281 | 139,764 | 145,878 | 1,061,923 | 928,293 |
| Depreciation and amortization | 21,726 | 231 | 1,156 | 23,113 | 40,225 |
| Total expenses | $ 798,007 | $ 139,995 | $ 147,034 | $ 1,085,036 | $ 968,518 |
| Expenses netted against revenue: | | | | | |
| Special events expense | - | - | (8,202) | (8,202) | (6,286) |
| Net Expenses | $ 798,007 | $ 139,995 | $ 138,832 | $ 1,076,834 | $ 962,232 |

The accompanying notes are an integral part of these financial statements

**AFTERSIGHT**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

| | 2023 | 2022 |
|---|---|---|
| Cash flows from operating activities | | |
| Change in net assets | $ 4,288 | $ 57,018 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities | | |
| Depreciation | 1,902 | 2,227 |
| Unrealized (gain) loss on investments | (1,531) | 2,473 |
| Amortization expense (ROU assets) | 47,623 | 73,533 |
| Changes in operating assets and liabilities | | |
| (Increase)decrease in grants receivable | 41,600 | (72,750) |
| (Increase)decrease in prepaid expenses and deposits | 3,899 | (4,444) |
| Increase(decrease) in accounts payable and accrued expenses | 3,406 | 26,429 |
| Net cash provided by operating activities | 101,187 | 84,486 |
| Cash flows from financing activities | | |
| Repayments of ROU lease obligations | (54,383) | (76,108) |
| Repayments of vehicle loan | - | (2,042) |
| Net cash provided by financing activities | (54,383) | (78,150) |
| Net increase(decrease) in cash and cash equivalents | 46,804 | 6,336 |
| Cash and cash equivalents, beginning of year | 267,187 | 260,851 |
| Cash and cash equivalents, end of year | $ 313,991 | $ 267,187 |
| Supplemental disclosure of information: | | |
| Cash paid during the period for interest | $ 4,593 | $ 7,376 |

The accompanying notes are an integral part of these financial statements

**AFTERSIGHT**

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - NATURE OF ACTIVITIES

Audio Information Network of Colorado began doing business as Aftersight in January 2024. Aftersight is a nonprofit corporation that serves people with vision loss, blindness, or another need for an alternative to print. We primarily serve older adults because vision loss is more common as we age. Our focus is to offer accessibility, education, and aging in place. We produce Audio Editions of print publications which use volunteers to convert newspapers, magazines, sales ads (and more) into accessible audio. With Audio Editions, people can not only read their local paper (etc.), but they can also shop the local sales to make ends meet, read the bus schedule to get around, learn about weather alerts to stay safe, and MUCH more. Aftersight has approximately 120 volunteers that read, monitor programs, and assist with events. We also produce Aftersight Originals: podcasts for people living with vision loss or blindness. They offer education on benefits in podcast format to help people connect with benefits, learn about assistive technology, connect with others with vision loss, build mental health, and much more. Content is broadcast in partnership with RMPBS, and it is available on demand (Apple Podcasts, Spotify, etc.). It can even be accessed using a telephone. Aftersight airs around 144 unique “episodes” of content every week, or over 9,300 episodes per year. We also offer a virtual low-vision support group, a virtual low-vision audio book club, and free white canes.

Aftersight relies on financial support from state and local government agencies, as well as donations from the general public. Substantially all Aftersight’s financial support derives from government agencies, foundations, and donors located in Colorado.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

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.

2. Basis of Presentation

The financial statements of Aftersight, have been prepared in accordance with U.S. generally accepted accounting principles which require the Organization to report 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 the organization. These net assets may be used at the discretion of the Organization’s management and 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 the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that 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 statement of activities.

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.

3. Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets are received; 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.

4. 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, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

5. Accounts Receivable

The Organization lists accounts receivable at the amount management expects to collect from outstanding balances. State agencies are generally responsible for individual accounts and make payments on these accounts. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

6. Capitalization and Depreciation

The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of $2,500. The fair value of donated assets is similarly capitalized. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

7. 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.

8. Income Taxes

The Organization 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.

9. Functional Reporting of Expenses

For the year ended December 31, 2023, the costs of providing the 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. The allocations are determined by management on a rational and systematic basis. Expenses are allocated on a time and effort basis or by direct costs where appropriate.

10. Leases

The Organization determines if an arrangement is or contains a lease at inception and whether they will be classified as an operating or finance lease based upon the accounting criteria. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. The Organization uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, the Organization uses its incremental borrowing rate to determine the present value of the future lease payments. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization applies the short-term lease exemption of not recognizing a ROU asset and lease liability for leases that have terms of 12 months or less. Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

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. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year December 31, 2022, from which the summarized information was derived.

12. Fair Value Measurement

The Organization is subject to the provisions of the Fair Value Measurements and Disclosures accounting standard. This standard requires 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 for the asset or liability (Level 3).

13. Subsequent Events

Management has evaluated subsequent events through May 9, 2024, the date the financial statements were available to be issued.

NOTE 3 - RECEIVABLES

Receivables at December 31, 2023 consist of the following:

| Description | Amount |
|---|---|
| Promises to give: | |
| State of Colorado | $ 270,000 |
| Cost reimbursement grants: | |
| DRCOG | 34,913 |
| Total | $ 304,913 |

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

| Description | Amount |
|---|---|
| Equipment | $ 22,371 |
| Software | 1,574 |
| Leasehold improvements | 9,345 |
| Vehicles | 50,681 |
| Total property and equipment | 83,971 |
| Less: accumulated depreciation | (80,707) |
| Net property and equipment | $ 3,264 |

Depreciation and amortization expense for the year was $1,902.

NOTE 5 - DONOR RESTRICTED NET ASSETS

Donor restricted net assets are available for the following purposes:

| Description | Amount |
|---|---|
| Net assets with time restriction | $ 270,000 |
| Services for veterans | 16,500 |
| White cane program | 9,656 |
| Bringing print to life (El Paso County) | 5,500 |
| Total | $ 301,656 |

## NOTE 6 - INVESTMENTS

At year-end, investments are stated at their quoted market prices (level one inputs) and consist of:

| Description | Cost Basis | Fair Value | Unrealized Appreciation (Depreciation) |
|---|---|---|---|
| Mutual funds | $ 11,948 | $ 13,479 | $ 1,531 |

Investment income is summarized as follows:

| Description | Amount |
|---|---|
| Interest and dividends | $ 1,982 |
| Unrealized gains | 1,706 |
| Fees | - |
| Total | $ 3,688 |

## NOTE 7 - NET ASSETS RELEASED FROM DONOR RESTRICTIONS

During the year, net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes:

| Description | Amount |
|---|---|
| Passage of time | $ 540,000 |
| Services for veterans | 14,250 |
| White cane program | 2,240 |
| Total | $ 556,490 |

## NOTE 8 - LINES OF CREDIT

The Organization has a $32,000 revolving line of credit with a commercial bank that renews annually. Borrowings under the line bear interest at the bank's prime rate plus 1.25% and are secured by the assets of the Organization. During the term of the agreement, minimum interest payments are due monthly on any outstanding principal balance. As of December 31, 2023, there was no outstanding balance on the line of credit.

The Organization obtained another line of credit for $35,000 with a different bank. Borrowings under the line bear interest at the bank's prime rate plus 1% and are secured by the assets of the Organization. During the term of the agreement, minimum interest payments are due monthly on any outstanding principal balance. As of December 31, 2023, there was no outstanding balance on the line of credit.

The Organization has a $5,000 overdraft protection line of credit with their primary operations account. As of December 31, 2023, there was no outstanding balance.

NOTE 9 - PENSION PLAN

The Organization sponsors a SIMPLE IRA plan for all of its employees (the Plan). To participate in the Plan, employees must earn at least $5,000 of compensation per calendar year. Employee contributions under the Plan are subject to IRS limitations. The Organization provides a matching contribution of up to 3% of an employee's annual compensation. Employer matching contributions to the plan during the year were $10,086.

NOTE 10 - CONCENTRATIONS OF RISK

Banks

As of December 31, 2023, the Organization had cash assets in a local bank that exceeded the coverage offered by the Federal Deposit Insurance Corporation. Uninsured assets at year-end were $59,557.

Funding

The Organization receives a significant portion of its revenue from the State of Colorado's Department of Education. Contributions from this funder comprised approximately 50% of total support and revenue in 2023.

NOTE 11 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2023. The Organization considers all contributions with donor restrictions as available for general operations within the next year:

| Description | Amount |
|---|---|
| Cash | $ 313,991 |
| Grants receivable | 304,913 |
| Investments | 13,479 |
| Total financial assets | $ 632,383 |

The Organization strives to maintain a minimum of three months' operating expenses (approximately $190,000). Some revenue is earned on a cost-reimbursement basis and, therefore, expenses are incurred prior to the receipt of grant or contract funding.