

GUIDE, INC.

SUPPLEMENTAL FINANCIAL REPORTS
IN ACCORDANCE WITH THE
CONNECTICUT SINGLE AUDIT ACT

JUNE 30, 2023

**DOHERTY
BEALS &
BANKS, P.C.**
CERTIFIED PUBLIC
ACCOUNTANTS

GUIDE, INC.

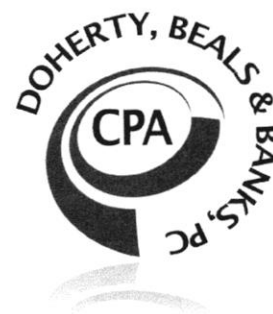
**SUPPLEMENTAL FINANCIAL REPORTS
IN ACCORDANCE WITH THE
CONNECTICUT SINGLE AUDIT ACT**

JUNE 30, 2023

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR STATE PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE; AND
REPORT ON THE SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE REQUIRED
BY THE STATE SINGLE AUDIT ACT**



Board of Directors
Guide, Inc.
129 Asylum Street
Norwich, CT 06360

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Guide Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Guide Inc.'s major state programs for the year ended June 30, 2023. Guide Inc.'s major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Guide Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the State Single Audit Act. Our responsibilities under those standards and the State Single Audit Act are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Guide Inc. and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of Guide Inc. compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Guide Inc.'s state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Guide Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the State Single Audit Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Guide Inc.'s compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the State Single Audit Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Guide Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Guide Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of Guide Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

We have audited the financial statements of Guide Inc. as of and for the year ended June 30, 2023, and have issued our report thereon dated November 30, 2023 which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act 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 to the 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. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.



DOHERTY, BEALS & BANKS, P.C.
New London, Connecticut

November 30, 2023

GUIDE, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor / Pass- Through Grantor / Program Title	State Grant Program CORE -CT Number	Passed Through to Subrecipients*	Expenditures
Department of Developmental Services			
Day Services	11000-DDS50000-16108		\$ 521,365
Residential Services	11000-DDS50000-16122		1,822,404
Fiscal Intermediary Payments			
Day Services	11000-DDS5000-16108		101,402
Total State Financial Assistance			<u>\$ 2,445,171</u>

See notes to schedule.

GUIDE, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2023

The accompanying schedule of expenditures of state financial assistance includes state grant activity of Guide, Inc. under programs of the State of Connecticut for the fiscal year ended June 30, 2022. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including residential and day services.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Guide, Inc. conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit agencies.

The information in the Schedule of Expenditures of State Financial Assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of Accounting

The expenditures reported on the Schedule of Expenditures of State Financial Assistance are reported on the accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditures of State Financial Assistance.

2. SUBRECIPIENTS*

*The Schedule of Expenditures of State Financial Assistance is to include an identification of the total amount provided to subrecipients from each state program. This identification should be presented on the face of the Schedule.

GUIDE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's opinion issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported
- Noncompliance material to financial statements noted? ☐ yes ☒ no

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

Type of auditor's opinion issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? ☐ yes ☒ no

- The following schedule reflects the major programs included in the audit:

State Grantor and Program	State Core-CT Number	Expenditures
Department of Developmental Services		
Community Residential Program	11000-DDS50000-16122	\$ 1,822,404
<ul style="list-style-type: none"> • Dollar threshold used to distinguish between type A and type B programs. 		\$ 200,000

GUIDE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2023

II. FINANCIAL STATEMENT FINDINGS

- We issued reports, dated November 30, 2023, on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
- Our report on compliance indicated no reportable instances of noncompliance.
- Our report on internal control over financial reporting indicated no significant deficiencies.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No findings or questioned costs are reported relating to State Financial Assistance programs.

**INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**



Board of Directors
Guide, Inc.
129 Asylum Street
Norwich, CT 06360

We have audited, in accordance with the 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 the financial statements of the Guide, Inc., which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended June 30, 2022, and the related notes to the financial statements, and have issued our report thereon dated November 30, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Guide, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Guide, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Guide, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Guide, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Guide, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Guide, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



DOHERTY, BEALS & BANKS, P.C.
New London, Connecticut

November 30, 2023

GUIDE, INC.
FINANCIAL STATEMENTS
JUNE 30, 2023

DOHERTY
BEALS &
BANKS, P.C.
CERTIFIED PUBLIC
ACCOUNTANTS

GUIDE, INC.
FINANCIAL STATEMENTS

JUNE 30, 2023

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Board of Directors
Guide, Inc.
129 Asylum Street
Norwich, CT 06360



INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Guide, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, 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 present fairly, in all material respects, the financial position of Guide, Inc. as of June 30, 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 Guide, 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 opinions.

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 Guide, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Stacey L. Gualtieri, CPA
Audrey A. Leone, CPA

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 Guide, 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 Guide, 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 Guide, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 31, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2023, on our consideration of Guide, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Guide, Inc.'s internal control over financial reporting and compliance.

Doherty, Beals & Banks, P.C.

DOHERTY, BEALS & BANKS, P.C.
New London, Connecticut

November 30, 2023

GUIDE, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2023
WITH COMPARATIVE TOTALS FOR 2022

	ASSETS	
	2023	2022
CURRENT ASSETS		
Cash	\$ 1,103,385	\$ 743,360
Grants receivable	212,080	368,562
Accounts receivable	2,244	4,832
Prepaid expenses	912	469
TOTAL CURRENT ASSETS	1,318,621	117,223
PROPERTY AND EQUIPMENT		
Building and improvements	194,933	194,933
Vehicles	103,240	113,881
Equipment	4,200	4,200
Less: Accumulated depreciation	(181,940)	(173,946)
NET PROPERTY AND EQUIPMENT	120,433	139,068
OTHER ASSETS		
Property not placed in service	48,482	48,482
TOTAL ASSETS	\$ 1,487,536	\$ 1,304,773
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Notes payable - current portion (<i>note 3</i>)	\$ 8,447	\$ 8,024
Wages and payroll tax payable	184,665	241,098
Accounts payable	51,483	37,069
Client funds payable	43,815	67,549
Grant payable	293,282	336,070
TOTAL CURRENT LIABILITIES	581,692	689,810
LONG TERM LIABILITIES		
Notes payable (net of current portion) (<i>note 3</i>)	173,801	182,036
TOTAL LIABILITIES	755,493	871,846
NET ASSETS		
Without donor restrictions	731,041	431,925
With donor restrictions (<i>note 4</i>)	1,000	1,000
TOTAL NET ASSETS	732,041	432,925
TOTAL LIABILITIES AND NET ASSETS	\$ 1,487,536	\$ 1,304,773

See notes to financial statements.

GUIDE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE TOTALS FOR 2022

	Without Donor Restrictions	With Donor Restrictions	2023	2022
SUPPORT AND REVENUE				
Grants- state	\$ 2,424,040	\$ -	\$ 2,424,040	\$ 1,945,042
Grants- pass through fiscal intermediaries	101,402	-	101,402	70,891
Grants - federal	-	-	-	-
Private services	15,368	-	15,368	15,876
Client funds	270,516	-	270,516	205,409
Contributions	2,304	-	2,304	2,975
Miscellaneous income	10,968	-	10,968	7,021
TOTAL SUPPORT AND REVENUE	2,824,598	-	2,824,598	2,247,214
FUNCTIONAL EXPENSES				
Supported Living Program	1,635,374	-	1,635,374	1,399,686
Individual Support Employment	966	-	966	1,012
Day Support Options	431,798	-	431,798	377,551
Private Support Programs	284,303	-	284,303	223,515
General and administrative	173,041	-	173,041	165,628
TOTAL FUNCTIONAL EXPENSES	2,525,482	-	2,525,482	2,167,391
CHANGE IN NET ASSETS	299,116	-	299,116	79,823
NET ASSETS- BEGINNING	431,925	1,000	432,925	353,103
NET ASSETS - ENDING	<u>\$ 731,041</u>	<u>\$ 1,000</u>	<u>\$ 732,041</u>	<u>\$ 432,925</u>

See notes to financial statements.

GUIDE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE TOTALS FOR 2022

	Supported Living Program (IHS & PS)	Individual Support Employment (SEI)	Day Support Options (IDN & IDV)	Private Support Programs (other)	General and Administrative	2023	2022
Salaries	\$ 1,225,469	\$ 711	\$ 329,314	\$ 10,945	\$ 143,341	\$ 1,709,781	\$ 1,562,613
Payroll taxes	106,246	62	28,552	785	12,413	148,058	131,160
Employee benefits	107,638	63	28,925	795	12,576	149,997	75,616
Total salaries and related expenses	1,439,353	836	386,791	12,525	168,330	2,007,836	1,769,389
Business insurance	12,507	13	3,377	96	-	15,992	16,096
Client fund expenses	-	-	-	270,516	-	270,516	205,409
Client supplies	49,814	15	4,301	112	-	54,242	20,639
Interest	9,404	10	2,539	72	-	12,025	12,081
Mileage reimbursement	18,746	2	6,344	183	-	25,276	19,626
Occupancy	26,319	27	7,105	202	-	33,653	32,756
Office supplies	2,998	3	810	23	-	3,834	2,123
Professional fees	10,996	11	2,969	84	-	14,060	12,583
Training	5,080	5	1,372	39	-	6,496	12,076
Transportation	19,839	20	5,356	152	-	25,368	20,975
Workers' compensation	27,037	16	7,266	200	3,159	37,677	26,756
Total expenses before depreciation	1,622,093	958	428,229	284,205	171,489	2,506,974	2,150,509
Depreciation	13,281	8	3,569	98	1,552	18,507	16,882
TOTAL FUNCTIONAL EXPENSES	\$ 1,635,374	\$ 966	\$ 431,798	\$ 284,303	\$ 173,041	\$ 2,525,482	\$ 2,167,391

The organization maintains multiple allocation schedules based on a number of formulas including percentage of revenue but in most cases expenses are allocated directly.

See notes to financial statements.

GUIDE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE TOTALS FOR 2022

CASH FLOWS FROM OPERATING ACTIVITIES	2023	2022
Change in net assets	\$ 299,116	\$ 79,823
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	18,507	16,882
(Increase) decrease in:		
Grants receivable	156,482	(56,941)
Accounts receivable	2,588	(2,899)
Prepaid expense	(443)	4,816
Increase (decrease) in:		
Wages and payroll tax payable	(56,433)	(31,644)
Accounts payable	14,540	(38,430)
Client funds payable	(23,734)	27,558
Grants payable	(42,788)	40,433
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	367,835	39,598
 CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on notes payable	(7,812)	(7,746)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(7,812)	(7,746)
 NET CHANGE IN CASH	360,023	31,852
 CASH - BEGINNING	743,360	711,510
 CASH - ENDING	\$ 1,103,385	\$ 743,360

Cash paid for interest during 2022/23 was \$12,025.

See notes to financial statements.

GUIDE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose

Guide, Inc. is a non-profit organization operating in Southeastern Connecticut providing various forms of training for the mentally handicapped in order to develop the necessary skills for independent living.

Basis of Accounting

The Organization prepared the accompanying financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The financial statements include the operations, assets and liabilities of the Organization. In the opinion of the Organization's management, the accompanying financial statements contain all adjustments, consisting of normal recurring accruals, necessary to fairly present the accompanying financial statements.

Financial Statement Presentation

The Organization follows the reporting requirements of GAAP, which requires that resources be classified for reporting purposes based on the existence or absence of donor-imposed restrictions. This is accomplished by classification of fund balances into two classes of net assets: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories and the types of transactions affecting each category are as follows:

- Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions. Items that affect this net asset category principally consist of fees for service and related expenses associated with the core activities of the Organization.
- With Donor Restrictions – Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or the passage of time. Items that affect this net asset category are for contributions for which donor-imposed restrictions have not been met in the year of receipt. Also included in this category are net assets subject to donor-imposed restrictions to be maintained permanently by the Organization.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and therefore, has no provision for federal or state income taxes. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation.

The Organization recognizes the tax benefit from uncertain tax positions when it is more-likely-than-not the position will be sustained upon examination by taxing authorities. As of June 30, 2023, the Organization had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. In the normal course of business, the Organization's tax filings are subject to examination by federal and state taxing authorities. The Organization's tax returns for the last three years remain open for examination.

GUIDE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and the disclosure of contingent assets and liabilities as of the date of the financial statements, and support, revenue and expenses during the reporting period. Actual results could differ from those estimates.

Prior Year Comparative Totals

The financial information shown for June 30, 2022, in the accompanying financial statements is included to provide a basis for comparison with June 30, 2023, and presents summarized totals only. Such total amounts do not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such amounts should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which the comparative total amounts were derived.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. The Organization capitalizes all expenditures for property and equipment in excess of \$1,000. Depreciation is computed over the estimated useful lives of the assets using the straight-line method. Repairs and maintenance of property and equipment are charged to expenses as incurred.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation of the Organization's assets is calculated using the straight-line method over the estimated useful lives of the assets ranging from five to forty years.

Guide, Inc. capitalizes purchases over \$5,000 to property and equipment. Repairs and maintenance of property and equipment are charged to expenses as incurred.

Recognition of Support and Revenue

In 2021, the Board adopted the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), and additional ASUs issued to clarify the guidance in ASU 2014-09 (collectively, the new revenue standard), which amends the existing accounting standards for revenue recognition.

The adoption of the new revenue standard did not have a material impact on previously reported amounts or amounts recognized for the year ended June 30, 2023, as the Board receives substantially all of its support from contributions and grants, which are not within the scope of the new revenue standard.

Grants and Contracts – Grants and contracts are generally considered to be exchange transactions in which the grantor or contractor requires the performance of specified activities.

GUIDE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Entitlement to cost reimbursement grants and contracts is conditioned on the expenditure of funds in accordance with grant restrictions and, therefore, support is recognized to the extent of grant expenditures. Entitlement to performance-based grants and contracts are conditioned to the attainment of specific performance goals and, therefore, support is recognized to the extent of performance achieved. Grant and contract receipts in excess of support recognized are presented as deferred revenue.

Contributions – Contributions are defined as voluntary, non-reciprocal transfers.

Contributions that are unconditional and without restrictions are recognized as support when received or pledged, if applicable. Contributions and grants that are restricted by the contributor or grantor are reported as increases in net assets with donor restrictions. Expirations of net assets with donor restrictions (*i.e.*, the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Conditional promises to give are not recognized as support until the conditions have been substantially met.

Contributed Assets – Donated assets (including the usage of assets such as rent) are recognized at their estimated fair market value.

Guide, Inc. reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long-lived assets must be maintained, Guide, Inc. reports expirations of donor restrictions in full when the donated or acquired long-lived assets are placed in service.

Contributed Services – Guide, Inc. recognizes donated services if they create or enhance non-financial assets or require specialized skills and would typically be purchased if not provided by donation. General volunteer services do not meet these criteria for recognition in the financial statements.

Expense Allocation

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

Fair Values of Financial Instruments

The fair values of financial instruments have been determined through quoted market prices or present value techniques to approximate the amounts recorded in the statement of financial position.

Subsequent Events

Management has evaluated subsequent events through November 30, 2023, the date which the financial statements were available for issue.

GUIDE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

2. RELATED PARTY TRANSACTIONS

An employee of Guide, Inc., owns rental properties and rents to Guide clients. In one rental unit, the monthly rent is \$425 for one individual and \$475 for the other three individuals; the second rental unit can accommodate up to three individuals – monthly rent for each individual is \$490. There are currently seven Guide clients renting from this employee. These have all been approved by the Department of Developmental Services Ethics Committee and Guide, Inc., has met all requirements required by the Committee.

The Vice President of the Organization is the husband of the President/Director and the Secretary is the mother of the President/Executive Director. The Vice President is also a management employee of the Organization.

3. NOTES PAYABLE

Notes payable at June 30, 2023, consisted of the following:

Note payable - due July 1, 2029, and secured by the property located at 129 Asylum Street, Norwich, CT with a net book value of \$165,354. Monthly payments are \$1,231 including interest at 6.25%. The interest rate is variable and will be adjusted every seven years. \$ 174,742

Note payable due in December 2024 and secured by a vehicle with a net book value of \$3,560. Monthly payments are \$410, which includes interest at a rate of 4.84%. 7,506

Maturities of the notes are payable as follows:

2024	\$ 8,447
2025	6,849
2026	4,305
2027	4,652
2028	4,586
Thereafter	<u>153,651</u>
	<u>\$ 182,248</u>

4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purpose or periods:

Architect Fees \$ 1,000

5. CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at two financial institutions located in Connecticut. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2023, the Organization's uninsured cash balances total \$544,128.

GUIDE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

6. AVAILABILITY OF FINANCIAL ASSETS

The following reflects Guide, Inc.'s financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date:

Cash and cash equivalents	\$ 1,103,667
Accounts receivable	2,244
Grant receivables	<u>192,196</u>
	<u>\$ 1,298,107</u>

As part of Guide, Inc.'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. Although Guide, Inc., does not intend to spend from any other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from other sources could be made available if necessary.

7. NEW ACCOUNTING STANDARDS

The Organization adopted Accounting Standard Codification (ASC) 842- Lease Accounting. This standard is effective for Fiscal Years beginning after December 15, 2021. This lease standard recognizes and measures existing leases. Lease disclosures for the year ending June 30, 2022, are made under prior lease guidance in FASB ASC 840. This adoption did not require any financial or information changes to the Organization's financial statements presented.