

COLORADO CROSS-DISABILITY COALITION

Financial Statements

December 31, 2016

(Together with Independent Auditors' Report)



Colorado
Cross-Disability
Coalition

COLORADO CROSS-DISABILITY COALITION
Table of Contents

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position.....	2
Statement of Activities.....	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Colorado Cross-Disability Coalition
Denver, Colorado

We have audited the accompanying financial statements of Colorado Cross-Disability Coalition (a Colorado nonprofit corporation), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

To the Board of Directors
Colorado Cross-Disability Coalition

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Colorado Cross-Disability Coalition, as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Colorado Cross-Disability Coalition's 2015 financial statements, and our report dated April 14, 2016, 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, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Bauerle and Company, P.C.
Denver, Colorado

March 31, 2017

COLORADO CROSS-DISABILITY COALITION

Statement of Financial Position December 31, 2016 (With Summarized Totals for December 31, 2015)

ASSETS

	<u>2016</u>	<u>2015</u>
<u>Current Assets</u>		
Cash and cash equivalents	\$ 475,158	\$ 369,474
Grants and contributions receivable, current	255,000	159,000
Accounts receivable	15,563	9,417
Prepaid and other	9,730	4,380
Total Current Assets	<u>755,451</u>	<u>542,271</u>
<u>Property and Equipment, at cost</u>		
Office furniture and equipment	77,789	70,386
Leasehold improvements	-	1,265
	<u>77,789</u>	<u>71,651</u>
Less: accumulated depreciation	<u>68,942</u>	<u>66,153</u>
Net Property and Equipment	<u>8,847</u>	<u>5,498</u>
<u>Other Assets</u>		
Grants and contributions receivable, long-term, net	199,092	-
Deposits	2,759	5,334
Total Other Assets	<u>201,851</u>	<u>5,334</u>
Total Assets	<u>\$ 966,149</u>	<u>\$ 553,103</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts payable	\$ 22,054	\$ 6,027
Accrued salaries and wages	38,779	33,258
Total Current Liabilities	<u>60,833</u>	<u>39,285</u>
<u>Net Assets</u>		
Unrestricted	428,034	428,516
Temporarily restricted	477,282	85,302
Total Net Assets	<u>905,316</u>	<u>513,818</u>
Total Liabilities and Net Assets	<u>\$ 966,149</u>	<u>\$ 553,103</u>

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

COLORADO CROSS-DISABILITY COALITION

Statement of Activities Year Ended December 31, 2016 (With Summarized Totals for the Year Ended December 31, 2015)

	<u>2016</u>			<u>2015</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
<u>Revenue, Gains, and Other Support</u>				
Program fees and settlement revenues	\$ 276,325	\$ -	\$ 276,325	\$ 370,505
Foundation contributions	260,000	630,196	890,196	289,810
Event sponsorships and donations	60,588	-	60,588	82,686
Corporate and individual contributions	28,801	-	28,801	43,130
Other	1,972	-	1,972	1,764
In-kind	91,049	-	91,049	97,144
Net Assets released from restrictions	238,216	(238,216)	-	-
Total Revenue, Gains, and Other Support	<u>956,951</u>	<u>391,980</u>	<u>1,348,931</u>	<u>885,039</u>
<u>Expenses</u>				
Program Services				
Advocacy	492,995	-	492,995	329,772
Legal	288,408	-	288,408	325,704
Outreach	45,717	-	45,717	67,842
Probate law	22,786	-	22,786	-
Total Program Services	<u>849,906</u>	<u>-</u>	<u>849,906</u>	<u>723,318</u>
Supporting Services				
Management and general	88,141	-	88,141	79,580
Fundraising	19,386	-	19,386	26,264
Total Supporting Services	<u>107,527</u>	<u>-</u>	<u>107,527</u>	<u>105,844</u>
Total Expenses	<u>957,433</u>	<u>-</u>	<u>957,433</u>	<u>829,162</u>
Change in Net Assets	(482)	391,980	391,498	55,877
NET ASSETS, Beginning of Year	<u>428,516</u>	<u>85,302</u>	<u>513,818</u>	<u>457,941</u>
NET ASSETS, End of Year	<u>\$ 428,034</u>	<u>\$ 477,282</u>	<u>\$ 905,316</u>	<u>\$ 513,818</u>

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

COLORADO CROSS-DISABILITY COALITION

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2016

(With Summarized Totals for the Year Ended December 31, 2015)

	2016								2015	
	Program Services				Program Services Total	Supporting Services			Total	
	Advocacy	Legal	Outreach	Probate Law		Management and General	Fund- Raising	Supporting Services Total		
Salary and wages	\$ 238,602	\$ 150,781	\$ 16,850	\$ 18,444	\$ 424,677	\$ 29,871	\$ 11,954	\$ 41,825	\$ 466,502	\$ 354,360
Payroll taxes	20,941	11,990	1,520	1,625	36,076	2,703	987	3,690	39,766	30,585
Total Employee Costs	<u>259,543</u>	<u>162,771</u>	<u>18,370</u>	<u>20,069</u>	<u>460,753</u>	<u>32,574</u>	<u>12,941</u>	<u>45,515</u>	<u>506,268</u>	<u>384,945</u>
Professional services	70,073	23,278	-	360	93,711	9,930	-	9,930	103,641	167,922
Plaintiff award payments	-	68,000	-	-	68,000	-	-	-	68,000	11,000
Travel, meals, and meetings	30,981	288	22,492	85	53,846	636	-	636	54,482	62,264
Rent	15,549	13,490	1,682	-	30,721	3,382	1,682	5,064	35,785	31,956
Contract services	22,715	-	-	-	22,715	-	-	-	22,715	6,450
Telephone	13,321	2,903	1,438	161	17,823	2,155	1,857	4,012	21,835	18,290
Equipment costs	14,614	880	631	527	16,652	2,992	765	3,757	20,409	8,574
Research materials	4,755	1,646	115	1,135	7,651	465	315	780	8,431	6,496
Supplies	4,919	241	97	44	5,301	1,967	97	2,064	7,365	2,435
All other	4,101	650	59	199	5,009	942	-	942	5,951	19,681
Depreciation	405	2,028	405	-	2,838	1,216	-	1,216	4,054	4,418
Insurance	1,402	1,322	301	206	3,231	342	301	643	3,874	3,360
Printing	136	192	-	-	328	461	1,045	1,506	1,834	1,772
Postage	308	184	54	-	546	284	383	667	1,213	1,666
Interest and bank charges	-	-	-	-	-	527	-	527	527	789
In-kind	50,173	10,535	73	-	60,781	30,268	-	30,268	91,049	97,144
Total Expenses	<u>\$ 492,995</u>	<u>\$ 288,408</u>	<u>\$ 45,717</u>	<u>\$ 22,786</u>	<u>\$ 849,906</u>	<u>\$ 88,141</u>	<u>\$ 19,386</u>	<u>\$ 107,527</u>	<u>\$ 957,433</u>	<u>\$ 829,162</u>

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

COLORADO CROSS-DISABILITY COALITION

Statement of Cash Flows Year Ended December 31, 2016 (With Summarized Totals for the Year Ended December 31, 2015)

	2016	2015
<u>Cash Flows From Operating Activities</u>		
Change in net assets	\$ 391,498	\$ 55,877
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,054	4,418
(Increase) decrease in:		
Grants and contributions receivable	(295,092)	(36,100)
Accounts receivable	(6,146)	4,607
Prepaid expenses and other	(5,350)	391
Deposits	2,575	(2,759)
Increase (decrease) in:		
Accounts payable	16,027	(3,353)
Accrued salaries and wages	5,521	5,500
Net Cash Provided by Operating Activities	113,087	28,581
<u>Cash Flows From Investing Activities</u>		
Purchase of property and equipment	(7,403)	-
Net Cash (Used in) Investing Activities	(7,403)	-
<u>Net Increase in Cash and Cash Equivalents</u>	105,684	28,581
<u>CASH AND CASH EQUIVALENTS, beginning of year</u>	369,474	340,893
<u>CASH AND CASH EQUIVALENTS, end of year</u>	\$ 475,158	\$ 369,474
<u>Supplemental disclosures of cash flow information:</u>		
Cash paid for interest and bank charges	\$ 527	\$ 789

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

COLORADO CROSS-DISABILITY COALITION

Notes to Financial Statements

December 31, 2016

1. Organization and Summary of Significant Accounting Policies

Organization

Colorado Cross-Disability Coalition (the Organization) was founded in 1990 to implement the Americans with Disabilities Act (ADA) throughout Colorado. The Organization is the leading disability civil rights organization in Colorado, staffed by people with disabilities and serving the cross-disability (all disabilities) community. The Organization's mission is to advocate for social justice for people with all types of disabilities. The Organization is supported primarily through in-kind donations, program fees, and foundations. The Organization operates the following major programs:

Legal – The legal program brings lawsuits on behalf of the Organization and its members to enforce the ADA and other statutes that protect the civil rights of persons with disabilities.

Advocacy – The advocacy program is focused on creating independence and equality for people with disabilities.

- Individual Advocacy is the process of assisting a member to correct a problem with the system.
- Systematic Advocacy is the process of changing rules or laws that interfere with the rights of people with disabilities.
 - The Organization takes an active role in addressing policy matters that affect people with disabilities. This includes working on state legislation.
 - Legislative – the Organization has a team of volunteer lobbyists who work at the State Capitol to make sure that the Organization's interests are represented.
 - Policy – the Organization is active in promoting policy that affects people with disabilities in the various areas of Medicaid and in matters affecting development disability services, mental health services, and the Organization is working on a program to redesign primary care.

Outreach – Outreach involves efforts by the Organization to let people know about both the Organization itself and disability rights. Outreach occurs when staff and volunteers attend or host community events, as well as through the Organization's social media efforts.

Training and Consulting – Training and education about disability issues, including specialized training on specific topics such as effective communication, ADA, and disability cultural competency. The Organization makes information available to the public via social media and its website and presence at community events.

Probate Law – The Probate Power program will work with families who need assistance in setting up special needs trusts, handling legal services and preparing wills.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

1. Organization and Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

The accompanying financial statements include a statement of financial position that presents amounts for each of the three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Temporarily restricted net assets include those assets whose use by the Organization has been limited by donors to later periods of time or for specified purposes. Permanently restricted net assets include those net assets that must (to the extent required by donor restrictions) be maintained in perpetuity. At December 31, 2016, the Organization has no permanently restricted net assets.

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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, include cash and cash equivalents, grants and contributions receivable and accounts receivable. The Organization places its cash and temporary cash investments with high quality financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Although at times the balances in these accounts may exceed the federally insured limit, the Organization has never experienced any losses.

Credit risk with respect to grants, contributions, and accounts receivable is limited due to the credit worthiness of the entities making up the receivable balance.

During 2016, the Organization received approximately 47% of its Foundation contributions from one Foundation. Receivables from this Foundation total \$348,154 at December 31, 2016.

Income Taxes

The Organization is a nonprofit corporation exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation under Section 509(a) of the Code. Accordingly, donors are entitled to a charitable deduction for their contributions to the organization. The financial statements do not include a provision for income taxes.

The Organization has adopted the authoritative guidance relating to accounting for uncertain tax positions which requires that it recognize the financial statement benefit of a tax position attributed to the entity only after determining that the relevant tax authority would more likely than not sustain the position following an audit. The Organization has concluded that there were no material uncertain tax positions nor does the Organization expect the total amount of unrecognized tax benefits to significantly change in the next 12 months.

1. Organization and Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Receivables

The Organization states accounts, grants and contributions receivable at the amount management expects to collect from outstanding balances. Management periodically reviews accounts to determine uncollectible amounts. Accounts deemed uncollectible are written-off in the period they are deemed uncollectible. At December 31, 2016, management determined that no allowance for bad debts was necessary.

Property and Equipment

Property and equipment is recorded at cost or, if donated, at estimated fair value at the date of donation. Assets are depreciated using the straight-line method over the estimated useful lives of the assets, ranging from 3 to 10 years. All assets with a useful life of more than 1 year and a cost of more than \$1,000 are capitalized.

Recognition of Revenue, Gains, and Other Support

All contributions are considered available for unrestricted use unless specifically restricted by the donor. Unrestricted gift support is reflected as revenue in the year of receipt.

Operating funds restricted by the donor, grantor, or other outside party for particular operating purposes are reported as temporarily restricted support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Pledges for support of future operations and fundraising activities are recorded as temporarily restricted support in the year the pledge is made.

In-Kind Contributions

Donated goods and equipment are recorded at their estimated fair value as revenues and expenses or capitalized assets, depending on the nature of the donation.

The contribution of services is recognized if the services received either create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

A substantial number of volunteers have contributed significant amounts of time to the Organization; however, no amounts have been reflected in the accompanying financial statements for such contributed services as these services do not meet the criteria for recognition as contributions under generally accepted accounting principles.

COLORADO CROSS-DISABILITY COALITION

Notes to Financial Statements

December 31, 2016

1. Organization and Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of providing the various programs and supporting services 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.

Summarized Financial Information

The financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient details 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 Organization's financial statements for the year ended December 31, 2015, from which the summarized information was derived.

Subsequent Events

Subsequent events have been evaluated through March 31, 2017, which is the date the financial statements were available to be issued. Through that date, management has determined that there were no material subsequent events that required recognition or additional disclosure in these financial statements.

Recently Issued Accounting Pronouncements

In August 2016, the FASB issue ASU 2016-14, *Presentation of Financial Statements of Not-For-Profit Entities*. This ASU is meant to eliminate diversity in practice and increase comparability among not-for-profit entities. The FASB believes that certain requirements of the ASU will increase transparency around a not-for-profit's available financial resources and flexibility. This ASU is effective for fiscal years beginning after December 15, 2017; however, early adoption of this ASU is permitted. Management is currently evaluating the potential impact of this ASU on the Organization's financial statements.

2. Grants and Contributions Receivable

Grants and contributions are recorded as a receivable and as revenue when received. The Organization distinguishes between grants and contributions received for each net asset category in accordance with donor-imposed restrictions. Grants and contributions are recorded after being discounted to the anticipated net present value of the future cash flows. The discount rate was computed using the risk free rate adjusted for a market risk premium or the creditworthiness of the donor. The discount rate used is 3.75%.

Grants and Contributions receivable are expected to be realized in the following periods:

In one year or less	\$ 255,000
Between one and five years	<u>213,154</u>
	468,154
Less:	
Discount for present value	(14,062)
Allowance for uncollectible accounts	<u>-</u>
	<u>\$ 454,092</u>

COLORADO CROSS-DISABILITY COALITION
Notes to Financial Statements
December 31, 2016

3. Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following at December 31, 2016:

	<u>Amount</u>
Healthcare advocacy	\$ 462,615
Transportation	<u>14,667</u>
Total	<u>\$ 477,282</u>

4. In-Kind Contributions

Donated materials and services are important to the Organization's operations and, accordingly, are reflected as contributions in the accompanying statements at their estimated values at date of receipt. Donated materials and services consist of the following for the year ended December 31, 2016:

	<u>Amount</u>
Executive Director services	\$ 50,000
Professional advocates services	40,000
Materials and supplies	<u>1,049</u>
Total	<u>\$ 91,049</u>

5. Operating Leases

Effective December 1, 2015, the Organization entered into a sublease agreement for its office facility that expires in February 2018. Rental expense for all operating leases totaled approximately \$36,000 for the year ended December 31, 2016.

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of December 31, 2016, are as follows:

<u>Year</u>	<u>Amount</u>
2017	\$ 34,200
2018	<u>5,700</u>
Total	<u>\$ 39,900</u>