

**COLORADO CROSS-DISABILITY COALITION**

**Financial Statements**

**December 31, 2017**

(With Comparative Totals for December 31, 2016)



Colorado  
Cross-Disability  
Coalition

**COLORADO CROSS-DISABILITY COALITION**  
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## **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, 2017, 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; 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. 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.

### ***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, 2017, 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.

### ***Report on Summarized Comparative Information***

Colorado Cross Disability Coalition's 2016 financial statements were audited by Bauerle and Company, P.C., who merged with Wipfli LLP as of February 1, 2018, and whose report dated March 31, 2017, 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, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Wipfli LLP*

Wipfli, LLP  
Denver, Colorado

April 2, 2018

# COLORADO CROSS-DISABILITY COALITION

## Statements of Financial Position

December 31, 2017

(With Summarized Totals for December 31, 2016)

### ASSETS

	<u>2017</u>	<u>2016</u>
<u>Current Assets</u>		
Cash and cash equivalents	\$ 568,247	\$ 475,158
Grants and contributions receivable, current	142,000	255,000
Settlements receivable, current	126,750	-
Accounts and other receivables	23,794	15,563
Prepaid and other	11,659	9,730
Total Current Assets	<u>872,450</u>	<u>755,451</u>
<u>Property and Equipment, at cost</u>		
Office furniture and equipment	87,099	77,789
Less: accumulated depreciation	74,519	68,942
Net Property and Equipment	<u>12,580</u>	<u>8,847</u>
<u>Other Assets</u>		
Grants and contributions receivable, long-term	70,680	199,092
Settlements receivable, long-term	125,000	-
Deposits	2,759	2,759
Total Other Assets	<u>198,439</u>	<u>201,851</u>
Total Assets	<u>\$ 1,083,469</u>	<u>\$ 966,149</u>

### LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts payable	\$ 38,438	\$ 22,054
Accrued salaries and wages	71,535	38,779
Total Current Liabilities	109,973	60,833
<u>Other Liabilities</u>		
Note payable	50,000	-
Total Liabilities	<u>159,973</u>	<u>60,833</u>
<u>Net Assets</u>		
Unrestricted	587,728	428,034
Temporarily restricted	335,768	477,282
Total Net Assets	<u>923,496</u>	<u>905,316</u>
Total Liabilities and Net Assets	<u>\$ 1,083,469</u>	<u>\$ 966,149</u>

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

# COLORADO CROSS-DISABILITY COALITION

## Statements of Activities Year Ended December 31, 2017 (With Summarized Totals for the Year Ended December 31, 2016)

	2017			2016
	Unrestricted	Temporarily Restricted	Total	Total
<u>Revenue, Gains, and Other Support</u>				
Program fees and settlement revenues	\$ 545,875	\$ -	\$ 545,875	\$ 276,325
Foundation contributions	154,288	194,908	349,196	890,196
Event sponsorships and donations	59,509	-	59,509	60,588
Corporate and individual contributions	85,182	-	85,182	28,801
Other	3,389	-	3,389	1,972
In-kind	95,935	-	95,935	91,049
Net Assets released from restrictions	336,422	(336,422)	-	-
Total Revenue, Gains, and Other Support	1,280,600	(141,514)	1,139,086	1,348,931
<u>Expenses</u>				
Program Services				
Advocacy	617,201	-	617,201	492,995
Legal	261,142	-	261,142	288,408
Outreach	51,272	-	51,272	45,717
Probate law	73,732	-	73,732	22,786
Total Program Services	1,003,347	-	1,003,347	849,906
Supporting Services				
Management and general	93,249	-	93,249	88,141
Fundraising	24,310	-	24,310	19,386
Total Supporting Services	117,559	-	117,559	107,527
Total Expenses	1,120,906	-	1,120,906	957,433
Change in Net Assets	159,694	(141,514)	18,180	391,498
NET ASSETS, Beginning of Year	428,034	477,282	905,316	513,818
NET ASSETS, End of Year	\$ 587,728	\$ 335,768	\$ 923,496	\$ 905,316

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

**COLORADO CROSS-DISABILITY COALITION**

**Statements of Functional Expenses  
Year Ended December 31, 2017  
(With Summarized Totals for the Year Ended December 31, 2016)**

	2017					2016			
	Program Services			Supporting Services		Supporting Services			
	Advocacy	Legal	Outreach	Probate Law	Program Services Total	Management and General	Fund-Raising	Supporting Services Total	Total
Salary and wages	\$ 344,023	\$ 172,574	\$ 22,731	\$ 62,141	\$ 601,469	\$ 36,332	\$ 17,222	\$ 53,554	\$ 655,023
Payroll taxes	27,994	13,125	1,785	4,929	47,833	2,986	1,356	4,342	52,175
Total Employee Costs	372,017	185,699	24,516	67,070	649,302	39,318	18,578	57,896	707,198
Professional services	58,269	42,361	-	1,581	102,211	9,128	989	10,117	112,328
Travel, meals, and meetings	39,267	351	22,496	258	62,372	994	21	1,015	63,387
Rent	15,836	18,467	1,713	1,430	37,446	1,994	1,713	3,707	41,153
Telephone	15,617	2,113	1,181	785	19,696	1,749	1,667	3,416	23,112
All other	12,413	175	45	-	12,633	4,608	-	4,608	17,241
Contract services	16,269	-	-	-	16,269	-	-	-	16,269
Research materials	9,477	2,238	296	363	12,374	1,360	240	1,600	13,974
Equipment costs	5,301	459	140	15	5,915	139	279	418	6,333
Supplies	4,290	219	31	217	4,757	852	68	920	5,677
Depreciation	558	2,789	558	-	3,905	1,673	-	1,673	5,578
Insurance	937	1,483	270	838	3,528	270	270	540	4,068
Plaintiff award payments	-	4,000	-	-	4,000	-	-	-	4,000
Interest and bank charges	-	-	-	1,052	1,052	752	-	752	1,804
Postage	738	182	26	123	1,069	196	485	681	1,750
Printing	493	606	-	-	1,099	-	-	-	1,099
In-kind	65,719	-	-	-	65,719	30,216	-	30,216	95,935
Total Expenses	\$ 617,201	\$ 261,142	\$ 51,272	\$ 73,732	\$ 1,003,347	\$ 93,249	\$ 24,310	\$ 117,559	\$ 1,120,906
									\$ 957,433

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

# COLORADO CROSS-DISABILITY COALITION

## Statements of Cash Flows Year Ended December 31, 2017 (With Summarized Totals for the Year Ended December 31, 2016)

	2017	2016
<u>Cash Flows From Operating Activities</u>		
Change in net assets	\$ 18,180	\$ 391,498
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,578	4,054
(Increase) decrease in:		
Grants and contributions receivable	241,412	(295,092)
Settlements receivable	(251,750)	-
Accounts and other receivables	(8,231)	(6,146)
Prepaid expenses and other	(1,929)	(5,350)
Deposits	-	2,575
Increase in:		
Accounts payable	16,384	16,027
Accrued salaries and wages	32,756	5,521
Net Cash Provided by Operating Activities	52,400	113,087
<u>Cash Flows From Investing Activities</u>		
Purchase of property and equipment	(9,311)	(7,403)
Net Cash Used in Investing Activities	(9,311)	(7,403)
<u>Cash Flows From Financing Activities</u>		
Proceeds from note payable	50,000	-
Net Cash Provided by Financing Activities	50,000	-
<u>Net Increase in Cash and Cash Equivalents</u>	93,089	105,684
<u>CASH AND CASH EQUIVALENTS, beginning of year</u>	475,158	369,474
<u>CASH AND CASH EQUIVALENTS, end of year</u>	\$ 568,247	\$ 475,158
<u>Supplemental disclosures of cash flow information:</u>		
Cash paid for interest and bank charges	\$ 1,804	\$ 527

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



## COLORADO CROSS-DISABILITY COALITION

### Notes to Financial Statements

December 31, 2017 and 2016

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#### 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 Accounting**

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.

## **COLORADO CROSS-DISABILITY COALITION**

### **Notes to Financial Statements**

December 31, 2017 and 2016

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

##### ***Basis of Presentation***

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. These net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed restrictions.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or may not be met, either by actions of the Organization and/or the passage of time.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Currently, the Organization does not have any 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.

##### ***Income Taxes***

The Organization is a nonprofit corporation exempt from federal and state income taxes 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 statements 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, 2017, 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 statements 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, 2017 and 2016

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

##### ***Settlements Receivable***

Settlements receivable represent amounts due to be collected from lawsuits that have been resolved. As of December 31, 2017, settlements receivable total \$251,750, with \$126,750 due in 2018 and \$125,000 in 2019.

##### ***Functional Allocation of Expenses***

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements 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, 2016, from which the summarized information was derived.

##### ***Subsequent Events***

Subsequent events have been evaluated through April 2, 2018, 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 May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606). This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard supersedes current revenue recognition requirements in FASB Accounting Standards Codification (ASC) Topic 605 Revenue Recognition, and most industry specific guidance. When adopted, the amendments in the ASU must be applied using either a full or modified retrospective method. ASU No. 2014-09 is effective for nonpublic companies for fiscal years beginning after December 15, 2018. The Organization is currently evaluating the impact of the provisions of ASC 606 on its financial statements.

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.

**COLORADO CROSS-DISABILITY COALITION****Notes to Financial Statements**December 31, 2017 and 2016

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**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 4.5%.

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

<u>As of December 31,</u>	<u>2017</u>	<u>2016</u>
In one year or less	\$ 142,000	\$ 255,000
Between one and five years	<u>75,454</u>	<u>213,154</u>
	217,454	468,154
Less:		
Discount for present value	(4,774)	(14,062)
Allowance for uncollectible accounts	<u>-</u>	<u>-</u>
Total	<u>\$ 212,680</u>	<u>\$ 454,092</u>

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**3. Temporarily Restricted Net Assets**

Temporarily restricted net assets consist of the following:

<u>As of December 31,</u>	<u>2017</u>	<u>2016</u>
Healthcare advocacy	\$ 335,768	\$ 462,615
Transportation	<u>-</u>	<u>14,667</u>
Total	<u>\$ 335,768</u>	<u>\$ 477,282</u>

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**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:

<u>For the Year ended December 31,</u>	<u>2017</u>	<u>2016</u>
Executive Director services	\$ 40,000	\$ 50,000
Professional advocate services	55,078	40,000
Materials and supplies	<u>857</u>	<u>1,049</u>
Total	<u>\$ 95,935</u>	<u>\$ 91,049</u>

**COLORADO CROSS-DISABILITY COALITION**

**Notes to Financial Statements**

December 31, 2017 and 2016

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**5. Operating Leases**

On October 24, 2017, the Organization entered into an agreement to renew its existing office facility through February 2023. Rental expense for all operating leases totaled approximately \$34,200 and \$36,000, for the years ended December 31, 2017 and 2016, respectively.

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of December 31, 2017, are as follows:

<u>Year</u>	<u>Amount</u>
2018	\$ 70,700
2019	79,000
2020	80,300
2021	81,500
2022	82,700
Thereafter	<u>13,900</u>
Total	<u>\$ 408,100</u>

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**6. Note Payable**

Note payable consists of the following:

<u>As of December 31,</u>	<u>2017</u>	<u>2016</u>
Note payable to a foundation for the probate law program; interest at 2.5% due as deemed fiscally appropriate or at maturity; secured by substantially all assets of the Organization; principal and interest due January 1, 2022	<u>\$ 50,000</u>	<u>\$ -</u>