CENTER FOR PEOPLE WITH DISABILITIES

AUDITED FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2016
WITH SUMMARIZED FINANCIAL INFORMATION
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2015

Anton Collins Mitchell LLP
Accountants & Consultants

CENTER FOR PEOPLE WITH DISABILITIES

TABLE OF CONTENTS

Anton Collins Mitchell LLP
Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Center for People with Disabilities
Boulder, Colorado

We have audited the accompanying financial statements of the Center for People with Disabilities (the "Center"), which comprise the statement of financial position as of September 30, 2016, and the related statements of activities, cash flows, and functional expenses 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from 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 statements.

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

Denver | Boulder | Northern Colorado | Laramie

4999 Pearl East Circle, Suite 300
Boulder, Colorado 80301
303.440.0399 · Fax 303.440.5073 · www.acmllp.com

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center for People with Disabilities as of September 30, 2016, and the changes in its net assets, its cash flows, and functional expenses 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 the Center for People with Disabilities September 30, 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 1, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2015 is consistent in all material respects, with the audited financial statements from which it has been derived.

Anton Collins Mitchell LLP

Boulder, Colorado
February 22, 2017

CENTER FOR PEOPLE WITH DISABILITIES
STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2016
WITH SUMMARIZED FINANCIAL INFORMATION
AS OF SEPTEMBER 30, 2015

	2016	2015
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 362,291	$ 245,394
Grants receivable	81,091	104,996
Program service fees receivable	-	74,026
Other receivables	61,243	4,346
Prepaid expenses	14,543	2,250
Total current assets	519,168	431,012
PROPERTY AND EQUIPMENT:		
Land	350,000	350,000
Buildings and improvements	1,036,634	1,036,634
Furniture and equipment	18,988	18,988
Vehicles	6,000	11,000
Total property and equipment	1,411,622	1,416,622
Less accumulated depreciation	(439,634)	(412,088)
Net property and equipment	971,988	1,004,534
RESTRICTED CASH AND OTHER ASSETS:		
Restricted cash	6,689	6,689
Loan fees, net of accumulated amortization	8,488	12,406
Deposits	8,009	5,181
Total restricted cash and other assets	23,186	24,276
TOTAL ASSETS	$ 1,514,342	$ 1,459,822

Continued.

CENTER FOR PEOPLE WITH DISABILITIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS OF SEPTEMBER 30, 2016
WITH SUMMARIZED FINANCIAL INFORMATION
AS OF SEPTEMBER 30, 2015

	2016	2015
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	$ 21,813	$ 3,395
Accrued personnel and other expenses	103,347	89,093
Deferred revenue	27,354	40,363
Current portion of long-term debt	33,970	32,761
Assets held for others	6,628	6,689
Total current liabilities	193,112	172,301
LONG-TERM LIABILITIES:		
Long-term debt, net of current portion	586,975	620,134
TOTAL LIABILITIES	780,087	792,435
NET ASSETS:		
Unrestricted	734,255	667,387
TOTAL LIABILITIES AND NET ASSETS	$ 1,514,342	$ 1,459,822

CENTER FOR PEOPLE WITH DISABILITIES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	2016	2015
UNRESTRICTED SUPPORT AND REVENUE:		
Public support		
Grant income	$ 1,192,569	$ 944,554
Contributions	18,785	46,874
Revenue		
Program service fees	1,193,024	1,187,210
Interest income	124	151
Other income	13,736	3,186
Total support and revenue	2,418,238	2,181,975
EXPENSES:		
Program services	1,872,861	1,797,676
General and administrative	378,452	325,279
Fundraising	97,586	97,250
Total expenses	2,348,899	2,220,205
CHANGE IN NET ASSETS BEFORE OTHER CHANGES IN NET ASSETS	69,339	(38,230)
OTHER CHANGES IN NET ASSETS		
Loss on disposal of vehicle	(2,471)	-
CHANGE IN NET ASSETS	66,868	(38,230)
NET ASSETS, beginning of year	667,387	705,617
NET ASSETS, end of year	$ 734,255	$ 667,387

See accompanying notes to the financial statements.

CENTER FOR PEOPLE WITH DISABILITIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2016
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER, 30 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 66,868	$ (38,230)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	27,547	28,246
Amortization of loan fees	3,918	3,918
Provision for bad debt	579	1,148
Loss on disposal of vehicle	2,471	-
In-kind gift / (receipt) of vehicle	2,528	(5,000)
(Increase) decrease in operating assets:		
Grants receivable	23,326	(43,158)
Program service fees receivable	74,026	(14,500)
Other receivables	(56,897)	36,412
Prepaid expenses and deposits	(15,121)	10,404
Increase (decrease) in operating liabilities:		
Accounts payable	18,418	(5,602)
Accrued personnel and other expenses	14,254	11,656
Deferred revenue	(13,009)	23,816
Net cash from operating activities	148,908	9,110
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net change in assets held for others	(61)	61
CASH FLOWS FROM FINANCING ACTIVITIES:		
Draws on line of credit	56,838	25,000
Payments on line of credit	(56,838)	(25,000)
Proceeds from long-term debt	-	67,000
Payments on long-term debt	(31,950)	(94,790)
Net cash from financing activities	(31,950)	(27,790)
NET CHANGE IN CASH AND CASH EQUIVALENTS	116,897	(18,619)
CASH AND CASH EQUIVALENTS, beginning of year	252,083	270,702
CASH AND CASH EQUIVALENTS, end of year	368,980	252,083
Cash and cash equivalents	362,291	245,394
Restricted cash	6,689	6,689
Total cash and cash equivalents	$ 368,980	$ 252,083
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	$ 22,333	$ 26,493

See accompanying notes to the financial statements.

CENTER FOR PEOPLE WITH DISABILITIES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2016
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Program Services						
	Independent Living	Personal Assistance	Total Program Services	General & Admin	Fundraising	2016 Total	2015 Total
Personnel costs	$ 670,296	$ 869,785	$ 1,540,081	$ 281,494	$ 86,702	$ 1,908,277	$ 1,798,414
Occupancy	83,246	4,812	88,058	27,058	1,037	116,153	98,889
Participant costs	55,895	3,328	59,223	11	-	59,234	59,957
Professional services	13,777	11,929	25,706	4,907	1,305	31,918	46,378
Travel and entertainment	9,564	23,984	33,548	3,924	305	37,777	39,161
Insurance	12,364	19,259	31,623	4,826	1,723	38,172	36,871
Depreciation and amortization	7,380	9,223	16,603	13,837	1,025	31,465	32,164
Interest	13,027	3,065	16,092	5,584	657	22,333	26,493
Postage and printing	11,748	2,743	14,491	3,206	645	18,342	20,341
Communications	11,141	2,799	13,940	2,933	447	17,320	15,104
Supplies	12,276	1,875	14,151	8,994	2,294	25,439	14,219
Agency dues and meetings	211	4,736	4,947	13,462	-	18,409	12,789
Vehicle and equipment expenses	9,440	2,580	12,020	2,621	180	14,821	10,464
Other expenses	1,328	420	1,748	-	-	1,748	6,962
Advertising	-	51	51	5,595	1,266	6,912	1,148
Bad debt expense	579	-	579	-	-	579	851
Total expenses	$ 912,272	$ 960,589	$ 1,872,861	$ 378,452	$ 97,586	$ 2,348,899	$ 2,220,205

See accompanying notes to the financial statements.

CENTER FOR PEOPLE WITH DISABILITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2016
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Note 1: Summary of Significant Accounting Policies—This summary of significant accounting policies of the Center for People with Disabilities (the "Center") is presented to assist in understanding the Center's financial statements. The financial statements and notes are representations of management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America ("GAAP") and have been consistently applied in the preparation of the financial statements.

Nature of Operations—The Center is a Colorado not-for-profit corporation founded in 1977. The Center has offices in Boulder, Longmont, and Thornton, Colorado, providing services to individuals in the surrounding communities. The Center offers a support network of resources, information, and services to people with disabilities.

The Center's program services are activities that result in goods and services being distributed to consumers and include the following:

Independent Living Program—Provides resources, information and services to support people with disabilities in achieving independence. Included in these services are advocacy, skills training, day programs, information and referral, transition back into the community from nursing care, counseling, peer support groups and specialized services for people with visual impairment, blindness and hearing loss.

Personal Assistance Program—In-home attendant services to prevent unnecessary institutionalization in nursing homes.

Basis of Presentation—The Center's financial statements are prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. The Financial Accounting Standards Board ("FASB"), sets GAAP which is followed to ensure the financial condition, results of operations, and cash flows are consistently reported. References to GAAP issued by the FASB in these footnotes are to the FASB Accounting Standards Codification, sometimes referred to as the "Codification" or "ASC".

Continued.

Note 1: Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)—ASC 958-205 *Not-for-Profit Entities - Presentation of Financial Statements* requires the Center to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Center is required to present a statement of cash flows.

Comparative Financial 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 GAAP and consequently has not been reported upon in the current auditor's opinion. Accordingly, such information should be read in conjunction with the Center's audited financial statements for the year ended September 30, 2015, from which the summarized information was derived.

Cash and Cash Equivalents—For the purpose of reporting cash flows, cash and cash equivalents include cash on hand, cash in bank, cash in savings, investments with an original maturity of three months or less, and restricted cash.

Restricted Cash—Restricted cash consists of cash and money market funds held for the benefit of various individuals, scholarships and participants in the U.S. Department of Housing and Urban Development's Section 8 voucher program.

Receivables—Receivables consist mainly of grants and program service fees receivable. Grants receivable are amounts due under reimbursable grant contracts with government agencies. Program service fees consist of amounts due from individuals and Medicaid. An allowance for doubtful accounts is determined based upon the review and analysis of the collectability of each outstanding account. Management believes no allowance for doubtful accounts was necessary at September 30, 2016 and 2015.

Property and Equipment—Property and equipment is recorded at cost or fair market value in the case of donated items. Expenditures for and contributions of equipment with a value greater than $5,000 are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the property and equipment, which are generally thirty to forty years for buildings and three to five years for equipment, furniture and vehicles.

Property and equipment acquired with restricted grant funds are recorded as unrestricted upon the purchase of the equipment.

Continued.

Note 1: Summary of Significant Accounting Policies (continued)

Property and Equipment (continued)—Management assesses the carrying value of long-lived assets for impairment when circumstances indicate such amounts may not be recoverable from future operations. Generally, assets to be held and used in operations are considered impaired if the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset. If impairment is indicated, the loss is measured based on the amount by which the carrying value exceeds its fair value. Management does not believe that any indicators of impairment have occurred, and therefore no impairment losses were incurred during the years ended September 30, 2016 and 2015.

Revenue Recognition—

***Contributions*—**In accordance with ASC 958-605 *Not-for-Profit Entities - Revenue Recognition,* contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending upon the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending upon the nature of the restriction. When a 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.

***Grants and Fixed Contracts*—**Revenue from grants and fixed contracts are recognized when earned.

***Program Service Fees*—**Program service fees are primarily generated from providing services to private pay and Medicaid eligible recipients. Revenues are recorded when the service has been provided.

***In-Kind Donations*—**Donated services, goods and equipment are recorded at estimated fair values as revenue 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 non-financial 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. The Center received in-kind donations of supplies totaling $2,529 and $7,995 during the year ended September, 30, 2016 and 2015, respectively.

***Deferred Revenue*—**Amounts received from cost reimbursement grants and contracts in excess of amounts earned represent deferred revenue. These amounts are dependent upon the timing of cash receipts and cash disbursements and vary from year to year.

Continued.

Note 1: Summary of Significant Accounting Policies (continued)

Advertising—*ASC 720-35 Other Expenses - Advertising Costs* requires direct response advertising to be capitalized when it can be shown that customers responded to a specific advertisement and there is probable future economic benefit. The Center does not currently use direct response advertising; hence advertising costs are expensed when incurred.

Use of Estimates—In preparing financial statements in accordance with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, support and revenues, and expenses. Accordingly, actual results could differ from those estimates and those differences could be material.

Functional Expense Allocation—Whenever possible, the Center charges directly identifiable expenses to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Center.

Income Taxes—The Center is a qualified not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code, and the Colorado Income Tax Act of 1964 (as amended). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements. Management believes there are no uncertain tax positions at September 30, 2016 that more-likely-than-not would cause the Center to incur taxes, penalties or interest. The Center is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for fiscal years before 2013.

Note 2: Loan Fees—Costs related to the issuance of the note payable are deferred and amortized over the term of the loan using the straight-line method, which approximates the effective interest method. Annual amortization expense is $3,918, and is included in interest expense on the statement of functional expenses. Accumulated amortization totaled $30,691 and $26,733 at September 30, 2016 and 2015, respectively.

Continued.

Note 3: Assets Held for Others—In May 2001, a trust account was established for a disabled individual naming the Center as trustee. The purpose of the trust is to create a discretionary supplemental care fund for the beneficiary, and not to displace any public or private financial assistance that may otherwise be available. The funds are held in a separate bank account and included in restricted cash in the accompanying statement of financial position. Total assets held for others at September 30, 2016 and 2015, were \$6,689 and \$6,689, respectively, and included in current liabilities on the statements of financial position.

Note 4: Long-Term Debt—The Center has a long-term note payable with a financial institution with an interest rate of 4.75%. Principal and interest payments in the amount of \$4,524 are due monthly, with the principal balance and remaining accrued interest due at maturity in November 2018. This note payable is secured by a deed of trust in the Center's land and building.

The Center also has a Community Development Block Grant award from the City of Boulder in the amount of \$115,000. Terms of the grant agreements provide that the City of Boulder holds an appreciating interest in real property owned by the Center. Payment is due under this agreement if the Center discontinues using the property as an integral part of its program. The total amount of this loan is recorded as a long-term obligation for the Center and is included in the schedule below under "Thereafter".

In July 2015, the Center entered into a promissory note with the County of Boulder in the amount of \$67,000, which matures in 99 years, unless cancelled by the County of Boulder. The purpose of the promissory note was to assist in paying down the principal of the note payable with the financial institution listed above. The Center's land and building serve as collateral for the note. The total amount of this note is recorded as a long-term obligation for the Center and is included in the schedule below under "Thereafter".

Scheduled principal payments are as follows for the years ending September 30:

Year Ending September 30,	Amount
2017	$ 33,970
2018	35,642
2019	369,333
2020	-
Thereafter	182,000
	$ 620,945

Continued.

Note 5: Line of Credit—The Center had a revolving line of credit with its primary banking institution in the amount of $150,000. Interest accrued at a variable interest rate of prime plus 1.75% (5.25% and 5.00% at September 30, 2016 and 2015, respectively), or the floor rate of 5.00%. The revolving line of credit matured June 10, 2016 and was not renewed. The balance was $0 at both the maturity date and September 30, 2015.

On November 4, 2016, the Center established a new revolving line of credit in the amount of $40,000. Interest accrues at a variable interest rate of prime plus 6.75%. There have been no advances on this line of credit.

Note 6: Restricted Net Assets—There were no temporarily restricted net assets as of and for the years ended September 30, 2016 and 2015.

Note 7: Operating Leases—The Center leases equipment and office space under operating lease agreements expiring from December 2016 to October 2018. Total rent expense for the years ended September 30, 2016 and 2015, was $62,458 and $62,458, respectively, and is included in occupancy expense and printing and postage expense in the statement of functional expenses.

Future minimum lease payments are as follows:

Years Ending September 30,	Amount
2016	$ 62,319
2017	51,840
2018	45,307
2019	3,203
	$ 162,669

Note 8: Concentration of Credit Risk—Financial instruments that potentially subject the Center to concentrations of credit risk consist principally of temporary cash investments. The Center places its temporary cash investments with high credit quality financial institutions and attempts to limit its amount of credit exposure to any one financial institution. However, at various times during the years ended September 30, 2016 and 2015, the Center's cash balances exceeded the federally insured limits. As of September 30, 2016 and 2015, the Center had approximately $114,000 and $24,000, on deposit with financial institutions in excess of the federally insured limits, respectively. The Center has never experienced any losses related to these balances.

Continued.

Note 8: Concentration of Credit Risk (continued)—For the year ended September 30, 2016, 49%, 17%, and 15% of grant income was received from three grantors. For the year ended September 30, 2015, 35%, 19% and12% of grant income was received from three grantors. At September 30, 2016 two grantors accounted for 61% and 12% of outstanding grants receivable. At September 30, 2015 two grantors accounted for 65% and 16% of outstanding grants receivable.

Note 9: Contingencies—Certain grants require the fulfillment of specific conditions as set forth in the instruments of the grants. Failure to fulfill the conditions could result in the return of the funds to the grantors. Grant costs billed to federal and state agencies are subject to audit by these agencies.

During the fiscal year ended September 30, 2016, the Center identified billings to Medicaid that were not supported by proper documentation. The Center self-reported these findings to Medicaid and is working to resolve the issue. The Center believes the services were provided. At this time management does not believe there will be any recourse brought against the Center. Accordingly, no adjustment has been recorded in the financial statements.

Note 10: Subsequent Events—In accordance with ASC 855, *Subsequent Events,* the Center has evaluated subsequent events through February 22, 2017, which is the date these financial statements were available to be issued. There are no subsequent events, except as disclosed, that require recognition or additional disclosure in these financial statements.