

COLORADO COMBINED CAMPAIGN

Financial Statements

December 31, 2018

(Together with Independent Auditors' Report)



**Colorado Combined Campaign
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INDEPENDENT AUDITORS' REPORT

Advisory Committee on Charitable Giving of the
Colorado Combined Campaign
Denver, Colorado

We have audited the accompanying financial statements of the Colorado Combined Campaign, which comprise the statement of financial position as of December 31, 2018, and the related statements of activities 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Colorado Combined Campaign as of December 31, 2018, and the results of its operations and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information as listed in the Table of Contents is presented for purposes of additional analysis 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. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Wipfli LLP

Wipfli LLP

October 4, 2019
Denver, Colorado

COLORADO COMBINED CAMPAIGN

Statement of Financial Position December 31, 2018

ASSETS

Cash, restricted for distributions	\$ 203,792
Campaign receivables	<u>55,180</u>
Total Assets	<u><u>\$ 258,972</u></u>

LIABILITIES AND NET ASSETS

Liabilities	
Campaign distributions payable	\$ 172,408
Accounts payable, related party	66,584
Deferred campaign support	<u>19,980</u>
Total Liabilities	<u>258,972</u>
Net Assets	
Net assets without donor restrictions	<u>-</u>
Total Net Assets	<u>-</u>
Total Liabilities and Net Assets	<u><u>\$ 258,972</u></u>

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

COLORADO COMBINED CAMPAIGN

Statement of Activities For the Year Ended December 31, 2018

Public Support	
Amounts raised on behalf of other organizations	\$ 945,781
Less amounts remitted and remittable to other organizations	(769,750)
Less uncollectible pledges	<u>(41,575)</u>
	134,456
Revenue	
Interest income	<u>96</u>
Total Public Support and Revenue	134,552
Campaign Expenses	<u>134,552</u>
Change in Net Assets	-
NET ASSETS, Beginning of Year	<u>-</u>
NET ASSETS, End of Year	<u><u>\$ -</u></u>

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

COLORADO COMBINED CAMPAIGN

Statement of Cash Flows For the Year Ended December 31, 2018

Cash Flows From Operating Activities	
Change in net assets	\$ -
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
(Increase) decrease in:	
Campaign receivables	9,900
Increase (decrease) in:	
Accounts payable, distributions payable, and deferred campaign support	<u>49,091</u>
Net Cash Provided By Operating Activities	<u>58,991</u>
Net Increase in Cash	58,991
CASH, Beginning of Year	<u>144,801</u>
CASH, End of Year	<u><u>\$ 203,792</u></u>

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

1. Organization and Summary of Significant Accounting Policies

Organization

Colorado Combined Campaign (“CCC”) was authorized in June 1988 by Executive Order No. 86, *Establishment of the Colorado State Employee Advisory Committee on Charitable Giving*, to conduct an annual solicitation of State of Colorado employees, which is known as the Colorado Combined Campaign. CCC solicits and receives contributions through the use of workplace campaigns. Community Shares of Colorado (“CSC”) serves as the principal combined fundraising manager for CCC and, by contract, collects all public support and charges CCC for campaign and administrative expenses.

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 (GAAP) and, accordingly, reflect all significant receivables, payables, and other liabilities. All amounts reflected in the statement of activities represent funds raised on behalf of organizations specifically for the 2018 calendar year and were remitted or remittable to those organizations during the year ended December 31, 2018.

Net Assets

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of CCC and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions - Net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. At December 31, 2018, CCC did not have any net assets with donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

Functional Allocation of Expenses

The costs of managing and administering the campaign have been summarized on a functional basis in these financial statements. Accordingly, certain costs have been allocated between the campaign and the supporting services benefited. Salaries and benefits are allocated based upon estimations of time and effort. Indirect costs such as occupancy and office related expenses are allocated based upon time spent and utilization.

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

Cash

For purposes of the statement of cash flows, CCC considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. At December 31, 2018, CCC had no cash equivalents.

Fair Value of Financial Instruments

The carrying amounts of cash, receivables, and short-term obligations approximate their fair value because of the near-term maturity of those instruments.

Campaign Receivables

Campaign receivables represent amounts raised for the 2018 calendar year that were collected subsequent to December 31, 2018. CCC considers all campaign receivables to be fully collectible.

Designated and Distributed Pledges

CCC allows donors to designate their contributions to any qualifying agency. Contributions are distributed to agencies in accordance with donor designations plus a pro rata share of undesignated contributions based on the agency's relative share of the designated contributions. Campaign distributions payable represents 2018 calendar year campaign assets held as of December 31, 2018, that were distributed to organizations subsequent to year-end.

Donated Services

No amounts have been reflected in the financial statements for services donated by CSC, as the services do not meet the recording requirements as defined in generally accepted accounting principles. In addition, many individuals volunteer their time and perform a variety of tasks that assist CCC with campaign solicitations.

Agency Transactions

CCC reports campaign contributions received less the campaign contributions distributed to arrive at the amount of support earned for raising amounts on behalf of other organizations.

Income Taxes

CCC is managed by CSC, which is a nonprofit corporation and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

Change in Accounting Principle

In August 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities* (Topic 958). This ASU provides for certain improvements in financial reporting for not-for-profit organizations and requires changes to net asset classification, enhancements to liquidity presentation and disclosures, presentation of an analysis of expenses by function and by nature, netting of investment expenses with return, among other changes. The guidance in this ASU was adopted for the year ended December 31, 2018.

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

Concentration of Credit Risk

CCC maintains a bank account at one institution, which is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The balance in the account during the year may, at times, exceed the amount covered by the FDIC. As of December 31, 2018, CCC's cash deposits did not exceed the FDIC insurance limit.

Subsequent Events

In accordance with the *Subsequent Events* Topic of FASB ASC, management is required to evaluate, through the date the financial statements are issued or available to be issued, events or transactions that may require recognition or disclosure in the financial statements, and to disclose the date through which subsequent events were evaluated. CCC's financial statements were available to be issued on October 4, 2019, and this is the date through which subsequent events were evaluated.

2. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions or designations limiting their use, within twelve months of the statement of financial position date, are comprised of the following as of December 31, 2018:

Cash	\$ 203,792
Campaign receivables	<u>55,180</u>
Total financial assets	<u>258,972</u>
Less:	
Campaign distributions payable	(172,408)
Deferred campaign support	<u>(19,980)</u>
	<u>(192,388)</u>
Total financial assets available for general expenditure	<u>\$ 66,584</u>

CCC does not have a formal liquidity policy. CCC deposits its campaign receipts in a manner consistent with the concept of prudent money management, seeking maximum returns within reasonable levels of risk.

3. Related Party Transactions

Community Shares of Colorado ("CSC") acts as the fiscal agent for CCC. Transactions between CSC and CCC consist primarily of certain reimbursed expenses paid by CSC on behalf of CCC. In addition, CSC is a recipient of designated contributions from CCC.

During the year ended December 31, 2018, CSC paid campaign and administrative expenses on behalf of CCC totaling \$134,552. As of December 31, 2018, \$66,584 was due to CSC for campaign and administrative expenses incurred on behalf of CCC.

Total contributions designated for CSC during 2018 were \$245,585, of which \$190,143 was disbursed in 2018, and \$55,442 was included in distributions payable at December 31, 2018.

COLORADO COMBINED CAMPAIGN
Notes to Financial Statements
December 31, 2018

4. Campaign Expenses

Campaign expenses for the year ended December 31, 2018, are comprised of the following:

	<u>Amount</u>
Salaries and benefits	\$ 100,133
Campaign meetings and materials	14,849
Other administrative expenses	14,370
Professional fees	<u>5,200</u>
 Total	 <u>\$ 134,552</u>

Natural classification of expenses is as follows:

Expense Category:	<u>Program</u>	General and <u>Administrative</u>	<u>Total</u>
Salaries and benefits	\$ 92,522	\$ 7,611	\$ 100,133
Printing	9,693	-	9,693
Occupancy & parking	5,771	502	6,273
Office & other	4,977	433	5,410
Professional fees	-	5,200	5,200
Donor recognition	3,839	-	3,839
Technology	2,472	215	2,687
Travel	515	-	515
Events & meetings	510	-	510
Postage	<u>292</u>	<u>-</u>	<u>292</u>
 Totals	 <u>\$ 120,591</u>	 <u>\$ 13,961</u>	 <u>\$ 134,552</u>

SUPPLEMENTAL INFORMATION

COLORADO COMBINED CAMPAIGN

Distributions Paid/Payable to Qualified Umbrella Organizations For the Year Ended December 31, 2018

	<u>2017/2018</u> <u>Campaign</u>
Alpine Legal Services	\$ 231
America's Best Charities	29,532
Animal House Rescue and Grooming	3,873
Boys and Girls Clubs of Chaffee County	77
Caring Connection	52,364
Chihuahua & Small Dog Rescue, Inc.	1,162
Colorado 4-H Foundation	1,457
Colorado Ballet Company	241
Colorado Law Enforcement Memorial	1,433
Colorado Mental Wellness Network	632
Colorado Mesa University Foundation (CMUF)	77
Colorado School of Mines Foundation	154
Colorado Water Trust	1,061
Community College of Denver Foundation	51
Community Health Charities	59,702
Community Shares of Colorado	190,143
Correctional Peace Officers Foundation, Inc	310
Court Care for the Pikes Peak Region	445
Deaf Overcoming Violence through Empowerment (DOVE)	280
Denver Urban Gardens	260
Dress for Success Denver	303
EarthShare	17,449
ECDC African Community Center	113
Foothills Gateway, Inc.	980
Foothills United Way	10,171
Fort Lewis College Foundation	556
Friends of the Colorado Talking Book Library	637
Good News Jail and Prison Ministry	1,117
Gunnison Valley Mentors	90
Habitat for Humanity of Colorado	11,056
Institute for Environmental Solutions	19
KUNC	2,135
Mile High United Way	102,938
Moffat County United Way	2,241
Neighbor To Nation	5,301
Northeastern Junior College Foundation	2,954
Pikes Peak United Way	9,444
Project Sanctuary	1,058

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COLORADO COMBINED CAMPAIGN

**Distributions Paid/Payable to Qualified Umbrella Organizations
For the Year Ended December 31, 2018**

(Continued from the previous page)

	2017/2018 Campaign
Pueblo Animal Services	\$ 1,359
Red Rocks Community College Foundation	386
Rocky Mountain Community Land Trust	167
Rocky Mountain Raptor Program	2,376
Routt County United Way	675
Single Parents Empowered	445
South Park Good Samaritan Fund for Animals, Inc.	231
United Way of Eagle River Valley	191
United Way of Larimer County	35,443
United Way of Mesa County	8,766
United Way of Morgan County	1,811
United Way of Pueblo County	11,715
United Way of Southwest Colorado	2,053
United Way of Weld County	14,355
Voices Carry Child Advocacy Center	62
Wilderness On Wheels Foundation	535
Working Together	4,494
You Can Play	231
	<hr/>
	597,342
Current year distributions payable	<hr/> 172,408
Total current year distributions paid	<hr/> <hr/> \$ 769,750