

COMMUNITY SHARES OF COLORADO, INC.

Financial Statements

June 30, 2019

(Together with Independent Auditors' Report)



COMMUNITY SHARES OF COLORADO, INC.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Community Shares of Colorado, Inc.
Denver, Colorado

We have audited the accompanying financial statements of Community Shares of Colorado, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, 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 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 Community Shares of Colorado, Inc., as of June 30, 2019, 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Organization adopted the amendments in Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities – Presentation of Financial Statements for Not-for-Profit Entities*, as of and for year ended June 30, 2019. The amendments have been applied on a retrospective basis with the exception of the omission of certain information as permitted by the ASU.

Report on Summarized Comparative Information

We have previously audited Community Shares of Colorado, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 30, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Wipfli LLP

Wipfli LLP
Denver, Colorado

December 20, 2019

COMMUNITY SHARES OF COLORADO, INC.

Statements of Financial Position June 30, 2019 (With Summarized Totals for June 30, 2018)

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
<u>Assets</u>		
Cash and cash equivalents	\$ 1,193,173	\$ 893,151
Campaigns receivable, less shrinkage allowances of \$168,758 and \$238,121, respectively	1,343,585	1,468,132
Grants and contributions receivable	-	10,731
Other receivables	88,756	65,953
Prepays	13,758	8,971
Property and equipment, net	530	2,317
	<hr/>	<hr/>
Total Assets	\$ 2,639,802	\$ 2,449,255
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities</u>		
Distributions payable	\$ 2,158,704	\$ 2,121,670
Deferred revenues	92,492	68,636
Other payables and accrued liabilities	43,605	32,096
	<hr/>	<hr/>
Total Liabilities	2,294,801	2,222,402
	<hr/>	<hr/>
<u>Net Assets</u>		
Net assets without donor restrictions	345,001	216,122
Net assets with donor restrictions	-	10,731
	<hr/>	<hr/>
Total Net Assets	345,001	226,853
	<hr/>	<hr/>
Total Liabilities and Net Assets	\$ 2,639,802	\$ 2,449,255
	<hr/> <hr/>	<hr/> <hr/>

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

COMMUNITY SHARES OF COLORADO, INC.

Statements of Activities Year Ended June 30, 2019 (With Summarized Totals for the Year Ended June 30, 2018)

	2019		Total	2018
	Without Donor Restrictions	With Donor Restrictions		
<u>Public Support</u>				
Amounts raised on behalf of other organizations	\$ 2,786,073	\$ -	\$ 2,786,073	\$ 3,927,507
Less:				
Amounts remitted and remittable to other organizations	(2,243,390)	-	(2,243,390)	(3,269,179)
Amounts designated to Community Shares	(40,381)	-	(40,381)	(45,390)
Shrinkage expense	(123,784)	-	(123,784)	(266,488)
Campaign expenses deducted by other agencies	(90,776)	-	(90,776)	(96,621)
Campaign administrative fees for raising amounts on behalf of others	287,742	-	287,742	249,829
Contributions	134,982	-	134,982	133,711
Special events, net	34,776	-	34,776	24,172
Net Public Support	457,500	-	457,500	407,712
<u>Revenue</u>				
Memberships	97,198	-	97,198	92,014
Campaign and fiscal management services	177,159	-	177,159	191,781
Interest income	1,076	-	1,076	400
In-kind contributions	10,048	-	10,048	10,082
Other income	10,961	-	10,961	7,788
Total Revenue	296,442	-	296,442	302,065
Net Assets Released from Restrictions	10,731	(10,731)	-	-
Net Public Support and Revenue	764,673	(10,731)	753,942	709,777
<u>Expenses</u>				
Program Services:				
Building Community	75,379	-	75,379	87,931
Distribution	90,341	-	90,341	109,203
Non-Profit Sustainability	67,621	-	67,621	84,756
Colorado Combined Campaign	111,058	-	111,058	165,355
Total Program Services	344,399	-	344,399	447,245
Supporting Services:				
Management and general	127,506	-	127,506	122,592
Fundraising	163,889	-	163,889	156,777
Total Supporting Services	291,395	-	291,395	279,369
Total Expenses	635,794	-	635,794	726,614
Change in Net Assets	128,879	(10,731)	118,148	(16,837)
NET ASSETS, Beginning of Year	216,122	10,731	226,853	243,690
NET ASSETS, End of Year	\$ 345,001	\$ -	\$ 345,001	\$ 226,853

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

COMMUNITY SHARES OF COLORADO, INC.

**Statements of Functional Expenses
Year Ended June 30, 2019
(With Summarized Totals for the Year Ended June 30, 2018)**

	Program Services					Supporting Services			Total Year Ended June 30, 2019	Total Year Ended June 30, 2018
	Building Community	Distribution	Non-Profit Sustainability	Colorado Combined Campaign	Total Program	Management and General	Fund- Raising	Total		
Salaries and benefits:										
Salaries	\$ 48,504	\$ 67,833	\$ 36,925	\$ 54,928	\$ 208,190	\$ 42,955	\$ 113,691	\$ 156,646	\$ 364,836	\$ 442,073
Employee benefits	6,155	5,045	5,715	11,363	28,278	7,981	7,953	15,934	44,212	58,374
Payroll taxes	3,849	5,941	2,930	4,334	17,054	3,430	8,451	11,881	28,935	33,054
Total payroll related costs	58,508	78,819	45,570	70,625	253,522	54,366	130,095	184,461	437,983	533,501
Other Expenses:										
Professional services	-	-	4,000	5,200	9,200	34,569	-	34,569	43,769	13,175
Rent	3,530	2,824	3,295	6,652	16,301	6,104	4,494	10,598	26,899	26,607
Cost of direct benefit to donors	-	-	-	-	-	-	22,861	22,861	22,861	20,872
Contract services	203	3,414	5,865	960	10,442	7,547	8,743	16,290	26,732	23,592
Campaign expenses	-	-	1,311	14,884	16,195	-	4,652	4,652	20,847	22,938
In-kind	5,024	-	-	-	5,024	-	5,024	5,024	10,048	10,082
Travel	1,593	813	1,232	2,073	5,711	1,086	1,826	2,912	8,623	6,850
Dues and subscriptions	1,125	900	1,088	2,115	5,228	1,035	1,387	2,422	7,650	7,343
Supplies	263	211	246	781	1,501	5,404	420	5,824	7,325	7,155
Technical services	944	755	881	1,762	4,342	1,206	1,197	2,403	6,745	5,506
Bank and processing charges	-	-	-	-	-	5,721	636	6,357	6,357	21,202
Office equipment	802	642	748	1,497	3,689	1,147	1,026	2,173	5,862	6,244
Postage	598	478	558	1,115	2,749	1,012	831	1,843	4,592	5,108
Printing	556	159	1,141	277	2,133	1,756	306	2,062	4,195	13,163
Meetings	421	296	467	695	1,879	798	1,490	2,288	4,167	6,864
Staff development	296	226	272	545	1,339	1,888	377	2,265	3,604	4,790
Insurance	397	317	370	741	1,825	327	503	830	2,655	3,103
Telephone	394	315	367	735	1,811	315	499	814	2,625	2,422
Promotion	725	172	210	401	1,508	314	383	697	2,205	2,124
Program development	-	-	-	-	-	1,124	-	1,124	1,124	2,699
	75,379	90,341	67,621	111,058	344,399	125,719	186,750	312,469	656,868	745,340
Depreciation and amortization	-	-	-	-	-	1,787	-	1,787	1,787	2,146
Total expenses by function	75,379	90,341	67,621	111,058	344,399	127,506	186,750	314,256	658,655	747,486
Less: expenses included with revenues on the statements of activities										
Cost of direct benefit to donors	-	-	-	-	-	-	(22,861)	(22,861)	(22,861)	(20,872)
Total expenses included in the expense section on the statements of activities	\$ 75,379	\$ 90,341	\$ 67,621	\$ 111,058	\$ 344,399	\$ 127,506	\$ 163,889	\$ 291,395	\$ 635,794	\$ 726,614

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

COMMUNITY SHARES OF COLORADO, INC.

Statements of Cash Flows Year Ended June 30, 2019 (With Summarized Totals for the Year Ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
<u>Cash Flows From Operating Activities</u>		
Change in net assets	\$ 118,148	\$ (16,837)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	1,787	2,146
Changes in operating assets and liabilities:		
Campaigns receivable	124,547	(30,942)
Grants and contributions receivable	10,731	4,849
Other receivables	(22,803)	(30,206)
Prepays	(4,787)	(1,242)
Distributions payable	37,034	322,746
Deferred revenues	23,856	23,933
Other payables and accrued liabilities	11,509	(11,397)
Net Cash From Operating Activities	<u>300,022</u>	<u>263,050</u>
<u>Net Change in Cash and Cash Equivalents</u>	300,022	263,050
<u>CASH AND CASH EQUIVALENTS, beginning of year</u>	<u>893,151</u>	<u>630,101</u>
<u>CASH AND CASH EQUIVALENTS, end of year</u>	<u>\$ 1,193,173</u>	<u>\$ 893,151</u>

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

COMMUNITY SHARES OF COLORADO, INC.

Notes to Financial Statements

June 30, 2019 and 2018

1. Organization and Summary of Significant Accounting Policies

Nature of the Organization

Community Shares of Colorado, Inc., (the "Organization"), was incorporated in Colorado on February 5, 1986 as a nonprofit corporation. The Organization was established for the purpose of promoting informed participation in community giving to benefit the people of Colorado through member nonprofit agencies. The Organization is supported primarily through public support, membership dues, designated workplace contributions, and campaign management fees. The Organization operates the following programs:

- ***Community Giving Campaign:*** The Community Giving Campaign is the Organization's primary program and is dedicated to raising funds for nonprofit organizations via workplace giving campaigns. The Organization partners with businesses who invite employees to give either a cash gift or donation from each paycheck. The Community Giving Campaign includes partnering with businesses to plan and implement giving campaigns, offering the option of making paycheck contributions or cash gifts to individual employees, and identifying potential new workplace partners.
- ***Distributions:*** The calculation and disbursement of workplace contributions to nonprofit organizations, along with the distribution of campaign reports to nonprofit organizations.
- ***Building Community:*** The Building Community Program leverages the Organization's relationships with charities, donors, and businesses to increase community participation, education, volunteerism, and philanthropy across the state.

Community education includes speaking to civic and other groups about the importance of philanthropy, nonprofit leadership and volunteer opportunities, and referrals to nonprofit agencies providing direct services available in Colorado.

- ***Non-Profit Sustainability:*** The Non-profit Sustainability Program efficiently delivers leadership support to the nonprofit sector, with an emphasis on the sustainability of our member agencies. Services include technical assistance, professional development, leadership training, and network building.
- ***Colorado Combined Campaign:*** Effective January 1, 2014, the Organization began administering the Colorado Combined Campaign (CCC). The 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. The Organization serves as the principal combined fundraising manager for the CCC and, by contract, collects all public support and charges the CCC for campaign and administrative expenses.

COMMUNITY SHARES OF COLORADO, INC.

Notes to Financial Statements

June 30, 2019 and 2018

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

Basis of Accounting

The financial statements of the Organization have been prepared utilizing the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Classification of 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 the Organization 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, long-lived assets placed in service, 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.

Use of Estimates

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

The determination of the shrinkage allowance for campaign receivables is based on estimates that are susceptible to changes in the economic environment. It is possible that a change in the allowance estimate could occur in the near term and the effect of the change could be material to the accompanying financial statements, though the effect is mitigated by the offsetting distributions payable.

Income Taxes

The Organization is a not-for-profit 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. As such, donors are entitled to a charitable deduction for their contributions to the Organization. Accordingly, the accompanying financial statements do not include a provision for income taxes.

The Organization applies a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in a tax return. After evaluating the tax positions taken, none are considered to be uncertain; therefore, no amounts have been recognized as of June 30, 2019 and 2018.

COMMUNITY SHARES OF COLORADO, INC.

Notes to Financial Statements

June 30, 2019 and 2018

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

Concentrations of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk include cash, cash equivalents, and campaigns receivable. The Organization places its temporary cash investments with high quality financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). The balances in these accounts may, at times, exceed the FDIC insured limit during the year. Credit risk with respect to the campaigns receivable is limited due to the number and credit worthiness of the entities that comprise the outstanding balance.

Fair Value of Financial Instruments

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

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.

Campaigns Receivable

Campaigns receivable are unconditional and recognized as revenues in the period the pledges are received. An allowance for uncollectible receivables is established based on past collection experience and current economic conditions.

Amounts Raised on Behalf of Other Organizations

The Organization recognizes the fair value of assets received that are to be transferred to another organization as a liability to the specified beneficiary organization, not as support.

Cash received from work-place campaigns, net of an administrative fee, is distributed to members in the ratio of member-designated pledges (based on donor designations) to total designated pledges.

Custodial Funds

The Organization administers the CCC. The CCC operates on a calendar year basis. Pledged CCC contributions totaling \$945,781 and \$938,644, and custodial distributions of \$769,750 and \$774,095, for the year ended December 31, 2018 and 2017, respectively, are not reflected in the accompanying financial statements as the net assets do not belong to the Organization. The books and records of the CCC are audited annually on a calendar year basis by an independent accountant.

Per the campaign management contract, the Organization generally withholds about 15% of pledges collected to cover costs associated with administering the CCC. These amounts are included in campaign and fiscal manager services on the accompanying statement of activities.

Deferred Revenue

Revenue from membership dues and other income are recorded in the period earned.

COMMUNITY SHARES OF COLORADO, INC.

Notes to Financial Statements

June 30, 2019 and 2018

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

Property and Equipment

Property and equipment are stated at cost or at the estimated fair value at the date of donation, if contributed. All assets with a useful life of more than 1 year and a cost of more than \$1,000 are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. Depreciation is calculated on a straight-line basis over the estimated three to five year useful life of the asset.

Contributions

Unconditional promises to give cash and other assets to the Organization are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is deemed unconditional. The gifts are reported as increases to net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization's policy is to record contributions whose restrictions are met in the same reporting period as contributions received without donor restrictions.

Donated Services and Goods

The Organization periodically receives contributions in a form other than cash. Donated services that create or enhance nonfinancial assets, or that require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

The Organization recognizes contributed television and radio airtime as contributions at their estimated fair value, which it determines based upon the day, time, and market in which the public service announcements are broadcast or published. During the year ended June 30, 2019 and 2018, \$10,048 and \$10,082, respectively, were recorded for these contributions.

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 functional expenses. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and fringes are allocated based upon estimations of time and effort. Indirect costs such as occupancy and office related expenses are allocated based upon time spent, utilization, and square footage.

Summarized Financial Information

The financial statements include certain prior period summarized comparative information in total. Such information does not include sufficient details to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

COMMUNITY SHARES OF COLORADO, INC.

Notes to Financial Statements

June 30, 2019 and 2018

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

Change in Accounting Principle

In August 2016, the Financial Accounting Standards Board (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 is effective for the year ended June 30, 2019, and was applied retrospectively to these comparative financial statements with the exception of certain omissions permitted by the ASU.

Subsequent Events

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. The Organization's financial statements were available to be issued on December 20, 2019, and this is the date through which subsequent events were evaluated.

Partnership for Colorado

The Partnership for Colorado (PFC) is a nonprofit coalition of three local giving federations working together to efficiently offer increased charitable choice to employee giving campaigns. The members of the PFC include Caring Connection, Community Health Charities, and Community Shares of Colorado, Inc. Community Shares of Colorado is the fiscal services provider for Partnership for Colorado. Community Shares of Colorado receives all funds from PFC giving campaigns and distributes to the other two federations per employee designation without retaining any management fees on those funds.

New Accounting Pronouncements

In May 2014, the FASB issued 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. Management is currently evaluating the impact of the provisions of ASC 606 on its financial statements.

COMMUNITY SHARES OF COLORADO, INC.**Notes to Financial Statements**

June 30, 2019 and 2018

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, comprise the following as of June 30, 2019:

Cash and cash equivalents	\$ 1,193,173
Campaigns receivable	1,343,585
Other receivables	<u>88,756</u>
Total financial assets	2,625,514
Less: Fees received in advance	<u>(92,492)</u>
Total financial assets available for general expenditure	<u>\$ 2,533,022</u>

The Organization does not have a formal liquidity policy but generally maintains financial assets in liquid form such as cash and cash equivalents for approximately four to six months.

The Organization also had a line-of-credit available for cash flow needs of up to \$25,000 through June 30, 2019 (Note 5).

3. Campaigns Receivable and Distributions Payable

Campaign pledges made by workplace giving are all due in less than one year. The following is a summary of campaigns receivable and payable at June 30, 2019 and 2018:

<u>June 30, 2019</u>	CSC Member Agency Campaigns	Partnership for Colorado Campaigns	Total
Amounts due in:			
Less than one year	\$ 791,550	\$ 720,793	\$ 1,512,343
Less: Shrinkage allowance	<u>125,706</u>	<u>43,052</u>	<u>168,758</u>
	<u>\$ 665,844</u>	<u>\$ 677,741</u>	<u>\$ 1,343,585</u>
Distributions payable for campaigns	<u>\$ 818,229</u>	<u>\$ 1,340,475</u>	<u>\$ 2,158,704</u>
<u>June 30, 2018</u>	CSC Member Agency Campaigns	Partnership for Colorado Campaigns	Total
Amounts due in:			
Less than one year	\$ 698,322	\$ 1,007,931	\$ 1,706,253
Less: Shrinkage allowance	<u>72,667</u>	<u>165,454</u>	<u>238,121</u>
	<u>\$ 625,655</u>	<u>\$ 842,477</u>	<u>\$ 1,468,132</u>
Distributions payable for campaigns	<u>\$ 860,382</u>	<u>\$ 1,261,288</u>	<u>\$ 2,121,670</u>

COMMUNITY SHARES OF COLORADO, INC.
Notes to Financial Statements
June 30, 2019 and 2018

4. Property and Equipment

Property and equipment consist of the following at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Computer equipment and software	\$ 16,937	\$ 16,937
Office equipment	<u>7,460</u>	<u>7,460</u>
	24,397	24,397
Less: Accumulated depreciation	<u>23,867</u>	<u>22,080</u>
Net property and equipment	<u>\$ 530</u>	<u>\$ 2,317</u>

5. Line-of-Credit

The Organization had a line-of-credit with Citywide Banks for borrowings up to \$25,000 at an interest rate of 5.25%, through June 30, 2019, when the line expired. As of June 30, 2019 and 2018, no amounts were outstanding on the line-of-credit. The line-of-credit was secured by essentially all the assets of the Organization.

On December 16, 2019, the Organization entered into a \$100,000 revolving line-of-credit agreement with InBank. The line bears interest at the Prime Rate (4.75% at date of inception), is secured by essentially all assets of the Organization, and expires on December 14, 2020.

6. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following:

<u>As of June 30,</u>	<u>2019</u>	<u>2018</u>
<u>Subject to the passage of time:</u>		
Grants and contributions receivable	<u>\$ -</u>	<u>\$ 10,731</u>

Net assets totaling \$10,731 and \$15,580 were released from restrictions during the year ended June 30, 2019 and 2018, respectively, as a result of the Organization incurring expenditures satisfying the related restricted purpose.

7. Campaign Administrative Fee

The Organization charges an administrative fee on most campaigns in order to support its operations. During the year ended June 30, 2019 and 2018, the fee charged by the Organization was 15% of contributions. The Organization does not charge administrative fees on gifts made to the federation participants in the Partnership for Colorado and certain private campaigns that do not permit administrative fees. As a result, the actual percentage of the administration fees charged gross campaigns is less than 15%.

COMMUNITY SHARES OF COLORADO, INC.**Notes to Financial Statements**June 30, 2019 and 2018

8. Campaign and Fiscal Management Services

The Organization has been appointed as the principal combined fundraising manager for the CCC and, by contract, collects all public support and charges the CCC for campaign and administrative expenses.

In some cases, the Organization is paid a contract fee to manage private giving campaigns. The Organization also contracts with other nonprofit organizations to provide fiscal management and accountability services.

9. Lease Commitments

The Organization has entered into a sublease agreement for its office facilities that expires in June 2023. The agreement provides for rent holidays throughout the life of the lease. During the year ended June 30, 2019 and 2018, the Organization has recorded a liability of \$7,731 and \$8,439, respectively, for deferred rent in order to recognize rent expense evenly over the lease term. Additionally, the Organization leases office equipment under a four year operating lease. Approximate future minimum lease payments under these operating leases are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2020	\$ 27,600
2021	26,800
2022	27,300
2023	<u>27,800</u>
Total	<u>\$ 109,500</u>

Total rent expense for the year ended June 30, 2019 and 2018, was \$26,899 and \$26,607, respectively.

10. Retirement Plan

The Organization sponsors a tax-deferred employee retirement plan under the provisions of Internal Revenue Code Section 403(b). Participation is voluntary. The Plan allows for employee contributions, along with a discretionary employer match. For the year ended June 30, 2019 and 2018, the employer match was \$4,750 and \$7,183, respectively.