AUDITED FINANCIAL STATEMENTS

YEAR SEPTEMBER 30, 2014
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Anton Collins Mitchell LLP
Accountants & Consultants

CENTER FOR PEOPLE WITH DISABILITIES

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Center for People with Disabilities
Boulder, Colorado

Report on Financial Statements

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, 2014, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from the Center's September 30, 2013 financial statements and in our report dated February 10, 2014, we expressed an unqualified opinion on those 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.

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, 2014, 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.

Anton Collins Mitchell LLP

Boulder, Colorado
February 12, 2015

CENTER FOR PEOPLE WITH DISABILITIES
STATEMENT OF FINANCIAL POSITION
AT SEPTEMBER 30, 2014
WITH SUMMARIZED FINANCIAL INFORMATION
AT SEPTEMBER 30, 2013

	2014	2013
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 258,558	$ 13,159
Grants receivable	62,986	89,933
Program service fees receivable, net	59,526	69,782
Other receivables	40,758	4,185
Interest receivable	-	6,000
Prepaid expenses	12,654	1,946
Total current assets	434,482	185,005
PROPERTY AND EQUIPMENT:		
Land	350,000	350,000
Buildings and improvements	1,036,634	1,024,651
Furniture and equipment	18,988	27,925
Vehicles	6,000	23,469
Total property and equipment	1,411,622	1,426,045
Less accumulated depreciation	(383,842)	(381,802)
Net property and equipment	1,027,780	1,044,243
RESTRICTED CASH AND OTHER ASSETS:		
Restricted cash	12,144	113,061
Note receivable	-	200,000
Loan fees, net of accumulated amortization	16,324	20,242
Deposits	5,181	5,181
Total restricted cash and other assets	33,649	338,484
TOTAL ASSETS	$ 1,495,911	$ 1,567,732

Continued.

CENTER FOR PEOPLE WITH DISABILITIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AT SEPTEMBER 30, 2014
WITH SUMMARIZED FINANCIAL INFORMATION
AT SEPTEMBER 30, 2013

	2014	2013
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	$ 8,997	$ 11,444
Accrued personnel and other expenses	77,437	44,229
Deferred revenue	16,547	154,280
Current portion of long-term debt	28,172	26,866
Assets held for others	6,628	10,028
Total current liabilities	137,781	246,847
LONG-TERM LIABILITIES:		
Line of credit	-	12,847
Long-term debt, net of current portion	652,513	680,505
Total long-term liabilities	652,513	693,352
TOTAL LIABILITIES	790,294	940,199
NET ASSETS:		
Unrestricted	700,161	594,462
Temporarily restricted	5,456	33,071
Total net assets	705,617	627,533
TOTAL LIABILITIES AND NET ASSETS	$ 1,495,911	$ 1,567,732

See accompanying notes to the financial statements.

CENTER FOR PEOPLE WITH DISABILITIES
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Unrestricted	Temporarily Restricted	2014 Total	2013 Total
SUPPORT AND REVENUE:				
Public support				
Grant income	$ 1,075,007	$ -	$ 1,075,007	$ 1,509,196
Contributions	32,591	-	32,591	20,009
Revenue				
Program service fees	1,106,543	-	1,106,543	1,095,959
Interest income	6,651	-	6,651	8,014
Other income	7,718	-	7,718	4,737
Loss on sale of vehicle	-	-	-	(5,831)
Net assets released from restrictions	27,615	(27,615)	-	-
Total support and revenue	2,256,125	(27,615)	2,228,510	2,632,084
EXPENSES:				
Program services	1,884,669	-	1,884,669	2,414,323
General and administrative	235,470	-	235,470	150,718
Fundraising	60,832	-	60,832	61,715
Total expenses	2,180,971	-	2,180,971	2,626,756
CHANGE IN NET ASSETS BEFORE OTHER CHANGES IN NET ASSETS	75,154	(27,615)	47,539	5,328
OTHER CHANGES IN NET ASSETS				
Insurance proceeds	101,706	-	101,706	-
Flood and fire repairs	(71,161)	-	(71,161)	(8,200)
Total other changes in net assets	30,545	-	30,545	(8,200)
CHANGE IN NET ASSETS	105,699	(27,615)	78,084	(2,872)
NET ASSETS, beginning of year	594,462	33,071	627,533	630,405
NET ASSETS, end of year	$ 700,161	$ 5,456	$ 705,617	$ 627,533

See accompanying notes to the financial statements.

CENTER FOR PEOPLE WITH DISABILITIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2014
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 78,084	$ (2,872)
Adjustments to reconcile change in net assets		
to net cash (used in) provided by operating activities:		
Depreciation	28,446	30,165
Amortization	3,918	3,918
Provision for bad debt	1,062	3,144
Loss on sale of vehicle	-	5,831
(Increase) decrease in operating assets:		
Grants receivable	25,885	(35,580)
Program service fees receivable, net	10,256	(10,256)
Other receivables	(36,573)	2,815
Prepaid expenses and deposits	(10,708)	211
Increase (decrease) in operating liabilities:		
Accounts payable	(2,447)	6,333
Accrued personnel and other expenses	33,208	(5,865)
Deferred revenue	(137,733)	26,799
Net cash (used in) provided by operating activities	(6,602)	24,643
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment and improvements	(11,983)	(10,000)
Proceeds from sale of vehicle	-	4,680
Collection of note receivable	200,000	-
Collection of interest receivable	6,000	-
Net change in assets held for others	(3,400)	(33,382)
Net cash provided by (used in) investing activities	190,617	(38,702)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Draws on line of credit	42,239	113,560
Payments on line of credit	(55,086)	(100,713)
Payments on long-term debt	(26,686)	(27,651)
Net cash used in financing activities	(39,533)	(14,804)
NET CHANGE IN CASH AND CASH EQUIVALENTS	144,482	(28,863)
CASH AND CASH EQUIVALENTS, beginning of year	126,220	155,083
CASH AND CASH EQUIVALENTS, end of year	270,702	126,220
Cash and cash equivalents	258,558	13,159
Restricted cash	12,144	113,061
Total cash and cash equivalents	$ 270,702	$ 126,220
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	$ 27,596	$ 29,742
SUPPLEMENTAL DISCLOSURE OF NON CASH FLOW INFORMATION		
Purchase of vehicle through issuance of term debt	$ -	$ 30,349
Payoff of term debt for purchase of vehicle	$ -	$ 27,820

See accompanying notes to the financial statements.

CENTER FOR PEOPLE WITH DISABILITIES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2014
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Program Services							
	Independent Living	**Personal Assistance**	**Subsidized Housing**	**Total Program Services**	**General & Admin**	**Fundraising**	**2014 Total**	**2013 Total**
Personnel costs	$ 621,113	$ 744,322	$ 33,565	$ 1,399,000	$ 163,765	$ 12,851	$ 1,575,616	$ 1,574,325
Participant costs	51,843	2,195	151,472	205,510	9	-	205,519	670,879
Occupancy	21,620	11,613	21,767	55,000	25,739	45,032	125,771	74,972
Professional services	62,913	3,983	246	67,142	5,628	787	73,557	77,745
Travel and entertainment	9,602	24,285	329	34,216	3,421	81	37,718	38,496
Insurance	13,427	16,180	149	29,756	3,579	-	33,335	36,718
Depreciation and amortization	11,378	13,820	142	25,340	7,024	-	32,364	34,083
Interest	17,418	3,718	212	21,348	5,447	801	27,596	29,742
Communications	11,536	2,768	51	14,355	2,584	176	17,115	21,448
Postage and printing	11,058	1,992	121	13,171	2,830	352	16,353	19,052
Agency dues and meetings	8,193	-	-	8,193	6,259	-	14,452	8,529
Other expenses	120	2,675	120	2,915	5,723	50	8,688	16,656
Vehicle and equipment expenses	3,972	984	84	5,040	2,056	57	7,153	7,464
Supplies	1,925	60	587	2,572	1,406	-	3,978	13,118
Bad debt expense	80	982	-	1,062	-	-	1,062	3,144
Advertising	-	-	49	49	-	645	694	385
Total expenses	$ 846,198	$ 829,577	$ 208,894	$ 1,884,669	$ 235,470	$ 60,832	$ 2,180,971	$ 2,626,756

See accompanying notes to the financial statements.

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 finances its operations largely through grants and fee charges to provide services for federal and state agencies and city and county governments. The Center also receives support from contributions.

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.

Subsidized Housing Program—Assistance in locating and obtaining suitable housing for elderly or disabled individuals and their families. This program was discontinued as of December 31, 2013 and therefore only three months of activity for this program are included in the financial statements.

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, 2013, 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, 2014 and 2013.

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, 2014 and 2013.

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 no in-kind donations during 2014 or 2013.

***Deferred Revenue*—**Amounts received from 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, 2014 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 2011.

Note 2: Note Receivable—At September 30, 2013, the Center held a $200,000 note receivable, which bore interest at 4% and was scheduled to mature on March 22, 2019. The note was collateralized by a second deed of trust on real estate. Interest was due annually, with the principal due at maturity. Accrued interest on the note receivable at September 30, 2013 was $6,000. The note receivable and all accrued interest were collected in July 2014.

Note 3: 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 depreciation and amortization expense on the statement of functional expenses. Accumulated amortization totaled $22,855 and $18,937 at September 30, 2014 and 2013, respectively.

Continued.

Note 4: 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, 2014 and 2013, were $6,628 and $10,028, respectively.

Note 5: 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".

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

Year Ending September 30,	Amount
2015	$ 28,172
2016	29,472
2017	30,976
2018	32,483
2019	444,582
Thereafter	115,000
	$ 680,685

Continued.

Note 6: Line of Credit—In 2008, the Center entered into an agreement with its primary banking institution for a $50,000 revolving line of credit at a variable interest rate of prime plus 2.00% (5.25% at September 30, 2014). The balance of the line was $0 at September 30, 2014.

Note 7: Restricted Net Assets—Temporarily restricted net assets as of September 30, 2013 consist of $20,300 for flood relief and $12,771 for scholarships. Temporarily restricted net assets as of September 30, 2014 consist of funds restricted solely for scholarships.

Note 8: Operating Leases—The Center leases equipment and office space under operating lease agreements expiring from March 2015 to September 2018. Total expense under these leases for the years ended September 30, 2014 and 2013, was $52,797 and $47,375, respectively.

Future minimum lease payments are as follows:

Years Ending September 30,	Amount
2015	$ 62,448
2016	27,959
2017	13,916
2018	9,204
	$ 113,527

Note 9: Defined Contribution Retirement Plan—The Center maintained a 401(k) profit sharing plan in which employees can make pre-tax contributions into the plan. The plan was discontinued in August 2013 due to lack of employee participation. The plan covered substantially all employees over 21 years of age who have completed six months of service. The plan also provided for employer discretionary contributions to the plan. During the years ended September 30, 2014 and 2013, no employer contributions were made to the plan.

Note 10: 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, 2014 and 2013, the Center's cash balances exceeded the federally insured limits. As of September 30, 2014, the Center had approximately $24,000 on deposit with financial institutions in excess of the federally insured limits.

Continued.

Note 10: Concentration of Credit Risk (continued)—For the year ended September 30, 2014, 23%, 19%, 18% and 17% of grant income was received from four grantors. For the year ended September 30, 2013, 45%, 14%, 13% and 12% of grant income was received from four grantors.

Note 11: 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.

Note 12: Subsequent Events—In accordance with ASC 855, *Subsequent Events,* the Center has evaluated subsequent events through February 12, 2015, which is the date these financial statements were available to be issued. There are no subsequent events that require recognition or additional disclosure in these financial statements.