

Illuminate Colorado
Financial Statements
with Independent Auditors' Report
December 31, 2020 and 2019



Illuminate Colorado
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December 31, 2020 and 2019

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**HINKLE &
COMPANY**
Strategic ^{PC}
Business Advisors

Independent Auditors' Report

The Board of Directors
Illuminate Colorado
Denver, Colorado

We have audited the accompanying statements of financial position of Illuminate Colorado (a nonprofit corporation) as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years 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 audit. We conducted our audit 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on 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.

The Board of Directors
Illuminate Colorado
Denver, Colorado

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 Illuminate Colorado as of December 31, 2020 and 2019 and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The financial statements of Illuminate Colorado for the year ended December 31, 2019, were audited by another auditor who expressed an unmodified opinion on those statements on June 12, 2020.

Hick & Company, PC

Greenwood Village, Colorado
June 10, 2021



Illuminate Colorado
Statement of Financial Position
December 31, 2020 and 2019

	2020	2019
Assets		
<i>Current Assets:</i>		
Cash and Cash Equivalents	\$ 381,799	\$ 540,367
Accounts Receivable	405,727	170,871
Contributions Receivable	-	20,000
Prepaid Expenses	13,912	1,923
Total Current Assets	801,438	733,161
<i>Property and Equipment:</i>		
Furniture and equipment	8,693	8,693
Childcare Mobile Homes	483,731	-
Accumulated depreciation	(35,445)	(6,059)
Total Property and Equipment	456,979	2,634
Total Assets	\$ 1,258,417	\$ 735,795
Liabilities and Net Assets		
<i>Current Liabilities:</i>		
Accounts Payable	\$ 79,695	\$ 19,890
Accrued Liabilities	215,563	16,388
Total current liabilities	295,258	36,278
<i>Net Assets:</i>		
Net Assets Without Donor Restrictions	385,086	114,880
Net Assets With Donor Restrictions	578,073	584,637
Total Net Assets	963,159	699,517
Total Liabilities and Net Assets	\$ 1,258,417	\$ 735,795

Illuminate Colorado
Statement of Activities
For the Year Ended December 31, 2020

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Support and Revenue			
Contributions:			
Foundations	\$ 59,634	\$ 731,000	\$ 790,634
Corporations	6,364	-	6,364
Individuals	37,781	-	37,781
Workplace Giving	3,240	-	3,240
Board of Directors	12,315	-	12,315
In-kind Contributions	-	-	-
Government Grants	1,333,137	-	1,333,137
Program Service Fees	311,045	-	311,045
Miscellaneous Income	9,191	-	9,191
Interest Income	116	-	116
Net Assets Released from Restriction	<u>737,564</u>	<u>(737,564)</u>	<u>-</u>
Total Support and Revenue	<u>2,510,387</u>	<u>(6,564)</u>	<u>2,503,823</u>
Expenses			
Program Services	1,971,245	-	1,971,245
Supporting Services:			
General and Administrative	118,090	-	118,090
Fundraising	<u>150,846</u>	<u>-</u>	<u>150,846</u>
Total Expenses	<u>2,240,181</u>	<u>-</u>	<u>2,240,181</u>
Change in Net Assets	270,206	(6,564)	263,642
Net Assets, Beginning of Year	<u>114,880</u>	<u>584,637</u>	<u>699,517</u>
Net Assets, End of Year	<u><u>\$ 385,086</u></u>	<u><u>\$ 578,073</u></u>	<u><u>\$ 963,159</u></u>

Illuminate Colorado
Statement of Activities
For the Year Ended December 31, 2019

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Support and Revenue			
Contributions:			
Foundations	\$ 23,995	\$ 641,430	\$ 665,425
Corporations	12,132	-	12,132
Individuals	31,826	-	31,826
Workplace Giving	591	-	591
Board of Directors	24,983	-	24,983
In-kind Contributions	4,981	-	4,981
Government Grants	592,144	-	592,144
Program Service Fees	318,332	-	318,332
Miscellaneous Income	350	-	350
Interest Income	575	-	575
Net Assets Released from Restriction	278,235	(278,235)	-
Total Support and Revenue	1,288,144	363,195	1,651,339
Expenses			
Program Services	1,125,269	-	1,125,269
Supporting Services:			
General and Administrative	76,429	-	76,429
Fundraising	84,000	-	84,000
Total Expenses	1,285,698	-	1,285,698
Change in Net Assets	2,446	363,195	365,641
Net Assets, Beginning of Year	112,434	221,442	333,876
Net Assets, End of Year	\$ 114,880	\$ 584,637	\$ 699,517

Illuminate Colorado
Statement of Functional Expenses
For the Year Ended December 31, 2020

	Program	General & Administrative	Fundraising	Total
Personnel				
Salaries and Wages	\$ 1,057,309	\$ 78,028	\$ 116,294	\$ 1,251,631
Employee Benefits	91,980	16,277	5,453	113,710
Payroll Taxes	83,155	6,487	9,277	98,919
Total Personnel	<u>1,232,444</u>	<u>100,792</u>	<u>131,024</u>	<u>1,464,260</u>
Direct Program Costs				
Fundraising Expenses	-	-	3,325	3,325
Marketing and Promotion	68,086	-	1,856	69,942
Meetings/Meals	553	172	208	933
Mini Grants	40,195	-	-	40,195
Program Supplies	139,875	2,200	-	142,075
Printing and Copying	8,101	8,434	46	16,581
Training, Conferences and Meetings	10,172	25	360	10,557
Travel and Lodging	10,101	-	-	10,101
Depreciation	-	-	-	-
Total Direct Program Costs	<u>277,083</u>	<u>10,831</u>	<u>5,795</u>	<u>293,709</u>
Office Administration				
Bank Fees and Finance Charges	275	53	1,289	1,617
Dues and Subscriptions	13,755	227	3,838	17,820
Insurance	6,241	982	150	7,373
Office Supplies	2,718	144	1,188	4,050
Phone	514	30	39	583
Postage, Fax and Copier	947	890	2,985	4,822
Rent	15,264	1,236	1,608	18,108
Depreciation	28,709	676	-	29,385
Total Office Administration	<u>68,423</u>	<u>4,238</u>	<u>11,097</u>	<u>83,758</u>
Professional Services				
Payroll and Benefit Services	12,212	389	636	13,237
Professional service fees	377,559	1,840	1,941	381,340
Lobbyist	-	-	-	-
Website Hosting and IT Services	3,524	-	353	3,877
Total Professional Services	<u>393,295</u>	<u>2,229</u>	<u>2,930</u>	<u>398,454</u>
Total Expenses	<u>\$ 1,971,245</u>	<u>\$ 118,090</u>	<u>\$ 150,846</u>	<u>\$ 2,240,181</u>

Illuminate Colorado
Statement of Functional Expenses
For the Year Ended December 31, 2019

	Program	General & Administrative	Fundraising	Total
Personnel				
Salaries and Wages	\$ 622,971	\$ 51,630	\$ 52,123	\$ 726,724
Employee Benefits	67,488	7,781	4,233	79,502
Payroll Taxes	49,999	4,334	4,154	58,487
Total personnel	<u>740,458</u>	<u>63,745</u>	<u>60,510</u>	<u>864,713</u>
Direct Program Costs				
Fundraising Expenses	-	-	17,703	17,703
Marketing and Promotion	7,885	-	831	8,716
Meetings/Meals	2,450	1,481	-	3,931
Mini Grants	24,698	-	-	24,698
Program Supplies	68,658	-	-	68,658
Printing and Copying	3,276	201	11	3,488
Training, Conferences and Meetings	11,738	600	-	12,338
Travel and Lodging	37,663	1,110	-	38,773
Depreciation	-	-	-	-
Total Direct Program Costs	<u>156,368</u>	<u>3,392</u>	<u>18,545</u>	<u>178,305</u>
Office Administration				
Bank Fees and Finance Charges	120	634	1,460	2,214
Dues and Subscriptions	4,269	3,682	561	8,512
Insurance	2,176	1,055	176	3,407
Office Supplies	13,351	408	380	14,139
Phone	257	15	14	286
Postage, Fax and Copier	1,924	39	-	1,963
Rent	12,890	1,120	1,044	15,054
Depreciation	681	59	55	795
Total Office Administration	<u>35,668</u>	<u>7,012</u>	<u>3,690</u>	<u>46,370</u>
Professional Services				
Payroll and Benefit Services	1,403	664	50	2,117
Professional Service Fees	178,993	1,294	1,205	181,492
Lobbyist	2,800	-	-	2,800
Website Hosting and IT Services	9,579	322	-	9,901
Total Professional Services	<u>192,775</u>	<u>2,280</u>	<u>1,255</u>	<u>196,310</u>
Total Expenses	<u>\$ 1,125,269</u>	<u>\$ 76,429</u>	<u>\$ 84,000</u>	<u>\$ 1,285,698</u>

Illuminate Colorado
Statement of Cash Flows
For the Years Ended December 31, 2020 and 2019

	2019	2018
Cash Flows from Operating Activities		
Increase in Net Assets	\$ 263,642	\$ 365,642
Adjustments to reconcile Increase in Net Assets to		
Cash Provided by Operating Activities		
Depreciation Expense	29,385	795
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(234,856)	(80,427)
Contributions Receivable	20,000	50,000
Prepaid Expenses	(11,989)	3,930
Accounts Payable	59,805	17,426
Accrued Liabilities	199,175	992
	325,162	358,358
Cash Flows from Investing Activities		
Purchase of Fixed Assets	(483,730)	-
	(483,730)	-
Net Increase in Cash	(158,568)	358,358
Cash and Cash Equivalents, <i>Beginning of Year</i>	540,367	182,009
Cash and Cash Equivalents, <i>End of Year</i>	\$ 381,799	\$ 540,367

Illuminate Colorado
Notes to Financial Statements
December 31, 2020 and 2019

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Illuminate Colorado was formed in December 2015, when the following three organizations entered into a joint services agreement to provide certain executive management, administrative and operational support, and related services to each other, and operate under the name Illuminate Colorado. A common board of directors was elected from each organization's existing board of directors, and the organizations were formally merged January 1, 2017.

Colorado Alliance for Drug Endangered Children ("CODEC") was established in 2003 to promote the health, safety, and well-being of drug endangered children through statewide training, technical assistance, and advocacy. CODEC partners with numerous state agencies, local communities, and professionals statewide to increase the identification of appropriate services to children impacted by caregiver substance use.

Prevent Childhood Abuse Colorado ("PCA") educates, connects, and mobilizes communities and families so our children can grow and develop free from abuse and neglect through parental resilience, social connections, knowledge of parenting and child development, support in times of need, and children's social and emotional development.

NOFAS Colorado ("NOFAS") is the Colorado affiliate of the National Organization for Fetal Alcohol Spectrum Disorders. NOFAS provides prevention, identification, intervention, support, and education about Fetal Alcohol Spectrum Disorders. NOFAS works with individuals with Fetal Alcohol Spectrum Disorders, as well as their families, caregivers, and the community, and strives to provide a forum for collaboration and a unified voice for prenatal alcohol and drug exposure prevention, education, identification, and intervention.

Beginning October 1, 2016, Illuminate Colorado added a fourth agency to the strategic partnership - Sexual Abuse Forever Ending (SAFE). SAFE works to educate and empower children and adults to reduce stigma and prevent child sexual abuse. Full consolidation of the four organizations was complete on January 1, 2017.

Basis of Accounting

The accrual basis of accounting is used for financial reporting purposes in accordance with generally accepted accounting principles.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its FASB ASC 958-210, "*Financial Statements of Not-for-Profit Organizations*". Under this guidance, Illuminate Colorado is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restrictions.

Illuminate Colorado
Notes to Financial Statements
December 31, 2020 and 2019

Note 1: Nature of Operations and Summary of Significant Accounting Policies
(Continued)

Net Assets Without Donor Restrictions - consists of assets, public support, and program revenues, which are available and used for general operations and programs. Contributions are considered available for general use unless specifically restricted by the donor.

Net Assets With Donor Restrictions - includes funds with donor-imposed restrictions, which permit the organization to expend the assets as specified and is satisfied either by the passage of time or by the actions of the organization. Resources of this nature originate from gifts, grants, bequests, contracts, and investment income earned on restricted funds.

Cash and Cash Equivalents

Cash and cash equivalents consist of funds deposited in checking and savings accounts, certificates of deposit, and temporary investments having a maturity of three months or less.

Accounts and Contributions Receivable

Accounts and contributions receivable are considered fully collectible with one year; therefore, neither an allowance for uncollectible receivables nor a discount to net present value has been recorded.

Property and Equipment

Property and equipment with a cost of \$2,500 or more is capitalized over a period of three to four years. Donated property and equipment is recorded at fair market value at the time of the gift.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence or nature of donor restrictions. Support which is restricted by the donor is recorded as temporarily restricted, whether or not the restriction is satisfied in the same reporting period.

Functional Expenses

The costs attributable to program services and expenses associated with management and general expenses and financial development have been reported in the accompanying financial statements on a functional basis. Accordingly, certain costs have been allocated among the program expenses, management and general expenses, and financial development expenses based on estimates made by management based on the time expended or another reasonable basis.

Illuminate Colorado
Notes to Financial Statements
December 31, 2020 and 2019

Note 1: Nature of Operations and Summary of Significant Accounting Policies
(Continued)

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires the use of estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax Status

Illuminate Colorado is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. Illuminate Colorado follows FASB ASC 740 *Income Taxes*, which requires entities to determine whether a tax position is more likely than not to be sustained upon examination by the applicable taxing authority. Illuminate Colorado has evaluated tax positions taken related to its tax-exempt status, and none are considered to be uncertain; therefore, no amounts have been recognized as of December 31, 2020.

Subsequent Events

Subsequent events have been evaluated through June 10, 2021, the date the financial statements were available to be issued.

Note 2: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	2020	2019
Cash and Cash Equivalents	\$ 381,799	\$ 540,367
Accounts Receivable	405,727	170,871
Contributions Receivable	-	20,000
Available Assets at December 31,	<u>787,526</u>	<u>731,238</u>
Less: Those Unavailable for general expenditures within one year, due to:		
Donor-imposed Time or Purpose Restrictions	<u>(578,073)</u>	<u>(584,637)</u>
Totals	<u>\$ 209,453</u>	<u>\$ 146,601</u>

Illuminate Colorado is substantially supported by grants and contributions. Financial assets are managed to be available as its general expenditures, liabilities, and other obligations come due.

Illuminate Colorado
Notes to Financial Statements
December 31, 2020 and 2019

Note 3: Accounts and Contributions Receivable

Accounts receivable reflected in the statement of financial position for the years ended December 31, 2020 and 2019 are \$405,727 and \$170,871, respectively, and represent amounts due for services provided and expenses reimbursable under certain grants. Contributions receivable reflected in the statement of financial position for the years ended December 31, 2019, is \$20,000 and represent unconditional promises to give. Receivables are considered to be fully collectible within one year; therefore, no allowance for uncollectible accounts has been recorded.

Note 4: Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31, 2020 and 2019 consist of the unspent contributions restricted by the donor for a specific purpose of \$564,637 and \$564,637, respectively, and time restricted contributions of \$20,000 and \$20,000, respectively.

Note 5: In-kind Contributions

Illuminate Colorado received donated services which are reflected in the financial statements at their estimated fair market value at the date services were rendered. Such in-kind contributions for the years ended December 31, 2020 and 2019 consisted of legal and other professional services of \$4,981 and \$4,981, respectively, and are reported as professional service fees in the statement of functional expenses.

In addition, Illuminate Colorado utilizes volunteers for administrative, program and fundraising support. During the year ended December 31, 2020, 12 volunteers provided 700 hours of donated services valued at \$19,978. During the year ended December 31, 2019, 15 volunteers provided 990 hours of donated services valued at \$25,176. However, these donated services do not meet the criteria to be recognized in the financial statements, and accordingly, are not recorded.

Note 6: Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. An analysis of time spent by personnel in each of the functional areas has been performed by management. Personnel expenses, certain professional service fees, office supplies, office rent, phone/internet, liability insurance, and credit card processing fees are allocated based on estimates of time and effort.

Illuminate Colorado
Notes to Financial Statements
December 31, 2020 and 2019

Note 7: Retirement Plan

Illuminate Colorado has established a 401(k) plan whereby eligible personnel can make salary deferral contributions which are matched by Illuminate Colorado dollar for dollar up to 3%. Illuminate Colorado contributed \$28,082 and \$17,268, respectively, to the plan during the years ended December 31, 2020 and 2019.

Note 8: Lease Obligations

Illuminate Colorado occupies office space located at 1530 West 13th Avenue, Denver, Colorado, under a month-to-month lease. On January 1, 2019, a new lease agreement was executed which provided for monthly rent of \$1,000. A new lease was again executed on July 1, 2019, which provides for monthly rent of \$1,509. The lease may be terminated by either party with thirty-days' written notice.

Through December 31, 2018, Illuminate Colorado sublet desk space on occasion to another nonprofit organization. Rent expense for the years ended December 31, 2020 and 2019 was \$18,108 and \$15,054 (net of sublet rents received), respectively.

Note 9: SBA CARES ACT Loan

On April 17, 2020, Illuminate Colorado received a \$191,500 Paycheck Protection Program loan through the Small Business Administration under the CARES Act. The loan is intended to maintain employee and compensation levels during the financial downturn caused by the pandemic. The loan proceeds are to be expended on payroll costs, rent and utilities, and if spent on these costs within six months, the loan will be forgiven and considered a grant to Illuminate Colorado. It is expected that the entire loan will be used to fund the specified costs and will be forgiven.

Subsequent to December 31, 2020, the loan was forgiven on full. The proceeds of the loan are considered to be a conditional contribution, whose conditions were met prior to December 31, 2020, and therefore reported in the accompanying financial statements as a contribution revenue.