DISABILITY LAW COLORADO

Financial Statements And Single
Audit Reports As Of September 30, 2024
(With Summarized Financial Information
As Of September 30, 2023)

Together With Independent Auditors' Report

JDS professional group

certified public accountants, consultants and advisors

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Disability Law Colorado:

Opinion

We have audited the accompanying financial statements of the Center for Legal Advocacy, dba Disability Law Colorado (the "Organization"), which comprise the statement of financial position as of September 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2024, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Independent Auditors' Report (Continued)

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Reporting on Summarized Comparative Information

We have previously audited the Organization's September 30, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 10, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

JDS Professional Group

August 28, 2025

DISABILITY LAW COLORADO

Statement Of Financial Position
As Of September 30, 2024
(With Summarized Financial Information As Of September 30, 2023)

	2024	2023
ASSETS		
Cash and cash equivalents	$ 609,317	$ 625,705
Accounts receivable		470
Government grants receivable	172,932	132,866
Prepaid expenses	19,623	36,063
Investments	8,197	8,197
Investments - endowment	589,863	496,610
Total Assets	$ 1,399,932	$ 1,299,911
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	$ 34,252	$ 52,917
Accrued payroll costs	160,263	114,432
Refundable advances	1,340	1,719
Line of credit		818
Total Liabilities	195,855	169,886
Net Assets:		
Without donor restrictions -		
Board designated operating reserve	250,000	250,000
Board designated for innovation	125,000	125,000
Undesignated	239,214	258,415
Total without donor restrictions	614,214	633,415
With donor restrictions	589,863	496,610
Total Net Assets	1,204,077	1,130,025
TOTAL LIABILITIES AND NET ASSETS	$ 1,399,932	$ 1,299,911

DISABILITY LAW COLORADO

Statement Of Activities
For The Year Ended September 30, 2024
(With Summarized Financial Information For The Year Ended September 30, 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
Support And Revenue:				
Government grants	$ 2,682,624	$	$ 2,682,624	$ 2,812,065
Contributions	81,933		81,933	437,853
Publications	1,972		1,972	4,512
Loss on disposal of inventory				(20,577)
Other income	22,219		22,219	6,360
Investment income, net		93,253	93,253	51,247
Total Support And Revenue	2,788,748	93,253	2,882,001	3,291,460
Expenses:				
Program Services -				
Developmental Disabilities (PADD)	636,164		636,164	590,845
Mental Illness (PAIMI)	607,429		607,429	444,080
Older Americans	19,955		19,955	502,075
Individual Rights (PAIR)	333,139		333,139	206,377
Client Assistance Program	178,346		178,346	143,266
Other programs	762,564		762,564	803,086
Total Program Services	2,537,597		2,537,597	2,689,729
Supporting Services -				
Management and general	251,332		251,332	221,035
Fundraising	19,020		19,020	40,142
Total Supporting Services	270,352		270,352	261,177
Total Expenses	2,807,949		2,807,949	2,950,906
Changes in net assets from operations	(19,201)	93,253	74,052	340,554
Net Assets, Beginning Of Year	633,415	496,610	1,130,025	789,471
NET ASSETS, END OF YEAR	$ 614,214	$ 589,863	$ 1,204,077	$ 1,130,025

Statement Of Functional Expenses
For The Year Ended September 30, 2024
(With Summarized Financial Information As Of September 30, 2023)

	Program Services							Supporting Services			
	Developmental Disabilities (PADD)	Mental Illness (PAIMI)	Older Americans	Individual Rights (PAIR)	Client Assistance Program	Other Programs	Total Program Services	Management and General	Fundraising	2024 Total	2023 Total
Salaries	$ 430,242	$ 405,376	$ 16,788	$ 207,518	$ 118,139	$ 450,768	$ 1,628,831	$ 115,490	$ 6,037	$ 1,750,358	$ 1,912,945
Payroll taxes and benefits	95,381	90,265	3,009	44,761	23,425	108,669	365,510	8,402	1,229	375,141	407,660
Facilities	18,182	17,697	33	9,674	5,417	20,467	71,470	854	104	72,428	76,942
Professional, contract services	25,662	24,029	54	13,012	7,600	60,737	131,094	113,251	7,870	252,215	145,441
Dues and subscriptions	7,985	7,230	16	4,980	2,306	8,319	30,836	504	705	32,045	47,236
Staff and board development	2,527	3,547		4,424	1,483	4,513	16,494	1,031	1	17,526	34,731
Travel	8,813	12,064	6	4,574	4,682	17,372	47,511	1,647	22	49,180	82,845
Supplies	13,393	12,812	12	24,545	4,020	48,845	103,627	3,050	1,564	108,241	57,613
Telephone	7,995	8,465	2	5,746	2,803	10,364	35,375	2,530	59	37,964	20,682
Postage and printing	278	2,929		175	99	627	4,108	10		4,118	5,016
Equipment	1,548	1,519	1	1,021	511	1,906	6,506	241	12	6,759	28,789
Repair and maintenance	1,306	1,306		1,012	465	1,723	5,812	260	11	6,083	15,993
Insurance	6,729	6,517	11	3,804	2,033	7,747	26,841	1,099	23	27,963	20,633
Outreach and training	2,850	2,374	5	1,567	1,064	7,913	15,773	61	98	15,932	11,179
Recruiting	8,725	8,015	17	4,154	3,191	8,394	32,496	138	1,198	33,832	38,226
Meetings	1,798	1,885		1,329	647	2,345	8,004	376	13	8,393	1,478
File storage	2,514	1,165	1	730	388	1,448	6,246	74	7	6,327	18,981
Bank and finance charges	236	234		113	73	407	1,063	2,314	67	3,444	13,960
Accomodation services											2,916
Other											7,640
	$ 636,164	$ 607,429	$ 19,955	$ 333,139	$ 178,346	$ 762,564	$ 2,537,597	$ 251,332	$ 19,020	$ 2,807,949	$ 2,950,906

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

DISABILITY LAW COLORADO

	2024	2023
Cash flows from operating activities:		
Changes in net assets from operations	$ 74,052	$ 340,554
Adjustments to reconcile changes in net assets		
to net cash provided by (used in) operating activities:		
Loss on disposal of inventory		20,577
(Gain) loss on investments	(72,443)	(29,887)
Changes in assets and liabilities -		
Decrease (increase) in accounts receivable	470	(470)
Decrease (increase) in government grants receivable	(40,066)	161,070
Decrease (increase) in prepaid expenses	16,440	1,364
Decrease (increase) in publication inventory		(150)
Increase (decrease) in accounts payable	(18,665)	15,790
Increase (decrease) in accrued payroll costs	45,831	(19,591)
Increase (decrease) in refundable advances	(379)	(9,850)
Net cash provided by (used in) operating activities	5,240	479,407
Cash flows from investing activities:		
Purchases of investments	(25,451)	(16,741)
Sales of investments	4,641	20,000
Net cash provided by (used in) investing activities	(20,810)	3,259
Cash flows from financing activities:		
Proceeds from line-of-credit		100,000
Payments on line-of-credit	(818)	(99,182)
Net cash (used in) financing activities	(818)	818
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(16,388)	483,484
Cash And Cash Equivalents, Beginning Of Year	625,705	142,221
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 609,317	$ 625,705
Supplemental Cash Flow		
Cash paid for interest	$	$ 2,159

(1) **Nature Of Activities**

The mission of the Center for Legal Advocacy, dba Disability Law Colorado, a Colorado nonprofit corporation (the "Organization"), is to protect and promote the rights of people with disabilities and older people in Colorado through direct legal representation, advocacy, education and legislative analysis. The Organization provides legal assistance to persons with disabilities and their advocates, including parents or guardians where: 1) the disability is central to rather than incidental to the legal dispute; 2) special knowledge of the disabling condition is required; 3) special knowledge of the applicable law is required that is not generally available in the generic legal system. The Organization is supported primarily through government support and private contributions.

The Organization operates the following major programs:

- Protection and Advocacy for Individuals with Intellectual and Developmental Disabilities (PADD) -This program was created to protect and advocate for the rights of people with intellectual and developmental disabilities within the State who are or who may be eligible for treatment or services, or who are being considered for a change in living arrangements. This program has the authority to investigate incidents of abuse and neglect if the incidents are reported to the system or if there is probable cause to believe that the incident occurred.

- Protection and Advocacy for Individuals with Mental Illness (PAIMI) - This program is mandated to investigate cases of abuse and neglect of individuals with mental illness and to insure the provision of their legal rights. In order to focus on those people most at risk of experiencing abuse, neglect and rights violations, the statute prioritizes eligibility to those people living in 24-hour treatment facilities.

- Older Americans - The purpose of the Long-Term Care Ombudsman program is to investigate complaints of residents of long-term care facilities (including nursing homes and assisted living residences) of their family members regarding care, treatment or rights violations. The Legal Assistance Developer provides leadership for improving the quality and quantity of legal and advocacy assistance to ensure a comprehensive elder rights system. This includes developing, monitoring, evaluating and coordinating available legal services for older persons statewide. The developer also provides technical assistance to the State Long-Term Care Ombudsman program on issues of drafting legislation and interpretation of current laws as well as training. Finally, Older Americans also includes the Program For All Inclusive Care For The Elderly (PACE).

- Protection and Advocacy for Individual Rights (PAIR) - This program was created to protect the rights of people with disabilities who are ineligible for services from the protection and advocacy programs for people with mental illness or developmental disabilities or ineligible for services from the Client Assistant Program. The federal statute specifically charges this program with helping to implement the Fair Housing Act and the Americans with Disabilities Act.

- Client Assistance Program (CAP) - This program provides information on the available services and benefits under the Rehabilitation Act and Title 1 of the Americans with Disabilities Act to people with disabilities in Colorado, especially those who have been unserved or under served by vocational rehabilitation programs. Upon the request of clients and client applications for services under the Rehabilitation Act, CAP will assist and advocate for them in their relationships with projects and programs. CAP may also provide assistance and advocacy with respect to services that are directly related to the employment of the individual.

- Other Programs - Other Programs include Voting Protection and Advocacy, Assistive Technology, Traumatic Brain Injury, Protection and Advocacy for Beneficiaries of Social Security, Protection and Advocacy for Strengthening Protection for Social Security Beneficiaries, and Publications.

(2) Summary Of Significant Accounting Policies

Basis Of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

Basis Of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and with donor restrictions as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions: Net assets subject to donor-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 donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Estimates

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

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, except for cash and cash equivalents subject to investment management direction.

Government Receivables

Grants receivable are from funding from federal and state governments. As of September 30, 2024, management of the Organization believes all receivables to be collectible and, accordingly, no allowance was deemed necessary.

Capitalization and Depreciation

The Organization follows the practice of capitalizing all expenditures for land, buildings and equipment of $5,000 or more. The fair value of donated assets is similarly capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of between 3 and 5 years of the assets. Amortization of capital leases is included in depreciation expense.

Fair Value Measurements

The Organization follows fair value measurements which among other things requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the standard are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Equities: Valued at the closing price reported on the active market on which the individual securities are traded.

Exchange traded funds and mutual funds: The fair value of funds is based on quoted net asset values of the shares as reported by the fund. The funds held by the Organization are open-end funds registered with the U.S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at their price. The funds held by the Organization are considered to be actively traded.

Limited partnerships and real estate funds: Valued based on net asset value (NAV) provided by the fund/investment manager.

Life insurance policy: The fair value is based upon the cash surrender value, which is the cash amount that would be offered to the Organization by the issuing life carrier upon cancellation of the contract. Management believes that the sensitivity in the fair value measurement of the life insurance is related to market fluctuations, as the investments held in the life insurance are primarily marketable securities.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statements of financial position.

The carrying amount reported in the statement of financial position for cash and cash equivalents, accounts receivable, government grants receivable, accounts payable, and accrued payroll costs approximate fair value because of the immediate or short-term maturities of these financial instruments.

Compensated Absences

The Organization accrues for the costs of compensated absences to the extent that the employee's right to receive payment relates to service already rendered, the obligation vests or accumulates, payment is probable, and the amount can be reasonably estimated. The Organization accrues for annual leave and sick leave, but not personal leave, as such amount cannot be reasonably estimated.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities on the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. The Organization incurred $72,504 of short-term lease expense during the year ended September 30, 2024.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non operating activities. Operating activities consists of those items attributable to the Organization's ongoing program services and investment earnings. Nonoperating activities are limited to activities considered to be of a more unusual or nonrecurring nature.

Revenue And Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets, or an unconditional promise to give is received. Unconditional promises to give are recorded at net realizable value if expected to be collected in one year and at net present value if expected to be collected in more than one year. As of September 30, 2024, the Organization did not have any promises to give. Conditional promises to give with a measurable performance or other barrier and a right of return/right or release are not recognized until the conditions on which they depend have been met. As of September 30, 2024, the Organization received advances on conditional promises to give, in which a portion had not been spent by year end. Accordingly, $1,340 is reflected as a refundable advance.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a 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 changes in net assets with donor restrictions.

A portion of the Organization's revenue is derived from cost-reimbursable federal government grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization was awarded cost-reimbursable grants of $1,117,324 that have not been recognized at September 30, 2024, because qualifying expenditures have not yet been incurred.

Workshops and client fees are recognized when a workshop is held or client service performed. The performance obligation consists of delivering the goods or services to the customer. Revenue is recognized as the services are met. The performance obligation consists of delivering the services to the customer and are satisfied as work is performed or deliverables are met, over time. Payments are due to the Organization either upon receipt or within 30 days once invoiced for satisfied performance obligations (depending on the terms of the contract). Transaction prices for each deliverable are written in the contracts. Payments received prior to performance obligations being met are reflected in deferred revenue.

Methods Used for Allocation of Expenses from Management and General Activities

The cost of providing program and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Such allocations are determined by management on an equitable basis based on time and effort. Allocated expenses include salaries, payroll tax and benefits, telephone, postage and printing, repair and maintenance, and insurance, depreciation, meetings, accommodation services.

Subsequent Events

Management has evaluated subsequent events through August 28, 2025, which is the date the financial statements were available to be issued, and has considered any relevant matters in the preparation of the financial statements and footnotes.

(3) **Tax Exempt Status**

The Organization is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code. As such, donors are entitled to a charitable deduction for their contribution to the Organization.

The Organization follows *Accounting for Uncertainty in Income Taxes* accounting standard which requires the Organization to determine whether a tax position (and the related tax benefit) is more likely than not to be sustained upon examination by the applicable taxing authority, based solely on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement, presuming the tax position is examined by the appropriate taxing authority that has knowledge of all relevant information. During the year ended September 30, 2024, the Organization's management evaluated its tax positions to determine the existence of uncertainties, and did not note any matters that would require recognition or which may have an affect on it tax-exempt status.

The Organization is no longer subject to U.S. federal tax audits on its Form 990 by taxing authorities for fiscal years ending prior to September 30, 2021. The years subsequent to these years contain matters that could be subject to differing interpretations of applicable tax laws and regulations as it relates to the amount and/or timing of income, deductions, and tax credits. Although the outcome of tax audits is uncertain, the Organization believes no issues would arise.

(4) Investments And Concentration Of Credit Risks

The following table presents assets measured at fair value on a recurring basis, as of September 30, 2024:

Investments at fair value level	Level 1	Level 2	Level 3	Total
Life insurance policy	$	$	$ 8,197	$ 8,197
Equities	89,490			89,490
Exchange traded funds -				
Mid cap dividend funds	7,669			7,669
Small cap value funds	6,581			6,581
Small cap dividend funds	6,898			6,898
Select dividends	33,827			33,827
Emerging market funds	29,398			29,398
Bond funds	152,534			152,534
Foreign large value	17,902			17,902
Large blend funds	64,900			64,900
Preferred shares	48,598			48,598
Total at fair value level	$ 457,797	$	$ 8,197	465,994
Investments at net asset value (NAV)				
Limited partnerships				59,354
Real estate investment trust				11,561
Total at net asset value				70,915
Cash and cash equivalents				61,151
				$ 598,060

Following is the reconciliation of Level 3 investments as of September 30, 2024:

Beginning Balance	$ 8,197
Change in value of life insurance policy	
Ending Balance	$ 8,197

The Organization's cash demand deposits are held at financial institutions at which deposits are insured up to $250,000 by the FDIC. As of September 30, 2024, the Organization's cash demand deposits exceeded the FDIC insurance limit by $115,040.

The Organization received approximately 60% of its total revenue from the U.S. Department of Health and Human Services during the year ended September 30, 2024.

(5) Endowment

On September 18, 2002, the Organization and representatives of the Estate of Alexander R. Aitken entered into an agreement to create the Alexander R. Aitken Trust ("Aitken") perpetual endowment and the Fellow Travelers Fund ("Travelers"). Under the agreement, earnings are defined as interest and dividends and do not include depreciation or appreciation. Additionally, capital gains will not be considered income, but will reinvested in the endowment. Such funds are restricted for legal problems for persons with a mental disability that is organically or otherwise caused.

Interpretation Of Relevant Law

The Organization is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, therefore, classifies amounts in its donor-restricted endowment fund as net assets with donor restrictions until the Board appropriates amounts for expenditure and any purpose restrictions have been met. The Board of Directors of the Organization has interpreted UPMIFA as requiring the maintenance of only the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, the Organization would consider the fund to be underwater if the fair value of the fund is less than the sum of (1) the original value of initial and subsequent gifts donated to the fund and (2) any accumulations to the fund that are required to be maintained in perpetuity in accordance with applicable donor gift instrument. The Organization has interpreted UPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of the Organization and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) investment policies of the Organization.

Changes in Endowment Net Assets

Changes in donor restricted endowment net assets for the year ended September 30, 2024, are as follows:

	Net Assets With Donor Restrictions
Endowment net assets, beginning of year	$ 496,610
Net investment return (loss)	93,253
Endowment net assets, end of year	$ 589,863

Fund With Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA required the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of September 30, 2024.

Return Objectives

The Organization has adopted investment and spending policies for endowment assets that seek to maintain a sustainable balance over a twenty-plus year horizon and meet distribution needs through a strategy that emphasizes growth and income. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period. Accordingly, the Organization's investment policy is designed to produce investment returns that meet or exceed its spending policy, investment fees, and estimated long-term inflation.

Expenditure Policy

The Organization's board-approved Investment Policy Statement for all endowed funds allows a combined expected distribution of $20,000 per year as determined by funding available from income produced by Aitken as well as periodic additions from Travelers. The Investment Committee, subject to Board of Director's approval may apply a smoothing rule to mitigate the effects of short-term market volatility when calculating the annual distribution. Therefore, the expected annual distribution of $20,000 may, at the Board's approval, be adjusted considering market conditions. The spending policy is also influenced directly by the Travelers Gift Agreement which includes discretion to the Board of Directors to expend both earnings and the original gift amount providing that no more than 50% of the value of the total endowed funds as of December 31 of any year may be spend in the following year, except during the initial fund year of calendar year 2002.

(6) Board Designated Operating Reserve

During the year ended September 30, 2023, the Organization received a one-time contribution without donor restrictions of $375,000. On March 23, 2023, the Board of Directors (the "Board") segregated this contribution and established the Bear Creek Reserve Fund (operating reserve) which was initially funded with $250,000 and a separate designation of $125,000 for innovation as determined by the Board.

The purpose of the operating reserve is to build and maintain an adequate level of net assets without donor restrictions to support the Organization's day-to-day operations in the event of less than timely grant payments. The reserve may also be used for one-time, nonrecurring expenses that will build long-term capacity, as would be identified by the Board. The operating reserve will be segregated and a separately maintained fund in its own account with a financial institution. Any excess earning of the reserve above the initial deposit, will be reinvested, but values in excess of the designated fund amount of $250,000, will be undesignated for future Board directed use. As of September 30, 2024 the operating reserve was held in a money market account with a financial institution at a balance, including interest earned, of $273,407.

(7) Net Assets With Donor Restrictions

Net assets with donor restrictions as of September 30, 2024, are available for the following:

Subject to spending policy and appropriation:	
Investment in perpetual trust	$ 442,304
Support legal services for persons with a mental disability	147,559
Total	$ 589,863

(8) Liquidity And Availability Of Financial Assets

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows as of September 30, 2024:

Financial assets, at year end	
Cash and cash equivalents	$ 609,317
Receivables	172,932
Investments	598,060
Total financial assets	1,380,309
Less those unavailable for general expenditures within one year, due to:	
Board designated reserves	(375,000)
Contractual or donor-imposed restrictions:	
Donor restricted endowment to be held in perpetuity	(442,304)
Endowment earnings not expected to be spent in the next year	(147,559)
Life insurance investment	(8,197)
Financial assets available to meet cash needs for general expenditures within one year	$ 407,249

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization also has a $300,000 line of credit available for cash flow if needed.

(9) Pension Plan

The Organization has a defined contribution plan covering all employees with at least one year of service. The Organization makes contributions of two percent to nine percent based on years of service. In addition, the Organization will match 50 percent of the employees' contribution provided the employee elects to contribute at least 2 percent of their salary. The maximum match an employee can receive is 3 percent of their annual salary, while the maximum contribution the Organization will make for an individual employee can be 12 percent of an individual's salary. Pension expense amounted to $69,201 during the year ended September 30, 2024.

Federal Grantor and Program Title	Assistance Listing Number	Identifying Number	Program Award Amount	Federal Expenditures
U. S. Department of Health and Human Services				
Developmental Disabilities Basic Support and Advocacy Grants **	93.630			
2023 Award		2301COPADD	$ 612,201	$ 204,514
2024 Award		2401COPADD	599,586	484,533
			1,211,787	689,047
Developmental Disabilities Basic Support and Advocacy Grants ** COVID-19 - Expanding Disabilities Network's Access to COVID-19 Vaccines	93.630			
2021 Award		2101COPAC5	61,777	5,860
Developmental Disabilities Basic Support and Advocacy Grants ** Expanding Public Health Workforce	93.630			
2022 Award		2201COPAPH	114,000	
Total Developmental Disabilities Basic Support and Advocacy Grants			1,387,564	694,907
Voting Access for Individuals with Disabilities - Grants for Protection and Advocacy Systems	93.618			
2023 Award		2301COPAVA	141,043	111,329
2024 Award		2401COPAVA	141,043	37,965
			282,086	149,294
ACL Assistive Technology State Grants for Protection and Advocacy	93.843			
2023 Award		2301COPAAT	78,443	26,012
2024 Award		2401COPAAT	78,503	73,790
			156,946	99,802
P&A for Traumatic Brain Injury State Grants for Protection and Advocacy Services	93.873			
2023 Award		2301COPATB	78,577	5,306
2024 Award		2401COPATB	85,109	63,999
			163,686	69,305
Protection and Advocacy for Individuals with Mental Illness	93.138			
2023 Award		X98SM085947	502,394	207,686
2024 Award		X98SM089564	492,538	447,124
			994,932	654,810

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

Federal Grantor and Program Title		Assistance Listing Number	Identifying Number	Program Award Amount	Federal Expenditures
U. S. Department of Health and Human Services (Continued)					
Passed through from the Colorado Department of Human Services					
Aging Cluster -					
Special Programs for the Aging - Title VII, Chapter 2 -					
Elder Abuse Prevention Interventions Program					
COVID-19 - Colorado CARES Act Title VII, CRRSA Act		93.042	COVID-19		
	2022 Award		23 IHEA 178717	264,521	60,202
	Total Aging Cluster			264,521	60,202
Total U. S. Department of Health and Human Services				3,249,735	1,728,320
U. S. Department of Education					
Rehabilitation Services Client Assistance Program		84.161			
	2023 Award		H161A220005	220,336	70,117
	2024 Award		H161A240005-24D	202,318	118,611
				422,654	188,728
Program of Protection and Advocacy of Individual Rights		84.240			
	2023 Award		H240A230006	292,570	171,238
	2024 Award		H240A240006-24C	292,793	176,595
				292,570	347,833
Total U. S. Department of Education				715,224	536,561
U. S. Social Security Administration					
Social Security State Grants for Work Incentives					
Assistance to Disabled Beneficiaries		96.009			
	2023 Award		PAB 19020384-01-05	120,000	48,045
	2024 Award		PAB 24020395-01-00	123,965	76,515
	2023 Award		SPS 23000106-01	320,643	282,198
	2024 Award		SPS 23000106-02	329,868	10,625
Total U. S. Social Security Administration				894,476	417,383
Total Federal Expenditures				$4,859,435	$2,682,264

** Major Program

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

(1) **Method Of Accounting**

The schedule of expenditures of federal awards has been prepared on an accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and also presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* for all new federal awards received on or after December 26, 2014, and for funding increments (additional funding on existing awards) with modified terms and conditions that are awarded on or after that date. Because the schedule of expenditures of federal awards presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

The Organization has elected not to use a de minimis indirect cost rate as allowed under the Uniform Guidance. The Organization utilizes a federally-approved indirect cost rate approved by its cognizant agency.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
Disability Law Colorado:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Center for Legal Advocacy, dba Disability Law Colorado (the "Organization), which comprise the statement of financial position as of September 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated August 28, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

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Report on Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying schedule of findings and questioned costs as item 2024-002.

Center for Legal Advocacy dba Disability Law Colorado's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

JDS Professional Group

August 28, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Disability Law Colorado:

Opinion on Each Major Federal Program

We have audited the Center for Legal Advocacy, dba Disability Law Colorado's (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended September 30, 2024. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Independent Auditors' Report (Continued)

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

JDS Professional Group

August 28, 2025

Section I - Summary Of Auditors' Results

Financial Statements

Type of auditors' report: unmodified

Internal control over financial reporting:

Material weakness(es) identified?	X yes	___ no
Significant deficiencies identified that are not considered to be material weaknesses?	___ yes	X none reported
Noncompliance material to financial statements noted?	___ yes	X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	___ yes	X no
Significant deficiencies identified that are not considered to be material weakness(es)?	X yes	___ none reported

Type of auditors' report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR §200.516(a)?	___ yes	X no

Identification of major programs:

Assistance Listing No.	Federal Grantor and Program Title
93.630	U.S. Department of Health and Human Services - Developmental Disabilities Basic Support and Advocacy Grants

Dollar threshold used to distinguish between type A and type B programs: $750,000

Auditee qualified as low-risk auditee? _X_ yes ____ no

Section II - Financial Statement Findings

Finding 2024-001: Adjusting Journal Entries - Material Weakness

Criteria: The Organization is responsible for designing and implementing effective internal controls over financial reporting.

Condition: During the audit we identified federal grants receivables and revenue that were not reconciled to the corresponding expenditures for all federal grants as of September 30, 2024.

Effect: An adjustment was required across all federal grants to accrue additional federal grant receivables and revenue and record a refundable advance, which, in the aggregate, had a material effect to the Organization's financial statements for the year ended September 30, 2024.

Questioned Costs: None

Cause: As a result of year-end reconciliations not performed timely, federal grants receivables, refundable advances and revenue were not properly reflected in the Organization's internal financial statements.

Recommendation: We recommend the Organization implement procedures to ensure its internal financial statements are properly stated and reconciled. This should include performing timely and consistent review of revenue and expenses under reimbursement contracts to ensure the revenues match the expenses and receivables are properly accrued for and enhance procedures and the review process at year-end to ensure transactions are recorded in the appropriate period and all grant activity is appropriately reconciled.

<u>Response:</u> By expanding our internal and/or contracted accounting capacity and updating internal controls and accounting processes to include these new roles in the monthly and annual workflow, the Organization will be in better position to perform timely reconciliations and adjustments to federal grant activity. This will include the matching of revenues and expenses and accurate accruals recorded at each month and year-end.

<u>Section III - Federal Award Findings And Questioned Costs</u>

Finding 2024-002: U.S. Department of Health and Human Services -
Developmental Disabilities Basic Support and Advocacy Grants
Assistance Listing No.93.630

Reporting, Significant Deficiency

<u>Criteria:</u> CFR Section 200.512 requires auditees to submit a completed Form SF-SAC (data collection form), along with one complete reporting package, to the Federal Audit Clearinghouse on/before the earlier of 30 days after receipt of the auditor's report or nine months after the end of the audit period.

<u>Condition:</u> The data collection form was not submitted by the filing deadline for the year ended September 30, 2023.

<u>Effect:</u> The Organization is at risk of jeopardizing the continued funding provided by federal agencies.

<u>Questioned Costs:</u> None.

<u>Cause:</u> Filing of the data collection form for the year ended September 30, 2023, was delayed as grant cash management reconciliations, including reimbursement requests matched against expenses incurred and cash received, had to be recreated to capture activities. This reconciliation was not maintained during the year. Considerable time and effort was needed to complete audit procedures over the schedule of expenditures of federal awards.

<u>Recommendation:</u> We recommend that the Organization implement processes to ensure compliance with all reporting requirements.

<u>Response:</u> By expanding our internal and/or contracted accounting capacity and updating internal controls and accounting processes to include these new roles in the monthly and annual workflow, the Organization will be in better position to perform timely reconciliations and adjustments to federal grant activity, ensuring timely filling of the data collection form and single audit package.

Summary Schedule of Prior Audit Findings
For The Year Ended September 30, 2024

None.