

**MENTAL HEALTH AMERICA OF COLORADO  
DBA MENTAL HEALTH COLORADO**

FINANCIAL STATEMENTS

DECEMBER 31, 2018

**MENTAL HEALTH AMERICA OF COLORADO  
DBA MENTAL HEALTH COLORADO**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Mental Health America of Colorado  
dba Mental Health Colorado  
Denver, Colorado

We have audited the accompanying financial statements of Mental Health America of Colorado dba Mental Health Colorado (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States 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 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 Mental Health America of Colorado dba Mental Health Colorado as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*McNurlin, Hitchcock & Associates, P.C.*

McNurlin, Hitchcock & Associates, P.C.  
Lakewood, Colorado  
April 24, 2019

**MENTAL HEALTH AMERICA OF COLORADO**  
**DBA MENTAL HEALTH COLORADO**  
Statement of Financial Position  
December 31, 2018

	Without Donor Restriction	With Donor Restriction	Total
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents	\$ 2,041,874	\$ 784,719	\$ 2,826,593
Certificate of deposit	203,421	-	203,421
Interest receivable	775	-	775
Pledges receivable	39,642	-	39,642
Bequest receivable	1,100,000	-	1,100,000
TOTAL CURRENT ASSETS	3,385,712	784,719	4,170,431
OTHER ASSETS			
Security deposits	6,421	-	6,421
Property and equipment, net	46,497	-	46,497
Intangible, net	35,811	-	35,811
Beneficial interest in assets held by others	-	168,856	168,856
TOTAL OTHER ASSETS	88,729	168,856	257,585
TOTAL ASSETS	\$ 3,474,441	\$ 953,575	\$ 4,428,016
<u>LIABILITIES AND NET ASSETS</u>			
CURRENT LIABILITIES			
Accounts payable	\$ 8,050	\$ -	\$ 8,050
Accrued liabilities	39,423	-	39,423
TOTAL CURRENT LIABILITIES	47,473	-	47,473
OTHER LIABILITIES			
Deferred rent	491	-	491
TOTAL LIABILITIES	47,964	-	47,964
NET ASSETS			
Operating	464,962	-	464,962
Board Designated - Reserves	2,758,094	-	2,758,094
Board Designated - Strategic reserves	203,421	-	203,421
Net Assets - Donor Restricted	-	953,575	953,575
TOTAL NET ASSETS	3,426,477	953,575	4,380,052
TOTAL LIABILITIES AND NET ASSETS	\$ 3,474,441	\$ 953,575	\$ 4,428,016

See accompanying notes to the financial statements and independent auditors' report.

**MENTAL HEALTH AMERICA OF COLORADO**  
**DBA MENTAL HEALTH COLORADO**  
Statement of Activities  
For the Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Grants			
Government	\$ 11,252	\$ -	\$ 11,252
Foundations	407,738	800,000	1,207,738
Contributions			
Individuals	168,694	-	168,694
Ruffer Trust bequest	2,632,200	-	2,632,200
Corporations	31,760	-	31,760
Affiliated organizations	14,000	-	14,000
Special events	594,475	-	594,475
Less direct event expenses	(188,042)	-	(188,042)
Other income	20,292	-	20,292
Program service fees	16,669	-	16,669
Rent reimbursement	4,555	-	4,555
Unrealized gain on investment	-	5,494	5,494
Interest and dividend income	11,607	-	11,607
Net assests released from restriction	151,700	(151,700)	-
<b>TOTAL REVENUE AND SUPPORT</b>	<b>3,876,900</b>	<b>653,794</b>	<b>4,530,694</b>
<b>EXPENSES</b>			
Program Services:			
Programs and community resources	348,811	-	348,811
Public policy and strategic initiatives	370,923	-	370,923
Research	205,870	-	205,870
Support Services:			
Management and general	97,877	-	97,877
Fundraising	267,963	-	267,963
<b>TOTAL EXPENSES</b>	<b>1,291,444</b>	<b>-</b>	<b>1,291,444</b>
<b>CHANGE IN NET ASSETS</b>	<b>2,585,456</b>	<b>653,794</b>	<b>3,239,250</b>
NET ASSETS, Beginning of the year	841,021	299,781	1,140,802
NET ASSETS, End of the year	<u>\$ 3,426,477</u>	<u>\$ 953,575</u>	<u>\$ 4,380,052</u>

See accompanying notes to the financial statements and independent auditors' report.

**MENTAL HEALTH AMERICA OF COLORADO**  
**DBA MENTAL HEALTH COLORADO**  
Statement of Functional Expenses  
For the Year Ended December 31, 2018

	Program Services			Support Services			Total
	Programs and Community Resources	Public Policy and Strategic Initiatives	Research	Total Programs	Management and General	Fundraising	
Advertising	\$ 9,339	\$ 94	\$ -	\$ 9,433	\$ -	\$ -	\$ 9,433
Board of directors	1,595	1,794	930	4,319	466	1,861	6,646
Conferences and meetings	1,038	3,243	-	4,281	-	43	4,324
Depreciation	4,555	4,717	2,765	12,037	814	3,416	16,267
Donations to others	789	263	-	1,052	-	1,579	2,631
Dues and subscriptions	1,569	1,625	953	4,147	281	1,177	5,605
Equipment rental	1,338	1,293	713	3,344	179	936	4,459
Employee development	876	-	-	876	38	28	942
Fundraising	-	-	-	-	-	3,292	3,292
Insurance	2,695	2,220	951	5,866	555	1,506	7,927
Miscellaneous	888	355	-	1,243	1,421	15,093	17,757
Office expenses	3,395	4,428	2,952	10,775	885	3,099	14,759
Outside services	5,360	11,742	5,105	22,207	765	2,553	25,525
Postage	147	141	77	365	25	250	640
Printing	1,851	219	97	2,167	74	195	2,436
Professional fees	4,666	22,664	5,999	33,329	29,996	3,333	66,658
Rent	31,790	31,790	17,661	81,241	12,950	23,548	117,739
Taxes and licenses	31	21	4	56	28	11	95
Telephone and internet	3,192	3,534	1,710	8,436	683	2,280	11,399
Travel and mileage	4,691	2,222	2,716	9,629	618	2,099	12,346
Volunteer related expenses	76	51	-	127	68	-	195
Salaries and related benefits	268,520	278,110	163,030	709,660	47,951	201,390	959,001
Payroll processing fees	410	397	205	1,012	82	274	1,368
<b>Total Expenses</b>	<b>\$ 348,811</b>	<b>\$ 370,923</b>	<b>\$ 205,870</b>	<b>\$ 925,604</b>	<b>\$ 97,877</b>	<b>\$ 267,963</b>	<b>\$ 1,291,444</b>

See accompanying notes to the financial statements and independent auditors' report.

**MENTAL HEALTH AMERICA OF COLORADO**  
**DBA MENTAL HEALTH COLORADO**  
Statement of Cash Flows  
For the Year Ended December 31, 2018

	Without Donor Restriction	With Donor Restriction	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Change in Net Assets	\$ 2,585,456	\$ 653,794	\$ 3,239,250
Adjustments to reconcile change in net assets to cash provided by operating activities			
Realized gain on sale of investments	(478)	-	(478)
Other change in value on beneficial interest in assets held by others	-	4,225	4,225
Depreciation expense	16,267	-	16,267
(Increase) decrease in assets:			
Interest receivable	(645)	-	(645)
Pledges receivable	(35,305)	-	(35,305)
Bequest receivable	(1,100,000)	-	(1,100,000)
Prepaid expenses	7,909	-	7,909
Security deposits	4,505	-	4,505
Increase (decrease) in liabilities:			
Accounts payable	2,874	-	2,874
Accrued liabilities	9,799	-	9,799
	<u>1,490,382</u>	<u>658,019</u>	<u>2,148,401</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>1,490,382</b>	<b>658,019</b>	<b>2,148,401</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Contribution to beneficial interest in assets held by others	-	(25,250)	(25,250)
Donation of investments	(2,936)	-	(2,936)
Sale of donated investments	23,524	-	23,524
Purchases of property and equipment	(41,350)	-	(41,350)
Purchase of Mental Health School Kit	(43,850)	-	(43,850)
	<u>(64,612)</u>	<u>(25,250)</u>	<u>(89,862)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(64,612)</b>	<b>(25,250)</b>	<b>(89,862)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>1,425,770</b>	<b>632,769</b>	<b>2,058,539</b>
<b>CASH AND CASH EQUIVALENTS, Beginning of the year</b>	<b>819,525</b>	<b>151,950</b>	<b>971,475</b>
<b>CASH AND CASH EQUIVALENTS, End of the year</b>	<b><u>\$ 2,245,295</u></b>	<b><u>\$ 784,719</u></b>	<b><u>\$ 3,030,014</u></b>
<b>SUPPLEMENTAL DISCLOSURE</b>			
Cash paid for interest			<u>\$ -</u>
Cash paid for income taxes			<u>\$ -</u>

See accompanying notes to the financial statements and independent auditors' report.

**MENTAL HEALTH AMERICA OF COLORADO**  
**DBA MENTAL HEALTH COLORADO**

Notes to the Financial Statements  
December 31, 2018

**NOTE 1 NATURE OF THE ORGANIZATION**

Mental Health America of Colorado dba Mental Health Colorado (the “Organization”) was incorporated as a not-for-profit corporation in the State of Colorado in 1953 as a tax-exempt 501(c)(3) to promote public awareness of mental health and expand access to services. The Organization derives its revenues primarily from special events, grants, and donations.

As part of its mission, the Organization has developed The School Mental Health Toolkit as a guide to support schools and mental health advocates who want to improve the availability of mental health and substance use prevention and intervention in K-12 schools. The Toolkit provides strategies to support all students, as well as those who are at risk of mental health problems, suicide, and substance use. It is not a curriculum or a program, but instead a guide for schools and districts to assess whether they are following best practices.

The Organization has incubated a number of mental health initiatives and programs -- cultivating them until they were stable enough to spin off and become stand-alone organizations. This role has led to fluctuations in the Organization’s revenue and expenses from year to year. Constant reinvention of services and programs is a hallmark of Mental Health Colorado’s approach to effecting change in the mental health arena.

While the Organization has had full- and part-time employees to perform its day-to-day operations, it relies on the assistance of volunteers as well. It is estimated that the Organization received the benefit of approximately 1,800 volunteer hours from its Board of Directors and various other volunteers.

**NOTE 2 DATE OF MANAGEMENT’S REVIEW**

In preparing the financial statements, the Association has evaluated subsequent events and transactions for potential required recognition or disclosure through the date on the audit report.

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when earned and expenses are recognized when the product or service has been received and the liability incurred.

Accounting Pronouncements

In August 2016, the FASB issued Accounting Standards Update No. 2016-14 (ASU 2016-14), Presentation of Financial Statements of Not-for-Profit Entities. This updated guidance changes presentation and disclosure requirements for not-for-profit entities to provide more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors, and other users. This guidance includes qualitative and quantitative requirements in the following areas: 1) net asset classes, 2) investment returns, 3) expenses, 4) liquidity and availability of resources, and 5) presentation of operating cash flows. This standard is effective for annual reporting periods beginning after December 15, 2017.

See accompanying independent auditors’ report.



**MENTAL HEALTH AMERICA OF COLORADO**  
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Notes to the Financial Statements  
December 31, 2018

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation

The accompanying financial statements present the financial activity of the Organization. The Organization follows the recommendation of the Financial Accounting Standards Board (FASB) standards of accounting and financial reporting for not-for-profit organizations. Under Accounting Standards Codification 958 (ASC 958) Not-for-Profit Entities, the Organization is required to report information regarding its net assets, and revenues, expenses, gains, and losses based upon the existence and/or nature of any donor-imposed restrictions. Accordingly, the Organization reports net assets and activities using the following two classes of net assets:

Net Assets without Donor Restrictions – Resources over which the donor has no restriction for how the contribution is used.

Net Assets with Donor Restrictions – Those resources subject to donor-imposed restrictions which will be satisfied by actions of the Organization or the passage of time.

The Organization had net assets without donor restrictions and net assets with donor restrictions during the year ended December 31, 2018.

Estimates

The preparation of financial statements in conformity with U.S. 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 the purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Support and Revenue Recognition

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for a specific purpose are reported as temporarily restricted or permanently restricted and increase those classes of net assets. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

Contributed Services

Donated services are recognized as contributions in accordance with accounting standards at their estimated fair value if the services (a) create or enhance the Organization's non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased.

Pledges Receivable

Pledges receivable consist of amounts pledged as contributions from donors. Management reviews all pledges receivable on an annual basis to determine the amount that is believed to be uncollectible. At December 31, 2018, management determined that all pledges are collectible, and no allowance was considered necessary.

See accompanying independent auditors' report.

**MENTAL HEALTH AMERICA OF COLORADO**  
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Notes to the Financial Statements  
December 31, 2018

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Expenses

Prepaid expenses consist of amounts paid in advance for expenses.

Property and Equipment, net

Property and equipment are stated at cost less accumulated depreciation and amortization. Donated assets are recorded at estimated fair market value at the time of the donation. It is the Organization's policy to capitalize equipment in excess of \$2,000, with lesser amounts expensed. Fixed assets are depreciated using the straight-line method over the estimated useful lives of the assets, which range from three to seven years.

Advertising Costs

The Organization uses advertising to promote its programs amongst the audience it serves and expenses all costs as incurred.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated by the indirect method.

Fair Value Measurements

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, the Organization accounts for its financial instruments, as well as certain assets and liabilities, at fair value. Fair value is defined as the price that would be paid in an orderly transaction, or exit price, between market participants to sell the asset or transfer the liability in the principal or most advantageous market for the asset or liability.

The Organization is required by United States generally accepted accounting principles to categorize its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement. Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities whose values are based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access (examples include exchange-traded equity securities and most U.S. Government and agency securities).

Level 2 – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or use model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Inputs include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in non-active markets (examples may include corporate and municipal bonds, and most over-the-counter derivatives including interest rate and currency swaps).

See accompanying independent auditors' report.

**MENTAL HEALTH AMERICA OF COLORADO**  
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Notes to the Financial Statements

December 31, 2018

**NOTE 3** SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Level 3 – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Inputs for the asset or liability are typically based on an entity’s own assumptions, as there is little, if any, related market activity and reflect assumptions a market participant would use in pricing the asset or liability (examples include certain private equity investments).

Subsequent to initial recognition, the Organization may remeasure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value. Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis.

**NOTE 4** INCOME TAXES

The Organization is a not-for-profit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and state income taxes under regulations in the State of Colorado. The Organization is not subject to federal or state income taxes in connection with its exempt activities. In addition, the Organization is treated as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). For the year ended December 31, 2018, the Organization did not have taxable income from unrelated business income, which consisted of rental income and associated rental expenses.

The standards on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBTI). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the year ended December 31, 2018. As of December 31, 2018, the Organization’s tax return for 2017, 2016, and 2015 are subject to examination by taxing authorities.

**NOTE 5** CERTIFICATE OF DEPOSIT

The Organization has invested in a certificate of deposit in the amount of \$203,421 at Bank of America via Citywide Bank at an interest rate of 2.27%. The certificate of deposit was purchased on November 1, 2018 and will mature on January 31, 2019. The certificate of deposit is reported at cost, which approximates fair market value. Interest earned totals \$775, and is accrued as interest receivable on the Statement of Financial Position at December 31, 2018.

See accompanying independent auditors’ report.

**MENTAL HEALTH AMERICA OF COLORADO**  
**DBA MENTAL HEALTH COLORADO**

Notes to the Financial Statements

December 31, 2018

**NOTE 6 PROPERTY AND EQUIPEMENT, NET**

The Organization had leasehold improvements and acquired new office furniture during the year ended December 31, 2018. Depreciation expense for the year ended December 31, 2018 totaled \$16,267. Property and equipment consist of:

Office Equipment	\$ 45,757
Leasehold Improvements	21,081
Intangibles	43,850
Assets Held Under Capital Lease	78,470
Total	189,158
Less: accumulated depreciation	(118,677)
Net property and equipment	\$ 70,481

**NOTE 7 INTANGIBLES, NET**

During the year ended December 31, 2018, the Organization paid a third party to develop an online School Mental Health Toolkit as a blueprint for school mental health services. It is available to guide community members, schools, local leaders, and districts through 10 best practices, including strategies for implementing, funding, and sustaining mental health services in schools.

The toolkit is reflected on the Statement of Financial Position as an intangible net of accumulated amortization. It is being amortized over 5 years.

**NOTE 8 BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS**

In December 2011, the Organization established an Endowment fund with the Rose Community Foundation. Under the terms of the endowment, the contributions are held in perpetuity, and therefore, are classified as permanently restricted as required by accounting principles generally accepted in the United States of America. Rose Community Foundation shall pay 5% of the market value of the fund, after administrative fees and expenses, at least annually to the Organization. The Organization has not taken a distribution from this fund. The activity in the investment held by Rose Community Foundation during the year ended December 31, 2018 is as follows:

Balance at December 31, 2017	\$ 147,831
Current year contributions	25,250
Change in value	(4,225)
Balance at December 31, 2018	\$ 168,856

See accompanying independent auditors' report.

**MENTAL HEALTH AMERICA OF COLORADO**  
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Notes to the Financial Statements

December 31, 2018

**NOTE 9 OPERATING LEASES**

During the year ended December 31, 2018, the Organization amended the office lease agreement to expand the rentable area and extend the term of the lease agreement. The Organization now leases approximately 4,789 square feet of space for their offices and conference room. The lease amendment was executed on October 5, 2018 for a period of 45 months through June 30, 2022 and includes graduated rental payments. Future minimum payments due under the operating lease are as follows:

Year	Amount
2019	\$ 80,304
2020	122,645
2021	125,099
2022	53,010
	<u>\$ 381,058</u>

The Organization subleased approximately 4,950 square feet of space of their old office. The lease was originally executed on January 6, 2006 and amended on November 18, 2011 for an additional period of seven years and two months through February 2018 and included graduated rental payments.

Rent payments for both operating leases totaled \$117,739 for the year ended December 31, 2018. This is offset by rental reimbursements of \$ 4,555 for a net rent expense of \$113,184.

On January 9, 2017, the Organization executed an operating lease for a photocopier with an effective date of January 1, 2017, for a period of 60 months through December 31, 2021, and includes monthly payments of \$271 plus usage charges. Future minimum payments due under the operating lease are as follows:

Year	Amount
2019	\$ 3,257
2020	3,257
2021	3,257
	<u>\$ 9,771</u>

**NOTE 10 COMPENSATED ABSENCES**

Employees of the Organization are entitled to paid vacation based on length of employment. A liability has been recorded as of December 31, 2018 for compensated absences in the amount of \$13,833, and is included in accrued liabilities on the Statement of Financial Position. The Organization recognizes the liability for compensated absences because the Organization's policy is that the employees are allowed to carry over a maximum of 160 hours of unused vacation time from the prior year and get paid out upon termination.

See accompanying independent auditors' report.

**MENTAL HEALTH AMERICA OF COLORADO**  
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Notes to the Financial Statements

December 31, 2018

**NOTE 11 RETIREMENT PLAN**

The Organization has a defined-contribution retirement plan covering all employees meeting certain age and service requirements. The Organization makes a discretionary contribution to the plan each year equal to 1% of all participants' compensation. Participants are vested in the plan immediately. During the year ended December 31, 2018, employer contributions to the plan totaled \$5,010.

**NOTE 12 NET ASSETS WITH DONOR RESTRICTION**

During the year ended December 31, 2018, the Organization received \$800,000 in grant funds from the Attorney General and Children's Hospital Colorado. The grant funds are temporarily restricted for the purpose of introducing the School Mental Health Toolkit in all 178 school districts in Colorado.

Net assets were released from donor restrictions by satisfying the purposes or time restrictions specified by donors as follows:

Temple Hoyne Buell	\$ 25,000
Rose Community Foundation	16,000
Colorado Springs Health Foundation	23,200
Telligen Foundation	12,500
Colorado Health Foundation	<u>75,000</u>
Net Assets Released from Restriction	<u><u>\$ 151,700</u></u>

**NOTE 13 BOARD DESIGNATED NET ASSETS**

The Board Designated Reserves have been established to assure the safety, soundness, and financial stability of the Organization primarily through managing and maintaining an acceptable level of working capital for the Organization. The Board Designated Reserves are expected to be drawn upon when working capital is anticipated to fall to levels deemed unacceptable in the assessment of the Finance Committee which is appointed by the Board of Directors. The Organization's policy is to maintain the fund balance at approximately three months of the annual operating budget. At December 31, 2018, \$2,758,094 was reported as Board Designated Reserves. When the fund level is beyond what is deemed necessary, the Finance Committee will suggest to the Board of Directors an amount which should be appropriated to either the Operating fund or the Board Designated Strategic Reserves.

The Board of Directors authorizes any transfer of monies to the Board Designated Strategic Reserves. At December 31, 2018, \$203,421 was reported as Board Designated Strategic Reserves.

The underlying investments of both Board Designated Reserves and Board Designated Strategic Reserves are invested in accordance with investment policies approved by the Board of Directors.

**NOTE 14 AFFILIATED ORGANIZATIONS**

The Organization has an affiliation with Mental Health America, Inc. ("MHA"). During the year ended December 31, 2018, MHA contributed \$14,000 to the Organization to offset costs associated with representing the mental health community and national interests within the region.

See accompanying independent auditors' report.

**MENTAL HEALTH AMERICA OF COLORADO**  
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Notes to the Financial Statements

December 31, 2018

**NOTE 15 IN-KIND DONATIONS**

During the year ended December 31, 2018, the Organization received in-kind donations that totaled \$63,630 for items to be auctioned off during special events. They have been reported at estimated fair market value on the date of donation. The donated items are reflected as special events revenue and direct event expenses on the Statement of Activities.

**NOTE 16 CONCENTRATION OF RISK**

During the year ended December 31, 2018, the Organization maintained funds at a financial institution that at times were in excess of FDIC insurance limits.

**NOTE 17 RUFFER ESTATE BEQUEST**

William Ruffer, Jr. had designated the Organization as one of six beneficiaries to his estate. During the year ended December 31, 2018, the Organization received initial distributions from the Ruffer Estate of \$1,500,000 in September and \$32,200 in December. The Organization anticipates another distribution of approximately \$1,100,000 in the second half of 2019, which is reflected as the bequest receivable on the Statement of Financial Position. These distributions are disclosed in total on the Statement of Activities as Ruffer Trust bequest.

The remaining trust accounts in the Ruffer Estate are comprised of commercial real estate and money market accounts. The Estate intends to sell the property and liquidate the money market funds in 2019. The fair market value at date of death for the commercial real estate was appraised at \$1,450,000 by Wells Fargo. The money market accounts were valued at \$5,176,626 on December 31, 2018. The money market accounts will be liquidated upon the sale of the commercial real estate and deposited into the trust account for distribution equally among the six beneficiaries.

See accompanying independent auditors' report.