THE NATIONAL MULTIPLE SCLEROSIS SOCIETY COLORADO-WYOMING CHAPTER

Financial Statements
and
Independent Auditors' Report
September 30, 2011 and 2010

EKS&H
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CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

THE NATIONAL MULTIPLE SCLEROSIS SOCIETY COLORADO-WYOMING CHAPTER

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
The National Multiple Sclerosis Society Colorado-Wyoming Chapter
Denver, Colorado

We have audited the accompanying statement of financial position of The National Multiple Sclerosis Society Colorado-Wyoming Chapter (the "Chapter") (a Colorado non-profit corporation) as of September 30, 2011 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Chapter's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Chapter as of September 30, 2010 were audited by other auditors whose report dated November 11, 2010 expressed an unqualified opinion on those statements.

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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Chapter's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The National Multiple Sclerosis Society Colorado-Wyoming Chapter as of September 30, 2011 and the results of its activities and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Ehrhardt Keefe Steiner + Hottman PC

Ehrhardt Keefe Steiner & Hottman PC

December 7, 2011
Denver, Colorado

THE NATIONAL MULTIPLE SCLEROSIS SOCIETY COLORADO-WYOMING CHAPTER

Statements of Financial Position

	September 30, 2011	September 30, 2010
Assets		
Current assets		
Cash and cash equivalents	$ 2,881,590	$ 2,288,384
Contributions receivable	123,615	73,112
Prepaid expenses and other assets	33,092	17,698
Total current assets	3,038,297	2,379,194
Non-current assets		
Property and equipment, net	96,121	114,097
Deposits	1,670	1,670
Total non-current assets	97,791	115,767
Total assets	$ 3,136,088	$ 2,494,961
Liabilities and Net Assets		
Current liabilities		
Due to National Multiple Sclerosis Society		
National Program Expense due to National	$ 216,689	$ 223,982
Unamortized lease credits	17,562	17,562
Accounts payable and accrued expenses	563,244	322,968
Retirement contribution	72,030	38,796
Deferred income	5,413	7,375
Total current liabilities	874,938	610,683
Unamortized lease credits, net of current portion	93,665	111,227
Total liabilities	968,603	721,910
Commitments		
Net assets		
Unrestricted	2,138,432	1,773,051
Temporarily restricted	29,053	-
Total net assets	2,167,485	1,773,051
Total liabilities and net assets	$ 3,136,088	$ 2,494,961

See notes to financial statements.

THE NATIONAL MULTIPLE SCLEROSIS SOCIETY COLORADO-WYOMING CHAPTER

Statements of Activities

	September 30, 2011			September 30, 2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenue						
Public support						
Special events (includes in-kind donations of $175,603 (2011) and $78,835 (2010))	$ 6,007,085	$ 36,339	$ 6,043,424	$ 4,823,255	$ -	$ 4,823,255
Less benefit to donor costs	(976,227)	-	(976,227)	(661,104)	-	(661,104)
Net special events	5,030,858	36,339	5,067,197	4,162,151	-	4,162,151
Membership and contributions (includes in-kind donations of $13,944 (2011) and $6,035 (2010))	341,972	415,677	757,649	300,101	393,243	693,344
Legacies	296,927	-	296,927	75,995	-	75,995
Received at National (other than legacies)	95,461	1,595	97,056	92,564	1,135	93,699
Total public support	5,765,218	453,611	6,218,829	4,630,811	394,378	5,025,189
Revenue						
Investment income	86	-	86	89	-	89
Service program fees	-	14,284	14,284	27,744	-	27,744
Subsidies	45,000	-	45,000	-	-	-
Miscellaneous income	-	3,599	3,599	2,551	-	2,551
Total revenue	45,086	17,883	62,969	30,384	-	30,384
Net assets released from restrictions	442,441	(442,441)	-	444,378	(444,378)	-
Total support and revenue	6,252,745	29,053	6,281,798	5,105,573	(50,000)	5,055,573
Expenses						
Program services						
Research	1,100,001	-	1,100,001	1,001,227	-	1,001,227
Client programs	1,346,908	-	1,346,908	1,144,049	-	1,144,049
Community programs	567,294	-	567,294	405,596	-	405,596
Professional education and training	100,144	-	100,144	74,851	-	74,851
Public education	832,838	-	832,838	682,434	-	682,434
Public support to National	795,617	-	795,617	789,303	-	789,303
Total program services	4,742,802	-	4,742,802	4,097,460	-	4,097,460
Supporting services						
Fundraising	958,957	-	958,957	793,503	-	793,503
Management and general	185,605	-	185,605	160,300	-	160,300
Total supporting services	1,144,562	-	1,144,562	953,803	-	953,803
Total expenses	5,887,364	-	5,887,364	5,051,263	-	5,051,263
Change in net assets	365,381	29,053	394,434	54,310	(50,000)	4,310
Net assets at beginning of year	1,773,051	-	1,773,051	1,718,741	50,000	1,768,741
Net assets at end of year	$ 2,138,432	$ 29,053	$ 2,167,485	$ 1,773,051	$ -	$ 1,773,051

See notes to financial statements.

THE NATIONAL MULTIPLE SCLEROSIS SOCIETY COLORADO-WYOMING CHAPTER

Statements of Functional Expenses
For the Year Ended September 30, 2011

	Program Services							Supporting Services				
	Research	National Activities	Client Programs	Community Programs	Professional Education and Training	Public Education	Total	Fundraising	Management and General	Total Programs and Support	Benefit to Donor Costs	Total
Salaries	$ -	$ -	$ 498,471	$ 336,945	$ 59,482	$ 463,922	$ 1,358,820	$ 311,834	$ 110,237	$ 1,780,891	$ -	$ 1,780,891
Employee benefits	-	-	70,108	47,390	8,366	65,249	191,113	43,858	15,504	250,475	-	250,475
Payroll taxes	-	-	41,730	28,207	4,980	38,837	113,754	26,105	9,228	149,087	-	149,087
Total salaries and related expenses	-	-	610,309	412,542	72,828	568,008	1,663,687	381,797	134,969	2,180,453	-	2,180,453
Printing	-	-	20,171	5,278	932	17,353	43,734	91,287	1,728	136,749	-	136,749
Postage and shipping	-	-	14,745	4,129	729	9,841	29,444	35,174	1,351	65,969	-	65,969
Telephone	-	-	10,927	5,738	1,013	7,976	25,654	12,267	1,877	39,798	-	39,798
Supplies	-	-	10,789	6,511	1,149	9,638	28,087	13,130	2,130	43,347	138,207	181,554
Dues and memberships	-	-	1,452	863	152	2,160	4,627	5,778	282	10,687	-	10,687
Professional and other contract service fees	-	-	360,398	59,943	10,582	99,503	530,426	161,355	19,612	711,393	75,000	786,393
Travel	-	-	20,008	3,722	657	14,600	38,987	38,885	1,218	79,090	453,444	532,534
Meetings	-	-	36,421	3,021	533	13,462	53,437	34,948	988	89,373	8,227	97,600
Occupancy	-	-	77,244	52,203	9,215	71,875	210,537	48,312	17,079	275,928	63,504	339,432
Insurance (property and casualty)	-	-	6,465	4,370	771	6,017	17,623	4,044	1,430	23,097	-	23,097
Disbursements for people with MS	-	-	162,050	-	-	-	162,050	-	-	162,050	-	162,050
Prizes and promotional items	-	-	4,240	1,073	189	1,527	7,029	13,381	356	20,766	221,233	241,999
Bank and merchant fees	-	-	6,658	4,500	794	6,196	18,148	115,452	1,470	135,070	16,612	151,682
Depreciation and amortization	-	-	5,031	3,401	600	4,682	13,714	3,147	1,115	17,976	-	17,976
Restricted contributions to National for research	202,815	-	-	-	-	-	202,815	-	-	202,815	-	202,815
Functionalized National Program Expense	897,186	-	-	-	-	-	897,186	-	-	897,186	-	897,186
Total expenses before public support to National	1,100,001	-	1,346,908	567,294	100,144	832,838	3,947,185	958,957	185,605	5,091,747	976,227	6,067,974
Public support to National	-	795,617	-	-	-	-	795,617	-	-	795,617	-	795,617
Total expenses	$ 1,100,001	$ 795,617	$ 1,346,908	$ 567,294	$ 100,144	$ 832,838	$ 4,742,802	$ 958,957	$ 185,605	$ 5,887,364	$ 976,227	6,863,591
Less direct benefit to donor costs												(976,227)
Total expenses as reported on the statements of activities												$ 5,887,364

See notes to financial statements.

THE NATIONAL MULTIPLE SCLEROSIS SOCIETY COLORADO-WYOMING CHAPTER

Statements of Functional Expenses
For the Year Ended September 30, 2010

	Program Services							Supporting Services				
	Research	National Activities	Client Programs	Community Programs	Professional Education and Training	Public Education	Total	Fund Raising	Management and General	Total Programs and Support	Benefit to Donor Costs	Total
Salaries	$ -	$ -	$ 396,568	$ 251,827	$ 46,474	$ 350,654	$ 1,045,523	$ 254,767	$ 99,527	$ 1,399,817	$ -	$ 1,399,817
Employee benefits	-	-	69,617	44,208	8,158	61,557	183,540	44,724	17,472	245,736	-	245,736
Payroll taxes	-	-	31,847	20,223	3,732	28,160	83,962	20,460	7,993	112,415	-	112,415
Total salaries and related expenses	-	-	498,032	316,258	58,364	440,371	1,313,025	319,951	124,992	1,757,968	-	1,757,968
Printing	-	-	6,892	1,245	230	29,801	38,168	61,525	492	100,185	-	100,185
Postage and shipping	-	-	5,854	714	132	13,046	19,746	27,622	282	47,650	-	47,650
Telephone	-	-	6,001	2,874	530	4,021	13,426	8,333	1,136	22,895	-	22,895
Supplies	-	-	7,932	4,244	783	6,084	19,043	9,229	1,677	29,949	123,336	153,285
Dues and memberships	-	-	675	308	57	1,314	2,354	7,748	122	10,224	-	10,224
Professional and other contract service fees	-	-	302,311	17,752	3,276	81,920	405,259	147,578	7,016	559,853	-	559,853
Travel	-	-	14,979	2,691	497	8,789	26,956	27,296	1,063	55,315	332,979	388,294
Meetings	-	-	54,503	2,446	451	16,008	73,408	32,640	967	107,015	8,800	115,815
Occupancy	-	-	70,633	44,757	8,260	62,322	185,972	45,280	17,689	248,941	81,779	330,720
Insurance (property and casualty)	-	-	6,755	4,290	792	5,973	17,810	4,340	1,695	23,845	-	23,845
Disbursements for people with MS	-	-	153,866	-	-	-	153,866	-	-	153,866	-	153,866
Prizes and promotional items	-	-	3,599	387	71	1,094	5,151	5,773	153	11,077	103,239	114,316
Bank and merchant fees	-	-	6,215	3,946	728	6,561	17,450	92,461	1,560	111,471	10,971	122,442
Depreciation and amortization	-	-	5,802	3,684	680	5,130	15,296	3,727	1,456	20,479	-	20,479
Restricted contributions to National for research	211,924	-	-	-	-	-	211,924	-	-	211,924	-	211,924
Functionalized National program expense	789,303	-	-	-	-	-	789,303	-	-	789,303	-	789,303
Total expenses before public support to National	1,001,227	-	1,144,049	405,596	74,851	682,434	3,308,157	793,503	160,300	4,261,960	661,104	4,923,064
Public support to National	-	789,303	-	-	-	-	789,303	-	-	789,303	-	789,303
Total expenses	$ 1,001,227	$ 789,303	$ 1,144,049	$ 405,596	$ 74,851	$ 682,434	$ 4,097,460	$ 793,503	$ 160,300	$ 5,051,263	$ 661,104	5,712,367
Less direct benefit to donor costs												(661,104)
Total expenses as reported on the statement of activities												$ 5,051,263

See notes to financial statements.

THE NATIONAL MULTIPLE SCLEROSIS SOCIETY COLORADO-WYOMING CHAPTER

Statements of Cash Flows

	For the Years Ended September 30,	
	2011	2010
Cash flows from operating activities		
Change in net assets	$ 394,434	$ 4,310
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	17,976	20,479
Amortization of lease credits	(17,562)	(17,562)
Due from National MS Society - charitable remainder trusts	-	(2,319)
Changes in operating assets and liabilities		
Contributions receivable	(50,503)	(7,950)
Prepaid expenses and other assets	(15,394)	31,687
National Program Expense due to National	(7,293)	101,481
Other payables to National	33,234	38,796
Accounts payable and accrued expenses	240,276	21,692
Deferred income	(1,962)	(48,869)
Net cash provided by operating activities	593,206	141,745
Net increase in cash and cash equivalents	593,206	141,745
Cash and cash equivalents at beginning of year	2,288,384	2,146,639
Cash and cash equivalents at end of year	$ 2,881,590	$ 2,288,384

See notes to financial statements.

Note 1 - Organization and Summary of Significant Accounting Policies

Organization

The National Multiple Sclerosis Society Colorado-Wyoming Chapter (the "Chapter") is a not-for-profit voluntary health agency that raises funds in the state of Colorado to provide services to people with multiple sclerosis ("MS"), supports multiple sclerosis research through its national organization, and educates the public about the impact of multiple sclerosis. Services include providing information, resources and referral services, care management, financial assistance, education, and wellness workshops for people living with and affected by multiple sclerosis. The Colorado Chapter merged with the Wyoming Office of the All America Chapter on October 1, 2011. The expanded Chapter will serve an estimated 11,000 people living with MS in both states and will have offices in Cheyenne, Wyoming, as well as Denver, Fort Collins, Colorado Springs, and Grand Junction, Colorado. The combined strengths of Colorado and Wyoming resources will help move us closer to the ultimate goal of a world free of MS.

Basis of Presentation

The Chapter reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted amounts are those currently available at the discretion of the Board of Trustees for use in the Chapter's operations and those resources invested in property and equipment.

Temporarily restricted amounts are monies restricted by donors specifically for certain time periods, purposes, or programs.

Permanently restricted amounts are assets that must be maintained permanently by the Chapter as required by the donor; but the Chapter is permitted to use or expend part or all of any income derived from those assets. The Chapter did not have any permanently restricted net assets as of September 30, 2011 and 2010.

Cash and Cash Equivalents

The Chapter considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, unless held for reinvestment as part of the investment portfolio or otherwise encumbered.

Concentration of Credit Risk

The Chapter maintains a portion of its cash and investments in deposit and fund accounts that at times may exceed federally insured limit of $250,000 for 2011 and 2010. However, the Chapter has placed their funds in accounts with SIPC protection and additional FDIC special assessment coverage in order to minimize exposure to credit risk on its cash and investments.

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Contributions Receivable

Contributions receivable consist of accruals of public support received after year-end that pertained to fundraising events held during the current fiscal year. The Chapter believes that the pledges receivable are fully collectible; accordingly, an allowance for doubtful accounts has not been recorded.

Property and Equipment

Property and equipment that cost more than $2,500 are recorded as capital assets. Depreciation and amortization are provided on the straight-line basis over the estimated useful lives of the assets or the terms of the lease, as appropriate. Property and equipment are depreciated over a useful life of three to ten years. Items that cost less than $2,500 are expensed in the year of acquisition. Donated property and equipment, if any, are valued at fair value, recorded as in-kind revenue, and expensed or amortized in the same manner.

Unamortized Lease Credits

During 2008, the Chapter entered into a lease for office space. The lease granted the Chapter free rent from February 1, 2008 (inception of lease) to May 1, 2008. The rent expense related to the free rent period has been deferred and is being recognized over the life of the lease.

Contributions, Revenue Recognition, and Deferred Revenue

Contributions are recorded as revenue when received or promised (pledged) unconditionally at their fair value. Gifts received with donor stipulations that limit the use of the donated assets are reported as temporarily restricted support. The Chapter recognizes income from legacies and bequests when an unassailable right to the gift has been established by the court and the proceeds are measurable in amount. When a donor restriction expires, that is, when a time restriction ends or purpose restriction is fulfilled, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met.

All revenue received in advance for special events that are held subsequent to year-end is deferred.

Donated Goods and Services

Donated materials are recorded at fair value at the date of donation. The Chapter records donated professional services at the respective fair values of the services received. The Chapter recorded donated goods as in-kind contribution revenue and a corresponding in-kind expense of $148,303 and $78,835 for fiscal years 2011 and 2010, respectively. The Chapter recorded donated services as in-kind contribution revenue and a corresponding in-kind expense of $41,244 and $6,035 for fiscal years 2011 and 2010, respectively.

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Donated Goods and Services (continued)

In addition, 1,614 volunteers have donated 42,886 hours to the Chapter's client programs, the Bike MS, Walk MS, Dinner of Champions, Women on the Move events, and supporting services. Although the fair value of the donated services would be $936,630 and $884,392 for the years ended September 30, 2011 and 2010, respectively, no amounts have been reflected in the accompanying financial statements for those donated services because they do not meet the criteria for revenue recognition.

Functional Expenses

Functional expenses that are not specifically attributable to program services or supporting services are allocated by management based on guidance provided from the National Multiple Sclerosis Society ("National") Office for consistency in reporting across the chapters.

Advertising

Advertising costs are expensed as incurred. Advertising expenses were spent to increase awareness about MS and the programs, services, and events offered by the Chapter. Expenses were $128,253 and $98,549 in 2011 and 2010, respectively. These costs are included in professional and other contract service fees in the statements of functional expenses.

Research and National Activities Expense

In January 2010, the Chapter's National Board of Trustees approved a change in the policy for calculating each chapter's national program expense effective fiscal year 2011. This change was approved to simplify the formula; to reduce redundancies, internal reconciliations, and billings; and to improve budgeting and planning. Under the new policy, the National Multiple Sclerosis Society ("National Headquarters") calculates the National Program Expense for each chapter in advance of the fiscal year after a complete review by the Budget Review Committee and National Board. The chapter's national program expense will be calculated using the average of the previous two year's audited results as the revenue base. The remittance percentage is subject to adjustment each year to ensure that National Headquarters meets its programmatic goals and that all donor restrictions are honored. In 2011, the Chapter's National Program Expense under the new policy was calculated to be $1,692,803. By setting the Chapter's National Program Expense in advance, the chapters and National Headquarters are in a better position to control resources through their respective budgeting and planning processes.

The Chapter participates in National Headquarters' direct marketing program. Unrestricted public support received under the program by National Headquarters that is attributable to Chapter sources is credited to and recorded by the Chapter at 50% of such unrestricted public support, net of 50% retained by National Headquarters. These amounts are recorded as contributions received at National Headquarters in the accompanying statements of activities.

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Research and National Activities Expense (continued)

In addition to the fixed amount of National Program Expense for 2011, the Chapter made an additional contribution to National Headquarters in the amount of $202,815, which was earmarked for research. This amount is reflected in the National Program Expense in the accompanying statement of activities. The total research contributions submitted to National Headquarters were $1,100,001 and $1,001,227 in 2011 and 2010, respectively.

The total amount of contributions submitted to National Headquarters amounted to $1,895,618 and $1,790,530 in fiscal 2011 and 2010, respectively.

Programs and Supporting Services

The costs of providing the various programs and other activities are summarized in the accompanying statement of functional expenses. The following are some of the programs included in the accompanying financial statements:

IRC – MS Navigator (Information and Referral Center)

The National MS Society assists persons impacted by MS in locating information and referrals in their community. Information and referral is offered nation-wide by skilled professionals who connect individuals with resources and the latest information about MS including the following:

- What you need to know when newly diagnosed
- Current information on treatment options, symptom management strategies, and research
- Accessing health care
- Meeting workplace challenges
- Understanding benefits, such as health insurance
- Facing financial challenges
- Facing caregiver challenges and finding help in the home
- Accessing national, regional, and local National MS Society programs and services

Care Management

Through contracts with professionals the Chapter assists people with the highest level of needs and most complex circumstances through a comprehensive care management program, which includes an in-depth assessment, developing and coordinating a plan of action, collaborating with community resources, and advocating and partnering with and for individuals living with MS and their families to achieve optimum function.

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Financial Assistance Program

Short term direct financial assistance for needs related to MS is available to those who meet established guidelines. Provisions of these services are intended to maintain or enhance the person's mobility, independence, safety, and dignity. Assistance is provided when community resources do not exist for purchases or repairs of durable medical equipment, respite care, transportation to medical appointments, home modifications, utility, and rental/mortgage assistance.

Self-Help Groups

Nearly 35 self-help groups for those with MS and their family meet monthly. These groups can be social, educational, or recreational, offering emotional support and information. In addition, professional speakers share their expertise about MS.

Wellness/Recreation/Social Programs

In each geographic area we offer social, wellness, and recreation programs for persons with MS. In some cases we offer scholarships to participate at a local facility or in a program.

Education

Educational materials, workshops, and seminars are provided for those with MS and their families, the public, and health care professionals. Free informational brochures about MS are available upon request, as are copies of the latest bulletins relating to ongoing research and new treatments. Workshops, seminars, and teleconferences are the means by which we educate the public about MS and coping strategies. Some courses are geared to a specific audience with a specific topic.

Chapter Publications

The Chapter's quarterly newsletters, MS Connection, provides information about treatments, research, new MS developments and information of past, present, and future events in services and fundraising campaigns. Momentum is a quarterly magazine published by the National Multiple Sclerosis Society, covering news of current research and activities on the national level.

Advocacy

MS activists fight for changes that make life better for people with MS. People who are affected by MS have the ability to speak out about the many challenges facing Colorado and Wyoming families that can be addressed through changes in public policy.

Events and Fundraising

The Chapter raises funds to support the above mentioned programs and research. In 2011, the Chapter held 23 events, including 2 Bike MS, 15 Walk MS, 5 Hike MS, and 1 Mud Run MS, in addition to numerous Dinner of Champions and MS Luncheon on the Move events. These events, along with traditional giving, raised over $7 million dollars and had over 18,000 participants

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Income Taxes

The Chapter qualifies as a charitable organization as defined by Internal Revenue Code ("IRC") Section 501(c)(3); accordingly, it is exempt from federal income taxes under IRC Section 501(a). Additionally, since the Chapter is publicly supported, contributions made to the Chapter qualify for the maximum charitable contributions deduction under the IRC. The Chapter is also exempt from Colorado state and Denver city income tax.

The Chapter applies a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in a tax return. After evaluating the tax positions taken, none are considered to be uncertain; therefore, no amounts have been recognized as of September 30, 2011 and 2010.

If incurred, interest and penalties associated with tax positions are recorded in the period assessed as general and administrative expense. No interest and penalties have been assessed as of September 30, 2011 and 2010.

Tax years that remain subject to examination include 2008 through the current period for the federal returns.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Chapter has evaluated all subsequent events through December 7, 2011, which is the date the financial statements were available to be issued and has determined there are no events requiring disclosure.

Note 2 - Property and Equipment

Property and equipment consist of the following:

	September 30, 2011	September 30, 2010
Furniture, fixtures, and equipment	$ 210,392	$ 210,392
Less accumulated depreciation	(114,271)	(96,295)
	$ 96,121	$ 114,097

Depreciation expense is $17,976 and $20,479 for the years ended September 30, 2011 and 2010, respectively.

Note 3 - Temporarily Restricted Net Assets

As of September 30, 2011, included in temporarily restricted net assets are amounts restricted due to donor-imposed purpose restrictions for programs in the amount of $29,053. These temporarily restricted funds will be used in fiscal year 2012 for programs and services. There were no temporarily restricted balances at September 30, 2010.

Note 4 - Contributions Restricted for Local Use and Research

The Chapter received contributions that were restricted by the donors to be used solely for local Chapter services. Restricted contributions for local use for the years ended September 30, 2011 and 2010 were $251,437 and $104,565, respectively. In addition, the Chapter received research restricted contributions of $191,004 and $289,813 in 2011 and 2010, respectively.

Note 5 - Contributions Received at National Multiple Sclerosis Society

Public support includes the following contributions, legacies, and bequests received at National Headquarters from Colorado-Wyoming sources:

	For the Years Ended September 30, 2011	For the Years Ended September 30, 2010
General contributions	$ 95,461	$ 92,564
Program contributions	665	560
Research contributions	930	575
Total contributions received at National	$ 97,056	$ 93,699

Note 6 - Allocation of Joint Costs

For the year ended September 30, 2010, the Chapter incurred joint costs of $10,171 for the information materials and activities that included fundraising appeals. Of these costs, $9,561 were allocated to fundraising and $610 to program services for the year ended September 30, 2010. No joint costs were incurred for the year ended September 30, 2011.

Note 7 - Leases

Office rent expense for the years ended September 30, 2011 and 2010 was $202,762 and $180,138, respectively. Rent expense includes the amortization of long-term lease credits of $17,562 for the previous year. Rent expense will be reduced by $111,227 over the remaining life of the lease as long-term lease credits are amortized.

The future minimum annual rental commitments under non-cancelable lease agreements at September 30 are as follows:

Fiscal Year	Denver	Colorado Springs	Fort Collins	Grand Junction	Cheyenne	Total
2012	$ 140,134	$ 16,956	$ 17,100	$ 9,749	$ 12,900	$ 196,839
2013	143,663	17,544	-	-	-	161,207
2014	147,279	-	-	-	-	147,279
2015	150,924	-	-	-	-	150,924
2016	154,685	-	-	-	-	154,685
Thereafter	211,849	-	-	-	-	211,849
Total	$ 948,534	$ 34,500	$ 17,100	$ 9,749	$ 12,900	$ 1,022,783

Note 8 - Retirement Plan

The Chapter has a defined contribution retirement plan (the "Plan"). The Chapter made a 4% contribution to the Plan in 2010 and made a 5% contribution for all eligible employees plus another 2% matching contribution for 2011. Employees are fully vested after three years of employment. The retirement plan expense related to this Plan for the years ended September 30, 2011 and 2010 was $99,492 and $38,796, respectively.