

**COLORADO ASSOCIATION FOR
SCHOOL-BASED HEALTH CARE
DBA YOUTH HEALTHCARE
ALLIANCE**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

COLORADO ASSOCIATION FOR SCHOOL-BASED HEALTH CARE
DBA YOUTH HEALTHCARE ALLIANCE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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TAYLORROTH

Certified Public Accountants

WORKING EXCLUSIVELY WITH NONPROFITS

May 10, 2024

Independent Auditor's Report

Board of Directors
Colorado Association for School-Based Health Care dba Youth Healthcare Alliance
Denver, Colorado

Opinion

We have audited the accompanying financial statements of **Colorado Association for School-Based Health Care dba Youth Healthcare Alliance**, (a Colorado nonprofit corporation), which comprise the statement of financial position as of December 31, 2023, 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 Youth Healthcare Alliance as of December 31, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Youth Healthcare Alliance and to meet our other ethical responsibilities in accordance with the 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 audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Youth Healthcare Alliance's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 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, including omissions, 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, 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 Youth Healthcare Alliance'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 Healthcare Alliance's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with 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.

Report on Summarized Comparative Information

We have previously audited Youth Healthcare Alliance's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 7, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Taylor Roth and Company PLLC

TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
DENVER, COLORADO

YOUTH HEALTHCARE ALLIANCE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023	2022
<u>Assets</u>		
Cash and cash equivalents	\$ 591,648	\$ 754,223
Grants receivable (Note 3)	76,288	206,818
Contracts receivable	8,987	21,622
Prepaid expenses	5,260	4,272
Property and equipment (Note 4)	26,108	26,766
Right-of-use asset (Note 6)	5,216	20,318
Beneficial interest in assets held by others (Note 5)	628,481	594,079
	\$ 1,341,988	\$ 1,628,098
 <u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 15,674	\$ 845
Accrued payroll costs	18,087	15,995
Operating lease obligation (Note 6)	6,272	22,430
Deferred revenue (Note 7)	24,667	36,000
	64,700	75,270
 <u>Net assets</u>		
Without donor restrictions	27,948	196,177
With donor restrictions		
Donor purpose restrictions (Note 8)	620,859	762,572
Endowment (Note 5)	628,481	594,079
	1,277,288	1,552,828
Total net assets		
	\$ 1,341,988	\$ 1,628,098

The accompanying notes are an integral part of these financial statements

YOUTH HEALTHCARE ALLIANCE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023			2022	
	Without Donor Restrictions	With Donor Restrictions	Endowment	Total	Total
<u>Revenue and other support</u>					
Foundation grants	-	396,720	-	396,720	316,818
Government and other contracts	134,495	-	-	134,495	146,460
Conference revenue	36,870	-	-	36,870	29,680
Individual contributions	16,245	-	-	16,245	9,411
Membership dues	15,000	-	-	15,000	13,800
Other income	1,422	-	-	1,422	915
Investment income (Note 6)	5,843	-	67,606	73,449	(118,836)
Net assets released from donor restrictions (Note 9)	571,637	(538,433)	(33,204)	-	-
Total revenue and other support	781,512	(141,713)	34,402	674,201	398,248
<u>Expense</u>					
Program services	830,823	-	-	830,823	752,816
Supporting services					
Management and general	99,284	-	-	99,284	112,686
Fundraising	19,634	-	-	19,634	7,312
Total expense	949,741	-	-	949,741	872,814
Change in net assets	(168,229)	(141,713)	34,402	(275,540)	(474,566)
Net assets, beginning of year	196,177	762,572	594,079	1,552,828	2,027,394
Net assets, end of year	\$ 27,948	\$ 620,859	\$ 628,481	\$ 1,277,288	\$ 1,552,828

The accompanying notes are an integral part of these financial statements

YOUTH HEALTHCARE ALLIANCE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	Reviewed 2023			Audited 2022	
	Supporting Services				
	Programs	Management and General	Fund- raising	Total	Total
Salaries	\$ 335,659	\$ 8,091	\$ 7,372	\$ 351,122	\$ 348,121
Payroll taxes and benefit	76,368	1,828	1,667	79,863	64,372
Project stipends and supplies	331,168	-	-	331,168	298,213
Contract accounting fees	-	50,745	-	50,745	46,534
Meetings & workshops	21,226	2,948	2,686	26,860	11,841
Occupancy	16,530	2,295	2,092	20,917	22,188
Consulting	14,618	2,030	1,850	18,498	19,483
Lobbyist	-	16,541	-	16,541	17,610
Audit and tax return prep	-	10,400	-	10,400	6,700
Equipment	7,001	972	886	8,859	8,165
Travel	6,951	415	377	7,743	8,638
Dues and subscriptions	4,786	664	606	6,056	6,233
Telephone and internet	4,114	571	521	5,206	4,945
Insurance	2,517	350	319	3,186	5,707
Staff development	1,647	229	208	2,084	-
Payroll processing	1,428	198	181	1,807	1,954
All other	1,438	261	189	1,888	1,270
	825,451	98,538	18,954	942,943	871,974
Depreciation	5,372	746	680	6,798	840
Total expenses	<u>\$ 830,823</u>	<u>\$ 99,284</u>	<u>\$ 19,634</u>	<u>\$ 949,741</u>	<u>\$ 872,814</u>

The accompanying notes are an integral part of these financial statements

YOUTH HEALTHCARE ALLIANCE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023	2022
<u>Cash flows from operating activities</u>		
Change in net assets	\$ (275,540)	\$ (474,566)
Adjustments to reconcile change in net assets to net cash provided(used) by operating activities		
Depreciation	6,798	840
Unrealized/realized (gains)losses	(58,012)	125,131
 <u>Changes in operating assets and liabilities</u>		
(Increase)decrease in accounts receivable	-	2,017
(Increase)decrease in contracts receivable	12,635	693,182
(Increase)decrease in grants receivable	130,530	30,995
(Increase)decrease in prepaid expenses	(988)	(1,269)
(Increase)decrease in right-of-use asset	15,102	9,731
Increase(decrease) in accounts payable	14,829	(6,555)
Increase(decrease) in payroll accruals	2,092	(2,755)
Increase(decrease) in deferred revenue	(11,333)	30,500
Increase(decrease) in lease liability	(16,158)	(7,619)
Net cash provided(used) by operating activities	(180,045)	399,632
 <u>Cash flows from investing activities</u>		
Reinvestment of dividends and interest	(9,594)	(5,063)
Distributions from assets held by others	33,204	33,455
Reinvestments of earnings in assets held by others	-	(33,455)
Additions to fixed assets	(6,140)	(26,630)
Net cash provided(used) by investing activities	17,470	(31,693)
 Net increase(decrease) in cash and cash equivalents	(162,575)	367,939
 Cash and cash equivalents, beginning of year	754,223	386,284
Cash and cash equivalents, end of year	\$ 591,648	\$ 754,223

The accompanying notes are an integral part of these financial statements

YOUTH HEALTHCARE ALLIANCE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - NATURE OF ACTIVITIES

Youth Healthcare Alliance (the Organization) seeks to optimize health and academic achievement among young people through access to quality, integrated health care in schools. School-based health centers have been shown to improve health and educational outcomes. The Organization supports existing and emerging school-based health centers through advocacy, technical assistance and professional development.

The Organization is supported primarily through foundation grants and government contracts.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

2. Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles which require the Organization to report its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a program. These restrictions expire when the assets are placed in service.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Continued)

3. Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

4. Capitalization and Depreciation

The Organization follows the practice of capitalizing all expenditures for land, buildings, furniture and equipment of \$1,000 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 the assets.

5. 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.

6. Income Taxes

The Organization has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

7. Functional Reporting of Expenses

For the year ended December 31, 2023, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain categories of expenses attributable to program services or a supporting function are allocated on a reasonable basis that is consistently applied. The significant expenses that are allocated are salaries and payroll taxes and benefits which are allocated based on time and effort. Occupancy is allocated based upon use. All other costs are assigned directly or allocated to the program or functional area benefited.

8. Fair Value Measurements

The Organization follows the provisions of the *Fair Value Measurements and Disclosures* Topic of FASB ASC, which requires use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3).

9. Summarized Prior-Year Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Concluded)

10. Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

11. Revenue and Revenue Recognition

The Organization recognizes revenue from cost-reimbursable state grants and contracts, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when expenditures have been incurred in compliance with specific contract and grant provisions.

The Organization receives revenue from contracts with other organizations which is recognized during the period services to establish, operate, and expand school-based clinics are provided. Amounts received prior to performing services are reported as deferred revenue in the statement of financial position.

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received; conditional promises to give with a measurable performance barrier and a right of return are not recognized until the conditions on which they depend have been met.

12. Leases

The Organization accounts for leases in accordance with Accounting Standards Update (ASU) No. 2016-02, Leases (ASC 842), as amended. The Organization determines if an arrangement is or contains a lease at inception and whether they will be classified as an operating or finance lease based upon the accounting criteria. Leases are included in right-of-use (ROU) assets and lease liabilities in 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. The Organization uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, the Organization has made an accounting policy election by asset class to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments.

Lease terms may include options to extend or terminate the lease if it is reasonably certain that management will exercise that option. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and leases 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.

13. Subsequent Events

Management has reviewed subsequent events through May 10, 2024, the date the report was available for distribution.

NOTE 3 - GRANTS RECEIVABLE

Grants receivable consists of one contribution awarded in 2022. The remaining amount, less a 4.30% discount will be received as follows:

<u>Description</u>	<u>Amount</u>
2024	\$ 79,568
Less 4.30% amortized discount	<u>(3,280)</u>
Total	<u>\$ 76,288</u>

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

<u>Description</u>	<u>Amount</u>
Rebrand	\$ 29,900
Computers	<u>3,936</u>
Total	33,836
Less: accumulated depreciation and amortization	<u>(7,728)</u>
Net property and equipment	<u>\$ 26,108</u>

Depreciation and amortization expense for the year was \$6,798.

NOTE 5 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Organization established an endowment fund in December 2018 through the Community First Foundation (the Foundation) to support the mission and programming of the Organization. In 2018, the Foundation matched 10% of the Organization's initial investment, however, there will be no match in subsequent years.

Under the terms of the endowment, the Organization may take an annual distribution of up to 5% of the average of the net fair market value of the assets of the endowment fund on the last business day of each of the three calendar years preceding the year for which the distribution is being made. The Organization's right to a distribution for any calendar year shall not be cumulative. If the Organization receives less than the previously described annual distribution on a calendar basis, then the Organization shall not be entitled to request a distribution of such undistributed amount in any subsequent year.

The assets in the endowment fund are managed by the Foundation and invested in accordance with the Foundation's asset allocation. The investment returns are based upon the Foundation's returns for commingled investments. The Foundation's targeted return for any year is the Consumer Price Index plus 5%. Actual returns in any given year may vary from this amount.

NOTE 5 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS (Concluded)

Changes in the endowment fund balances (Level 3 inputs) during year are as follows:

<u>Description</u>	<u>Amount</u>
Balance, beginning of year	\$ 594,079
Interest and dividend income	15,828
Realized/unrealized gains and losses, net	58,012
Less: management fees	<u>(6,234)</u>
Net investment return	67,606
Less: distributions	<u>(33,204)</u>
Balance, end of year	<u>\$ 628,481</u>

Additionally, during the year, the Organization earned interest income of \$5,843 on its operating cash accounts.

NOTE 6 - OPERATING LEASE RIGHT OF USE ASSET AND LEASE OBLIGATION

The Organization entered into an operating lease for office space. The two 12-month lease terms commencing on May 1, 2022, do not contain an option to renew, therefore payments associated with extensions are not included in the right-of-use asset or lease liability recognized as of December 31, 2023.

Future minimum lease payments are as follows:

<u>Fiscal year</u>	<u>Amount</u>
2024	\$ 6,332
Less amount representing interest	<u>(60)</u>
Present value of minimum lease payments	<u>\$ 6,272</u>

The interest rate used to calculate the present value of future minimum lease payments was 4.61%. The remaining lease term was 0.33 years as of year-end.

Supplemental cash flow information follows:

	<u>Amount</u>
Operating cash outflows from operating lease	\$ 16,886

NOTE 7 - DEFERRED REVENUE

Deferred revenue consists of amounts received for contract services to be performed in 2024. Changes in deferred revenue for the year ended December 31, 2023 are as follows:

<u>Description</u>	<u>Amount</u>
Beginning balance	\$ 36,000
Contract payments received prior to services provided	24,667
Less: revenue recognized for contract services provided	<u>(36,000)</u>
Total	<u>\$ 24,667</u>

NOTE 8 - NET ASSETS WITH DONOR PURPOSE RESTRICTIONS

Nets assets with donor purpose restrictions are available for the following purposes:

<u>Description</u>	<u>Amount</u>
Telehealth	\$ 298,581
Food security	203,675
Oral health services	<u>118,603</u>
Total	<u>620,859</u>

NOTE 9 - NET ASSETS RELEASED FROM DONOR RESTRICTIONS

During the year, net assets were released from donor restrictions by incurring expenses satisfying the restricted program purposes:

<u>Description</u>	<u>Amount</u>
Telehealth	\$ 247,173
Food security	143,045
Oral health services	88,215
Reproductive health	50,000
Staff mental health	<u>10,000</u>
Total	<u>538,433</u>

NOTE 9 - PENSION PLAN

The Organization has a Simple-IRA plan. The plan covers all employees. Employees may elect to make contributions to the plan up to the maximum amount permitted. The Organization matches the first 3% of salary contributed by each employee. Pension expense for the year was \$9,509.

NOTE 10 - CONCENTRATION OF CREDIT RISK

The Organization places most of its cash with one financial institution. Amounts over \$250,000 are not insured by the FDIC or related entity. At year-end, the uninsured balance was approximately \$181,600. Management has evaluated its banking needs and the strength of the financial institution and feels it is in the best long-term interest of the Organization to continue the existing relationship.

NOTE 11 - CONCENTRATION OF REVENUE SOURCE

In 2023, the Organization received approximately 52% of total support from one grant. The Organization is dependent on this revenue to continue delivering services at its current level.

NOTE 12 - AVAILABILITY AND LIQUIDITY

The following represents financial assets available for general operating expenditures within one year at December 31, 2023:

<u>Financial assets at year-end:</u>	<u>Amount</u>
Cash and cash equivalents	\$ 591,648
Grants and contracts receivable	85,275
Investments	<u>628,481</u>
Total financial assets	1,305,404
Less amounts not available to be used within one year:	
Endowment	<u>(628,481)</u>
Financial assets available to meet general operating expenditures within one year	<u>\$ 676,923</u>

The Organization has certain donor-restricted assets which are available for general operating expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the qualitative information above for financial assets available to meet general operating expenditures within one year. The Organization's goal is to maintain financial assets to meet at least six months of anticipated minimum general operating expenses.