

**Centennial Area Health Education Center Inc  
Greeley, Colorado**

**Financial Statements  
June 30, 2021**

## TABLE OF CONTENTS

<b>INDEPENDENT AUDITOR'S REPORT</b>	i
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position	1
Statements of Activities	2
Statements of Functional Expenses	3
Statements of Cash Flows	4
Notes to Financial Statements	5



# PARK FOWLER & CO.

*Certified Public Accountants & Management Consultants*  
*A Professional Limited Liability Company*

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Centennial Area Health Education Center  
Greeley, Colorado

We have audited the accompanying financial statements of Centennial Area Health Education Center (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, 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 from 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 Centennial Area Health Education Center as of June 30, 2021, 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.

## Report on Summarized Comparative Information

The financial statements of Centennial Area Health Education Center's as of June 30, 2020, were audited by other auditors whose report dated January 7, 2021, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Park Fowler & CO., PLLC*

Park Fowler & CO., PLLC  
Corpus Christi, Texas  
November 10, 2021

**Centennial Area Health Education Center**  
**Statement of Financial Position**  
**June 30, 2021**  
**With Comparative Totals at June 30, 2020**

<b>ASSETS</b>	<u>2021</u>	<u>2020</u>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,014,374	\$ 1,062,907
Investments	404,705	348,038
Accounts receivable	122,397	33,259
Prepaid expenses	<u>11,947</u>	<u>6,439</u>
Total Current Assets	<u>1,553,423</u>	<u>1,450,643</u>
Property and equipment		
Buildings	120,726	120,726
Equipment	-	2,285
Less: accumulated depreciation	<u>(62,626)</u>	<u>(61,893)</u>
Net capital assets	<u>58,100</u>	<u>61,118</u>
Total Noncurrent Assets	<u>58,100</u>	<u>61,118</u>
Total Assets	<u><u>\$ 1,611,523</u></u>	<u><u>\$ 1,511,761</u></u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 3,016	\$ 78
Accrued liabilities	28,227	33,688
Deferred revenue	<u>30,524</u>	<u>-</u>
Total Current Liabilities	<u>61,767</u>	<u>33,766</u>
<b>Long-Term Liabilities</b>		
PPP Loan payable	<u>52,710</u>	<u>66,265</u>
Total Long-Term Liabilities	<u>52,710</u>	<u>66,265</u>
Total Liabilities	<u>114,477</u>	<u>100,031</u>
<b>NET ASSETS</b>		
Net assets without donor restrictions	<u>1,497,046</u>	<u>1,411,730</u>
Total Net Assets	<u>1,497,046</u>	<u>1,411,730</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 1,611,523</u></u>	<u><u>\$ 1,511,761</u></u>

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

**Centennial Area Health Education Center**  
**Statement of Activities**  
**For the Year Ended June 30, 2021**  
**With Comparative Totals For the Year Ended June 30, 2020**

	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>2021 Total</b>	<b>2020 Total</b>
<b>REVENUES, GAINS AND OTHER SUPPORT</b>				
Grants	\$ 390,401	\$ -	\$ 390,401	\$ 333,683
Student housing	212,445	-	212,445	224,400
Tuition and conference fees	19,841	-	19,841	187,519
Sponsorships and reimbursements	1,000	-	1,000	9,247
Donations	2,996	-	2,996	1,010
Investment income (net of investment fees of \$2,975)	58,584	-	58,584	20,748
Total Revenues	<u>685,267</u>	<u>-</u>	<u>685,267</u>	<u>776,607</u>
<b>EXPENSES</b>				
Program Expenses:				
Health provider training and support	351,967	-	351,967	263,767
Housing	167,011	-	167,011	278,165
Total Program Services	<u>518,978</u>	<u>-</u>	<u>518,978</u>	<u>541,932</u>
Supporting Services:				
Management and administrative	71,462	-	71,462	100,899
Fundraising	9,511	-	9,511	33,348
Total Support Services	<u>80,973</u>	<u>-</u>	<u>80,973</u>	<u>134,247</u>
Total Expenses	<u>599,951</u>	<u>-</u>	<u>599,951</u>	<u>676,179</u>
<b>CHANGE IN NET ASSETS</b>	85,316	-	85,316	100,428
<b>Net Assets, beginning of year</b>	<u>1,411,730</u>	<u>-</u>	<u>1,411,730</u>	<u>1,311,302</u>
<b>Net Assets, end of year</b>	<u>\$ 1,497,046</u>	<u>\$ -</u>	<u>\$ 1,497,046</u>	<u>\$ 1,411,730</u>

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

**Centennial Area Health Education Center**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2021**  
**With summarized Totals For the Year Ended June 30, 2020**

	<b>Health Provider Training, Education and Support</b>	<b>Housing</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total 2021</b>	<b>Total 2020</b>
Salaries	\$ 220,143	\$ -	\$ 28,680	\$ 6,883	\$ 255,706	\$ 271,857
Employee Benefits and Taxes	39,780	-	5,182	1,244	46,206	56,431
Total Salaries and related expense	259,923	-	33,862	8,127	301,912	328,288
Advertising	1,653	-	-	-	1,653	4,530
Bank and merchant fees	3,739	-	85	-	3,824	2,561
Conference expenses	17,011	-	-	-	17,011	99,515
Dues and subscriptions	-	-	4,620	-	4,620	2,219
Housing	-	129,242	-	-	129,242	139,243
Insurance	-	2,059	5,222	-	7,281	8,177
Office expenses	12,059	-	1,571	377	14,007	15,401
Postage and shipping	1,520	-	198	48	1,766	135
Professional fees and contracted services	25,405	27,659	21,910	-	74,974	35,101
Supplies	2,148	-	280	67	2,495	3,206
Telephone and internet	2,495	856	325	78	3,754	5,161
Travel and meetings	10,723	-	1,397	335	12,455	7,501
Occupancy	14,632	4,177	1,906	458	21,173	22,123
Miscellaneous Expense	659	-	86	21	766	22,123
Depreciation expense	-	3,018	-	-	3,018	3,018
Total functional expenses	<u>\$ 351,967</u>	<u>\$ 167,011</u>	<u>\$ 71,462</u>	<u>\$ 9,511</u>	<u>\$ 599,951</u>	<u>\$ 676,179</u>

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

**Centennial Area Health Education Center**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2021**  
**With Comparative Totals For the Year Ended June 30, 2020**

	<u>2021</u>	<u>2020</u>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 85,316	\$ 100,428
Adjustments to reconcile change in net assets to net cash provided by (used) by operating activities		
Depreciation expense	3,018	3,018
Forgiveness of debt	(66,265)	-
Unrealized (gain) / loss on investments	(48,309)	(825)
Decrease (increase) in accounts receivable	(89,138)	205,584
Decrease (increase) in prepaid expenses	(5,508)	2,022
(Decrease) increase in accounts payable	2,938	(4,748)
(Decrease) increase in accrued liabilities	(5,461)	18,946
(Decrease) increase in deferred revenue	30,524	(183,135)
Total adjustments	<u>(178,201)</u>	<u>40,862</u>
<b>Net cash provided (used) by operating activities</b>	<u>(92,885)</u>	<u>141,290</u>
<b>Cash Flows From Investing Activities</b>		
Purchases of investments	(8,358)	(10,415)
<b>Net cash provided (used) by investing activities</b>	<u>(8,358)</u>	<u>(10,415)</u>
<b>Cash Flows From Financing' Activities</b>		
Proceeds from debt	52,710	66,265
<b>Net cash provided (used) by financing activities</b>	<u>52,710</u>	<u>66,265</u>
<b>Net Change in cash and cash equivalents</b>	<u>(48,533)</u>	<u>197,140</u>
<b>Cash and cash equivalents, beginning of year</b>	1,062,907	865,767
<b>Cash and cash equivalents, end of year</b>	<u>\$ 1,014,374</u>	<u>\$ 1,062,907</u>
<b>Non Cash Disclosures</b>		
Unrealized gain (loss) on investments	\$ 48,309	\$ 825
Cash paid for interest	-	-
Forgiveness of debt (PPP loan)	\$ 66,265	\$ -

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

**Centennial Area Health Education Center Inc**  
**Notes to Financial Statements**  
**June 30, 2021**

**Note 1 Organization and Summary of Significant Accounting Policies**

This summary of significant accounting policies of Centennial Area Health Education Center Inc, (CAHEC) is presented to assist in understanding the Organization's financial statements. The accounting policies conform to accounting principles generally accepted in the United States of America and have been applied to the preparation of the financial statements.

**Organization**

The Organization was formed and organized as a nonprofit organization in 1978 in the State of Colorado. The organization's objectives are to address health workforce shortages and health disparities in their designated region, through education and local collaboration. CAHEC is exempt from Federal income taxes under the provisions described in Section 501 (c) (3) of the Internal Revenue Code.

**Basis of Accounting and Presentation**

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

Financial statement presentation follows the pronouncements of the Financial Accounting Standard Board, which is the authoritative body, in its Financial Accounting Standards (FASB ASC 958-205-45), Financial Statements of Non-for-Profit Organizations. The organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

The financial statements are presented with certain prior year summarized comparative information. 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 June 30, 2020, from which the summarized information was derived.

**Cash and Cash Equivalents**

The Organization considers petty cash, deposits in bank accounts and certificates of deposit which mature within 90 days of purchase to be cash equivalents.

**Restricted and Unrestricted Revenue Support**

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions.

**In-kind Donations**

Donated materials and equipment are reflected as in-kind donations in the accompanying statements at their estimated values on the date of receipt. No amounts have been reflected in the statements for donated services from volunteers as no objective basis is available to measure the value of such services.

**Centennial Area Health Education Center Inc**  
**Notes to Financial Statements (Continued)**  
**June 30, 2021**

**Note 1 Organization and Summary of Significant Accounting Policies (Continued)**  
**Restricted and Unrestricted Revenue Support (Continued)**

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. When a restriction expires (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 net assets released from restrictions. The Organization has net assets with donor restrictions in the amount of \$0 that are restricted for future programs. When an expense is incurred for both restricted and unrestricted purposes it is the Organization's policy to apply it to restricted uses first. The Organization released \$0 in restrictions from program related grants for the year ending June 30, 2021.

**Property, Equipment and Depreciation**

The Organization follows the practice of capitalizing expenditures for furniture and equipment, at cost, or fair market value if the asset is donated to the organization, that exceed the value of \$1,000. The Organization has not adopted a policy for applying time restrictions on contributions of long lived assets. Depreciation is provided using the straight-line method over the estimated useful lives of the assets which range from three to five years for equipment and 40 years for buildings.

**Deferred Revenue**

CAHEC receives payments for registration to conferences it provides in advance of the conference. When these registration fees are received they are recorded as deferred revenue in the liability section of the Statement of Financial Position in the year they are received. When the conference is completed they are removed from deferred revenue and recorded as revenue in the Statement of Activities.

**Income Taxes**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been presented in these financial statements. Due to the Organization's non-profit qualification, donors may be entitled to a charitable deduction for amounts contributed to the Organization. There are no unrelated business activities subject to income taxes. The tax return for June 30, 2019, June 30, 2020 and June 30, 2021 remain open for examination.

**Advertising**

The Organization expenses advertising costs at the time the cost is incurred.

**Use of Estimates**

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

**Centennial Area Health Education Center Inc**  
**Notes to Financial Statements (Continued)**  
**June 30, 2021**

**Note 1 Organization and Summary of Significant Accounting Policies (Continued)**  
**Expense Allocation**

The costs of providing various services and other activities are summarized on a functional basis in the statement of activities. Certain costs have been allocated among the programs and supporting services benefited as determined by management.

**Components of Program and Supporting Services and Allocation of Expenses**

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions. The expenses include compensation, occupancy, professional services and certain other expenses. Compensation and professional services are allocated based on management's estimate of the relative attention and effort exerted towards specific functional areas. Occupancy costs are allocated similarly to compensation as occupancy costs relate to providing workspace for employees rather than specific functions.

Health provider training, education, support - Includes the functions necessary to provide continuing education, training and retention of health professionals in rural and underserved areas.

Housing - Provides housing and support for medical and health occupation students during their rotations in rural and underserved areas.

Management and Administrative - Management and administration includes the functions necessary to maintain and operate the organization.

Fundraising – Fundraising includes the costs necessary to prepare grant applications and to solicit contributions for funding.

**Note 2 Cash and Cash Equivalents**

The Organization's cash and cash equivalents were in excess of FDIC coverage. The Organization had \$1,146 exposed to credit risk at June 30, 2021.

**Note 3 Accounts Receivable**

Accounts receivable at June 30, 2021 totaled \$122,397 and consisted primarily of amounts due from governmental agencies. Management has reviewed the receivables and believes all amounts will be fully collectible. Accordingly no allowance for bad debt or bad debt expense has been recognized.

**Note 4 Investments**

CAHEC values investments at fair market value (FMV) using level one inputs. As of June 30, 2021, the Organization had the following investments:

**Centennial Area Health Education Center Inc**  
**Notes to Financial Statements (Continued)**  
**June 30, 2021**

**Note 4 Investments (Continued)**

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent of total investments</u>
Emerging Market Fixed Income	3,912	1%
Global Listed Infrastructure	25,090	6%
Global Real Estate	28,200	7%
High Yield Fixed Income	3,984	1%
Intl Developed Equity	29,182	7%
Intl Emerging Equity	24,265	6%
Investment Grade Fixed Income	177,822	44%
Liquid Alternatives	39,342	10%
Natural Resources	21,193	5%
US Equity	51,715	13%
Total Fair Market Value	<u>\$ 404,705</u>	<u>100%</u>

Components of investment income are as noted below:

Unrealized gains on investments	\$ 48,309
Interest and dividends	13,250
Investment fees	<u>(2,975)</u>
Total	<u>\$ 58,584</u>

The Organization incurred fees of \$2,975 related to investment activities for the year ended June 30, 2021.

**Note 5 Retirement Plans**

CAHEC has a defined contribution retirement plan covering all full-time employees to which CAHEC contributes 5% of an employee's salary. During the years ended Jun 30, 2021, 2020 and 2019 CAHEC contributed \$7,388, \$7,493, and \$7,724, respectively.

**Note 6 Economic Dependence and Contingencies**

CAHEC receives substantially all of its operating support from funds provided through grants administered by the University of Colorado. The grant amounts are appropriated each year by the Federal government and the State of Colorado. Management is not aware of any actions that would adversely affect the aggregate amount of funds CAHEC will receive in the next fiscal year.

The organization receives grant monies designated for general purposes and are subject to audit by the grantor agencies. Such audits may result in requests for reimbursements due to disallowed expenditures. Management does not believe that such disallowances are likely to occur.

**Note 7 Subsequent Events**

Management has evaluated subsequent events through November 10, 2021, the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure.

**Centennial Area Health Education Center Inc**  
**Notes to Financial Statements (Continued)**  
**June 30, 2021**

**Note 8 Reclassifications**

Certain items have been reclassified from the prior year's presentation to conform with the current year's presentation.

**Note 9 Liquidity and Available Resources**

CAHEC monitors its liquidity so that it is able to meet its operating needs and other commitments while maximizing the investment of its excess operating cash and cash equivalents. CAHEC has the following financial assets that could readily be made available within one year of the statement of financial position date to fund expenses without limitations:

Cash and Investments	\$ 1,419,079
Receivables	<u>122,397</u>
	<u>\$ 1,541,476</u>

In addition to financial assets available to meet general expenditures over the year, CAHEC generally operates with a balanced budget for operations and anticipates covering its general expenditures by collecting contributions and other revenues, and by utilizing expected and committed grants from government organizations that are intended to support normal operations and access to prior year operating surpluses that are available in current assets. The statement of cash flows identifies the sources and uses of the CAHEC's cash and cash equivalents and shows a net decrease in cash and cash equivalents used by operations of \$92,885 for the fiscal year ending June 30, 2021.

**Note 10 Long Term Debt**

On May 12, 2020 the Organization received a loan under the Payroll Protection Program administered by the Department of the Treasury in the amount of \$66,265. The loan was fully forgiven under the terms of the note on December 31, 2020

On April 5, 2021 the Organization received a loan under the Payroll Protection Program administered by the Department of the Treasury in the amount of \$52,710. The loan is subject to forgiveness if certain conditions are met relating to the expenditure of the loan proceeds on specific items such as payroll, rent and mortgage interest. If these conditions are not met the loan is subject to repayment at 1% interest over a five-year period. The loan is expected to be forgiven. Due to the nature of the terms of the loan an amortization schedule is not available.

**Note 11 Risks and Uncertainties**

On March 11, 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 may impact various parts of its 2022 operations and financial results, but the effects are currently unknown. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.