

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

**Financial Statements
June 30, 2022**

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	i
FINANCIAL STATEMENTS	
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

MANAGING PARTNER:
Ronald H. Park, CPA

IN-OFFICE COUNCIL:
Daniel T.A. Cotts, JD, LLM

ASSOCIATES:
Clara A. Moreno, CPA
P. Andrew Hall, CPA
Pamela De La Pena, CPA
Priyanka B. Desai, CPA

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2022 and 2021, and the related statements of activities 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 Centennial Area Health Education Center as of June 30, 2022 and 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.

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 ABC Organization 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 ABC Organization'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 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 ABC Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ABC Organization'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.

Park Fowler & Co., PLLC

Park Fowler & Co., PLLC
Corpus Christi, Texas
March 23, 2023

Centennial Area Health Education Center
Statement of Financial Position
June 30, 2022
With Comparative Totals at June 30, 2021

ASSETS	<u>2022</u>	<u>2021</u>
Current Assets		
Cash and cash equivalents	\$ 664,351	\$ 1,014,374
Investments	955,969	404,705
Accounts receivable	79,019	122,397
Prepaid expenses	29,103	11,947
Total Current Assets	<u>1,728,442</u>	<u>1,553,423</u>
Property and equipment		
Buildings	-	120,726
Less: accumulated depreciation	-	(62,626)
Net capital assets	<u>-</u>	<u>58,100</u>
Total Noncurrent Assets	<u>-</u>	<u>58,100</u>
Total Assets	<u>\$ 1,728,442</u>	<u>\$ 1,611,523</u>
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 8,161	\$ 3,016
Accrued liabilities	27,349	28,227
Deferred revenue	37,744	30,524
Total Current Liabilities	<u>73,254</u>	<u>61,767</u>
Long-Term Liabilities		
PPP Loan payable	-	52,710
Total Long-Term Liabilities	<u>-</u>	<u>52,710</u>
Total Liabilities	<u>73,254</u>	<u>114,477</u>
NET ASSETS		
Net assets without donor restrictions	1,655,188	1,497,046
Total Net Assets	<u>1,655,188</u>	<u>1,497,046</u>
Total Liabilities and Net Assets	<u>\$ 1,728,442</u>	<u>\$ 1,611,523</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, 2022
With Comparative Totals For the Year Ended June 30, 2021

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2022 Total	2021 Total
REVENUES, GAINS AND OTHER SUPPORT				
Grants	\$ 387,326	\$ -	\$ 387,326	\$ 390,401
Student housing	257,740	-	257,740	212,445
Tuition and conference fees	34,687	-	34,687	19,841
Sponsorships and reimbursements	-	-	-	1,000
Donations	1,900	-	1,900	2,996
Investment income (loss) (net of investment fees of \$7,149 and \$2,975)	(120,223)	-	(120,223)	58,584
Other income	53,732	-	53,732	-
Gain on sale of assets	195,341	-	195,341	-
Total Revenues	<u>810,503</u>	<u>-</u>	<u>810,503</u>	<u>685,267</u>
EXPENSES				
Program Expenses:				
Housing and Health provider training and support	569,412	-	569,412	351,967
Total Program Services	<u>569,412</u>	<u>-</u>	<u>569,412</u>	<u>518,978</u>
Supporting Services:				
Management and administrative	67,922	-	67,922	71,462
Fundraising	15,027	-	15,027	9,511
Total Support Services	<u>82,949</u>	<u>-</u>	<u>82,949</u>	<u>80,973</u>
Total Expenses	<u>652,361</u>	<u>-</u>	<u>652,361</u>	<u>599,951</u>
CHANGE IN NET ASSETS	158,142	-	158,142	85,316
Net Assets, beginning of year	<u>1,497,046</u>	<u>-</u>	<u>1,497,046</u>	<u>1,411,730</u>
Net Assets, end of year	<u>\$ 1,655,188</u>	<u>\$ -</u>	<u>\$ 1,655,188</u>	<u>\$ 1,497,046</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, 2022
With summarized Totals For the Year Ended June 30, 2021**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total 2022</u>	<u>Total 2021</u>
Salaries	\$ 192,560	\$ 26,530	\$ 6,367	\$ 225,457	\$ 255,706
Employee Benefits and Taxes	40,130	5,529	1,327	46,986	46,206
Total Salaries and related expense	232,690	32,059	7,694	272,443	301,912
Advertising	3,941	-	-	3,941	1,653
Bank and merchant fees	-	-	4,163	4,163	3,824
Conference expenses	60,482	-	-	60,482	17,011
Dues and subscriptions	-	2,267	-	2,267	4,620
Housing	211,794	-	-	211,794	129,242
Insurance	900	4,103	-	5,003	7,281
Office expenses	4,330	597	143	5,070	14,007
Postage and shipping	454	62	15	531	1,766
Professional fees and contracted services	30,953	25,871	2,301	59,125	74,974
Supplies	5,881	810	195	6,886	2,495
Telephone and internet	1,021	141	33	1,195	3,754
Travel and meetings	12,061	1,662	399	14,122	12,455
Occupancy	2,541	350	84	2,975	21,173
Miscellaneous Expense	-	-	-	-	766
Depreciation expense	2,364	-	-	2,364	3,018
Total functional expenses	<u>\$ 569,412</u>	<u>\$ 67,922</u>	<u>\$ 15,027</u>	<u>\$ 652,361</u>	<u>\$ 599,951</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, 2022
With Comparative Totals For the Year Ended June 30, 2021

	2022	2021
Cash Flows From Operating Activities		
Change in net assets	\$ 158,142	\$ 85,316
Adjustments to reconcile change in net assets to net cash provided by (used) by operating activities		
Depreciation expense	2,364	3,018
Forgiveness of debt	(52,710)	(66,265)
Unrealized (gain) / loss on investments	149,362	(48,309)
Gain on sales of assets	(195,341)	-
Decrease (increase) in accounts receivable	43,378	(89,138)
Decrease (increase) in prepaid expenses	(17,156)	(5,508)
(Decrease) increase in accounts payable	5,145	2,938
(Decrease) increase in accrued liabilities	(878)	(5,461)
(Decrease) increase in deferred revenue	7,220	30,524
Total adjustments	(58,616)	(178,201)
Net cash provided (used) by operating activities	99,526	(92,885)
Cash Flows From Investing Activities		
Proceeds from sale of property and equipment	251,077	-
Purchases of investments	(700,626)	(8,358)
Net cash provided (used) by investing activities	(449,549)	(8,358)
Cash Flows From Financing' Activities		
Proceeds from debt	-	52,710
Net cash provided (used) by financing activities	-	52,710
Net Change in cash and cash equivalents	(350,023)	(48,533)
Cash and cash equivalents, beginning of year	1,014,374	1,062,907
Cash and cash equivalents, end of year	\$ 664,351	\$ 1,014,374
Non Cash Disclosures		
Unrealized gain (loss) on investments	\$ (149,362)	\$ 48,309
Forgiveness of debt (PPP loan)	\$ 52,710	\$ 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, 2022

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, 2021, 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, 2022

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, 2022.

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, 2020, June 30, 2021 and June 30, 2022 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, 2022

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, 2022.

Note 3 Accounts Receivable

Accounts receivable at June 30, 2022 totaled \$79,019 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, 2022, the Organization had the following investments:

Centennial Area Health Education Center Inc
Notes to Financial Statements (Continued)
June 30, 2022

Note 4 Investments (Continued)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent of total investments</u>
Emerging Market Fixed Income	7,061	1%
Global Listed Infrastructure	61,599	6%
Global Real Estate	42,471	4%
Interval Funds	74,601	8%
Intl Developed Equity	84,864	9%
Intl Emerging Equity	64,399	7%
Investment Grade Fixed Income	416,508	44%
Liquid Alternatives	37,220	4%
Natural Resources	43,934	5%
US Equity	123,312	13%
Total Fair Market Value	<u>\$ 955,969</u>	<u>100%</u>

Components of investment income are as noted below:

Unrealized gains on investments	\$ (149,362)
Interest and dividends	88,998
Investment fees	(7,149)
Total	<u>\$ (67,513)</u>

The Organization incurred fees of \$7,149 related to investment activities for the year ended June 30, 2022.

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, 2022, 2021 and 2020 CAHEC contributed \$2,958, \$7,388, and \$7,493, 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 March 23, 2023, 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, 2022

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	\$ 1,620,320
Receivables	<u>79,019</u>
	<u>\$ 1,699,339</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 \$99,526 for the fiscal year ending June 30, 2022.

Note 10 Long Term Debt

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 was forgiven in full during the year ended June 30, 2022.