

**YOUTH HEALTHCARE
ALLIANCE**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

YOUTH HEALTHCARE ALLIANCE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7

TAYLORROTH

Certified Public Accountants

WORKING EXCLUSIVELY WITH NONPROFITS

March 24, 2025

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, 2024, 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, 2024, 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 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 10, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, 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, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	2024	2023
<u>Assets</u>		
Cash and cash equivalents	\$ 185,157	\$ 591,648
Grants receivable	-	76,288
Contracts receivable	32,791	8,987
Prepaid expenses	422	5,260
Property and equipment (Note 4)	18,999	26,108
Right-of-use asset	-	5,216
Beneficial interest in assets held by others (Note 5)	523,983	628,481
	<u>\$ 761,352</u>	<u>\$ 1,341,988</u>
 <u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 5,135	\$ 15,674
Accrued payroll costs	20,121	18,087
Operating lease obligation	-	6,272
Deferred revenue	-	24,667
	<u>25,256</u>	<u>64,700</u>
 <u>Net assets</u>		
Without donor restrictions	54,845	27,948
With donor restrictions		
Donor purpose restrictions (Note 6)	157,268	620,859
Endowment (Note 5)	523,983	628,481
	<u>736,096</u>	<u>1,277,288</u>
Total net assets	<u>\$ 761,352</u>	<u>\$ 1,341,988</u>
Total liabilities and net assets	<u>\$ 761,352</u>	<u>\$ 1,341,988</u>

The accompanying notes are an integral part of these financial statements

YOUTH HEALTHCARE ALLIANCE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	2024			2023	
	Without Donor	With Donor	Endowment	Total	Total
	Restrictions	Restrictions			
<u>Revenue and other support</u>					
Foundation grants	-	3,280	-	3,280	396,720
Government and other contracts	261,939	37,500	-	299,439	134,495
Conference revenue	35,868	-	-	35,868	36,870
Individual contributions	13,482	-	-	13,482	16,245
Membership dues	17,500	-	-	17,500	15,000
Other income	4,786	-	-	4,786	1,422
Investment income (Note 5)	2,919	-	37,781	40,700	73,449
Net assets released from donor restrictions (Note 7)	646,650	(504,371)	(142,279)	-	-
Total revenue and other support	983,144	(463,591)	(104,498)	415,055	674,201
<u>Expense</u>					
Program services	763,083	-	-	763,083	830,823
Supporting services					
Management and general	169,957	-	-	169,957	99,284
Fundraising	23,207	-	-	23,207	19,634
Total expense	956,247	-	-	956,247	949,741
Change in net assets	26,897	(463,591)	(104,498)	(541,192)	(275,540)
Net assets, beginning of year	27,948	620,859	628,481	1,277,288	1,552,828
Net assets, end of year	\$ 54,845	\$ 157,268	\$ 523,983	\$ 736,096	\$ 1,277,288

The accompanying notes are an integral part of these financial statements

YOUTH HEALTHCARE ALLIANCE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	Reviewed 2024			Audited 2023	
	Supporting Services				
	Programs	Management and General	Fund- raising	Total	Total
Salaries	\$ 265,231	\$ 63,438	\$ 15,859	\$ 344,528	\$ 351,122
Payroll taxes and benefit	59,921	19,649	4,912	84,482	79,863
Project stipends and supplies	355,798	-	-	355,798	331,168
Contract accounting fees	-	49,655	-	49,655	50,745
Consulting	25,800	384	96	26,280	18,498
Meetings & workshops	17,409	-	-	17,409	26,860
Lobbyist	-	17,021	-	17,021	16,541
Audit and tax return prep	-	10,450	-	10,450	10,400
Occupancy	7,412	1,894	474	9,780	20,917
Travel	6,403	1,238	310	7,951	7,743
Equipment	5,767	1,502	375	7,644	8,859
Insurance	2,805	717	179	3,701	3,186
Dues and subscriptions	4,270	951	238	5,459	6,056
Payroll processing	2,317	592	148	3,057	1,807
Telephone and internet	1,336	341	85	1,762	5,206
Staff development	-	-	-	-	2,084
All other	3,226	748	187	4,161	1,888
	757,695	168,580	22,863	949,138	942,943
Depreciation	5,388	1,377	344	7,109	6,798
Total expenses	<u>\$ 763,083</u>	<u>\$ 169,957</u>	<u>\$ 23,207</u>	<u>\$ 956,247</u>	<u>\$ 949,741</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, 2024
(WITH COMPARATIVE TOTALS FOR 2023)

	<u>2024</u>	<u>2023</u>
<u>Cash flows from operating activities</u>		
Change in net assets	\$ (541,192)	\$ (275,540)
Adjustments to reconcile change in net assets to net cash provided(used) by operating activities		
Depreciation	7,109	6,798
Unrealized/realized (gains)losses	(28,687)	(58,012)
 <u>Changes in operating assets and liabilities</u>		
(Increase)decrease in contracts receivable	(23,804)	12,635
(Increase)decrease in grants receivable	76,288	130,530
(Increase)decrease in prepaid expenses	4,838	(988)
(Increase)decrease in right-of-use asset	5,216	15,102
Increase(decrease) in accounts payable	(10,539)	14,829
Increase(decrease) in payroll accruals	2,034	2,092
Increase(decrease) in deferred revenue	(24,667)	(11,333)
Increase(decrease) in lease liability	(6,272)	(16,158)
Net cash provided(used) by operating activities	<u>(539,676)</u>	<u>(180,045)</u>
 <u>Cash flows from investing activities</u>		
Reinvestment of dividends and interest	(9,094)	(9,594)
Distributions from assets held by others	142,279	33,204
Additions to fixed assets	-	(6,140)
Net cash provided(used) by investing activities	<u>133,185</u>	<u>17,470</u>
 Net increase(decrease) in cash and cash equivalents	<u>(406,491)</u>	<u>(162,575)</u>
 Cash and cash equivalents, beginning of year	<u>591,648</u>	<u>754,223</u>
Cash and cash equivalents, end of year	<u>\$ 185,157</u>	<u>\$ 591,648</u>

The accompanying notes are an integral part of these financial statements

YOUTH HEALTHCARE ALLIANCE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

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, 2024, 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, 2023, 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. Subsequent Events

Management has reviewed subsequent events through March 24, 2025, the date the report was available for distribution.

NOTE 3 - AVAILABILITY AND LIQUIDITY

The following represents financial assets available for general operating expenditures within one year at December 31, 2024:

<u>Financial assets at year-end:</u>	<u>Amount</u>
Cash and cash equivalents	\$ 185,157
Grants and contracts receivable	32,791
Investments	<u>523,983</u>
Total financial assets	741,931
Less amounts not available to be used within one year:	
Endowment	<u>(523,983)</u>
Financial assets available to meet general operating expenditures within one year	<u>\$ 217,948</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.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

<u>Description</u>	<u>Amount</u>
Rebrand	\$ 29,900
Computers	3,936
Total	33,836
Less: accumulated depreciation and amortization	(14,837)
Net property and equipment	<u>\$ 18,999</u>

Depreciation and amortization expense for the year was \$7,109.

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.

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.

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

<u>Description</u>	<u>Amount</u>
Balance, beginning of year	\$ 628,481
Interest and dividend income	14,977
Realized/unrealized gains and losses, net	28,688
Less: management fees	(5,884)
Net investment return	37,781
Less: distributions	(142,279)
Balance, end of year	<u>\$ 523,983</u>

Additionally, during the year, the Organization earned \$2,919 interest income on its operating cash accounts.

NOTE 6 - NET ASSETS WITH DONOR PURPOSE RESTRICTIONS

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

<u>Description</u>	<u>Amount</u>
Oral health services	\$ 63,431
Telehealth	60,882
Food security	32,955
Total	<u>\$ 157,268</u>

NOTE 7 - 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	\$ 237,699
Food security	211,500
Oral health services	55,172
Total	<u>\$ 504,371</u>

NOTE 8 - 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 11 - MANAGEMENT PLANS

For 2025, we have a stable budget with current grants and are applying for several more, and have identified additional ones we will apply for throughout this year. We are going to receive a "transitional" grant from Delta Dental Foundation of Colorado for about \$37,000. This grant will allow us to hire a strategic planning and fund strategy consultant to discuss and plan for the future of this organization beyond this year.