

**COLORADO COALITION FOR THE
MEDICALLY UNDERSERVED**

FINANCIAL STATEMENTS


FOR THE YEAR ENDED DECEMBER 31, 2014

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

COLORADO COALITION FOR THE MEDICALLY UNDERSERVED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

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Taylor, Roth and Company, PLLC
Certified Public Accountants
working exclusively with nonprofit organizations

May 7, 2015

INDEPENDENT AUDITORS' REPORT

Board of Directors
Colorado Coalition for the Medically Underserved
Denver, Colorado

We have audited the accompanying statements of **Colorado Coalition for the Medically Underserved** (a Colorado nonprofit corporation) which comprise the statement of financial position as of December 31, 2014, 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.

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 of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatements 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 reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Colorado Coalition for the Medically Underserved as of December 31, 2014, and the changes in its net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Colorado Coalition for the Medically Underserved's 2013 financial statements and we expressed an unqualified opinion on those financial statements in our report dated June 5, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.



TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

COLORADO COALITION FOR THE MEDICALLY UNDERSERVED

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2014

(WITH COMPARATIVE TOTALS FOR 2013)

	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
Cash and cash equivalents - unrestricted	\$ 271,789	\$ 367,384
Cash and cash equivalents - temporarily restricted	15,772	18,260
Cash held for others	-	69,385
Grants receivable - unrestricted (Note 3)	202,500	165,000
Grants receivable - temporarily restricted	-	9,000
Prepaid expenses	7,386	8,049
Property and equipment (Note 4)	518	2,054
Total assets	<u>\$ 497,965</u>	<u>\$ 639,132</u>
<u>Liabilities and net assets</u>		
Accounts payable	\$ 656	\$ 1,000
Funds held for others	-	69,385
Commitments (Note 5)		
Total liabilities	<u>656</u>	<u>70,385</u>
<u>Net assets</u>		
Unrestricted	481,537	541,487
Temporarily restricted (Note 6)	<u>15,772</u>	<u>27,260</u>
Total net assets	<u>497,309</u>	<u>568,747</u>
Total liabilities and net assets	<u>\$ 497,965</u>	<u>\$ 639,132</u>

The accompanying notes are an integral part of these financial statements

COLORADO COALITION FOR THE MEDICALLY UNDERSERVED

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	2014			2013
	Unrestricted	Temporarily Restricted	Total	Total
<u>Revenue and other support</u>				
Foundations and grants	\$ 241,752	\$ 111,500	\$ 353,252	\$ 468,001
Special event income	53,848	-	53,848	42,739
Less: direct event expenses	(11,148)	-	(11,148)	(16,794)
Memberships	24,434	-	24,434	21,100
Contributions	17,370	-	17,370	9,855
Other contracts	6,900	-	6,900	16,446
Fiscal administration fees	1,500	-	1,500	5,748
Interest income	252	-	252	293
Government contracts	-	-	-	25,000
Fellowship support	-	-	-	2,500
Other	2,525	-	2,525	-
Net assets released from restriction (Note 7)	122,988	(122,988)	-	-
Total revenue and other support	460,421	(11,488)	448,933	574,888
<u>Expense</u>				
Program services	439,103	-	439,103	480,425
Supporting services				
Management and general	50,723	-	50,723	47,389
Fund-raising	30,545	-	30,545	30,370
Total expense	520,371	-	520,371	558,184
Change in net assets	(59,950)	(11,488)	(71,438)	16,704
Net assets, beginning of year	541,487	27,260	568,747	552,043
Net assets, end of year	\$ 481,537	\$ 15,772	\$ 497,309	\$ 568,747

The accompanying notes are an integral part of these financial statements

COLORADO COALITION FOR THE MEDICALLY UNDERSERVED

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR 2013)**

	2014			2013	
	Supporting services				
	Program Services	Manage- ment and General	Fundraising	Total	Total
Salaries	\$ 265,695	\$ 30,438	\$ 20,926	\$ 317,059	\$ 306,880
Payroll taxes and benefits	49,850	5,711	3,926	59,487	66,261
Partner contracts (Note 10)	36,000	-	-	36,000	36,000
Rent	15,513	3,103	2,068	20,684	19,110
Travel	16,430	-	-	16,430	20,205
Contract services - lobbying	12,500	-	-	12,500	30,000
Contract services - other	10,588	-	-	10,588	29,206
Telephone	7,197	824	567	8,588	8,823
Meetings	7,713	-	-	7,713	12,664
Accounting services	-	6,250	-	6,250	3,075
Conference	4,614	-	-	4,614	2,735
Office supplies	2,808	322	221	3,351	2,695
Organizational development	-	1,209	1,799	3,008	3,420
Printing	2,061	200	372	2,633	5,517
Special events	2,500	-	-	2,500	2,000
Professional services	-	1,595	-	1,595	1,223
Insurance	1,326	152	104	1,582	2,199
Website	1,356	-	-	1,356	402
Postage	231	-	460	691	886
Small furniture purchase	582	-	-	582	1,080
Program supplies	146	-	-	146	816
Memberships	-	-	-	-	375
Bank fees	-	-	-	-	149
All other	706	772	-	1,478	927
	<u>437,816</u>	<u>50,576</u>	<u>30,443</u>	<u>518,835</u>	<u>556,648</u>
Depreciation	1,287	147	102	1,536	1,536
Total	<u>\$ 439,103</u>	<u>\$ 50,723</u>	<u>\$ 30,545</u>	<u>\$ 520,371</u>	<u>\$ 558,184</u>

The accompanying notes are an integral part of these financial statements

COLORADO COALITION FOR THE MEDICALLY UNDERSERVED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR 2013)**

	<u>2014</u>	<u>2013</u>
<u>Cash flows from operating activities</u>		
Change in net assets	\$ (71,438)	\$ 16,704
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	1,536	1,536
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in grants receivable	(28,500)	65,599
(Increase)decrease in prepaid expenses	663	(655)
Increase(decrease) in accounts payable	<u>(344)</u>	<u>290</u>
Net cash provided(used) by operating activities	<u>(98,083)</u>	<u>83,474</u>
Cash flows from investing activities		
(Purchases) of fixed assets	<u>-</u>	<u>(1,555)</u>
Net cash provided(used) by investing activities	<u>-</u>	<u>(1,555)</u>
Net increase(decrease) in cash and cash equivalents	(98,083)	81,919
Cash and cash equivalents, beginning of year	<u>385,644</u>	<u>303,725</u>
Cash and cash equivalents, end of year	<u>\$ 287,561</u>	<u>\$ 385,644</u>

The accompanying notes are an integral part of these financial statements

COLORADO COALITION FOR THE MEDICALLY UNDERSERVED

NOTES TO FINANCIAL STATEMENTS **FOR THE YEAR ENDED DECEMBER 31, 2014**

NOTE 1 - DESCRIPTION OF THE ORGANIZATION

Colorado Coalition for the Medically Underserved (the Organization) is a nonprofit organization incorporated in 2003 for the purpose of creating opportunities and eliminating barriers to good health for medically underserved Coloradans. The Organization is supported primarily through foundations and grants.

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 Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

3. Cash and Cash Equivalents

Cash and cash equivalents are considered to be all unrestricted highly liquid investments with an initial maturity of three months or less.

4. Donations

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities, as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless the explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent donor stipulations regarding how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

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

5. Capitalization and Depreciation

The Organization follows the practice of capitalizing all expenditures for land, buildings and equipment of \$500 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.

6. 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.

7. Income Taxes

The Organization is exempt from Federal and State income taxes under the provisions of Internal Revenue Code Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements. The Organization's Federal Return of Organization Exempt From Income Tax (Form 990) is subject to examination by the IRS, generally for three years after filing.

8. Functional Reporting of Expenses

For the year ended December 31, 2014, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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, 2013, from which the summarized information was derived.

10. Subsequent Events

Management has evaluated subsequent events through May 7, 2015, the date the financial statements were available to be distributed.

NOTE 3 - GRANTS RECEIVABLE

Funding sources:

In 2014 the Organization was awarded several multi-year grants. Management has evaluated these grants and does not feel that an allowance for doubtful accounts is needed and feels that the present value discount would not be significant to these financial statements. The year-end balance of grants receivable is \$202,500 and expected receipts are as follows:

<u>Description</u>	<u>2015</u>	<u>2016</u>	<u>Total</u>
The Colorado Trust	\$ 95,000	\$ 57,500	\$ 152,500
Rose Community Foundation	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total	<u>\$ 145,000</u>	<u>\$ 57,500</u>	<u>\$ 202,500</u>

NOTE 4 - PROPERTY AND EQUIPMENT

At year-end, property and equipment consisted of:

<u>Description</u>	<u>Amount</u>
Computers	\$ 9,999
Less: accumulated depreciation	<u>(9,481)</u>
Net property and equipment	<u>\$ 518</u>

Depreciation expense for the year was \$1,536.

NOTE 5 - COMMITMENTS

The Organization leases office space in Denver, Colorado. The future minimum lease payments are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2015	\$ 18,190
2016	18,865
2017	<u>20,106</u>
Total	<u>\$ 57,161</u>

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted nets assets are available for the following purposes:

<u>Description</u>	<u>Amount</u>
Aurora Health Access	\$ 7,262
Network of Health Alliances	7,011
All Kids Covered	<u>1,499</u>
Total	<u>\$ 15,772</u>

NOTE 7 - NET ASSETS RELEASED FROM RESTRICTIONS

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

<u>Description</u>	<u>Amount</u>
All Kids Covered	\$ 61,751
Network of Health Alliances	51,998
Strategic Advocacy	9,000
Aurora Health Access	<u>239</u>
Total	<u>\$ 122,988</u>

NOTE 8 - CONCENTRATION OF FUNDING SOURCES

During the year, the Organization recognized income of \$240,000 or approximately 53% of its revenue from two awards granted by The Colorado Trust, one of which is a multi-year award. Without this support, the Organization would have to curtail its programs.

NOTE 9 - CONCENTRATION OF CREDIT RISK

The Organization places all of its cash with one high-quality financial institution. Amounts over \$250,000 are not insured by the FDIC or related entity. 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 its existing relationship.

NOTE 10 - PARTNER CONTRACTS

The Organization is the grant recipient for funds form the David and Lucile Packard Foundation to support All Kids Covered. Funds from this grant are shared among other state partners with formal Memorandums of Understanding who work collaboratively with the Organization to fulfill the grant obligations.

NOTE 11 - PENSION PLAN

The Organization has an employer sponsored tax-deferred retirement plan that covers all eligible employees. Employees may elect to make contributions to the plan up to the maximum permitted by the IRS if they wish. The Organization matches 100% of the employee contributions up to 3% of the employee's salary, the Organization matches 50% of the next 2% that the employee contributes to the plan. Pension expense for the year was \$5,987.