

**CENTER FOR HEALTH PROGRESS**

Financial Statements  
As Of December 31, 2017  
(With Summarized Financial Information  
As Of December 31, 2016)

Together With Independent Auditors' Report

**JDS** professional  
group  
certified public accountants, consultants and advisors

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Center for Health Progress:

**Report on the Financial Statements**

We have audited the accompanying statement of financial position of Center for Health Progress (referred to as the "Organization"), as of December 31, 2017, and the related statement of activities, functional expenses and cash flows, and the related notes to the financial statements for the year then ended.

**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 opinions 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 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.

*Members:*

*American Institute of Certified Public Accountants • Colorado Society of Certified Public Accountants*

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Independent Auditor's Report (Continued)

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 Center for Health Progress as of December 31, 2017, 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.

*Other Matters*

**Reporting on Summarized Comparative Information**

The Organization's 2016 financial statements was audited by other auditors, in which an unmodified opinion on those audited financial statements was issued in their report dated August 7, 2017, and has been included in this report for summarized comparative information purposes only.

*JDS Professional Group*

November 15, 2018

## CENTER FOR HEALTH PROGRESS

### Statement Of Financial Position

As Of December 31, 2017

(With Summarized Financial Information As Of December 31, 2016)

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<b>ASSETS</b>	<u>2017</u>	<u>2016</u>
Current Assets:		
Cash and cash equivalents	\$ 163,518	\$ 821,518
Promises to give	627,193	782,985
Investments	123,282	
Prepaid expenses		17,046
Property and equipment, net	<u>3,563</u>	<u>4,311</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 917,556</u></b>	<b><u>\$ 1,625,860</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts payable	\$ 25,013	\$ 7,291
Accrued liabilities	<u>45,229</u>	<u>10,828</u>
Total Current	<u>70,242</u>	<u>18,119</u>
Net Assets:		
Unrestricted -		
Undesignated	102,353	1,251,133
Designated property and equipment	<u>3,563</u>	<u>4,311</u>
Total Unrestricted	105,916	1,255,444
Temporarily restricted	<u>741,398</u>	<u>352,297</u>
Total Net Assets	<u>847,314</u>	<u>1,607,741</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 917,556</u></b>	<b><u>\$ 1,625,860</u></b>

## CENTER FOR HEALTH PROGRESS

### Statement Of Activities

For The Year Ended December 31, 2017

(With Summarized Financial Information For The Year Ended December 31, 2016)

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	Unrestricted	Temporarily Restricted	2017 Total	2016 Total
<b>Support And Revenue:</b>				
Foundations and other grants	\$ 321,438	\$ 67,500	\$ 388,938	\$ 1,587,567
Contributions	58,741		58,741	30,499
Special event income	80,930			
Direct benefit costs	(17,534)			
	63,396		63,396	57,134
Memberships	33,624		33,624	40,955
Other contracts	69,200		69,200	112,000
Interest income	200		200	222
Other	6,600		6,600	2,420
<b>Net assets released from restrictions:</b>				
Satisfaction of program restrictions	461,384	(461,384)		
<b>Total Support And Revenue</b>	<u>1,014,583</u>	<u>(393,884)</u>	<u>620,699</u>	<u>1,830,797</u>
<b>Expenses:</b>				
Program services	1,118,336		1,118,336	698,507
Supporting services -				
Management and general	137,837		137,837	98,659
Fundraising	124,953		124,953	68,407
<b>Total Expenses</b>	<u>1,381,126</u>		<u>1,381,126</u>	<u>865,573</u>
<b>CHANGES IN NET ASSETS</b>	(366,543)	(393,884)	(760,427)	965,224
Net Assets, Beginning Of Year	472,459	1,135,282	1,607,741	642,517
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 105,916</u>	<u>\$ 741,398</u>	<u>\$ 847,314</u>	<u>\$ 1,607,741</u>

# CENTER FOR HEALTH PROGRESS

## Statement Of Functional Expenses

For The Year Ended December 31, 2017

(With Summarized Financial Information For The Year Ended December 31, 2016)

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	Supporting Services				2016 Total
	Program Services	General Admin.	Fundraising	Total	
Salaries	\$ 527,806	\$ 82,256	\$ 75,401	\$ 685,463	\$ 449,654
Payroll taxes and benefits	113,357	17,666	16,194	147,217	102,251
Partners contracts	202,923			202,923	57,000
Rebranding promotional expense					63,157
Professional services	118,207	18,422	16,887	153,516	95,219
Facilities expense	39,618	6,174	5,660	51,452	34,753
Meetings	21,874	3,409	3,125	28,408	14,752
Travel	21,092			21,092	12,293
Participant stipends	18,331			18,331	
Miscellaneous	13,137	2,044	1,874	17,055	2,922
Small furniture/equipment	11,784	1,837	1,684	15,305	7,759
Professional development	8,993	1,402	1,285	11,680	11,131
Communications	5,155	804	737	6,696	8,126
Printing	5,086	793	727	6,606	1,663
Office supplies	3,531	550	504	4,585	168
Insurance	4,400	686	629	5,715	686
Postage	761	119	109	989	564
Administrative fees		1,525		1,525	
Membership	1,320			1,320	1,230
Website	385	60	55	500	1,497
	<u>1,117,760</u>	<u>137,747</u>	<u>124,871</u>	<u>1,380,378</u>	<u>864,825</u>
Depreciation	576	90	82	748	748
Total	<u>\$ 1,118,336</u>	<u>\$ 137,837</u>	<u>\$ 124,953</u>	<u>\$ 1,381,126</u>	<u>\$ 865,573</u>

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

## CENTER FOR HEALTH PROGRESS

### Statement Of Cash Flows

For The Year Ended December 31, 2017

(With Summarized Financial Information For The Year Ended December 31, 2016)

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	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Changes in net assets	\$ (760,427)	\$ 965,224
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	748	748
Changes in assets and liabilities -		
(Increase) decrease in promises to give	155,792	(532,485)
Decrease in prepaid expenses	17,046	3,345
Increase (decrease) in accounts payable	17,722	(367)
Increase in accrued liabilities	34,401	10,828
Net cash provided by (used in) operating activities	<u>(534,718)</u>	<u>447,293</u>
Cash flows from investing activities:		
Purchase of investments	(123,282)	
Purchases of fixed assets		(5,059)
Net cash (used in) investing activities	<u>(123,282)</u>	<u>(5,059)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(658,000)</b>	<b>442,234</b>
Cash And Cash Equivalents, Beginning Of Year	<u>821,518</u>	<u>379,284</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b><u>\$ 163,518</u></b>	<b><u>\$ 821,518</u></b>

## CENTER FOR HEALTH PROGRESS

Notes To Financial Statements  
For The Year Ended December 31, 2017

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(1) **Nature Of The Organization**

Center for Health Progress (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. In 2017 the Organization formally changed their name from Colorado Coalition for the Medically Underserved to Center for Health Progress.

(2) **Summary Of Significant Accounting Policies**

**Method Of Accounting**

The financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

**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. As of December 31, 2017, the Organization did not have any permanently restricted net assets.

**Use Of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

**Fair Value Measurements**

The Organization follows *Fair Value Measurements* which among other things requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority



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Notes To Financial Statements  
For The Year Ended December 31, 2017

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to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

*Certificates of Deposit:* The fair value of the certificates of deposit is based on amortized cost or original cost plus accrued interest.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statement of financial position.

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Notes To Financial Statements  
For The Year Ended December 31, 2017

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The carrying amount reported in the statement of financial position for cash and cash equivalents, accounts receivable, promises to give, accounts payable and accrued liabilities, approximate fair value because of the immediate or short-term maturities of these financial instruments.

### Cash And Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and demand deposit accounts. The Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

### Promises To Give

Contributions are recognized when the donor makes a promise to give, that is, in substance, unconditional. Conditional promises to give are recognized only when the conditions on which they depend on are substantially met and the promises become unconditional.

The allowance method is used to determine uncollectible unconditional promises to give. The allowance is based on the prior years' experience and management's analysis of specific promises. As of December 31, 2017, no allowance was considered necessary.

Promises to give that are expected to be collected within one year are recorded at their net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. As of December 31, 2017, all promises to give were expected to be collected within one year, and therefore no discount was computed.

### Contributions And Grants

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.

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Notes To Financial Statements (Continued)  
For The Year Ended December 31, 2017

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### 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.

### Functional Allocation Of Expenses

The costs of providing the programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the programs and supporting services benefitted.

### Prior Year Summarized 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, 2016, from which the summarized information was derived.

### Evaluation of Subsequent Events

The Organization has performed an evaluation of subsequent events through November 15, 2018, which is the date the financial statements were available to be issued, and has considered any relevant matters in the preparation of the financial statements and footnotes.

### (3) Tax Exempt Status

The Organization is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code. As such, donors are entitled to a charitable deduction for their contribution to the Organization.

Organization follows the *Accounting for Uncertainty in Income Taxes* accounting standard which requires Organization to determine whether a tax position (and the related tax benefit) is more likely than not to be sustained upon examination by the applicable taxing authority, based solely on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement, presuming that the tax position is examined by the appropriate taxing authority that has full knowledge of all relevant information. During the year ended December 31, 2017, Organization's management evaluated its

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Notes To Financial Statements (Continued)  
For The Year Ended December 31, 2017

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tax positions to determine the existence of uncertainties, and did not note any matters that would require recognition or which may have an affect on its tax-exempt status.

Organization is no longer subject to U.S. federal tax audits on its Form 990 by taxing authorities for years ending prior to December 31, 2014. The years subsequent to this year contain matters that could be subject to differing interpretations of applicable tax laws and regulations. Although the outcome of tax audits is uncertain, Organization believes no issues would arise.

### (4) **Investments And Concentration of Credit Risk**

As of December 31, 2017, the Organization only had investments (certificates of deposit) using Level 1 inputs.

The Organization places all of its cash with one 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.

### (5) **Property And Equipment**

As of year ended December 31, 2017, property and equipment consisted of the following:

Computers	\$ 5,184
Furniture and fixtures	1,430
Less: accumulated depreciation	(3,050)
	<u>\$ 3,564</u>

Depreciation expense for the year ended was \$748.

**CENTER FOR HEALTH PROGRESS**

Notes To Financial Statements (Continued)  
For The Year Ended December 31, 2017

**(6) Commitments**

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

<u>December 31,</u>	
2018	\$ 48,088
2019	49,056
2020	50,041
	<u>\$ 147,185</u>

**(7) Temporarily Restricted Net Assets**

Temporarily restricted net assets for the year ended December 31, 2017 for the following purposes:

	<u>2017</u>
Cost of Care	\$ 37,413
Immigrant Coverage and Care	76,792
Promises to give	627,193
	<u>\$ 741,398</u>

**(8) Partner Contracts**

The Organization is the grant recipient for funds from 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.

**(9) Pension Plans**

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 employees 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 ended December 31, 2017, was \$20,266.

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Notes To Financial Statements (Continued)  
For The Year Ended December 31, 2017

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(10) **Conditional Promises To Give**

As of December 31, 2017, the Organization had a conditional promise to give in the amount of \$285,000, which will be reflected in the financial statements when the conditions are met.