

**COLORADO FOUNDATION FOR PUBLIC
HEALTH AND THE ENVIRONMENT**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013


TOGETHER WITH INDEPENDENT AUDITORS' REPORT

COLORADO FOUNDATION FOR PUBLIC HEALTH AND THE ENVIRONMENT

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

July 17, 2014

Independent Auditors' Report

Board of Directors
Colorado Foundation for Public Health and the Environment
Denver, Colorado

We have audited the accompanying statements of Colorado Foundation for Public Health and the Environment (a Colorado nonprofit corporation) which comprise the statement of financial position as of December 31, 2013, 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standard* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 auditors' 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 Colorado Foundation for Public Health and the Environment as of December 31, 2013, 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

We have previously audited the Colorado Foundation for Public Health and the Environment's 2012 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 17, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 17, 2014 on our consideration of Colorado Foundation for Public Health and the Environment's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Colorado Foundation for Public Health and the Environment's internal control over financial reporting and compliance.

Taylor, Roth, and Company PLLC
TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

COLORADO FOUNDATION FOR PUBLIC HEALTH AND THE ENVIRONMENT

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2013

(WITH COMPARATIVE TOTALS FOR 2012)

	<u>2013</u>	<u>2012</u>
<u>Assets</u>		
Cash and cash equivalents - unrestricted	\$ 246,234	\$ 265,156
Cash and cash equivalents - board designated for programs and projects	257,094	369,520
Cash and cash equivalents - temporarily restricted	532,479	492,840
Contracts receivable	115,463	68,672
Grants receivable - temporarily restricted (Note 3)	808,652	74,180
Prepaid expenses	6,833	1,455
Total assets	<u>\$ 1,966,755</u>	<u>\$ 1,271,823</u>
 <u>Liabilities and net assets</u>		
Accounts payable	\$ 40,566	\$ 20,702
Payroll liabilities	4,879	13,221
Deferred contract revenue	18,266	4,722
Total liabilities	<u>63,711</u>	<u>\$ 38,645</u>
 Net assets		
Unrestricted		
Operating	304,819	296,638
Board designated for programs and projects	257,094	369,520
Temporarily restricted (Note 4)	1,341,131	567,020
Total net assets	<u>1,903,044</u>	<u>1,233,178</u>
Total liabilities and net assets	<u>\$ 1,966,755</u>	<u>\$ 1,271,823</u>

The accompanying notes are an integral part of these financial statements

COLORADO FOUNDATION FOR PUBLIC HEALTH AND THE ENVIRONMENT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	2013			2012
	Unrestricted	Temporarily Restricted	Total	Total
<u>Revenue and other support</u>				
Foundations	\$ 30,209	\$ 1,524,555	\$ 1,554,764	\$ 542,324
Government contracts (Note 5)	703,484	89,669	793,153	714,460
Program service fees	149,157	-	149,157	124,675
Corporations	-	45,699	45,699	63,420
Individuals	-	13,981	13,981	4,710
Interest income	1,617	-	1,617	350
Compliance ordered donation	-	-	-	30,000
Other	12,391	-	12,391	2,084
In-kind contributions (Note 7)	781	-	781	-
Net assets released from restrictions (Note 6)	899,793	(899,793)	-	-
Total revenue and other support	<u>1,797,432</u>	<u>774,111</u>	<u>2,571,543</u>	<u>1,482,023</u>
<u>Expense</u>				
Project services	1,419,652	-	1,419,652	1,680,062
Program services	372,530	-	372,530	551,990
Total program services	<u>1,792,182</u>	<u>-</u>	<u>1,792,182</u>	<u>2,232,052</u>
Supporting services				
Administration	109,495	-	109,495	125,718
Fundraising	-	-	-	-
Total expense	<u>1,901,677</u>	<u>-</u>	<u>1,901,677</u>	<u>2,357,770</u>
Change in net assets	(104,245)	774,111	669,866	(875,747)
Net assets, beginning of year	<u>666,158</u>	<u>567,020</u>	<u>1,233,178</u>	<u>2,108,925</u>
Net assets, end of year	<u>\$ 561,913</u>	<u>\$ 1,341,131</u>	<u>\$ 1,903,044</u>	<u>\$ 1,233,178</u>

The accompanying notes are an integral part of these financial statements

COLORADO FOUNDATION FOR PUBLIC HEALTH AND THE ENVIRONMENT

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)

	2013				2012	
	Supporting Services					
			Management and General	Fund- raising	Total	Total
	Project	Program				
Salaries	\$ 61,475	\$ 7,344	\$ 58,300	\$ -	\$ 127,119	\$ 116,861
Payroll taxes and benefits	12,295	1,469	11,585	-	25,349	25,082
Professional fees	522,033	227,793	3,046	-	752,872	722,306
Contract services	345,608	2,500	1,100	-	349,208	652,192
Grants	189,843	2,112	2,500	-	194,455	89,622
Conferences	55,899	99,688	2,831	-	158,418	170,074
Advertising	124,752	-	-	-	124,752	377,500
Travel	25,313	3,310	3,477	-	32,100	61,382
Office supplies	21,953	4,582	1,519	-	28,054	32,423
Program materials	2,349	17,235	130	-	19,714	10,817
Printing	15,495	423	412	-	16,330	17,665
Funds returned	13,685	-	-	-	13,685	17,872
Equipment	10,560	1,121	1,415	-	13,096	16,799
Rent	3,720	-	5,846	-	9,566	3,348
Accounting and legal	1,576	-	7,250	-	8,826	6,925
Telephone	5,983	868	1,765	-	8,616	8,485
Website	2,518	1,684	2,643	-	6,845	10,746
Insurance	1,029	-	2,987	-	4,016	3,030
Dues	975	100	751	-	1,826	2,130
Other	2,591	2,301	1,938	-	6,830	12,511
Total	\$1,419,652	\$ 372,530	\$ 109,495	\$ -	\$1,901,677	\$ 2,357,770

The accompanying notes are an integral part of these financial statements

COLORADO FOUNDATION FOR PUBLIC HEALTH AND THE ENVIRONMENT

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR 2012)**

	<u>2013</u>	<u>2012</u>
<u>Cash flows from operating activities</u>		
Change in net assets	\$ 669,866	\$ (875,747)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
<u>Changes in operating assets and liabilities</u>		
(Increase)decrease in accounts receivable	(46,791)	71,839
(Increase)decrease in grants receivable	(734,472)	242,913
(Increase)decrease in prepaid assets	(5,378)	(153)
(Decrease)increase in accounts payable	19,864	(142,541)
(Decrease)increase in payroll liabilities	(8,342)	4,414
(Decrease)increase in deferred contract revenue	<u>13,544</u>	<u>(9,129)</u>
Net cash provided(used) by operating activities	<u>(91,709)</u>	<u>(708,404)</u>
Net increase in cash and cash equivalents	(91,709)	(708,404)
Cash and cash equivalents, beginning of year	<u>1,127,516</u>	<u>1,835,920</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,035,807</u></u>	<u><u>\$ 1,127,516</u></u>

The accompanying notes are an integral part of these financial statements

COLORADO FOUNDATION FOR PUBLIC HEALTH AND THE ENVIRONMENT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 1 - NATURE OF ACTIVITIES

The Colorado Foundation for Public Health and the Environment (Organization) was incorporated in 1993 in Colorado as 501(c)(3) non-profit organization. The mission of the Organization is to mobilize community and public resources in the interest of health and well being of the residents of Colorado and the Rocky Mountain region; to protect and improve Colorado's environment; to prevent disease, disability, premature death; and to assist in the development and implementation of policies and services that maintain and improve the personal health and environment of all citizens, including those with special needs. The Organization is primarily funded by foundation awards 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 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

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

4. Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. When necessary, management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts.

5. Capitalization and Depreciation

The Organization follows the practice of capitalizing all expenditures for furniture and equipment in excess of \$1,000. The fair value of donated assets is similarly capitalized. Depreciation of furniture and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

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

6. 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 is met, 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.

7. 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.

8. 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.

9. Functional Reporting of Expenses

For the year ended December 31, 2013, 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.

10. Subsequent Events

Management has evaluated subsequent events through July 17, 2014, the date the financial statements were available to be issued.

NOTE 3 - GRANTS RECEIVABLE – CONCENTRATION

The Organization has several multi-year awards, which will be paid out over several years. At December 31, 2013, the outstanding amount totaled \$808,652.

The Colorado Health Foundation grants represent 86% of grants receivable. Management does not believe a present value discount or allowance for uncollectable would be significant to these financial statements. The remaining amounts of the grants are to be received as follows:

<u>Description</u>	<u>Amount</u>
2014	\$ 500,171
2015	<u>308,481</u>
Total	<u>\$ 808,652</u>

NOTE 4 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are to be used for the following purposes:

<u>Description</u>	<u>Amount</u>
Programs	
RIHEL/Healthy Community/Colorado Health Foundtion	\$ 289,150
RIHEL/Encana	24,250
RIHEL/General	15,327
RIHEL/Healthy Community/General	<u>1,455</u>
Total Programs	<u>\$ 330,182</u>
Projects	
Farm to School Task Force	\$ 364,399
Aurora Health Access	314,275
Colorado Prevention Alliance	231,246
Delta Dental Bootcamp	37,037
Systems of Care Initiative	29,624
CREA Results/Komen Grant	23,844
Think about it Colorado	8,275
Rocky Mountaina Public Health Education Consortium	1,199
Colorado Department of Public Health and Environment/Colorado Trust-LGBT	658
Foundation Operating	200
SUSTAIN	<u>192</u>
Total Projects	<u>\$ 1,010,949</u>
Total	<u>\$ 1,341,131</u>

NOTE 5 - GOVERNMENT CONTRACTS

The \$703,484 in unrestricted revenue from government contracts includes reimbursements from government agencies for products and services already delivered in the fulfillment of various government contracts.

NOTE 6 - NET ASSETS RELEASED FROM 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>
Programs	
RIHEL/Encana	\$ 25,000
RIHEL/General	21,083
RIHEL/Building Public Will	19,776
RIHEL/Advanced Leadership Training Program/Kaiser	10,000
RIHEL/Advanced Leadership Training Program/Colorado Health Foundation	8,000
RIHEL/Healthy Community/Colorado Health Foundation	8,000
RIHEL/Healthy Community/General	<u>45</u>
Total Programs	<u>\$ 91,904</u>
Projects	
Entravision/Building Public Will	\$ 155,448
Colorado Cancer Coalition/Cancer Fund	150,940
Farm to School Task Force	137,527
Colorado Prevention Alliance	99,386
Think about it Colorado	64,157
CREA Results/Komen Grant	53,292
Systems of Care Initiative	35,552
Encrucijada	28,064
Colorado Cancer Coalition/Breast Cancer Resource Directory	26,680
Colorado Cancer Coalition/General Account	14,178
SUSTAIN	13,064
Drug Policy Alliance	7,519
Aurora Health Access	7,085
Colorado Department of Public Health and Environment/Colorado Trust	3,972
Colorado Cancer Coalition/Pediatric Cancer	3,533
Delta Dental Bootcamp	2,963
Colorado Cancer Coalition/Breast Cancer Resource Directory Online Edition	2,602
Colorado Cancer Coalition/Skin Cancer	<u>1,927</u>
Total Projects	<u>\$ 807,889</u>
Total	<u>\$ 899,793</u>

NOTE 7 - IN-KIND CONTRIBUTIONS

During the year, in-kind contributions were received as follows:

<u>Description</u>	<u>Amount</u>
Professional services	\$ 750
Materials	<u>31</u>
Total	<u>\$ 781</u>

No amounts have been reflected in the financial statements for donated services not requiring specific expertise.

NOTE 8 - LINE OF CREDIT

There is no current balance on a \$50,000 bank line-of-credit at an interest rate of prime plus 6.75 percent.

NOTE 9 - FUNDING AGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. In that event, the Organization may be required to refund amounts to the grantor.