COLORADO CONSUMER HEALTH INITIATIVE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

COLORADO CONSUMER HEALTH INITIATIVE

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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TAYLORROTH
Certified Public Accountants
WORKING EXCLUSIVELY WITH NONPROFITS

July 13, 2023

Independent Auditors' Report

Board of Directors
Colorado Consumer Health Initiative
Denver, Colorado

Opinion

We have audited the accompanying financial statements of **Colorado Consumer Health Initiative** (a Colorado based nonprofit corporation), which comprise the statement of financial position as of December 31, 2022, 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 Colorado Consumer Health Initiative as of December 31, 2022, 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 State 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 Colorado Consumer Health Initiative 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 these 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 Colorado Consumer Health Initiative'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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 Colorado Consumer Health Initiative'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 aggregative, that raise substantial doubt about Colorado Consumer Health Initiative'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 Colorado Consumer Health Initiative's financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 7, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, 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

COLORADO CONSUMER HEALTH INITIATIVE

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022	2021
Assets		
Cash and cash equivalents	$ 658,244	$ 772,151
Certificates of deposit (Note 3)	295,350	169,500
Accounts and contributions receivable	2,844	1,534
Grants receivable (Note 4)	506,342	68,250
Prepaid expenses	13,129	12,822
Right of use asset (Note 5)	35,109	-
Property and equipment, net (Note 6)	10,586	12,393
Total assets	$ 1,521,604	$ 1,036,650
Liabilities and net assets		
Accounts payable	$ 37,498	$ 40,064
Grant payable	60,000	-
Accrued payroll liabilities	53,763	46,028
Lease liability (Note 5)	35,109	-
Total liabilities	186,370	86,092
Net assets		
Without donor restrictions		
Undesignated	312,825	236,699
Board designated operating reserve (Note 7)	169,508	168,905
	482,333	405,604
With donor restrictions (Note 8)	852,901	544,954
Total net assets	1,335,234	950,558
Total liabilities and net assets	$ 1,521,604	$ 1,036,650

The accompanying notes are an integral part of these financial statements

COLORADO CONSUMER HEALTH INITIATIVE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and other support				
Foundations, nonprofits and other	$ 22,500	$ 1,764,730	1,787,230	$1,469,060
Program service fees	52,700	-	52,700	45,100
Individuals	35,370	-	35,370	38,253
Fiscal sponsor (Note 9)	20,267	-	20,267	14,944
Fundraising events	19,661	-	19,661	20,226
Interest income	1,801	-	1,801	1,002
Membership dues	1,225	-	1,225	6,018
Corporations	15,095	-	15,095	74
In-kind contributions (Note 10)	78	-	78	-
Paycheck Protection Program loans forgiven (Note 11)	-	-	-	220,000
Net assets released from restrictions (Note 12)	1,456,783	(1,456,783)	-	-
Total revenue and other support	1,625,480	307,947	1,933,427	1,814,677
Expense				
Program	1,433,784	-	1,433,784	1,369,496
Supporting services				
Management and general	84,640	-	84,640	183,112
Fund-raising	30,327	-	30,327	33,722
Total expense	1,548,751	-	1,548,751	1,586,330
Change in net assets	76,729	307,947	384,676	228,347
Net assets, beginning of year	405,604	544,954	950,558	722,211
Net assets, end of year	$ 482,333	$ 852,901	$ 1,335,234	$ 950,558

The accompanying notes are an integral part of these financial statements

COLORADO CONSUMER HEALTH INITIATIVE

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022				2021
		Supporting Services			
	Program	Management and General	Fund-raising	Total	Total
Personnel expenses	$ 769,289	$ 27,210	$ 5,249	$ 801,748	$ 729,127
Program contracts and stipends	297,209	-	-	297,209	147,676
Consultants - other	30,156	36,793	19,300	86,249	53,499
Facilitation consultants	77,875	-	-	77,875	76,850
Lobbying	50,000	-	-	50,000	50,667
Lease	41,467	2,546	-	44,013	40,566
Media consultants	36,000	-	-	36,000	121,500
Advertising	27,085	14	-	27,099	131,638
Technology	17,899	772	-	18,671	19,884
Travel and meetings	16,412	2,233	-	18,645	31,050
Field canvassers	15,014	-	-	15,014	14,244
Accounting and legal services	-	12,961	-	12,961	11,555
Actuarial consultants	12,500	-	-	12,500	-
Office	8,152	69	1,705	9,926	5,994
Dues and subscriptions	6,612	81	-	6,693	7,137
Polling consultants	5,673	-	-	5,673	6,806
Research and analysis consultants	5,000	-	-	5,000	101,500
Telecommunications	4,642	293	-	4,935	4,765
Fundraising events	-	-	3,977	3,977	2,679
Insurance	3,529	261	-	3,790	3,535
Bank and merchant fees	-	699	18	717	1,178
Convening consultants	-	-	-	-	15,000
Other	-	23	78	101	16
	1,424,514	83,955	30,327	1,538,796	1,576,866
Depreciation and amortization	9,270	685	-	9,955	9,464
Total	$1,433,784	$ 84,640	$ 30,327	$ 1,548,751	$ 1,586,330

The accompanying notes are an integral part of these financial statements

COLORADO CONSUMER HEALTH INITIATIVE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	2022	2021
Cash flows from operating activities		
Change in net assets	$ 384,676	$ 228,347
Adjustments to reconcile change in net assets to net cash provided(used) by operating activities:		
Paycheck Protection Program loans forgiven	-	(220,000)
Depreciation and amortization	9,955	9,464
Reinvested interest	(1,145)	(730)
Changes in operating assets and liabilities		
Decrease(increase) in accounts and contributions receivable	(1,310)	(224)
Decrease(increase) in grants receivable	(438,092)	(60,750)
Decrease(increase) in prepaid expenses	(307)	(6,830)
Decrease(increase) in right of use asset	40,065	-
(Decrease)increase in accounts payable	(2,566)	(4,405)
(Decrease)increase in grant payable	60,000	-
(Decrease)increase in accrued payroll liabilities	7,735	4,446
(Decrease)increase in lease liability	(40,065)	-
(Decrease)increase in amounts due to others	-	(135,546)
Net cash provided(used) by operating activities	18,946	(186,228)
Cash flows from investing activities		
Redemption(purchases) of certificates of deposit	(124,705)	100,399
(Purchases) of property and equipment	(8,148)	(3,758)
Net cash provided(used) by investing activities	(132,853)	96,641
Cash flows from financing activities		
Proceeds from Paycheck Protection Program loan	-	120,000
Net increase(decrease) in cash and cash equivalents	(113,907)	30,413
Cash and cash equivalents beginning of year	772,151	741,738
Cash and cash equivalents end of year	$ 658,244	$ 772,151

The accompanying notes are an integral part of these financial statements

COLORADO CONSUMER HEALTH INITIATIVE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 - NATURE OF ACTIVITIES

Colorado Consumer Health Initiative is a nonprofit corporation incorporated under the laws of the State of Colorado. The Organization's mission is to advance the consumer voice to improve access to health care for all Coloradans by working statewide for progress towards equity, affordability, and quality. Colorado Consumer Health Initiative is a consumer-oriented, membership-based health advocacy organization that serves Coloradans whose access to health care and financial security are compromised by structural barriers, affordability, poor benefits, or unfair business practices of the health care industry.

- Increase access and affordable, high-quality health coverage and care for Coloradans who have historically faced oppression, systemic racism and other structural barriers.
- Increase the health care system's accountability to Colorado consumers for providing equitable, high-value health care in ways that support dismantling and reversing systemic racism, and promoting financial security.
- Ensure a consumer informed, anti-racist , and anti-oppression health care policy agenda through engaging communities facing the greatest structural barriers to health care.
- Assist and empower individual consumers to protect their health and financial security by resolving problems accessing and affording health care.

The Organization is primarily supported through foundations, nonprofits, and other 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 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.

3. Cash and Cash Equivalents

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

4. Capitalization, Depreciation and Amortization

The Organization follows the practice of capitalizing all expenditures for furniture, equipment and website and software in excess of $2,500. The fair value of donated assets is similarly capitalized. Depreciation of furniture and equipment and amortization of website and software is provided over the estimated useful lives of the respective assets on a straight-line basis.

5. Leases

The Organization determines if an arrangement is or contains a lease at inception and whether it will be classified as an operating or finance lease based upon the accounting criteria. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. The Organization uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, the Organization uses its incremental borrowing rate to determine the present value of the future lease payments. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization applies the short-term lease exemption of not recognizing a ROU asset and lease liability for leases that have terms of 12 months or less. Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

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 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.

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

8. Revenue Recognition

Program service fees are generally recognized over the period of time services are performed. Membership dues are recognized upon receipt and represent primarily affiliation-based benefits.

9. Functional Reporting of Expenses

For the year ended December 31, 2022, 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 personnel expenses which are allocated based on time and effort. Other expenses are allocated based upon the program or supporting service benefited.

10. 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, 2021, from which the summarized information was derived.

11. 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.

12. Recently Adopted Accounting Standards

In 2022, the Organization adopted Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842),* which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The Organization elected not to restate the comparative period (2021). It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases.

As a result of adopting ASU No. 2016-02, the Organization recognized right of use assets and lease liabilities of $75,174 in its statement of financial position on January 1, 2022. The adoption had no impact upon net assets and did not result in a significant effect on amounts reported in the statement of activities or cash flows for the year.

13. Subsequent Events

Management has evaluated subsequent events through July 13, 2023, the date the financial statements were available to be issued.

NOTE 3 - CERTIFICATES OF DEPOSIT

The Organization purchases certificates of deposit having initial maturities of one year or less. The certificates of deposit held at year-end carry interest rates ranging from .35% to 1.62%.

NOTE 4 - GRANTS RECEIVABLE

At year-end, the Organization has received commitments from several foundations and nonprofit organizations for future funding. Under the terms of the commitments, the grant payments are anticipated to be received during the upcoming year.

NOTE 5 - LEASES

The Organization has an agreement as a lessee for its office space. Lease cost is solely comprised of the operating lease cost.

Maturities of the lease liability as of December 31, 2022, were as follows:

Year	Amount
2023	$ 36,000
Less amount representing interest	(891)
Present value of minimum lease payments	$ 35,109

The weighted-average discount rate used to calculate the present value of future minimum lease payments was 5.50%. The weighted-average lease term was .83 years as of year-end.

Supplemental cash flow information follows:

Description	Amount
Cash paid for amounts included in measurement of lease liabilities	
Operating cash outflows from operating leases	$ 36,000
Right of use assets obtained in exchange for new lease liabilities	$ 75,174

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Description	Amount
Furniture and equipment	$ 30,357
Website	8,625
Software	6,500
Total	45,482
Less: accumulated depreciation and amortization	(34,896)
Property and equipment, net	$ 10,586

Depreciation and amortization expense for the year was $9,955.

NOTE 7 - BOARD DESIGNATED OPERATING RESERVE

The Organization's board of directors established an operating reserve to provide funding for financially difficult periods of time. The reserve is reviewed on an annual basis with the goal of maintaining between three to six months of the annual operating budget. The reserve is held in a savings account and certificates of deposit.

NOTE 8 - NET ASSETS WITH DONOR PURPOSE RESTRICTIONS

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

Description	Amount
Time restricted	$ 496,528
Oral health access	175,000
Health coverage and access	104,673
Prescription drug costs	49,487
Consumer protection assistance and education	27,213
Total	$ 852,901

NOTE 9 - FISCAL SPONSOR AGREEMENTS AND RELATED PARTY

During a prior year, the Organization entered into a fiscal sponsor agreement with a consulting firm under which the Organization provides financial management services for a foundation grant made to the consulting firm. In connection with these services, the Organization receives a fee to cover associated administrative expenses. During the year, the Organization paid out $291,992 of grant funds to the consulting firm under the agreement and recognized $10,390 of income.

During the prior year, the Organization entered into a separate fiscal sponsor agreement with a like-minded nonprofit organization whose Executive Director serves on the Organization's Board of Directors. Under the agreement, the Organization provided administrative and financial management services and recognized $9,877 for these services.

NOTE 10 - IN-KIND CONTRIBUTIONS

The in-kind contributions reflect copy services provided to the Organization during the year. No amounts have been reflected in the financial statement for donated services not requiring specific expertise and/or would not be purchased if they were not contributed. Such services included volunteers who contributed approximately 750 hours to the Consumer Assistance Program.

NOTE 11 - PAYCHECK PROTECTION PROGRAM LOAN

In April 2020, the Organization received a $100,000 loan under the U.S. Small Business Administration's (SBA) Paycheck Protection Program (PPP) authorized under the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). The Organization submitted a loan forgiveness application and received notification in January 2021 of the approval by the SBA for complete forgiveness of the loan.

In February 2021, the Organization received a second draw of $120,000 under the PPP. The Organization submitted a loan forgiveness application for this draw and received notification of complete forgiveness in August 2021.

NOTE 12 - NET ASSETS RELEASED FROM DONOR PURPOSE RESTRICTIONS

Net assets were released from donor purpose restrictions by incurring expenses satisfying the following restricted program purposes:

Description	Amount
Health coverage and access	$ 871,176
Prescription drug costs	242,906
Time restricted	163,472
Consumer protection assistance and education	97,787
Oral health access	81,442
Total	$ 1,456,783

NOTE 13 - CONTINGENT GRANTS

The Organization received a grant from a foundation which contained terms for payment in future years. The receipt of the remaining payment under the grant is contingent upon the grantor's acceptance of the Organization's progress towards meeting the grant's purposes and objectives. Upon the grantor's acceptance of progress under the grant, the Organization anticipates receiving the remaining payment of $59,500 during 2023.

NOTE 14 - CONCENTRATION OF REVENUE SOURCE

During the year, the Organization received approximately 26% of its revenue and other support from one foundation.

NOTE 15 - CONCENTRATION OF CREDIT RISK

The Organization maintains its cash and certificates of deposit in two financial institutions. At year-end, these institutions held depository balances of approximately $641,000 and $295,000, respectively. Amounts over $250,000 are not insured by the Federal Deposit Insurance Corporation or other entities. Management has evaluated its banking needs and the strength of the financial institutions and believes it is in the Organization's best interest to continue its existing banking relationships.

NOTE 16 - RETIREMENT PLAN

The Organization has a SIMPLE IRA retirement plan (Plan). The Plan covers all eligible employees. Employees may elect to make contributions to the Plan up to the maximum permitted. The Organization matches the first 3% of salary contributed by each eligible employee. The matching contributions for the year were $16,400.

NOTE 17 - AVAILABILITY AND LIQUIDITY

The following represents financial assets available for general operating expenditures within one year of December 31, 2022:

Financial assets at year-end:	Amount
Cash and cash equivalents	$ 658,244
Certificates of deposit	295,350
Accounts and contributions receivable	2,844
Grants receivable	506,342
Total financial assets	1,462,780
Less amounts not available to be used within one year:	
Donor purpose restricted net assets	(356,373)
Board designated operating reserve	(169,508)
Financial assets available to meet general operating expenditures within one year	$ 936,899

Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations and plans will be discharged.

Because of the board of director's designation, the board designated reserve is not available for general operating expenditures within the next year, however, the board of directors could make them available, if necessary. The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenditures. The upcoming operating expenditures are anticipated to be approximately $1,475,000 - $1,525,000. As part of its liquidity plan, excess cash is invested in certificates of deposit and a money market account.

NOTE 18 - SUBSEQUENT EVENT

In January 2023, the Organization signed a lease amendment for additional office space. The new lease payments will increase to $3,709 through October 2023.