

Healthier Colorado
The Fund for a Healthier Colorado
Healthy Air and Water Colorado Action
Open Answer LLC
Healthier Colorado Small Donor Committee
Healthier Colorado Political Committee

Combined Financial Statements and Supplemental Information
With Independent Auditor's Report

Year Ended December 31, 2022



HEALTHIER™
COLORADO

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Independent Auditor's Report

To the Board of Directors
Healthier Colorado
The Fund for a Healthier Colorado
Healthy Air and Water Colorado Action
Open Answer LLC
Healthier Colorado Small Donor Committee
Healthier Colorado Political Committee
Denver, Colorado

Opinion

We have audited the accompanying combined financial statements of Healthier Colorado, The Fund for a Healthier Colorado, Healthy Air and Water Colorado Action, Open Answer LLC, Healthier Colorado Small Donor Committee, and Healthier Colorado Political Committee (jointly referred to as the "Organization"), a nonprofit organization, which comprise the combined statement of financial position as of December 31, 2022, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements referred to above present fairly, in all material respects, the combined financial position of Healthier Colorado, The Fund for a Healthier Colorado, Healthy Air and Water Colorado Action, Open Answer LLC, Healthier Colorado Small Donor Committee, and Healthier Colorado Political Committee as of December 31, 2022, and the combined changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of Healthier Colorado, The Fund for a Healthier Colorado, Healthy Air and Water Colorado Action, Open Answer LLC, Healthier Colorado Small Donor Committee, and Healthier Colorado Political Committee 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 Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date the combined financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 GAAS 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 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 combined financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 the Organization'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying consolidating statements presented on pages 28 through 31 are presented for the purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Wipfli LLP

Wipfli LLP

Lakewood, Colorado
September 14, 2023

HEALTHIER COLORADO
THE FUND FOR A HEALTHIER COLORADO
HEALTHY AIR AND WATER COLORADO ACTION
OPEN ANSWER LLC
HEALTHIER COLORADO SMALL DONOR COMMITTEE
HEALTHIER COLORADO POLITICAL COMMITTEE

Combined Statement of Financial Position
December 31, 2022

ASSETS

	Healthier Colorado	The Fund For A Healthier Colorado	Healthy Air and Water Colorado Action	Open Answer LLC	Healthier Colorado Small Donor Committee	Healthier Colorado Political Committee	Eliminations	Combined Total
Assets								
Cash and cash equivalents	\$ 32,348	\$ 308,516	\$ 15,295	\$ 4,712	\$ 13,781	\$ 575	\$ -	\$ 375,227
Investments in marketable securities	5,922,313	-	-	-	-	-	-	5,922,313
Investment in LP	3,310,836	-	-	-	-	-	-	3,310,836
Accounts receivable	2,335	39,566	-	-	-	-	-	41,901
Related party - receivables	548,311	481,627	65,013	935	-	-	(1,095,886)	-
Escrow deposit	200,000	-	-	-	-	-	-	200,000
Lease deposit	13,193	111,109	-	-	-	-	(13,193)	111,109
Property and equipment, net	-	2,568,141	-	-	-	-	-	2,568,141
Right of use asset - operating	-	5,254,466	-	-	-	-	-	5,254,466
Total Assets	\$ 10,029,336	\$ 8,763,425	\$ 80,308	\$ 5,647	\$ 13,781	\$ 575	\$ (1,109,079)	\$ 17,783,993

LIABILITIES AND NET ASSETS

Liabilities								
Accounts payable	\$ 100,685	\$ 8,779	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,464
Accrued payroll liabilities	122,726	-	-	-	-	-	-	122,726
Tenant deposits	-	111,538	-	-	-	-	(13,193)	98,345
Related party - payables	546,640	305,397	-	243,849	-	-	(1,095,886)	-
Lease liability	-	7,498,945	-	-	-	-	-	7,498,945
Total Liabilities	770,051	7,924,659	-	243,849	-	-	(1,109,079)	7,829,480
Net Assets								
Without donor restrictions	26,136	119,012	52,972	(238,202)	13,781	575	-	(25,726)
With donor restrictions	9,233,149	719,754	27,336	-	-	-	-	9,980,239
Total Net Assets	9,259,285	838,766	80,308	(238,202)	13,781	575	-	9,954,513
Total Liabilities and Net Assets	\$ 10,029,336	\$ 8,763,425	\$ 80,308	\$ 5,647	\$ 13,781	\$ 575	\$ (1,109,079)	\$ 17,783,993

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

**HEALTHIER COLORADO
THE FUND FOR A HEALTHIER COLORADO
HEALTHY AIR AND WATER COLORADO ACTION
OPEN ANSWER LLC
HEALTHIER COLORADO SMALL DONOR COMMITTEE
HEALTHIER COLORADO POLITICAL COMMITTEE**

**Combined Statement of Activities
Year Ended December 31, 2022**

	Healthier Colorado	The Fund For A Healthier Colorado	Healthy Air and Water Colorado Action	Open Answer LLC	Healthier Colorado Small Donor Committee	Healthier Colorado Political Committee	Eliminations	Combined Total
Change in Net Assets Without Donor Restrictions:								
Support and Revenues								
Contributions and grants	\$ 643,247	\$ 669,563	\$ 40,000	\$ 2,260	\$ 58,611	\$ -	\$ -	\$ 1,413,681
Contract revenue	5,700	51,671	-	381,620	-	-	(54,000)	384,991
Net assets released from restrictions	2,234,042	341,223	27,315	-	-	-	-	2,602,580
Total Support and Revenues	2,882,989	1,062,457	67,315	383,880	58,611	-	(54,000)	4,401,252
Expenses								
Program Services								
Public policy and advocacy	1,834,118	521,007	14,343	622,082	71,000	-	(67,810)	2,994,740
Fiscal sponsorship - Chronic Care Colorado	-	158,253	-	-	-	-	-	158,253
Fiscal sponsorship - Blue Rising	-	107,460	-	-	-	-	-	107,460
Building management services	-	675,051	-	-	-	-	-	675,051
Total Program Services	1,834,118	1,461,771	14,343	622,082	71,000	-	(67,810)	3,935,504
Supporting Services								
Management and general	471,039	141,564	-	-	-	-	(86,608)	525,995
Fundraising	141,747	11,728	-	-	-	-	(2,700)	150,775
Total Supporting Services	612,786	153,292	-	-	-	-	(89,308)	676,770
Total Expenses	2,446,904	1,615,063	14,343	622,082	71,000	-	(157,118)	4,612,274
Change in Net Assets Without Donor Restrictions Before Other Activity	436,085	(552,606)	52,972	(238,202)	(12,389)	-	103,118	(211,022)
Other Activity								
Other income	-	155,565	-	-	-	-	(155,565)	-
Other expense	(155,565)	-	-	-	-	-	155,565	-
Sublease income (expense), net of \$704,892 of sublease expense	-	58,094	-	-	-	-	(103,118)	(45,024)
Total Other Activity	(155,565)	213,659	-	-	-	-	(103,118)	(45,024)
Change in Net Assets	280,520	(338,947)	52,972	(238,202)	(12,389)	-	-	(256,046)
Change in Net Assets With Donor Restrictions:								
Support and Revenues								
Contributions and grants	30,000	663,225	-	-	-	-	-	693,225
Equity in loss of LP investment	(854,864)	-	-	-	-	-	-	(854,864)
Investment income, net	80,771	-	-	-	-	-	-	80,771
Net assets released from restrictions	(2,234,042)	(341,223)	(27,315)	-	-	-	-	(2,602,580)
Change in Net Assets With Donor Restrictions	(2,978,135)	322,002	(27,315)	-	-	-	-	(2,683,448)
Change in Net Assets	(2,697,615)	(16,945)	25,657	(238,202)	(12,389)	-	-	(2,939,494)
Net Assets, Beginning of Year	11,956,900	855,711	54,651	-	26,170	575	-	12,894,007
Net Assets, End of Year	\$ 9,259,285	\$ 838,766	\$ 80,308	\$ (238,202)	\$ 13,781	\$ 575	\$ -	\$ 9,954,513

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

HEALTHIER COLORADO
THE FUND FOR A HEALTHIER COLORADO
HEALTHY AIR AND WATER COLORADO ACTION
OPEN ANSWER LLC
HEALTHIER COLORADO SMALL DONOR COMMITTEE
HEALTHIER COLORADO POLITICAL COMMITTEE

Combined Statement of Functional Expenses
Year Ended December 31, 2022

	Program Services							Supporting Services							Eliminations	Combined Total
								Management and General			Fundraising					
	Healthier Colorado	The Fund For A Healthier Colorado	Healthy Air and Water Colorado Action	Open Answer LLC	Healthier Colorado Small Donor Committee	Healthier Colorado Political Committee	Total Program	Healthier Colorado	The Fund For A Healthier Colorado	Total Management and General	Healthier Colorado	The Fund For A Healthier Colorado	Total Fundraising			
Salaries	\$ 547,710	\$ 342,870	\$ 3,122	\$ 504,455	\$ -	\$ -	\$ 1,398,157	\$ 210,863	\$ 51,139	\$ 262,002	\$ 65,140	\$ -	\$ 65,140	\$ -	\$ 1,725,299	
Employee benefits	67,088	47,820	470	27,884	-	-	143,262	43,448	10,871	54,319	8,487	-	8,487	-	206,068	
Payroll taxes	43,229	28,542	263	45,020	-	-	117,054	22,057	4,639	26,696	5,264	-	5,264	-	149,014	
Total payroll related costs	658,027	419,232	3,855	577,359	-	-	1,658,473	276,368	66,649	343,017	78,891	-	78,891	-	2,080,381	
Advertising	61,792	27,966	-	229	-	-	89,987	2,171	-	2,171	3,256	-	3,256	-	95,414	
Contributions to campaigns and candidates	671,375	-	1,800	-	71,000	-	744,175	-	-	-	-	-	-	-	744,175	
Depreciation	-	325,780	-	-	-	-	325,780	-	-	-	-	-	-	-	325,780	
Dues and subscriptions	11,007	11,115	-	2,504	-	-	24,626	10,565	3,732	14,297	3,660	-	3,660	-	42,583	
Equipment and software	7,838	19,917	-	3,927	-	-	31,682	22,165	10,924	33,089	10	-	10	-	64,781	
Grant expense	196,500	54,000	-	-	-	-	250,500	-	-	-	-	-	-	(54,000)	196,500	
Office expenses	-	4,427	4	374	-	-	4,805	2,290	8,582	10,872	5,847	1,078	6,925	-	22,602	
Printing	8,858	9,439	878	508	-	-	19,683	2,715	2,762	5,477	324	-	324	-	25,484	
Professional services	149,832	504,287	7,806	6,500	-	-	668,425	43,753	41,553	85,306	34,485	10,650	45,135	-	798,866	
Program and other costs	30,792	30,262	-	984	-	-	62,038	5,951	1,688	7,639	200	-	200	-	69,877	
Rent and occupancy	-	-	-	13,810	-	-	13,810	86,608	-	86,608	2,700	-	2,700	(103,118)	-	
Supplies	1,919	24,577	-	3,807	-	-	30,303	4,462	2,359	6,821	88	-	88	-	37,212	
Telephone and internet	5,732	16,293	-	1,903	-	-	23,928	2,048	3,119	5,167	-	-	-	-	29,095	
Travel, conferences, and meetings	30,446	14,476	-	10,177	-	-	55,099	11,943	196	12,139	12,286	-	12,286	-	79,524	
Total Expenses	\$ 1,834,118	\$ 1,461,771	\$ 14,343	\$ 622,082	\$ 71,000	\$ -	\$ 4,003,314	\$ 471,039	\$ 141,564	\$ 612,603	\$ 141,747	\$ 11,728	\$ 153,475	\$ (157,118)	\$ 4,612,274	

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

HEALTHIER COLORADO
THE FUND FOR A HEALTHIER COLORADO
HEALTHY AIR AND WATER COLORADO ACTION
OPEN ANSWER LLC
HEALTHIER COLORADO SMALL DONOR COMMITTEE
HEALTHIER COLORADO POLITICAL COMMITTEE

Combined Statement of Cash Flows
Year Ended December 31, 2022

	Healthier Colorado	The Fund For A Healthier Colorado	Healthy Air and Water Colorado Action	Open Answer LLC	Healthier Colorado Small Donor Committee	Healthier Colorado Political Committee	Eliminations	Combined Total
Cash Flows From Operating Activities								
Change in net assets	\$ (2,697,615)	\$ (16,945)	\$ 25,657	\$ (238,202)	\$ (12,389)	\$ -	\$ -	\$ (2,939,494)
Adjustments to reconcile change in net assets to net cash flows from operating activities:								
Investment income, net	(80,771)	-	-	-	-	-	-	(80,771)
Equity loss of LP investment	854,864	-	-	-	-	-	-	854,864
Depreciation	-	325,780	-	-	-	-	-	325,780
Noncash lease expense	-	512,008	-	-	-	-	-	512,008
Changes in operating assets and liabilities:								
Grants and contributions receivable	-	52,500	-	-	-	-	-	52,500
Accounts receivable	(1,835)	(13,188)	-	-	-	-	-	(15,023)
Related party - receivables	(342,315)	(411,627)	(25,267)	(935)	-	-	780,144	-
Prepaid expenses	7,526	-	-	-	-	-	-	7,526
Lease deposit	-	-	-	-	-	-	-	-
Accounts payable	27,201	(11,538)	-	-	-	-	-	15,663
Accrued payroll liabilities	1,301	-	-	-	-	-	-	1,301
Tenant deposits	-	(38,528)	-	-	-	-	-	(38,528)
Related party - payables	436,894	99,401	-	243,849	-	-	(780,144)	-
Operating lease liability	-	(691,964)	-	-	-	-	-	(691,964)
Net cash flows from operating activities	(1,794,750)	(194,101)	390	4,712	(12,389)	-	-	(1,996,138)
Cash Flows From Investing Activities								
Escrow deposit	(200,000)	-	-	-	-	-	-	(200,000)
Purchase of investments	(276,000)	-	-	-	-	-	-	(276,000)
Sale of investments	2,470,079	-	-	-	-	-	-	2,470,079
Net cash flows from investing activities	1,994,079	-	-	-	-	-	-	1,994,079
Cash Flows From Financing Activities								
Payments on line of credit - margin account, net	(194,080)	-	-	-	-	-	-	(194,080)
Net cash flows from financing activities	(194,080)	-	-	-	-	-	-	(194,080)
Net Change in Cash and Cash Equivalents	5,249	(194,101)	390	4,712	(12,389)	-	-	(196,139)
Cash and Cash Equivalents, Beginning of Year	27,099	502,617	14,905	-	26,170	575	-	571,366
Cash and Cash Equivalents, End of Year	\$ 32,348	\$ 308,516	\$ 15,295	\$ 4,712	\$ 13,781	\$ 575	\$ -	\$ 375,227

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

Healthier Colorado
The Fund For A Healthier Colorado
Healthy Air and Water Colorado Action
Open Answer LLC
Healthier Colorado Small Donor Committee
Healthier Colorado Political Committee
Notes to Combined Financial Statements

Note 1: Organization and Summary of Significant Accounting Policies

Organization

The combined financial statements include the activity of Healthier Colorado (HC), The Fund for a Healthier Colorado (TFHC), Healthy Air and Water Colorado Action (HAWCA), Open Answer LLC (OA), Healthier Colorado Small Donor Committee (SDC), and Healthier Colorado Political Committee (PC) (jointly referred to as the “Organization”), all of which are under common control. Healthier Colorado serves as the sole voting member of TFHC, HAWCA, OA, SDC, and PC.

Healthier Colorado is a nonpartisan, nonprofit 501(c)(4) organization dedicated to raising the voices of Coloradans in the public policy process to improve the health of our State’s residents. We believe that every Coloradan should have a fair chance at living a healthy life. The people of Colorado are our constituency, and Healthier Colorado aims to make meaningful improvements throughout our State's diverse communities.

The Fund for a Healthier Colorado is a nonpartisan, non-profit 501(c)(3) organization that seeks to advance policy that improves the health of our state's residents. We believe that every Coloradan should have a fair chance at living a healthy life. We engage Coloradans to create a path forward to this goal and educate our state's decision makers about action needed to improve our health.

Healthier Colorado Small Donor Committee is a political committee formed pursuant to the Colorado Constitution, Act. XXVIII, Section 2(14)(a), with the purpose of directly supporting candidates who have a demonstrated commitment to health issues.

Healthier Colorado Political Committee is a political committee formed pursuant to Colorado Constitution, Act. XXVIII, Section 2(12)(a), with the purpose of directly supporting candidates who have a demonstrated commitment to health issues.

Healthier Colorado Issue Committee, formed in September 2018, is a nonpartisan, nonprofit 501(c)(4) organization dedicated to raising the voices of Coloradans in the local public policy process to improve the health of local communities around the state. The organization is dedicated to the belief that Coloradans should be empowered to effect change in their own communities and Healthier Colorado Issue Committee exists to ensure that people have the tools they need to affect change in their own backyards. There has been no significant activity in this entity since its inception.

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Notes to Combined Financial Statements

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Organization (Continued)

On January 31, 2020, articles of incorporation were filed with the Colorado Secretary of State to form Healthy Air and Water Action. HAWCA is a nonpartisan, non-profit 501(c)(4) organization that advocates for public policy that focuses exclusively on the growing public health threats posed by climate change.

On March 3, 2020, the Board of Directors of The Fund for a Healthier Colorado filed articles of organization to form Colorado's Health Capitol LLC (LLC). The LLC was formed to serve as the named lessee on a master lease to establish "Colorado's Health Capitol," which will be a new physical office environment located at 303 E. 17th Avenue in Denver, Colorado, that will be home to Healthier Colorado and other allied non-profit organizations. This LLC will also be the entity through which payments are received and expenses are paid in relation to Colorado's Health Capitol.

On May 28, 2021, articles of incorporation were filed with the Colorado Secretary of State to form Open Answer LLC. OA is a nonpartisan, non-profit 501(c)(4) organization for providing canvassing services.

Principles of Combination

The accompanying combined financial statements include the accounts of Healthier Colorado, The Fund for a Healthier Colorado, Healthy Air and Water Colorado Action, Open Answer LLC, Healthier Colorado Small Donor Committee and Healthier Colorado Political Committee. All significant intercompany balances and transactions have been eliminated.

Basis of Accounting

The accompanying combined financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Use of Estimates in Preparation of Combined Financial Statements

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make estimates and assumptions that affect the results of reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

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Notes to Combined Financial Statements

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Net Assets

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions - Net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Organization had no donor funds held in perpetuity as of December 31, 2022.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the combined statement of activities. The combined statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and fringes are allocated based on estimations of time and effort. Indirect costs such as occupancy and office related expenses have been allocated based upon that program or functions total salary cost percentage.

Income Taxes

Healthier Colorado, Healthy Air and Water Action, Open Answer LLC, and The Fund for a Healthier Colorado have received favorable determination letters from the Internal Revenue Service stating that they are exempt from federal income taxes under the provisions of Section 501(a) of the Internal Revenue Code (IRC), as organizations described in Section 501(c)(4) and 501(c)(3), respectively, except for income pertaining to unrelated business income. Healthier Colorado Small Donor Committee and Healthier Colorado Political Committee are political action committees exempt from federal income taxes under Section 527 of the IRC.

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Notes to Combined Financial Statements

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Income Taxes (Continued)

The Financial Accounting Standards Board (FASB) issued guidance that requires tax effects from uncertain tax positions to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. Management has determined there are no material uncertain tax positions that require recognition in the combined financial statements and, as such, no provision for income taxes is reflected.

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, and contributions receivable. The Organization places its cash and cash equivalents with high credit quality financial institutions. The Organization has never experienced any losses related to these balances and does not believe it is exposed to any significant credit risk related to cash and cash equivalents.

Credit risk with respect to receivables is limited due to the number and creditworthiness of the entities from which the amounts are due.

The Organization receives substantially all of its revenues from public support. A significant reduction in the level of such support, if it were to occur, may have an adverse effect on the Organization's programs and activities.

Cash and Cash Equivalents

For purposes of the combined statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments in Marketable Securities

Investments are recorded at fair values as determined in an active market. Realized and unrealized gains and losses are included in the accompanying combined statement of activities. Investment fees are netted with returns.

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Notes to Combined Financial Statements

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Investments in LP

The Organization owns a 13.7% interest in a limited partnership hedge fund. The investments in the hedge fund are valued at fair value based on the applicable percentage of the underlying net assets as of December 31, 2022. The hedge fund values securities and other financial instruments at fair value. The estimated fair values of certain investments and other securities for which prices are not readily available, are determined by the sponsors of the hedge fund, and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized.

Grants and Contributions Receivable

Contributions receivable are unconditional promises to give in future periods. The Organization uses the allowance method to determine uncollectible contributions receivable. The allowance is based on prior years' experience and management's analysis of specific account balances. Management has determined that all amounts were collectible as of December 31, 2022.

Accounts Receivable

Accounts receivable are uncollateralized amounts due primarily from contract agreements and tenants. Management continually evaluates the need for an allowance for uncollectible accounts. Management reviewed the receivable balances at December 31, 2022, and determined that an allowance was not necessary.

Property and Equipment

The Organization capitalizes the cost of all purchased property and equipment expenditures in excess of \$1,000 and useful life greater than 1 year. Contributed property and equipment is recorded at fair value at the date of donation. Assets are depreciated using the straight-line method over the estimated 7 year useful life of the respective asset. Leasehold improvements are depreciated over the remaining life of the lease.

Maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed when incurred.

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Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Long-Lived Assets

The Organization reviews its long-lived assets periodically to determine potential impairment by comparing the carrying value of those assets with the estimated future undiscounted cash flows expected to result from the use of the assets, including cash flows from disposition. Should the sum of the expected future undiscounted cash flows be less than the carrying value, the Organization would recognize an impairment loss at that time. No impairment loss was recognized during the year ended December 31, 2022.

Lease Deposit

The lease deposit consists of the security deposit on the leased property. The Organization moved into the leased property effective March 1, 2021.

Tenant Deposits

Tenant deposits consist of security deposits for rented space. Tenant deposits will be returned to the tenant once they are no longer in the space or it will be applied to any unpaid rent.

Contributions and Grants

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identification of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

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Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Contributions and Grants (Continued)

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

Grant Awards That Are Contributions - Grant awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as refundable grant advances.

Grant Awards That Are Exchange Transactions - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability. The Organization received no grant awards considered to be exchange transactions for the year ended December 31, 2022.

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Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Donated Materials and Services

The Organization records the value of donated materials or services when there is an objective basis available to measure their value. The Organization recognized the estimated fair value of contributed services that meet the following criteria:

- The services rendered either create or enhance nonfinancial assets.
- The services received require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by contribution.

A substantial number of volunteers have donated significant amounts of time to the Organization, which do not meet the criteria above. The Organization did not receive any donated materials or services that meet the requirements for recognition.

Contract Revenue

Contract revenue is billed and due monthly. Revenues are reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing the services. Revenue is recognized at the time that the performance obligations are satisfied which occurs as the services are performed over time.

The contract agreements contain one performance obligation under a variable fee component, which is satisfied over time on a monthly basis. The transaction price for the variable fees is based on the approved rate in the agreement for the services performed during the month. Amounts are billed monthly for monthly services provided, with a December 31st cutoff of services provided, and payments being received 30 days from the invoice date. The Organization rarely has unsatisfied or partially unsatisfied performance obligations at year end as all monthly contracted services have been completed at the end of the year. There are no warranties, financing options, rebates, discounts, refunds, or concessions for additional consideration under Topic 606.

The key factor affecting the amount, timing, and uncertainty of the Organization's revenue is its concentration of revenue attributed to contributions and grants. Management does not believe that the Organization is exposed to any significant risk related to its concentration of revenues.

The Organization does not have any contract liabilities and does not have any contract-related assets outside of receivables. Contract assets consist of billed receivables, which is revenue that has been earned.

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Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Accounting Pronouncements Adopted

ASU No. 2016-02, *Leases* (Topic 842)

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842). ASU 2016-02 is intended to improve financial reporting of leasing transactions by requiring organizations that lease assets to recognize assets and liabilities for the rights and obligations created by leases on the statement of financial position. This accounting update also requires additional disclosures surrounding the amount, timing, and uncertainty of cash flows arising from leases. The Organization adopted this guidance for the year ended December 31, 2022 with modified retrospective application to January 1, 2022 through a cumulative-effect adjustment. The Organization has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, the Organization accounted for its existing operating leases as operating leases under the new guidance, without reassessing (a) whether the contracts contain a lease under ASC Topic 842, (b) whether the classification of the leases would be different in accordance with ASC Topic 842, or (c) whether any unamortized initial direct costs before transition adjustments (as of January 1, 2022) would have met the definition of initial direct costs in ASC Topic 842 at lease commencement. Similarly, the Organization did not reassess service contracts evaluated for lease treatment under ASC 840 for embedded leases under ASC 842.

As a result of the adoption of the new lease accounting guidance, the Organization recognized a right-of-use (ROU) asset and lease liabilities of \$5,693,738 and \$8,190,909, respectively, as of January 1, 2022.

This standard did not have a significant impact on the Organization's combined net assets or cash flows from operations and had an insignificant impact on the Organization's operating results. The most significant impact was the recognition of the ROU assets and lease obligations for operating leases. The ROU asset was offset by deferred rent of \$438,731 and a lease incentive obligation of \$2,058,440 at adoption on January 1, 2022.

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Note 1: Organization and Summary of Significant Accounting Policies (Continued)

ASC 842 Lease Accounting

The Organization is a lessee of a noncancelable operating lease. If the contract provides the Organization the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

The Organization has elected to use a risk-free rate for a term similar to the underlying lease as the discount rate if the implicit rate in the lease contract is not readily determinable.

The ROU asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. For operating leases with lease payments that fluctuate over the lease term, the total lease costs are recognized on a straight-line basis over the lease term.

For all underlying classes of assets, the Organization has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. The Organization recognizes short-term lease cost on a straight-line basis over the lease term.

The Organization made an accounting policy election for building space leases to not separate the lease components of a contract and its associated non-lease components such as common area maintenance.

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Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncement

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses*. The standard requires a financial asset (including trade receivables and contract assets) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the combined statement of activities will reflect the measurement of credit losses for newly recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This standard will be effective for the calendar year ending December 31, 2023. Management is currently in the process of evaluating the impact of adoption of this ASU on the combined financial statements.

Subsequent Events

Management is required to evaluate, through the date the combined financial statements are issued or available to be issued, events or transactions that may require recognition or disclosure in the combined financial statements, and to disclose the date through which subsequent events were evaluated. The Organization's combined financial statements were available to be issued on September 14, 2023, and this is the date through which subsequent events were evaluated.

During 2022, the Organization had an escrow deposit for \$200,000 for the purchase of a building. In February 2023, the agreement was cancelled and the \$200,000 deposit was returned.

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Note 2: Liquidity and Availability

Combined financial assets available for general expenditure, that is, without donor or other restrictions or designations limiting their use, within twelve months of the combined statement of financial position date, comprise the following at December 31, 2022:

<i>December 31,</i>	2022
Cash and cash equivalents	\$ 375,227
Investments in marketable securities, net of margin account	5,922,313
Investments in LP	3,310,836
Accounts receivable	41,901
Escrow deposit	200,000
Total combined financial assets	9,850,277
Less amounts not available for general expenditure within one year due to:	
Restricted contributions included in investments	(9,233,149)
Restricted program contributions included in net assets	(747,090)
Total restricted	(9,980,239)
Total combined financial assets available for general expenditure	\$ (129,962)

The Organization receives a substantial amount of its support and revenues from investment income. Because investment income is unpredictable, combined financial assets may not be available for general expenditure within one year. In addition, because donor restrictions require funds be used in a particular manner or in future periods, the Organization must maintain resources to meet those donor imposed responsibilities.

As part of the Organization's liquidity management, it has a policy to structure its combined financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments. In the event of financial distress or an immediate liquidity need resulting from events outside of the ordinary, the Organization could seek approval from its funders to liquidate investments held to service donor imposed requirements. As of December 31, 2022, the Organization had a deficit balance in the combined financial assets available for general expenditure due to timing. The Organization does not feel that it is at risk, or exposed to any significant risks, based on its liquidity policy.

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Note 3: Investments in Marketable Securities

At December 31, 2022, investments in marketable securities were comprised of the following:

<i>December 31,</i>	2022
Cash, money market funds, and bank deposits	\$ 373,818
Fixed income funds	5,352,275
Equity securities	40,260
Exchange-traded funds	155,960
Total investments	\$ 5,922,313

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

The Organization is allowed to trade on margin through its investment account. The margin account is secured with the investments held in the account. The balance outstanding on the margin account totaled \$0 at December 31, 2022.

Investment and interest income related to the above investments consists of the following:

<i>Year Ended December 31,</i>	2022
Interest and dividends	\$ (586,617)
Realized and unrealized gains on investments, net	482,558
Investment fees	23,288
Total investment income, net	\$ (80,771)

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Note 4: Property and Equipment

Property and equipment consist of the following as of December 31, 2022:

Leasehold improvements	\$	2,694,764
Furniture		443,377
		3,138,141
Less: Accumulated Depreciation		570,000
Property and equipment, net	\$	2,568,141

Note 5: Net Assets with Donor Restriction

Net assets with donor restrictions consisted of the following as of December 31, 2022:

	Healthier Colorado	The Fund For a Healthier Colorado	Healthy Air and Water Colorado Action	Total
<u>Subject to expenditure for specified purpose:</u>				
Colorado Health Foundation funding	\$ 15,000,000	\$ -	\$ -	\$ 15,000,000
Net releases from the Colorado Health Foundation funding	(5,766,851)	-	-	(5,766,851)
Building expansion	-	1,127	-	1,127
Dental therapy	-	159,379	-	159,379
Vaccines	-	67,574	-	67,574
Mental health	-	251,408	-	251,408
Public health programs	-	240,266	27,336	267,602
Total Nets Assets With Donor Restrictions	\$ 9,233,149	\$ 719,754	\$ 27,336	\$ 9,980,239

Net assets totaling \$2,234,042, \$341,223, and \$27,315 were released from net assets with donor restrictions for the year ending December 31, 2022, for Healthier Colorado, The Fund for a Healthier Colorado and Healthy Air and Water Colorado Action, respectively, as a result of the Organization incurring expenditures satisfying the related restricted purposes or from the passage of time.

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Note 6: Fair Value Measurements

The Organization utilizes three levels of inputs to measure fair value (the fair value hierarchy) in accordance with financial accounting standards. The level of an asset or liability within the fair value hierarchy is based on the lowest level of input significant to the fair value measurement of that asset or liability. In general, the Organization determines fair values as follows:

Level 1 – Inputs utilizing quoted market prices in active markets.

Level 2 – Inputs utilizing market information that is observable, such as quoted market prices for similar items, broker/dealer quotes, or models using market interest rates or yield curves.

Level 3 – Valued using unobservable inputs.

In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. There were no changes in the valuation techniques used during the year.

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

Fixed income funds - valued using quotes from pricing vendors based on recent trading activity and other observable market data.

Equity securities - valued based on the market value of the underlying assets which are based on quoted market prices.

Exchange-traded funds - valued using quotes from pricing vendors based on recent trading activity and other observable market data.

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

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Note 6: Fair Value Measurements (Continued)

The following table presents the valuation of the Organization’s investments by the above fair value hierarchy levels as of December 31, 2022:

	Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Total
Cash, money market funds, and bank deposits	\$ 373,818	\$ -	\$ -	\$ 373,818
Fixed income funds	-	5,352,275	-	5,352,275
Equity securities	40,260	-	-	40,260
Exchange-traded funds	155,960	-	-	155,960
Investment in LP	3,310,836	-	-	3,310,836
Total	\$ 3,880,874	\$ 5,352,275	\$ -	\$ 9,233,149

Note 7: Retirement Plan

The Organization provides retirement benefits to its employees through a defined contribution plan covering eligible employees. All employees are eligible to participate in the plan beginning on their date of hire and the Organization contributes 8% of the employee’s salary. There are no employee contributions to the plan. During the year ended December 31, 2022, the Organization contributed \$104,544 to the plan.

Subsequent to year-end, the Organization adopted a new 401(k) plan that is effective January 1, 2023. Employees are eligible for the plan after 1,000 hours of service. The Organization will contribute 4% of the eligible employee's salary. Employees are 100% vested upon eligibility.

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Note 8: Master Lease Agreement - Shared Space

In April 2020, the Organization entered into a master lease agreement for office space under an operating lease agreement. The lease became effective March 1, 2021, the date of occupancy, and expires in November 2031. The Master Lease Agreement included six months of “free” rent and annual rent increases. Monthly payments under this lease range from approximately \$67,800 to \$82,669. The Organization subleases space to other entities in order to bring together in one building organizations whose missions include health policy to increase collaboration, efficiency, and statewide impact.

The lease agreement included provisions providing the Organization with a tenant improvement allowance of \$2,231,420. The allowance was used to subsidize the costs of designing and constructing improvements to the property. The Organization incurred construction costs covering the entire amount of the allowance. The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

The Master Lease Agreement includes a Letter of Credit Rider that specifies if at any time during the initial sixty-six months of the lease term the average tangible net worth and liquidity of Healthier Colorado is less than \$6,000,000 over any three consecutive calendar month period, then, commencing on the date ten business days after the expiration of such three calendar month period, Healthier Colorado shall deliver to landlord a Letter of Credit in an amount ranging from \$300,000 to \$1,500,000, depending on the period of noncompliance as set forth in the Letter of Credit Rider schedule.

Components of lease expense (income) were as follows for the year ended December 31, 2022:

Lease components:	
Operating lease cost	\$ 645,850
Short-term lease cost	59,042
Sublease (income)	(817,510)
<hr/>	
Total lease (income)	<u>\$ (112,618)</u>

As of December 31, 2022, the remaining operating lease term was 107 months with a weighted-average discount rate of 1.6%.

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Note 8: Master Lease Agreement - Shared Space (Continued)

Supplemental cash flow information related to the lease is as follows for the year ended December 31, 2022:

Cash paid for amounts included in the measurement of lease liability:
Operating cash flows from operating lease \$ 888,411

Maturities of lease liabilities are as follows as of December 31, 2022:

	Operating Leases
2023	\$ 835,622
2024	852,335
2025	869,381
2026	886,769
2027	904,504
Thereafter	3,719,903
Total lease payments	8,068,514
Less imputed interest	(569,569)
Total	\$ 7,498,945

Sublease tenants were allowed to occupy the building effective March 1, 2021, and recruitment of sublease tenants is ongoing. Management expects further growth in sublease collections in 2023 and beyond, and projects that sublease collections will exceed lease payments. There are approximately 32 sublease tenants with lease terms ranging from one to ten years and monthly payments ranging from \$220 to \$16,695. The Organization recognized sublease income of \$817,510 for the year ended December 31, 2022.

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Note 8: Master Lease Agreement - Shared Space (Continued)

Future expected sublease collections are approximately as follows as of December 31, 2022:

	Sublease Collections
2023	\$ 892,500
2024	638,200
2025	484,600
2026	419,200
2027	403,200
Thereafter	1,538,000
Total	\$ 4,375,700

Note 9: Fiscal Sponsorships

In 2017, The Fund for a Healthier Colorado entered into a fiscal sponsorship agreement with Chronic Care Collaborative (CCC). Under the terms of the agreement TFHC agreed to act as the fiscal agent for CCC. The fiscal sponsorship agreement is subject to annual review and will terminate upon written notice by either party.

In 2021, The Fund for a Healthier Colorado entered into a fiscal sponsorship agreement with Blue Rising (BR). Under the terms of the agreement TFHC agreed to act as the fiscal agent for BR. The fiscal sponsorship agreement was subject to annual review and terminated upon written notice by either party. The fiscal sponsorship was terminated in 2022.

Supplemental Information
(See Independent Auditor's Report)

**THE FUND FOR A HEALTHIER COLORADO
COLORADO'S HEALTH CAPITOL LLC**

**Consolidating Statement of Financial Position
December 31, 2022**

ASSETS

	The Fund For A Healthier Colorado	Colorado's Health Capitol LLC	Eliminations	Consolidated Total
Assets				
Cash and cash equivalents	\$ 218,497	\$ 90,019	\$ -	\$ 308,516
Accounts receivable	15,571	23,995	-	39,566
Related party - receivables	1,179,080	1,504	(698,957)	481,627
Lease deposit	525	111,109	(525)	111,109
Property and equipment, net	-	2,568,141	-	2,568,141
Right of use asset - operating	-	5,254,466	-	5,254,466
Total Assets	\$ 1,413,673	\$ 8,049,234	\$ (699,482)	\$ 8,763,425

LIABILITIES AND NET ASSETS

Liabilities				
Accounts payable	\$ 2,596	\$ 6,183	\$ -	\$ 8,779
Tenant deposits	-	112,063	(525)	111,538
Related party - payables	29,392	974,962	(698,957)	305,397
Lease liability	-	7,498,945	-	7,498,945
Total Liabilities	31,988	8,592,153	(699,482)	7,924,659
Net Assets				
Without donor restrictions	663,058	(544,046)	-	119,012
With donor restrictions	718,627	1,127	-	719,754
Total Net Assets	1,381,685	(542,919)	-	838,766
Total Liabilities and Net Assets	\$ 1,413,673	\$ 8,049,234	\$ (699,482)	\$ 8,763,425

See independent auditor's report.

**THE FUND FOR A HEALTHIER COLORADO
COLORADO'S HEALTH CAPITOL LLC**

**Consolidating Statement of Activities
Year Ended December 31, 2022**

	The Fund For A Healthier Colorado	Colorado's Health Capitol LLC	Eliminations	Consolidated Total
Change in Net Assets Without Donor Restrictions:				
Support and Revenues				
Contributions and grants	\$ 669,563	\$ -	\$ -	\$ 669,563
Contract revenue	51,671	-	-	51,671
Net assets released from restrictions	292,350	48,873	-	341,223
Total Support and Revenues	<u>1,013,584</u>	<u>48,873</u>	<u>-</u>	<u>1,062,457</u>
Expenses				
Program Services				
Public policy and advocacy	521,007	-	-	521,007
Fiscal sponsorship - Chronic Care Colorado	162,536	-	(4,283)	158,253
Fiscal sponsorship - Blue Rising	107,460	-	-	107,460
Building management services	-	675,051	-	675,051
Total Program Services	<u>791,003</u>	<u>675,051</u>	<u>(4,283)</u>	<u>1,461,771</u>
Supporting Services				
Management and general	191,805	-	(50,241)	141,564
Fundraising	11,728	-	-	11,728
Total Supporting Services	<u>203,533</u>	<u>-</u>	<u>(50,241)</u>	<u>153,292</u>
Total Expenses	<u>994,536</u>	<u>675,051</u>	<u>(54,524)</u>	<u>1,615,063</u>
Change in Net Assets Without Donor Restrictions Before Other Activity	19,048	(626,178)	54,524	(552,606)
Other Activity				
Other income	-	255,615	(100,050)	155,565
Other expense	(100,050)	-	100,050	-
Sublease income, net of \$704,892 of sublease expense	-	112,618	(54,524)	58,094
Total Other Activity	<u>(100,050)</u>	<u>368,233</u>	<u>(54,524)</u>	<u>213,659</u>
Change in Net Assets	<u>(81,002)</u>	<u>(257,945)</u>	<u>-</u>	<u>(338,947)</u>
Change in Net Assets With Donor Restrictions:				
Support and Revenues				
Contributions and grants	613,225	50,000	-	663,225
Net assets released from restrictions	(292,350)	(48,873)	-	(341,223)
Total Support and Revenues	<u>320,875</u>	<u>1,127</u>	<u>-</u>	<u>322,002</u>
Change in Net Assets With Donor Restrictions	<u>320,875</u>	<u>1,127</u>	<u>-</u>	<u>322,002</u>
Change in Net Assets	<u>239,873</u>	<u>(256,818)</u>	<u>-</u>	<u>(16,945)</u>
Net Assets, Beginning of Year	<u>1,141,812</u>	<u>(286,101)</u>	<u>-</u>	<u>855,711</u>
Net Assets, End of Year	<u>\$ 1,381,685</u>	<u>\$ (542,919)</u>	<u>\$ -</u>	<u>\$ 838,766</u>

See independent auditor's report.

**THE FUND FOR A HEALTHIER COLORADO
FISCAL SPONSORSHIP - CHRONIC CARE COLLABORATIVE
FISCAL SPONSORSHIP - BLUE RISING
COLORADO'S HEALTH CAPITOL LLC**

**Consolidating Statement of Functional Expenses
Year Ended December 31, 2022**

	Program Services					Supporting Services				
	The Fund For A Healthier Colorado	Fiscal Sponsorship - Chronic Care Collaborative	Fiscal Sponsorship - Blue Rising	Colorado's Health Capitol LLC	Total Program	Management and General		Total Supporting Services	Eliminations	Consolidated Total
						The Fund For A Healthier Colorado	The Fund For A Healthier Colorado			
Salaries	\$ 271,413	\$ -	\$ -	\$ 71,457	\$ 342,870	\$ 51,139	\$ -	\$ 51,139	\$ -	\$ 394,009
Employee benefits	33,958	-	-	13,862	47,820	10,871	-	10,871	-	58,691
Payroll taxes	22,552	-	-	5,990	28,542	4,639	-	4,639	-	33,181
Total payroll related costs	327,923	-	-	91,309	419,232	66,649	-	66,649	-	485,881
Advertising	27,887	-	-	79	27,966	-	-	-	-	27,966
Depreciation	-	-	-	325,780	325,780	-	-	-	-	325,780
Dues and subscriptions	3,509	4,148	-	3,458	11,115	3,732	-	3,732	-	14,847
Equipment and software	657	-	-	19,260	19,917	10,924	-	10,924	-	30,841
Grant expense	54,000	-	-	-	54,000	-	-	-	-	54,000
Office expenses	3,541	12	-	874	4,427	8,582	1,078	9,660	-	14,087
Printing	3,694	5,745	-	-	9,439	2,762	-	2,762	-	12,201
Professional services	57,463	145,175	103,035	198,614	504,287	41,553	10,650	52,203	-	556,490
Program and other costs	26,262	-	4,000	-	30,262	1,688	-	1,688	-	31,950
Rent and occupancy	-	4,283	-	-	4,283	50,241	-	50,241	(54,524)	-
Supplies	2,581	1,543	-	20,453	24,577	2,359	-	2,359	-	26,936
Telephone and internet	-	1,590	-	14,703	16,293	3,119	-	3,119	-	19,412
Travel, conferences, and meetings	13,490	40	425	521	14,476	196	-	196	-	14,672
Total Expenses	<u>\$ 521,007</u>	<u>\$ 162,536</u>	<u>\$ 107,460</u>	<u>\$ 675,051</u>	<u>\$ 1,466,054</u>	<u>\$ 191,805</u>	<u>\$ 11,728</u>	<u>\$ 203,533</u>	<u>\$ (54,524)</u>	<u>\$ 1,615,063</u>

See independent auditor's report.

**THE FUND FOR A HEALTHIER COLORADO
COLORADO'S HEALTH CAPITOL LLC**

**Consolidating Statement of Cash Flows
Year Ended December 31, 2022**

	The Fund For A Healthier Colorado	Colorado's Health Capitol LLC	Eliminations	Consolidated Total
Cash Flows From Operating Activities				
Change in net assets	\$ 239,873	\$ (256,818)	\$ -	\$ (16,945)
Adjustments to reconcile change in net assets to net cash flows from operating activities:				
Depreciation	-	325,780	-	325,780
Noncash lease expense	-	512,008	-	512,008
Changes in operating assets and liabilities:				
Grants and contributions receivable	52,500	-	-	52,500
Accounts receivable	(15,571)	2,383	-	(13,188)
Related party - receivables	(410,123)	(1,504)	-	(411,627)
Prepaid expenses	-	-	-	-
Lease deposit	-	-	-	-
Accounts payable	(11,637)	99	-	(11,538)
Tenant deposits	-	(38,528)	-	(38,528)
Related party - payables	(26,117)	125,518	-	99,401
Operating lease liability	-	(691,964)	-	(691,964)
Net cash flows from operating activities	<u>(171,075)</u>	<u>(23,026)</u>	<u>-</u>	<u>(194,101)</u>
Net Change in Cash and Cash Equivalents	(171,075)	(23,026)	-	(194,101)
Cash and Cash Equivalents, Beginning of Year	<u>389,572</u>	<u>113,045</u>	<u>-</u>	<u>502,617</u>
Cash and Cash Equivalents, End of Year	<u>\$ 218,497</u>	<u>\$ 90,019</u>	<u>\$ -</u>	<u>\$ 308,516</u>

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