

**Boulder Valley Women's
Health Center, Inc.**

(a nonprofit Colorado corporation)

Financial Statements

December 31, 2020 and 2019

Boulder Valley Women's Health Center, Inc.

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Independent Auditor's Report

To the Board of Directors
Boulder Valley Women's Health Center, Inc.
Boulder, Colorado

Opinion

We have audited the accompanying financial statements of Boulder Valley Women's Health Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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 Boulder Valley Women's Health Center, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States 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 Boulder Valley Women's Health Center, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the 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 Boulder Valley Women's Health Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Independent Auditor's Report (continued)

Auditor's Responsibility 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 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 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 judgment 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 Boulder Valley Women's Health Center, Inc.'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 aggregate, that raise substantial doubt about Boulder Valley Women's Health Center, Inc.'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.

Brock and Company, CPAs, P.C.

Certified Public Accountants

Longmont, Colorado
August 5, 2021

Boulder Valley Women's Health Center, Inc.

Statements of Financial Position

December 31	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 915,361	\$ 531,178
Investments	224,623	209,774
Accounts receivable, net	94,622	80,941
Grants receivable	40,936	81,813
Inventory	42,045	60,387
Prepaid expenses and other current assets	29,024	20,022
Total current assets	<u>1,346,611</u>	<u>984,115</u>
Property and Equipment, net	<u>899,143</u>	<u>951,337</u>
Other Assets		
Restricted cash	27,073	27,069
Deposit	10,450	-
Total other assets	<u>37,523</u>	<u>27,069</u>
Total assets	<u>\$ 2,283,277</u>	<u>\$ 1,962,521</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 9,992	\$ 35,954
Accrued compensation and benefits	93,985	97,705
Capital lease obligations, current maturities	1,650	1,577
Total current liabilities	<u>105,627</u>	<u>135,236</u>
Long-Term Liabilities		
Capital lease obligations, net of current maturities	2,169	3,820
Total liabilities	<u>107,796</u>	<u>139,056</u>
Net Assets		
Without donor restrictions		
Undesignated	1,765,221	1,411,568
Board-designated reserves	263,197	235,253
Total without donor restrictions	<u>2,028,418</u>	<u>1,646,821</u>
With donor restrictions	147,063	176,644
Total net assets	<u>2,175,481</u>	<u>1,823,465</u>
Total liabilities and net assets	<u>\$ 2,283,277</u>	<u>\$ 1,962,521</u>

The accompanying Notes are an integral part of these financial statements

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Boulder Valley Women's Health Center, Inc.

Statement of Activities

Year ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating Support and Revenue			
Operating Support			
Government grants	\$ 722,018	\$ 197,703	\$ 919,721
Other grants and contributions	622,318	-	622,318
Special events, net	18,074	-	18,074
Net assets released from restrictions			
Satisfaction of program restrictions	146,131	(146,131)	-
Expiration of time restrictions	81,813	(81,813)	-
Total operating support	<u>1,590,354</u>	<u>(30,241)</u>	<u>1,560,113</u>
Operating Revenue			
Family planning and subsidized services	788,464	-	788,464
Abortion services	115,780	-	115,780
Total operating revenue	<u>904,244</u>	<u>-</u>	<u>904,244</u>
Total operating support and revenue	<u>2,494,598</u>	<u>(30,241)</u>	<u>2,464,357</u>
Operating Expenses			
Program services	2,093,212	-	2,093,212
Supporting services			
General and administrative	221,008	-	221,008
Fundraising	133,850	-	133,850
Total operating expenses	<u>2,448,070</u>	<u>-</u>	<u>2,448,070</u>
Total operating support and revenue in excess (deficit) of operating expenses	46,528	(30,241)	16,287
Other Changes			
Paycheck Protection Program grant	314,000	-	314,000
Net investment income	19,895	-	19,895
Other revenue	1,174	-	1,174
Fiscal sponsorship contributions	-	21,922	21,922
Fiscal sponsorship disbursements	(21,262)	-	(21,262)
Net assets released from restrictions			
Satisfaction of program restrictions	21,262	(21,262)	-
Total other changes	<u>335,069</u>	<u>660</u>	<u>335,729</u>
Change in Net Assets	381,597	(29,581)	352,016
Net Assets, Beginning of Year	<u>1,646,821</u>	<u>176,644</u>	<u>1,823,465</u>
Net Assets, End of Year	<u>\$ 2,028,418</u>	<u>\$ 147,063</u>	<u>\$ 2,175,481</u>

The accompanying Notes are an integral
part of these financial statements

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Boulder Valley Women's Health Center, Inc.

Statement of Activities

Year ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support and Revenue			
Operating Support			
Government grants	\$ 846,192	\$ 151,971	\$ 998,163
Other grants and contributions	428,317	-	428,317
Special events, net	108,909	-	108,909
Net assets released from restrictions			
Satisfaction of program restrictions	55,123	(55,123)	-
Expiration of time restrictions	126,097	(126,097)	-
Total operating support	<u>1,564,638</u>	<u>(29,249)</u>	<u>1,535,389</u>
Operating Revenue			
Family planning and subsidized services	912,932	-	912,932
Abortion services	145,883	-	145,883
Total operating revenue	<u>1,058,815</u>	<u>-</u>	<u>1,058,815</u>
Total operating support and revenue	<u>2,623,453</u>	<u>(29,249)</u>	<u>2,594,204</u>
Operating Expenses			
Program services	2,360,354	-	2,360,354
Supporting services			
General and administrative	208,202	-	208,202
Fundraising	124,142	-	124,142
Total operating expenses	<u>2,692,698</u>	<u>-</u>	<u>2,692,698</u>
Total operating expenses in excess of operating support and revenue	(69,245)	(29,249)	(98,494)
Other Changes			
Net investment income	18,187	-	18,187
Other revenue	4,584	-	4,584
Loss on disposal of equipment	(75)	-	(75)
Fiscal sponsorship contributions	-	25,350	25,350
Fiscal sponsorship disbursements	(23,389)	-	(23,389)
Net assets released from restrictions			
Satisfaction of program restrictions	23,989	(23,989)	-
Total other changes	<u>23,296</u>	<u>1,361</u>	<u>24,657</u>
Change in Net Assets	(45,949)	(27,888)	(73,837)
Net Assets, Beginning of Year	<u>1,692,770</u>	<u>204,532</u>	<u>1,897,302</u>
Net Assets, End of Year	<u>\$ 1,646,821</u>	<u>\$ 176,644</u>	<u>\$ 1,823,465</u>

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Boulder Valley Women's Health Center, Inc.

Statement of Functional Expenses

Year ended December 31, 2020

	Program Services			Supporting Services		Total
	Abortion Services	Family Planning and Subsidized Services	Total Program Services	General and Administrative	Fundraising	
Salaries and wages	\$ 124,142	\$ 1,087,702	\$ 1,211,844	\$ 147,000	\$ 106,388	\$ 1,465,232
Payroll taxes	10,696	92,843	103,539	12,465	8,043	124,047
Employee benefits	8,033	63,373	71,406	16,972	9,239	97,617
Total personnel costs	142,871	1,243,918	1,386,789	176,437	123,670	1,686,896
Medical operations	22,797	279,141	301,938	-	-	301,938
Information technology	11,109	100,267	111,376	11,731	2,018	125,125
Occupancy	7,628	56,518	64,146	7,293	481	71,920
Contract labor	49,140	4,040	53,180	-	-	53,180
Depreciation	5,431	41,412	46,843	4,868	483	52,194
Insurance	4,347	24,825	29,172	2,616	156	31,944
Office expense	2,448	16,290	18,738	3,382	1,218	23,338
Marketing and outreach	2,014	17,731	19,745	2,075	-	21,820
Legal and professional	1,665	14,678	16,343	2,150	173	18,666
Telephone	1,741	13,172	14,913	905	112	15,930
Professional development	571	13,595	14,166	604	26	14,796
Bank and credit card fees	1,789	5,135	6,924	1,324	-	8,248
Development expenses	168	-	168	-	5,429	5,597
Consulting	444	2,749	3,193	1,836	25	5,054
Dues and subscriptions	263	3,372	3,635	1,304	11	4,950
Volunteer, staff, and board expenses	-	-	-	3,486	-	3,486
Travel	406	1,360	1,766	978	48	2,792
Interest expense	-	177	177	19	-	196
Total operating expenses	\$ 254,832	\$ 1,838,380	\$ 2,093,212	\$ 221,008	\$ 133,850	\$ 2,448,070
Percentage of total	11%	75%	86%	9%	5%	100%

The accompanying Notes are an integral part of these financial statements

Boulder Valley Women's Health Center, Inc.

Statement of Functional Expenses

Year ended December 31, 2019

	Program Services			Supporting Services		
	Abortion Services	Family Planning and Subsidized Services	Total Program Services	General and Administrative	Fundraising	Total
Salaries and wages	\$ 124,801	\$ 1,192,600	\$ 1,317,401	\$ 118,649	\$ 99,193	\$ 1,535,243
Payroll taxes	10,643	100,959	111,602	10,144	7,465	129,211
Employee benefits	7,320	67,695	75,015	11,061	4,724	90,800
Total personnel costs	142,764	1,361,254	1,504,018	139,854	111,382	1,755,254
Medical operations	32,813	382,647	415,460	-	-	415,460
Information technology	12,760	116,612	129,372	12,514	2,098	143,984
Contract labor	53,540	4,420	57,960	17,600	-	75,560
Depreciation	6,711	45,947	52,658	4,948	551	58,157
Occupancy	6,553	42,424	48,977	5,692	378	55,047
Insurance	8,828	21,203	30,031	2,094	199	32,324
Consulting	1,578	15,293	16,871	6,379	3,228	26,478
Office expense	2,136	15,781	17,917	4,051	157	22,125
Marketing and outreach	824	18,412	19,236	1,938	-	21,174
Legal and professional	1,657	14,221	15,878	1,693	225	17,796
Telephone	1,886	14,246	16,132	1,189	130	17,451
Professional development	1,644	12,934	14,578	1,814	140	16,532
Bank and credit card fees	3,047	6,178	9,225	516	-	9,741
Dues and subscriptions	1,712	4,333	6,045	1,326	11	7,382
Volunteer, staff, and board expenses	-	-	-	6,519	-	6,519
Travel	2,130	3,614	5,744	47	288	6,079
Development expenses	-	-	-	-	5,355	5,355
Interest expense	-	252	252	28	-	280
Total operating expenses	<u>\$ 280,583</u>	<u>\$ 2,079,771</u>	<u>\$ 2,360,354</u>	<u>\$ 208,202</u>	<u>\$ 124,142</u>	<u>\$ 2,692,698</u>
Percentage of total	10%	77%	87%	8%	5%	100%

The accompanying Notes are an integral part of these financial statements

Boulder Valley Women's Health Center, Inc.

Statements of Cash Flows

Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash

Years ended December 31	2020	2019
Cash Flows From Operating Activities		
Change in net assets	\$ 352,016	\$ (73,837)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	52,194	58,157
Provision for bad debts	2,271	-
Loss on disposal of equipment	-	75
Net realized gain on investments	(4,713)	(42)
Net unrealized gain on investments	(10,149)	(12,952)
Increase (decrease) from changes in assets and liabilities		
Accounts receivable	(15,952)	(8,371)
Grants receivable	40,877	44,284
Inventory	18,342	10,771
Prepaid expenses and other current assets	(9,002)	(5,837)
Deposit	(10,450)	-
Accounts payable	(25,962)	(1,795)
Accrued compensation and benefits	(3,720)	27,849
Refundable advances	-	(1,833)
Net cash provided by operating activities	<u>385,752</u>	<u>36,469</u>
Cash Flows From Investing Activities		
Proceeds from sale of investments	15,074	5,786
Purchases of investments	(15,061)	(109,019)
Purchases of property and equipment	-	(7,339)
Net cash provided (used) by investing activities	<u>13</u>	<u>(110,572)</u>
Cash Flows From Financing Activities		
Principal payments on capital lease obligations	(1,578)	(1,508)
Net cash used by financing activities	<u>(1,578)</u>	<u>(1,508)</u>
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	384,187	(75,611)
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	<u>558,247</u>	<u>633,858</u>
Cash, Cash Equivalents and Restricted Cash, End of Year	<u>\$ 942,434</u>	<u>\$ 558,247</u>
Supplemental Information		
Cash paid for interest	\$ 196	\$ 280

The accompanying Notes are an integral part of these financial statements

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Boulder Valley Women's Health Center, Inc.

Notes to Financial Statements

December 31, 2020 and 2019

Note 1 – Nature of Organization and Significant Accounting Policies

Nature of Organization. Boulder Valley Women's Health Center, Inc. (the Organization) is a Colorado non-profit corporation established in 1973. The Organization's mission is to provide accessible, confidential and comprehensive gynecological and reproductive health care, including sexual health services and education.

The Organization provides subsidized family planning and gynecological care at its locations in Boulder and Longmont, primarily to people who experience barriers to access, including financial, confidentiality, or language. Most services are provided on a sliding fee scale according to a person's income. Family planning services fees slide to \$0 for people under 100% of the federal poverty level. Specialized services are provided to teens, including free Teen Clinics in Boulder and Longmont, and comprehensive sexuality education is provided in school districts in Boulder and Broomfield counties. The Organization's main goal is to prevent unintended pregnancies, particularly in high-risk populations, and to encourage healthy behaviors through education and screening. As a patient-centered medical home, patients are provided comprehensive, holistic health care services in a safe, respectful environment. Funding for the Organization is primarily obtained through grants and contributions from interested parties.

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.

Basis of Presentation. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions. Net assets resulting from revenues generated by receiving contributions that have no donor stipulations, providing services, and receiving interest and other income, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

Net Assets With Donor Restrictions. Net assets resulting from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Changes in Accounting Principles. In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*, which modifies the disclosure requirements on fair value measurements in FASB ASC 820.

Boulder Valley Women's Health Center, Inc.

Notes to Financial Statements

December 31, 2020 and 2019

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Changes in Accounting Principles (continued). The amendments in ASU 2018-13 are effective for fiscal years beginning after December 15, 2019. Certain amendments in ASU 2018-13 are applied prospectively and all others are applied retrospectively. During 2020, the Organization adopted ASU 2018-13. The adoption did not have any material effect on the change in net assets for the year ended December 31, 2019, or on net assets as of December 31, 2019.

Cash and Cash Equivalents. Cash consists of checking and savings accounts held at financial institutions. For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents.

Investments. The Organization's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Organization's management determines the valuation policies utilizing information provided by the investment advisors and custodians.

Unrealized gains and losses are included in the accompanying statements of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Fair Value Measurements. The Organization reports using fair value measurements, which among other things requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

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

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

- Level 2 Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

Boulder Valley Women's Health Center, Inc.

Notes to Financial Statements

December 31, 2020 and 2019

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

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

The Organization values exchange traded funds with readily determinable market values at fair value as determined by quoted market prices on national securities exchanges valued at the closing price on the last business day of the fiscal year.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodology used at December 31, 2020 and 2019.

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

Accounts Receivable. Accounts receivable consist of amounts due from patients for program services that have occurred and are stated at the amount of consideration from clients, of which the Organization has an unconditional right to receive, less an allowance for doubtful accounts. At the time accounts receivable are originated, the Organization considers an allowance for doubtful accounts based on the creditworthiness of the patient or the third party payor. The allowance is continually reviewed and adjusted to maintain the allowance at a level considered adequate to cover future uncollectible amounts. The allowance is management's best estimate of uncollectible amounts and is determined based on historical performance that is tracked by the Organization on an ongoing basis. The Organization has recorded an allowance of \$5,428 and \$3,157 at December 31, 2020 and 2019, respectively.

Grants Receivable. Unconditional promises to give are recognized as revenue in the period received. Grants receivable are recorded at the amount the Organization expects to receive, allowing for estimated uncollectible grants. The allowance for uncollectible grants is estimated based on management's review of specific grants outstanding. As of December 31, 2020 and 2019, management believes all grants receivable are fully collectible, and accordingly, no allowance for doubtful grants has been recorded. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Inventory. Inventory consists of medical supplies and drugs, and is stated at the lower of cost (first-in, first-out method) or net realizable value.

Boulder Valley Women's Health Center, Inc.

Notes to Financial Statements

December 31, 2020 and 2019

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Property and Equipment. It is the Organization's policy to capitalize property and equipment at cost for purchases over \$2,500, while repair and maintenance items are charged to expense. Donations of property and equipment are capitalized at their estimated fair value on the date of gift. Such donations are reported as contributions without donor restriction unless the donor has restricted the donated asset to a specific purpose. Property and equipment is depreciated using the straight-line method over the estimated useful lives of the assets, which is generally ten to forty years for building, five to ten years for equipment, and five to ten years for furniture and fixtures. Amortization of leased equipment is included in depreciation expense.

Impairment of Long-Lived Assets. In the event that facts and circumstances indicate that property and equipment, or other assets, may be impaired, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying amount to determine if a write-down to market value would be necessary. No impairment losses were recorded during the years ended December 31, 2020 and 2019.

Restricted Cash. Restricted cash consists of amounts received from donors restricted to capital expenditures.

Revenue Recognition. The Organization's revenues from contracts with customers is comprised of family planning and subsidized services, abortion services, and special event sales.

Family planning and subsidized services consists of healthcare services and is recognized as the Organization provides services to customers based on the output method, which satisfies the Organization's performance obligation.

Abortion services consists of healthcare services and is recognized as the Organization provides services to customers based on the output method, which satisfies the Organization's performance obligation.

Special event sales consist primarily of event registrations and are generally received in advance of the event. Revenue is recognized at the point in time in which the event occurs, which satisfies the Organization's performance obligation. Any amounts received prior to the start of an event is recorded as a contract liability.

Revenues are reported at the amount of consideration which the Organization expects to be entitled in exchange for providing the goods and services. The Organization determines the transaction price based on standard charges for goods and services provided, reduced by discounts and other price concessions.

Contributions. Contributions are recognized when the donation is received. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions and grants that are restricted by the donor or grantor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Boulder Valley Women's Health Center, Inc.

Notes to Financial Statements

December 31, 2020 and 2019

Note 1 – Nature of Organization and Significant Accounting Policies (continued)

Contributed Services and Materials. Contributed services are recognized if services received (a) create or enhance non-financial assets or (b) require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed materials are reported at fair market value on the date of gift.

Barter Transactions. The Organization barter event sponsorships for materials and services. Revenue from such transactions is recorded at the estimated fair market value of the material or service received. Revenue is recognized once the event occurs, and expenses are recognized when incurred. When materials or services are received prior to the event, the Organization records deferred revenue. When the event occurs in advance of receiving the materials or services, the Organization records a receivable. Barter transactions totaled \$9,900 in 2019. There were no barter transactions in 2020.

Income Taxes. The Organization is a nonprofit corporation exempt from income taxes as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made.

Functional Allocation of Expenses. The costs of providing various programs and other activities have been summarized on a functional basis. Accordingly, direct expenses have been allocated to the applicable program for which the expenses were incurred. Indirect expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

Fiscal Sponsorship. The Organization has a fiscal sponsorship arrangement with a community group set out to achieve goals similar to the Organization's mission. Support and related expenses of the fiscal sponsorship are recognized in the accompanying financial statements and are not considered to be apart of the Organization's operations. All contributions are considered donor-restricted and are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Subsequent Events. The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through August 5, 2021, the date at which the financial statements were available for release.

Note 2 – Liquidity and Availability

The Organization receives significant contributions and promises to give that are restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The 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 will be discharged.

Boulder Valley Women's Health Center, Inc.

Notes to Financial Statements

December 31, 2020 and 2019

Note 2 – Liquidity and Availability (continued)

The Organization has a liquidity policy to maintain current financial assets less current liabilities at a minimum of 3 months of budgeted operating expenses. To achieve this target, the Organization forecasts its future cash flows and monitors its liquidity quarterly, and monitors its reserves annually. Additionally, in the event of an unanticipated liquidity need, the Organization could draw upon its \$150,000 line of credit. During the years ended December 31, 2020 and 2019, the level of liquidity and reserves was managed within the policy requirements.

The Organization's financial assets available for general expenditures within one year are as follows at December 31:

	<u>2020</u>	<u>2019</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 942,434	\$ 558,247
Investments	224,623	209,774
Accounts receivable, net	94,622	80,941
Grants receivable	40,936	81,813
	<u>1,302,615</u>	<u>930,775</u>
Less amounts not available to be used within one year:		
Assets designated by the board for operational reserve	(263,197)	(235,253)
Cash restricted for capital reserves	(27,073)	(27,069)
	<u>(290,270)</u>	<u>(262,322)</u>
Financial assets available for general expenditures within one year	<u>\$ 1,012,345</u>	<u>\$ 668,453</u>

Note 3 – Fair Value Measurement

The following table summarizes the Organization's fair value of assets measured on a recurring basis by fair value hierarchy as of December 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Exchange traded funds	<u>\$ 224,623</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 224,623</u>

The following table summarizes the Organization's fair value of assets measured on a recurring basis by fair value hierarchy as of December 31, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Exchange traded funds	<u>\$ 209,774</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 209,774</u>

Boulder Valley Women's Health Center, Inc.

Notes to Financial Statements

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Note 3 – Fair Value Measurement (continued)

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Organization evaluated the significance of transfers between levels based upon the nature of the financial instruments and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2020 and 2019, there were no significant transfers in or out of fair value levels.

Net investment income consisted of the following for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 5,033	\$ 5,193
Net realized gain on investments	4,713	42
Net unrealized gain on investments	10,149	12,952
	<u>\$ 19,895</u>	<u>\$ 18,187</u>

Note 4 – Accounts Receivable

Accounts receivable consists of amounts invoiced to patients for services rendered for which the Organization has met all performance obligations. Beginning balances were \$80,941 and \$72,570 at January 1, 2020 and 2019, respectively. Ending balances were \$94,622 and \$80,941 at December 31, 2020 and 2019, respectively.

Note 5 – Property and Equipment

Property and equipment consisted of the following at December 31:

	<u>2020</u>	<u>2019</u>
Land	\$ 117,357	\$ 117,357
Building and improvements	1,586,661	1,586,661
Equipment	84,372	84,372
Furniture and fixtures	215,997	215,997
	<u>2,004,387</u>	<u>2,004,387</u>
Less accumulated amortization	<u>(1,105,244)</u>	<u>(1,053,050)</u>
Net property and equipment	<u>\$ 899,143</u>	<u>\$ 951,337</u>

Depreciation expense totaled \$52,194 and \$58,157 for the years ended December 31, 2020 and 2019, respectively.

Boulder Valley Women's Health Center, Inc.

Notes to Financial Statements

December 31, 2020 and 2019

Note 6 – Line of Credit

The Organization has a \$150,000 revolving line of credit agreement with Wells Fargo Bank, N.A. with no outstanding borrowings as of December 31, 2020 and 2019. The agreement bears interest at 0.5% over the bank's prime rate with a floor rate of 5.5% (stated rate of 5.5% at December 31, 2020), and is collateralized by a deed of trust. The agreement matures in June 2023.

Note 7 – Net Assets With Donor Restrictions

The following summarizes the changes in net assets with donor restrictions for the year ended December 31, 2020:

	Balance January 1, 2020	Additions	Releases	Balance December 31, 2020
Purpose restrictions				
Abortion services	\$ 35,636	\$ 24,000	\$ (7,689)	\$ 51,947
Capital expenditures	27,069	4	-	27,073
Family planning	19,167	132,763	(138,442)	13,488
Human Services Alliance	12,959	21,922	(21,262)	13,619
Time restrictions	81,813	40,936	(81,813)	40,936
	<u>\$ 176,644</u>	<u>\$ 219,625</u>	<u>\$ (249,206)</u>	<u>\$ 147,063</u>

The following summarizes the changes in net assets with donor restrictions for the year ended December 31, 2019:

	Balance January 1, 2019	Additions	Releases	Balance December 31, 2019
Purpose restrictions				
Abortion services	\$ 39,776	\$ 10,500	\$ (14,640)	\$ 35,636
Capital expenditures	27,061	8	-	27,069
Family planning	-	59,650	(40,483)	19,167
Human Services Alliance	8,355	18,350	(13,746)	12,959
Special needs fund	3,243	7,000	(10,243)	-
Time restrictions	126,097	81,813	(126,097)	81,813
	<u>\$ 204,532</u>	<u>\$ 177,321</u>	<u>\$ (205,209)</u>	<u>\$ 176,644</u>

Note 8 – Lease Commitments

Capital Lease. The Organization leases equipment under a noncancelable capital lease. The lease expires March 2023. The leased equipment has a cost of \$8,347 and accumulated depreciation of \$5,008 and \$3,339 at December 31, 2020 and 2019, respectively.

Boulder Valley Women's Health Center, Inc.

Notes to Financial Statements

December 31, 2020 and 2019

Note 8 – Lease Commitments (continued)

Future annual minimum lease payments required under the noncancelable capital lease are as follows at December 31, 2020:

<u>Year</u>	<u>Amount</u>
2021	\$ 1,788
2022	1,788
2023	447
Total minimum lease payments	4,023
Less amount representing interest	(204)
	<u>\$ 3,819</u>

Operating Lease. The Organization leases a copier under a noncancelable operating lease. The lease requires monthly payments of \$395, and expires in June 2022. Rent expense under the lease totaled \$4,740 for each of the years ended December 31, 2020 and 2019.

Future annual minimum lease payments required under the noncancelable operating lease are as follows at December 31, 2020:

<u>Year</u>	<u>Amount</u>
2021	\$ 4,740
2022	2,370
	<u>\$ 7,110</u>

Note 9 – Special Events

The Organization derived net revenue from the Condom Couture special fundraising event during the years ended December 31:

	<u>2020</u>	<u>2019</u>
Contributions	\$ 23,001	\$ 69,204
Gross proceeds, including barter transactions	-	95,295
In-kind contributions		
Materials and supplies	-	13,875
Facility usage	-	1,675
	<u>23,001</u>	<u>180,049</u>
Direct costs	<u>(4,927)</u>	<u>(71,140)</u>
Net revenue	<u>\$ 18,074</u>	<u>\$ 108,909</u>

Boulder Valley Women's Health Center, Inc.

Notes to Financial Statements

December 31, 2020 and 2019

Note 10 – Revenue from Contracts with Customers

The composition of revenue by segment based on the timing of the transfer of goods or services is as follows for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Recognized over time		
Family planning and subsidized services	\$ 788,464	\$ 912,932
Abortion services	115,780	145,883
Recognized at a point in time		
Special event sales	-	95,295
	<u>\$ 904,244</u>	<u>\$ 1,154,110</u>

Note 11 – Paycheck Protection Program

During April 2020, the Organization received proceeds from the Paycheck Protection Program administered by the U.S. Small Business Administration of \$314,000. Proceeds from the program are considered a government grant if at least 60% of the proceeds are spent on eligible payroll, with the remaining 40% on other narrowly specified expenses. As of December 31, 2020, the Organization fulfilled the requirements of the program. Accordingly, the Organization recognized grant revenue totaling \$314,000 in the accompanying statement of activities.

Note 12 – Retirement Plan

The Organization maintains a 403(b) plan covering substantially all employees. The plan allows the Organization to make a discretionary match on employee contributions. The Organization did not contribute to the plan for the years ended December 31, 2020 and 2019.

Note 13 – Other Commitments and Contingencies

The Organization has received significant financial assistance from governments in the form of grants and contracts. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in contractual agreements, and are subject to audit by the contracting governments. Any disallowed claims resulting from such audits may result in funds being returned to the contracting governments.

The Organization has received certain funds that have resulted in liens on its real estate until the years 2109 through 2114. These funds require the payments be returned if the property is sold or is no longer used for its exempt purpose. Management has no intentions to sell the real estate or to stop using it for its exempt purpose, therefore, there is no liability recorded for these liens.

Boulder Valley Women's Health Center, Inc.

Notes to Financial Statements

December 31, 2020 and 2019

Note 14 – Concentrations of Credit Risk

Accounts Receivable. The Organization's primary customers are individuals. The Organization performs ongoing credit evaluations of its patients and generally does not require collateral. The Organization provides reserves for credit losses, as necessary, based on a thorough review of all outstanding accounts. Such losses and yearly provisions have been within management's expectations.

Bank Deposits. The Organization routinely maintains cash balances in excess of federally insured limits.

Major Grantors. The Organization had two grantors that comprised 26% of total revenues for the year ended December 31, 2020. The Organization had a single grantor that comprised 16% of total revenues for the year ended December 31, 2019.

Geographical. The Organization receives predominantly all of its support and revenue from Boulder, Colorado and surrounding communities.

Note 15 – Risk and Uncertainty

During 2020, a health care pandemic occurred in the United States and internationally. In response to the crisis, the federal, state, and municipal governments have enacted various policies to curtail group gatherings until the risk has diminished. Certain activities of the Organizations are subject to closure or substantially modified operations. Additionally, the global economy has been negatively impacted. No reliable estimate of the potential future financial impacts of this uncertainty on the Organization can be made at this time.

Note 16 – Summary of Program Services

A summary of the Organization's net revenue by program service is as follows at December 31, 2020:

	Abortion Services	Family Planning and Subsidized Services	Total
Support and Revenue			
Service fees	\$ 115,780	\$ 788,464	\$ 904,244
Government grants	-	918,194	918,194
Other grants and contributions	134,989	130,823	265,812
Special events, net	8,538	-	8,538
Total support and revenue	<u>259,307</u>	<u>1,837,481</u>	<u>2,096,788</u>
Program Expenses	<u>254,832</u>	<u>1,838,380</u>	<u>2,093,212</u>
Total support and revenue in excess (deficit) of program expenses	<u>\$ 4,475</u>	<u>\$ (899)</u>	<u>\$ 3,576</u>

Boulder Valley Women's Health Center, Inc.

Notes to Financial Statements

December 31, 2020 and 2019

Note 16 – Summary of Program Services (continued)

A summary of the Organization's net revenue by program service is as follows at December 31, 2019:

	Abortion Services	Family Planning and Subsidized Services	Total
Support and Revenue			
Service fees	\$ 145,883	\$ 912,932	\$ 1,058,815
Government grants	-	964,163	964,163
Other grants and contributions	125,749	173,768	299,517
Special events, net	18,666	-	18,666
Total support and revenue	<u>290,298</u>	<u>2,050,863</u>	<u>2,341,161</u>
Program Expenses	<u>280,583</u>	<u>2,079,771</u>	<u>2,360,354</u>
Total support and revenue in excess (deficit) of program expenses	<u>\$ 9,715</u>	<u>\$ (28,908)</u>	<u>\$ (19,193)</u>