

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

(a nonprofit Colorado corporation)

**Financial Statements**

December 31, 2021 and 2020

# 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 financial statements of Boulder Valley Women's Health Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, 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 accompanying financial statements present fairly, in all material respects, the financial position of Boulder Valley Women's Health Center, Inc. as of December 31, 2021 and 2020, 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  
November 8, 2022

# Boulder Valley Women's Health Center, Inc.

## Statements of Financial Position

December 31	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 849,506	\$ 915,361
Investments	252,668	224,623
Accounts receivable, net	71,714	94,622
Grants and contributions receivable	142,717	40,936
Inventory	51,067	42,045
Prepaid expenses and other current assets	20,763	29,024
Total current assets	<u>1,388,435</u>	<u>1,346,611</u>
<b>Property and Equipment, net</b>	<u>913,406</u>	<u>899,143</u>
<b>Other Assets</b>		
Restricted cash	27,089	27,073
Deposit	-	10,450
Total other assets	<u>27,089</u>	<u>37,523</u>
Total assets	<u>\$ 2,328,930</u>	<u>\$ 2,283,277</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 26,746	\$ 9,992
Accrued compensation and benefits	53,963	93,985
Other current liabilities	2,000	-
Capital lease obligations, current maturities	6,825	1,650
Total current liabilities	<u>89,534</u>	<u>105,627</u>
<b>Long-Term Liabilities</b>		
Capital lease obligations, net of current maturities	<u>30,575</u>	<u>2,169</u>
Total liabilities	<u>120,109</u>	<u>107,796</u>
<b>Net Assets</b>		
Without donor restrictions		
Undesignated	1,647,768	1,765,221
Board-designated reserves	272,621	263,197
Total without donor restrictions	<u>1,920,389</u>	<u>2,028,418</u>
With donor restrictions	<u>288,432</u>	<u>147,063</u>
Total net assets	<u>2,208,821</u>	<u>2,175,481</u>
Total liabilities and net assets	<u>\$ 2,328,930</u>	<u>\$ 2,283,277</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, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Operating Support and Revenue</b>			
<b>Operating Support</b>			
Government grants	\$ 831,297	\$ 95,838	\$ 927,135
Other grants and contributions	418,520	128,895	547,415
Special events, net	5,467	-	5,467
Net assets released from restrictions			
Satisfaction of program restrictions	46,318	(46,318)	-
Expiration of time restrictions	40,936	(40,936)	-
Total operating support	<u>1,342,538</u>	<u>137,479</u>	<u>1,480,017</u>
<b>Operating Revenue</b>			
Family planning and subsidized services	724,298	-	724,298
Abortion services	126,761	-	126,761
Total operating revenue	<u>851,059</u>	<u>-</u>	<u>851,059</u>
 Total operating support and revenue	 <u>2,193,597</u>	 <u>137,479</u>	 <u>2,331,076</u>
<b>Operating Expenses</b>			
Program services	1,952,502	-	1,952,502
Supporting services			
General and administrative	262,188	-	262,188
Fundraising	97,668	-	97,668
Total operating expenses	<u>2,312,358</u>	<u>-</u>	<u>2,312,358</u>
 Total operating support and revenue in excess (deficit) of operating expenses	 <u>(118,761)</u>	 <u>137,479</u>	 <u>18,718</u>
<b>Other Changes</b>			
Net investment income	9,441	-	9,441
Other revenue	1,291	-	1,291
Fiscal sponsorship contributions	-	17,650	17,650
Fiscal sponsorship disbursements	(13,760)	-	(13,760)
Net assets released from restrictions			
Satisfaction of program restrictions	13,760	(13,760)	-
Total other changes	<u>10,732</u>	<u>3,890</u>	<u>14,622</u>
 Change in Net Assets	 <u>(108,029)</u>	 <u>141,369</u>	 <u>33,340</u>
 Net Assets, Beginning of Year	 <u>2,028,418</u>	 <u>147,063</u>	 <u>2,175,481</u>
 Net Assets, End of Year	 <u>\$ 1,920,389</u>	 <u>\$ 288,432</u>	 <u>\$ 2,208,821</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

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Support and Revenue</b>			
<b>Operating Support</b>			
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>
<b>Operating Revenue</b>			
Family planning and subsidized services	788,464	-	788,464
Abortion services	<u>115,780</u>	<u>-</u>	<u>115,780</u>
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>
<b>Operating Expenses</b>			
Program services	2,093,212	-	2,093,212
Supporting services			
General and administrative	221,008	-	221,008
Fundraising	<u>133,850</u>	<u>-</u>	<u>133,850</u>
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
<b>Other Changes</b>			
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>
<b>Change in Net Assets</b>	381,597	(29,581)	352,016
<b>Net Assets, Beginning of Year</b>	<u>1,646,821</u>	<u>176,644</u>	<u>1,823,465</u>
<b>Net Assets, End of Year</b>	<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 Functional Expenses

Year ended December 31, 2021

	Program Services			Supporting Services		
	Abortion Services	Family Planning and Subsidized Services	Total Program Services	General and Administrative	Fundraising	Total
Salaries and wages	\$ 128,640	\$ 986,329	\$ 1,114,969	\$ 160,688	\$ 66,060	\$ 1,341,717
Payroll taxes	10,612	82,266	92,878	13,139	5,003	111,020
Employee benefits	8,904	53,155	62,059	15,685	5,455	83,199
Total personnel costs	148,156	1,121,750	1,269,906	189,512	76,518	1,535,936
Medical operations	25,413	256,478	281,891	-	-	281,891
Information technology	11,018	96,218	107,236	11,329	2,489	121,054
Occupancy	6,308	46,583	52,891	5,801	423	59,115
Contract labor	44,480	4,490	48,970	-	-	48,970
Depreciation	8,044	34,342	42,386	3,665	407	46,458
Legal and professional	1,776	15,482	17,258	28,369	185	45,812
Insurance	4,999	25,372	30,371	2,642	154	33,167
Marketing and outreach	2,345	23,327	25,672	2,293	-	27,965
Office expense	2,267	16,415	18,682	5,885	1,659	26,226
Consulting	2,366	14,531	16,897	3,134	147	20,178
Development expenses	-	-	-	-	15,534	15,534
Telephone	1,399	12,368	13,767	952	105	14,824
Dues and subscriptions	1,559	9,241	10,800	1,752	42	12,594
Bank and credit card fees	2,024	5,626	7,650	2,527	-	10,177
Professional development	740	5,344	6,084	217	5	6,306
Volunteer, staff, and board expenses	-	-	-	4,039	-	4,039
Travel	1,279	638	1,917	57	-	1,974
Interest expense	-	124	124	14	-	138
Total operating expenses	\$ 264,173	\$ 1,688,329	\$ 1,952,502	\$ 262,188	\$ 97,668	\$ 2,312,358
Percentage of total	12%	73%	85%	11%	4%	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, 2020

	Program Services			Supporting Services		
	Abortion Services	Family Planning and Subsidized Services	Total Program Services	General and Administrative	Fundraising	Total
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	10%	75%	85%	9%	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	2021	2020
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 33,340	\$ 352,016
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	46,458	52,194
Provision for bad debts	(2,415)	2,271
Net realized gain on investments	-	(4,713)
Net unrealized gain on investments	(4,797)	(10,149)
Increase (decrease) from changes in assets and liabilities		
Accounts receivable	25,323	(15,952)
Grants and contributions receivable	(101,781)	40,877
Inventory	(9,022)	18,342
Prepaid expenses and other current assets	8,261	(9,002)
Deposit	10,450	(10,450)
Accounts payable	16,754	(25,962)
Accrued compensation and benefits	(40,022)	(3,720)
Other current liabilities	2,000	-
Net cash provided (used) by operating activities	(15,451)	385,752
<b>Cash Flows From Investing Activities</b>		
Proceeds from sale of investments	-	15,074
Purchases of investments	(23,248)	(15,061)
Purchases of property and equipment	(23,321)	-
Net cash provided (used) by investing activities	(46,569)	13
<b>Cash Flows From Financing Activities</b>		
Principal payments on capital lease obligations	(3,819)	(1,578)
Net cash used by financing activities	(3,819)	(1,578)
<b>Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash</b>	<b>(65,839)</b>	<b>384,187</b>
<b>Cash, Cash Equivalents and Restricted Cash, Beginning of Year</b>	<b>942,434</b>	<b>558,247</b>
<b>Cash, Cash Equivalents and Restricted Cash, End of Year</b>	<b>\$ 876,595</b>	<b>\$ 942,434</b>
<b>Supplemental Information</b>		
Cash paid for interest	\$ 138	\$ 196
Equipment acquired under a capital lease	\$ 37,400	\$ -

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, 2021 and 2020

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### 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, regardless of a person's insurance status, economic circumstance, or immigration status.

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 based on family size and income. 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.

*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.

# Boulder Valley Women's Health Center, Inc.

## Notes to Financial Statements

December 31, 2021 and 2020

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

*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.

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.

# Boulder Valley Women's Health Center, Inc.

## Notes to Financial Statements

December 31, 2021 and 2020

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

*Fair Value Measurements (continued).* 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, 2021 and 2020.

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 patients, 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 \$3,013 and \$5,428 at December 31, 2021 and 2020, respectively.

*Grants and Contributions Receivable.* Unconditional promises to give are recognized as revenue in the period received. Grants and contributions receivable are recorded at the amount the Organization expects to receive, allowing for estimated uncollectible grants and contributions. The allowance for uncollectible grants and contributions is estimated based on management's review of specific grants and contributions outstanding. As of December 31, 2021 and 2020, management believes all grants and contributions receivable are fully collectible, and accordingly, no allowance for doubtful grants and contributions 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.

*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.

# Boulder Valley Women's Health Center, Inc.

## Notes to Financial Statements

December 31, 2021 and 2020

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

*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, 2021 and 2020.

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

*Revenue Recognition.* The Organization earns revenue from contracts with patients through providing family planning and subsidized services and abortion services, which primarily includes healthcare. The Organization's patients are individuals. The Organization's contracts typically include a single performance obligation to perform agreed upon services, which generally occur within a single fiscal year.

Family planning and subsidized service revenue and abortion service revenue are recognized over time as the Organization's patients simultaneously receive and consume the benefits of the Organization's performance. The Organization typically provides the healthcare services under fixed fee arrangements which are billed upon completion of the service. Amounts that have been invoiced are recorded in either deferred revenue or revenue, depending on whether the revenue recognition criteria have been met. The Organization does experience changes in the transaction price subsequent to the inception of its contracts as a result of billing adjustments imposed by the third party payors. Billing adjustments are recorded in the period they are known.

Family planning and subsidized service revenue and abortion service revenue recognized under contracts with patients for the years ended December 31, 2021 and 2020, was \$851,059 and \$904,244, respectively. The Organization had accounts receivable representing net billed amounts due on contracts with patients of \$71,714, \$94,622, and \$80,941 as of December 31, 2021 and 2020 and January 1, 2020, respectively. The Organization did not have any contract assets associated with healthcare fees as of December 31, 2021 and 2020, or as of January 1, 2020. The Organization rarely collects fees in advance of services being provided. If they are collected, they are recorded as deferred revenue (contract liabilities) on the statements of financial position. There were no contract liabilities as of December 31, 2021 and 2020, or as of January 1, 2020.

*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.

*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.

# Boulder Valley Women's Health Center, Inc.

## Notes to Financial Statements

December 31, 2021 and 2020

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

*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 November 8, 2022, the date at which the financial statements were available for release.

### Note 2 – Liquidity and Availability

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

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 876,595	\$ 942,434
Investments	252,668	224,623
Accounts receivable, net	71,714	94,622
Grants and contributions receivable	142,717	40,936
	<u>1,343,694</u>	<u>1,302,615</u>
Less amounts not available to be used within one year:		
Assets designated by the board for operational reserve	(272,621)	(263,197)
Cash restricted for capital reserves	(27,089)	(27,073)
	<u>(299,710)</u>	<u>(290,270)</u>
Financial assets available for general expenditures within one year	<u>\$ 1,043,984</u>	<u>\$ 1,012,345</u>

# Boulder Valley Women's Health Center, Inc.

## Notes to Financial Statements

December 31, 2021 and 2020

### Note 2 – Liquidity and Availability (continued)

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. 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, 2021 and 2020, the level of liquidity and reserves was managed within the policy requirements.

### Note 3 – Fair Value Measurement

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

	<u>2021</u>	<u>2020</u>
Mutual funds		
Exchange traded funds (level 1)	\$ 229,415	\$ 224,623
U.S. Government securities (level 1)	23,253	-
	<u>\$ 252,668</u>	<u>\$ 224,623</u>

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, 2021 and 2020, 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>2021</u>	<u>2020</u>
Interest and dividends	\$ 4,644	\$ 5,033
Net unrealized gain on investments	4,797	10,149
Net realized gain on investments	-	4,713
	<u>\$ 9,441</u>	<u>\$ 19,895</u>



# Boulder Valley Women's Health Center, Inc.

## Notes to Financial Statements

December 31, 2021 and 2020

### Note 4 – Property and Equipment

Property and equipment consisted of the following at December 31:

	<u>2021</u>	<u>2020</u>
Land	\$ 117,357	\$ 117,357
Building and improvements	1,589,081	1,586,661
Equipment	105,273	84,372
Furniture and fixtures	253,397	215,997
	<u>2,065,108</u>	<u>2,004,387</u>
Less accumulated amortization	<u>(1,151,702)</u>	<u>(1,105,244)</u>
Net property and equipment	<u>\$ 913,406</u>	<u>\$ 899,143</u>

Depreciation expense totaled \$46,458 and \$52,194 for the years ended December 31, 2021 and 2020, respectively.

### Note 5 – 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, 2021 and 2020. The agreement bears interest at 0.25% over the bank's prime rate with a floor rate of 5.0% (stated rate of 5.0% at December 31, 2021), and is collateralized by a deed of trust. The agreement matures in June 2023.

### Note 6 – Net Assets With Donor Restrictions

The following summarizes the changes in net assets with donor restrictions for the year ended December 31, 2021:

	<u>Balance January 1, 2021</u>	<u>Additions</u>	<u>Releases</u>	<u>Balance December 31, 2021</u>
Purpose restrictions				
Abortion services	\$ 51,947	\$ 22,000	\$ (2,830)	\$ 71,117
Capital expenditures	27,073	16	-	27,089
Family planning	13,488	60,000	(43,488)	30,000
Human Services Alliance	13,619	17,650	(13,760)	17,509
Time restrictions	40,936	142,717	(40,936)	142,717
	<u>\$ 147,063</u>	<u>\$ 242,383</u>	<u>\$ (101,014)</u>	<u>\$ 288,432</u>

# Boulder Valley Women's Health Center, Inc.

## Notes to Financial Statements

December 31, 2021 and 2020

### Note 6 – Net Assets With Donor Restrictions (continued)

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>

### Note 7 – Capital Lease Commitment

The Organization leases equipment under a noncancelable capital lease. The lease expires March 2027. The leased equipment has a cost of \$37,400 and no accumulated depreciation at December 31, 2021.

Future annual minimum lease payments required under the noncancelable capital lease are as follows at December 31, 2021:

Year	Amount
2022	\$ 7,510
2023	7,510
2024	7,510
2025	7,510
2026	7,510
Thereafter	1,879
Total minimum lease payments	39,429
Less amount representing interest	(2,029)
	<u>\$ 37,400</u>

### Note 8 – Special Events

The Organization derived net revenue from the Champions of Choice special fundraising event during the years ended December 31:

	2021	2020
Contributions	\$ 21,354	\$ 23,001
Direct costs	(15,887)	(4,927)
Net revenue	<u>\$ 5,467</u>	<u>\$ 18,074</u>

# Boulder Valley Women's Health Center, Inc.

## Notes to Financial Statements

December 31, 2021 and 2020

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### Note 9 – 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 2020 statement of activities.

### Note 10 – 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, 2021 and 2020.

### Note 11 – 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. Should Management decide to explore sale of the real estate, the Organization will comply with the gift agreements and record a liability for these liens.

### Note 12 – Concentrations of Credit Risk

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

*Major Grantors.* The Organization had a grantor that comprised 22% of total revenues for the year ended December 31, 2021. Grants receivable due from the major grantor totaled \$75,000 at December 31, 2021. The Organization had two grantors that comprised 26% of total revenues for the year ended December 31, 2020.

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

# Boulder Valley Women's Health Center, Inc.

## Notes to Financial Statements

December 31, 2021 and 2020

### Note 13 – Risk and Uncertainty

A global pandemic has continued into 2022, although with diminished impacts. The effects of the pandemic have negatively impacted the economy with labor and supply chain shortages and high inflation. Uncertainties may arise with respect to potential government mandates should the status of the pandemic change in the future.

### Note 14 – Summary of Program Services

A summary of the Organization's net revenue by program service is as follows at December 31, 2021:

	<b>Abortion Services</b>	<b>Family Planning and Subsidized Services</b>	<b>Total</b>
<b>Support and Revenue</b>			
Service fees	\$ 126,761	\$ 724,298	\$ 851,059
Government grants	-	918,244	918,244
Other grants and contributions	120,684	76,956	197,640
Special events, net	20,256	-	20,256
Total support and revenue	<u>267,701</u>	<u>1,719,498</u>	<u>1,987,199</u>
<b>Program Expenses</b>	<u>264,173</u>	<u>1,688,329</u>	<u>1,952,502</u>
Total support and revenue in excess of program expenses	<u>\$ 3,528</u>	<u>\$ 31,169</u>	<u>\$ 34,697</u>

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
<b>Support and Revenue</b>			
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>
<b>Program Expenses</b>	<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, 2021 and 2020

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### Note 15 – Upcoming Accounting Pronouncement

The Financial Accounting Standards Board issued Accounting Standard Update (ASU) No. 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-to-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating. Currently, leases are classified as either capital or operating, with only capital leases recognized on the statement of financial position. The reporting of lease-related expenses in the statements of activities and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Organization's year ending December 31, 2022 and will be applied using a modified retrospective transition method to either the beginning of the earliest period presented or the beginning of the year of adoption. The new lease standard is expected to have no significant effect on the Organization's financial statements as a result of the Organization's capital lease, as disclosed in Note 7. Upon adoption, the Organization will rename the lease liability and corresponding right-to-use asset.