

**Boulder Valley Women's
Health Center, Inc.
d/b/a Boulder Valley
Health Center**

(a nonprofit Colorado corporation)

Financial Statements

December 31, 2023 and 2022

Boulder Valley Women's Health Center, Inc. d/b/a Boulder Valley Health Center

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Independent Auditor's Report

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

Opinion

We have audited the financial statements of Boulder Valley Women's Health Center, Inc. d/b/a Boulder Valley Health Center (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, 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. d/b/a Boulder Valley Health Center as of December 31, 2023 and 2022, 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. d/b/a Boulder Valley Health Center 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. d/b/a Boulder Valley Health Center'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. d/b/a Boulder Valley Health Center'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. d/b/a Boulder Valley Health Center'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

Boulder, Colorado
November 6, 2024

Boulder Valley Women's Health Center, Inc. d/b/a Boulder Valley Health Center

Statements of Financial Position

December 31	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,386,182	\$ 947,009
Investments	205,716	214,651
Accounts receivable, net	82,180	79,823
Grants and contributions receivable	210,349	429,120
Inventory	21,289	37,721
Prepaid expenses and other current assets	126,543	51,976
Total current assets	2,032,259	1,760,300
Property and Equipment, net	687,579	879,075
Other Assets		
Restricted cash	99,287	127,627
Total assets	\$ 2,819,125	\$ 2,767,002
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 51,453	\$ 52,435
Accrued compensation and benefits	108,032	47,425
Other current liabilities	-	1,000
Current maturities of financing lease obligation	7,146	6,962
Total current liabilities	166,631	107,822
Long-Term Liabilities		
Financing lease obligation, net of current maturities	16,511	23,614
Total liabilities	183,142	131,436
Net Assets		
Without donor restrictions		
Undesignated	1,952,283	1,810,353
Board-designated reserves	260,707	239,311
Total without donor restrictions	2,212,990	2,049,664
With donor restrictions	422,993	585,902
Total net assets	2,635,983	2,635,566
Total liabilities and net assets	\$ 2,819,125	\$ 2,767,002

The accompanying Notes are an integral
part of these financial statements

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Boulder Valley Women's Health Center, Inc. d/b/a Boulder Valley Health Center

Statement of Activities

Year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support and Revenue			
Operating Support			
Government grants	\$ 944,864	\$ -	\$ 944,864
Other grants and contributions	844,187	329,984	1,174,171
In-kind contributions	9,163	-	9,163
Special event, net	29,204	-	29,204
Net assets released from restrictions			
Satisfaction of program restrictions	152,623	(152,623)	-
Expiration of time restrictions	340,270	(340,270)	-
Total operating support	2,320,311	(162,909)	2,157,402
Operating Revenue			
Reproductive health and subsidized services	738,606	-	738,606
Abortion services	230,501	-	230,501
Total operating revenue	969,107	-	969,107
Total operating support and revenue	3,289,418	(162,909)	3,126,509
Operating Expenses			
Program services	2,595,385	-	2,595,385
Supporting services			
General and administrative	427,929	-	427,929
Fundraising	157,753	-	157,753
Total operating expenses	3,181,067	-	3,181,067
Total operating support and revenue in excess (deficit) of operating expenses	108,351	(162,909)	(54,558)
Other Changes			
Net investment income	21,446	-	21,446
Other revenue	4,227	-	4,227
Gain on sale of property and equipment	29,302	-	29,302
Total other changes	54,975	-	54,975
Change in Net Assets	163,326	(162,909)	417
Net Assets, Beginning of Year	2,049,664	585,902	2,635,566
Net Assets, End of Year	\$ 2,212,990	\$ 422,993	\$ 2,635,983

The accompanying Notes are an integral
part of these financial statements

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Boulder Valley Women's Health Center, Inc. d/b/a Boulder Valley Health Center

Statement of Activities

Year ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support and Revenue			
Operating Support			
Government grants	\$ 918,282	\$ 183,760	\$ 1,102,042
Other grants and contributions	733,174	318,384	1,051,558
In-kind contributions	25,352	-	25,352
Special event, net	12,573	-	12,573
Net assets released from restrictions			
Satisfaction of program restrictions	44,448	(44,448)	-
Expiration of time restrictions	122,717	(122,717)	-
Total operating support	<u>1,856,546</u>	<u>334,979</u>	<u>2,191,525</u>
Operating Revenue			
Reproductive health and subsidized services	587,966	-	587,966
Abortion services	189,473	-	189,473
Total operating revenue	<u>777,439</u>	<u>-</u>	<u>777,439</u>
Total operating support and revenue	<u>2,633,985</u>	<u>334,979</u>	<u>2,968,964</u>
Operating Expenses			
Program services	2,107,766	-	2,107,766
Supporting services			
General and administrative	316,104	-	316,104
Fundraising	68,984	-	68,984
Total operating expenses	<u>2,492,854</u>	<u>-</u>	<u>2,492,854</u>
Total operating support and revenue in excess of operating expenses	141,131	334,979	476,110
Other Changes			
Net investment loss	(33,345)	-	(33,345)
Other revenue	1,489	-	1,489
Fiscal sponsorship contributions	-	16,150	16,150
Fiscal sponsorship disbursements	(33,659)	-	(33,659)
Net assets released from restrictions			
Satisfaction of program restrictions	33,659	(33,659)	-
Total other changes	<u>(31,856)</u>	<u>(17,509)</u>	<u>(49,365)</u>
Change in Net Assets	109,275	317,470	426,745
Net Assets, Beginning of Year	<u>1,940,389</u>	<u>268,432</u>	<u>2,208,821</u>
Net Assets, End of Year	<u>\$ 2,049,664</u>	<u>\$ 585,902</u>	<u>\$ 2,635,566</u>

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Boulder Valley Women's Health Center, Inc.

d/b/a Boulder Valley Health Center

Statement of Functional Expenses

Year ended December 31, 2023

	Program Services			Supporting Services		
	Abortion Services	Reproductive Health and Subsidized Services	Total Program Services	General and Administrative	Fundraising	Total
Salaries and wages	\$ 334,468	\$ 957,334	\$ 1,291,802	\$ 329,901	\$ 115,594	\$ 1,737,297
Payroll taxes	26,026	75,673	101,699	23,923	7,365	132,987
Employee benefits	24,461	89,623	114,084	14,918	11,276	140,278
Total personnel costs	384,955	1,122,630	1,507,585	368,742	134,235	2,010,562
Consulting	52,580	240,705	293,285	21,288	9,081	323,654
Medical operations	24,863	252,519	277,382	-	-	277,382
Information technology	55,320	113,223	168,543	6,111	1,338	175,992
Marketing and outreach	22,157	47,705	69,862	5,981	944	76,787
Occupancy	13,888	41,185	55,073	7,782	556	63,411
Insurance	14,611	33,768	48,379	4,532	502	53,413
Depreciation	10,579	24,055	34,634	2,845	317	37,796
Office expense	8,921	18,908	27,829	2,904	325	31,058
Contract labor	22,486	677	23,163	-	-	23,163
Professional fees	5,548	11,709	17,257	1,726	192	19,175
Telephone	4,750	11,606	16,356	1,423	158	17,937
Credit loss expense	931	16,434	17,365	-	-	17,365
Dues and subscriptions	6,759	7,529	14,288	465	61	14,814
Volunteer, staff, and board expenses	4,915	6,096	11,011	2,928	520	14,459
Development expenses	-	-	-	-	9,448	9,448
Bank and credit card fees	2,140	4,738	6,878	688	76	7,642
Professional development	-	4,662	4,662	-	-	4,662
Other program expenses	-	1,790	1,790	-	-	1,790
Interest expense	-	43	43	514	-	557
Total operating expenses	\$ 635,403	\$ 1,959,982	\$ 2,595,385	\$ 427,929	\$ 157,753	\$ 3,181,067
Percentage of total	20%	62%	82%	13%	5%	100%

The accompanying Notes are an integral part of these financial statements

Boulder Valley Women's Health Center, Inc.

d/b/a Boulder Valley Health Center

Statement of Functional Expenses

Year ended December 31, 2022

	Program Services			Supporting Services		Total
	Abortion Services	Reproductive Health and Subsidized Services	Total Program Services	General and Administrative	Fundraising	
Salaries and wages	\$ 206,291	\$ 860,429	\$ 1,066,720	\$ 171,516	\$ 25,761	\$ 1,263,997
Payroll taxes	15,067	67,182	82,249	16,682	1,287	100,218
Employee benefits	6,998	41,333	48,331	4,491	989	53,811
Total personnel costs	228,356	968,944	1,197,300	192,689	28,037	1,418,026
Medical operations	20,385	209,591	229,976	-	-	229,976
Professional fees	17,685	143,123	160,808	35,683	1,363	197,854
Information technology	30,246	110,626	140,872	12,370	3,296	156,538
Consulting	23,815	46,248	70,063	49,847	18,126	138,036
Occupancy	9,847	53,509	63,356	6,241	549	70,146
Marketing and outreach	15,205	39,616	54,821	1,341	124	56,286
Insurance	9,267	36,768	46,035	2,845	198	49,078
Depreciation	8,767	30,720	39,487	3,356	373	43,216
Contract labor	35,105	625	35,730	-	-	35,730
Office expense	3,783	13,216	16,999	1,908	835	19,742
Telephone	2,733	14,840	17,573	1,103	122	18,798
Development expenses	-	-	-	-	15,858	15,858
Professional development	1,334	11,201	12,535	-	-	12,535
Dues and subscriptions	1,789	7,781	9,570	1,785	63	11,418
Bank and credit card fees	2,386	4,084	6,470	1,203	-	7,673
Travel	4,935	1,236	6,171	602	40	6,813
Volunteer, staff, and board expenses	-	-	-	4,414	-	4,414
Miscellaneous expense	-	-	-	717	-	717
Total operating expenses	\$ 415,638	\$ 1,692,128	\$ 2,107,766	\$ 316,104	\$ 68,984	\$ 2,492,854
Percentage of total	17%	68%	85%	12%	3%	100%

The accompanying Notes are an integral part of these financial statements

Boulder Valley Women's Health Center, Inc.

d/b/a Boulder Valley Health Center

Statements of Cash Flows

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

Years ended December 31	2023	2022
Cash Flows From Operating Activities		
Change in net assets	\$ 417	\$ 426,745
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	37,796	43,216
Provision for credit losses	17,365	6,778
Gain on sale of property and equipment	(29,302)	-
Net realized loss on investments	1,104	-
Net unrealized (gain) loss on investments	(15,743)	38,337
Increase (decrease) from changes in assets and liabilities		
Accounts receivable	(19,722)	(14,887)
Grants and contributions receivable	218,771	(286,403)
Inventory	16,432	13,346
Prepaid expenses and other current assets	(74,567)	(31,213)
Accounts payable	(982)	25,689
Accrued compensation and benefits	60,607	(6,538)
Other current liabilities	(1,000)	(1,000)
Net cash provided by operating activities	<u>211,176</u>	<u>214,070</u>
Cash Flows From Investing Activities		
Proceeds from sale of investments	214,320	-
Purchases of investments	(190,746)	(320)
Purchases of equipment	(33,994)	(8,885)
Proceeds from sale of property and equipment	216,996	-
Net cash provided (used) by investing activities	<u>206,576</u>	<u>(9,205)</u>
Cash Flows From Financing Activities		
Principal payments on financing lease obligation	(6,919)	(6,824)
Net cash used by financing activities	<u>(6,919)</u>	<u>(6,824)</u>
Net Increase in Cash, Cash Equivalents and Restricted Cash	410,833	198,041
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	1,074,636	876,595
Cash, Cash Equivalents and Restricted Cash, End of Year	\$ 1,485,469	\$ 1,074,636
Supplemental Information		
Cash paid for interest	\$ 557	\$ 686

The accompanying Notes are an integral part of these financial statements

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Boulder Valley Women's Health Center, Inc.

d/b/a Boulder Valley Health Center

Notes to Financial Statements

December 31, 2023 and 2022

Note 1 – Nature of Organization and Significant Accounting Policies

Nature of Organization. Boulder Valley Women's Health Center, Inc. d/b/a Boulder Valley Health Center (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 reproductive health and gynecological care 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. Reproductive health 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, and comprehensive sexual health 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.

Change in Accounting Principle. Effective January 1, 2023, the Organization adopted Financial Accounting Standards Board Accounting Standards Codification 326, *Financial Instruments - Credit Losses*, which changes the method of measuring credit losses for most financial assets and certain other instruments that are not measured at fair value through change in net assets.

Boulder Valley Women's Health Center, Inc. d/b/a Boulder Valley Health Center

Notes to Financial Statements

December 31, 2023 and 2022

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

Change in Accounting Principle (continued). The standard changes the measurement of credit losses from the incurred loss model to the expected loss model, and requires enhanced disclosures to provide information for analysis of the Organization's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the new standard consist primarily of accounts receivable. The impact of the adoption is not considered to be material to the financial statements and primarily resulted in enhanced disclosures.

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.

d/b/a Boulder Valley Health Center

Notes to Financial Statements

December 31, 2023 and 2022

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 mutual 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, 2023 and 2022.

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 and Allowance for Credit Losses. Accounts receivable are stated at the amount of consideration from patients and insurance companies, of which the Organization has an unconditional right to receive. The Organization's accounts receivable are primarily derived from reproductive health, subsidized services, and abortion services. The Organization grants credit in the normal course of business to patients and recognizes an expected allowance for credit losses to reduce credit risk. At each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist. Accounts receivable are evaluated individually when they do not share similar risk characteristics which could exist in circumstances where amounts are considered at risk or uncollectible. The allowance estimate is derived from a review of the Organization's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. The Organization believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Organization's customers have remained fairly constant for many years. The Organization has recorded an allowance of \$10,731 and \$9,791 at December 31, 2023 and 2022, respectively.

The Organization writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in revenue. The total amount of writeoffs was immaterial to the financial statements as a whole for the years ending December 31, 2023 and 2022.

Boulder Valley Women's Health Center, Inc.

d/b/a Boulder Valley Health Center

Notes to Financial Statements

December 31, 2023 and 2022

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

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, 2023 and 2022, 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.

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, 2023 and 2022.

Leases and Right-of-Use Assets. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Organization recognizes a lease liability and a right-of-use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. The Organization made a policy election not to separate lease and nonlease components for all leases. Therefore, all payments are included in the calculation of the right-of-use asset and lease liability. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable, or otherwise, the Organization uses its incremental borrowing rate based on the information available at the commencement date for all leases. The Organization's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. The Organization has also elected to exclude leases of twelve months or less from right-of-use asset recognition.

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

Boulder Valley Women's Health Center, Inc.

d/b/a Boulder Valley Health Center

Notes to Financial Statements

December 31, 2023 and 2022

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

Revenue Recognition. The Organization earns revenue from contracts with patients and insurance companies through providing reproductive health 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.

Reproductive health 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.

Reproductive health and subsidized service revenue and abortion service revenue recognized under contracts with patients for the years ended December 31, 2023 and 2022, was \$969,107 and \$777,439, respectively. The Organization had accounts receivable representing net billed amounts due on contracts with insurance companies and patients of \$82,180, \$79,823, and \$71,714 as of December 31, 2023 and 2022 and January 1, 2022, respectively. The Organization did not have any contract assets associated with healthcare fees as of December 31, 2023 and 2022, or as of January 1, 2022. 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, 2023 and 2022, or as of January 1, 2022.

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.

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.

Boulder Valley Women's Health Center, Inc.

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Notes to Financial Statements

December 31, 2023 and 2022

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

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 had 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. All fiscal sponsorships agreements concluded by December 31, 2022.

Reclassifications. Certain amounts from the financial statements for the year ended December 31, 2022 have been reclassified to conform to current year presentation, without affecting the change in net assets.

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 6, 2024, 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>2023</u>	<u>2022</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 1,485,469	\$ 1,074,636
Investments	205,716	214,651
Accounts receivable, net	82,180	79,823
Grants and contributions receivable	210,349	429,120
	<u>1,983,714</u>	<u>1,798,230</u>
Less amounts not available to be used within one year:		
Assets designated by the board for operational reserve	(260,707)	(239,311)
Cash restricted for capital reserves	(99,287)	(127,627)
	<u>(359,994)</u>	<u>(366,938)</u>
Financial assets available for general expenditures within one year	<u>\$ 1,623,720</u>	<u>\$ 1,431,292</u>

Boulder Valley Women's Health Center, Inc.

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Notes to Financial Statements

December 31, 2023 and 2022

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. During the years ended December 31, 2023 and 2022, 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>2023</u>	<u>2022</u>
Mutual funds		
Exchange traded funds (level 1)	\$ 205,716	\$ 191,077
U.S. Government securities (level 1)	-	23,574
	<u>\$ 205,716</u>	<u>\$ 214,651</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, 2023 and 2022, there were no significant transfers in or out of fair value levels.

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

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 6,807	\$ 4,992
Net unrealized gain (loss) on investments	15,743	(38,337)
Net realized loss on investments	(1,104)	-
	<u>\$ 21,446</u>	<u>\$ (33,345)</u>

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Notes to Financial Statements

December 31, 2023 and 2022

Note 4 – Property and Equipment and Subsequent Event

Property and equipment consisted of the following at December 31:

	<u>2023</u>	<u>2022</u>
Land	\$ 117,357	\$ 117,357
Building and improvements	1,273,421	1,589,081
Equipment	25,959	74,118
Furniture and fixtures	231,143	256,037
Right-of-use financing lease asset	37,400	37,400
Construction in process	29,939	-
	<u>1,715,219</u>	<u>2,073,993</u>
Less accumulated amortization	<u>(1,027,640)</u>	<u>(1,194,918)</u>
Net property and equipment	<u>\$ 687,579</u>	<u>\$ 879,075</u>

Depreciation expense totaled \$37,796 and \$43,216 for the years ended December 31, 2023 and 2022, respectively.

In October 2024, the Organization purchased a building adjacent to its current Boulder, Colorado facility in an effort to expand operations. The building was purchased for \$750,000 and is expected to be placed in service in 2025.

Note 5 – Line of Credit

The Organization had a \$150,000 revolving line of credit agreement with Wells Fargo Bank, N.A. with no outstanding borrowings as of December 31, 2022. The agreement bore interest at 0.25% over the bank's prime rate with a floor rate of 5.0%, and was collateralized by a deed of trust. The agreement matured in June 2023 and was not renewed.

Note 6 – Financing Lease

The Organization leases equipment under a noncancelable financing lease. The lease was discounted using a rate of 2%, requires the Organization to pay for maintenance and usage, and expires in March 2027. The maintenance and usage costs were determined to be variable lease payments and are not included in lease payments used to determine lease obligations and are recognized as variable costs when incurred. The financing lease obligation and related right-of-use asset as of December 31, 2023 totaled \$23,657 and \$23,152, respectively. The financing lease obligation and related right-of-use asset as of December 31, 2022 totaled \$30,576 and \$30,276, respectively.

Financing lease costs consist of the following for the years ended December 31:

	<u>2023</u>	<u>2022</u>
Amortization of right-of-use asset	\$ 7,124	\$ 7,124
Interest on lease liability	548	686
	<u>\$ 7,672</u>	<u>\$ 7,810</u>

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Notes to Financial Statements

December 31, 2023 and 2022

Note 6 – Financing Lease (continued)

Cash paid for amounts included in the measurement of financing lease liabilities totaled \$7,510 for each of the years ended December 31, 2023 and 2022.

Scheduled maturities of financing lease liabilities are as follows at December 31, 2023:

<u>Year</u>	<u>Amount</u>
2024	\$ 7,510
2025	7,510
2026	7,510
2027	<u>1,922</u>
Total minimum lease payments	24,452
Less amount representing interest	<u>(795)</u>
	<u><u>\$ 23,657</u></u>

Note 7 – Net Assets With Donor Restrictions

The following summarizes the changes in net assets with donor restrictions for the year ended December 31, 2023:

	<u>Balance January 1, 2023</u>	<u>Additions</u>	<u>Releases</u>	<u>Balance December 31, 2023</u>
Purpose restrictions				
Abortion services	\$ 79,532	\$ 10,000	\$ (5,275)	\$ 84,257
Capital expenditures	127,627	33,129	(61,469)	99,287
Reproductive health	5,417	23,850	(22,667)	6,600
Other subsidized services	33,056	52,656	(63,212)	22,500
Time restrictions	<u>340,270</u>	<u>210,349</u>	<u>(340,270)</u>	<u>210,349</u>
	<u><u>\$ 585,902</u></u>	<u><u>\$ 329,984</u></u>	<u><u>\$ (492,893)</u></u>	<u><u>\$ 422,993</u></u>

The following summarizes the changes in net assets with donor restrictions for the year ended December 31, 2022:

	<u>Balance January 1, 2022</u>	<u>Additions</u>	<u>Releases</u>	<u>Balance December 31, 2022</u>
Purpose restrictions				
Abortion services	\$ 71,117	\$ 21,780	\$ (13,365)	\$ 79,532
Capital expenditures	27,089	100,538	-	127,627
Reproductive health	30,000	6,500	(31,083)	5,417
Other subsidized services	-	33,056	-	33,056
Human Services Alliance	17,509	16,150	(33,659)	-
Time restrictions	<u>122,717</u>	<u>340,270</u>	<u>(122,717)</u>	<u>340,270</u>
	<u><u>\$ 268,432</u></u>	<u><u>\$ 518,294</u></u>	<u><u>\$ (200,824)</u></u>	<u><u>\$ 585,902</u></u>

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Notes to Financial Statements

December 31, 2023 and 2022

Note 8 – In-kind Contributions

The Organization received the following contributions of nonfinancial assets for the years ended December 31:

	<u>2023</u>	<u>2022</u>
<i>Operations</i>		
Medication and medical supplies	\$ 7,453	\$ 12,752
Professional services		
Consulting	1,710	6,850
Education	-	5,450
Outreach and marketing	-	300
	<u>9,163</u>	<u>25,352</u>
<i>Special Fundraising Events</i>		
Food and beverages	6,800	-
	<u>\$ 15,963</u>	<u>\$ 25,352</u>

The Organization receives contributed medication, medical supplies, and food and beverages that are reported at the current price for similar uses as determined on publicly available websites. Contributed professional services are valued using current rates for similar services. All donated materials and services were utilized by the Organization's programs and supporting services. There were no donor-imposed restrictions associated with the in-kind contributions.

Note 9 – Special Events

The Organization derived net revenue from the following special fundraising events during the year ended December 31, 2023:

	<u>Condom Couture</u>	<u>Other Events</u>	<u>Total</u>
Contributions	\$ 48,607	\$ 250	\$ 48,857
In-kind contributions			
Food and beverages	6,800	-	6,800
Ticket sales	35,487	11,769	47,256
	<u>90,894</u>	<u>12,019</u>	<u>102,913</u>
Direct costs	(63,114)	(10,595)	(73,709)
Net revenue	<u>\$ 27,780</u>	<u>\$ 1,424</u>	<u>\$ 29,204</u>

The Organization derived net revenue from the Champions of Choice special fundraising event during the year ended December 31, 2022:

	<u>Amount</u>
Contributions	\$ 14,044
Direct costs	(1,471)
Net revenue	<u>\$ 12,573</u>

Boulder Valley Women's Health Center, Inc. d/b/a Boulder Valley Health Center

Notes to Financial Statements

December 31, 2023 and 2022

Note 10 – Summary of Program Services

A summary of the Organization's net revenue by program service is as follows at December 31, 2023:

	<u>Abortion Services</u>	<u>Reproductive Health and Subsidized Services</u>	<u>Total</u>
Support and Revenue			
Service fees	\$ 230,501	\$ 738,606	\$ 969,107
Government grants	-	944,864	944,864
Other grants and contributions	64,541	875,315	939,856
Special events, net	-	29,204	29,204
Total support and revenue	<u>295,042</u>	<u>2,587,989</u>	<u>2,883,031</u>
Program Expenses	<u>635,403</u>	<u>1,959,982</u>	<u>2,595,385</u>
Total support and revenue in excess (deficit) of program expenses	<u>\$ (340,361)</u>	<u>\$ 628,007</u>	<u>\$ 287,646</u>

A summary of the Organization's net revenue by program service is as follows at December 31, 2022:

	<u>Abortion Services</u>	<u>Reproductive Health and Subsidized Services</u>	<u>Total</u>
Support and Revenue			
Service fees	\$ 189,473	\$ 587,966	\$ 777,439
Government grants	-	1,102,042	1,102,042
Other grants and contributions	93,251	150,646	243,897
Special events, net	12,876	-	12,876
Total support and revenue	<u>295,600</u>	<u>1,840,654</u>	<u>2,136,254</u>
Program Expenses	<u>415,638</u>	<u>1,692,128</u>	<u>2,107,766</u>
Total support and revenue in excess (deficit) of program expenses	<u>\$ (120,038)</u>	<u>\$ 148,526</u>	<u>\$ 28,488</u>

Note 11 – 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, 2023 and 2022.

Boulder Valley Women's Health Center, Inc. d/b/a Boulder Valley Health Center

Notes to Financial Statements

December 31, 2023 and 2022

Note 12 – Concentrations of Credit Risk

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

Major Grantor. The Organization had a grantor that comprised 15% and 23% of total revenues for the years ended December 31, 2023 and 2022, respectively. Grants receivable due from the major grantor totaled \$121,744 and \$172,127 at December 31, 2023 and 2022, respectively.

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

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 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.

In May 2023, the Organization sold real estate in Longmont, Colorado subject to the liens of the gift agreements. The buyer of the property qualified to assume the funds under the grant agreements and as a result the sales price of the property was reduced by \$201,650.