

# ALTERNATIVES

PREGNANCY CENTER

ALTERNATIVES PREGNANCY  
CENTER, INC.

Financial Statements  
With Independent Auditors' Report

December 31, 2021 and 2020

# ALTERNATIVES PREGNANCY CENTER, INC.

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Alternatives Pregnancy Center, Inc.  
Englewood, Colorado

### *Opinion*

We have audited the accompanying financial statements of Alternatives Pregnancy Center, Inc., 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 financial statements referred to above present fairly, in all material respects, the financial position of Alternatives Pregnancy 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Alternatives Pregnancy Center, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Alternatives Pregnancy 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.

Board of Directors  
Alternatives Pregnancy Center, Inc.  
Englewood, Colorado

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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 Alternatives Pregnancy 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 Alternatives Pregnancy 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 audits.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Capin Crouse LLP*

Centennial, Colorado  
May 12, 2022

# ALTERNATIVES PREGNANCY CENTER, INC.

## Statements of Financial Position

	December 31,	
	2021	2020
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 1,480,567	\$ 1,057,143
Investments	356,583	-
Prepaid expenses and other assets	44,711	34,637
Furniture and equipment—net	114,832	90,928
<b>Total Assets</b>	<b>\$ 1,996,693</b>	<b>\$ 1,182,708</b>
<b>LIABILITIES AND NET ASSETS:</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 31,227	\$ 16,782
Accrued expenses and other liabilities	103,201	93,142
<b>Total liabilities</b>	<b>134,428</b>	<b>109,924</b>
<b>Net assets:</b>		
Without donor restrictions	1,862,265	1,032,102
With donor restrictions	-	40,682
<b>Total net assets</b>	<b>1,862,265</b>	<b>1,072,784</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,996,693</b>	<b>\$ 1,182,708</b>

See notes to financial statements

# ALTERNATIVES PREGNANCY CENTER, INC.

## Statements of Activities

	Year Ended December 31,			
	2021		2020	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
	Total	Total	Total	Total
<b>SUPPORT AND REVENUE:</b>				
Contributions	\$ 2,484,359	\$ 33,771	\$ 2,518,130	\$ 1,834,851
Gift-in-kind contributions	346,711	-	346,711	360,885
Interest income and other	17,529	-	17,529	9,751
Federal grant income	-	-	-	191,100
Total Support and Revenue	<u>2,848,599</u>	<u>33,771</u>	<u>2,882,370</u>	<u>2,205,487</u>
				<u>217,500</u>
				<u>1,861,251</u>
				<u>360,885</u>
				<u>9,751</u>
				<u>191,100</u>
				<u>2,422,987</u>
<b>NET ASSETS RELEASED:</b>				
Purpose restrictions	74,453	(74,453)	-	(247,218)
				<u>-</u>
<b>EXPENSES:</b>				
Program services	1,802,695	-	1,802,695	1,734,539
Supporting activities:				
General and administrative	184,640	-	184,640	65,356
Fundraising	105,554	-	105,554	145,575
	<u>290,194</u>	<u>-</u>	<u>290,194</u>	<u>210,931</u>
Total Expenses	<u>2,092,889</u>	<u>-</u>	<u>2,092,889</u>	<u>1,945,470</u>
Change in Net Assets	830,163	(40,682)	789,481	(29,718)
Net Assets, Beginning of Year	<u>1,032,102</u>	<u>40,682</u>	<u>1,072,784</u>	<u>524,867</u>
Net Assets, End of Year	<u>\$ 1,862,265</u>	<u>\$ -</u>	<u>\$ 1,862,265</u>	<u>\$ 1,032,102</u>
				<u>\$ 40,682</u>
				<u>\$ 1,072,784</u>

See notes to financial statements

# ALTERNATIVES PREGNANCY CENTER, INC.

## Statement of Functional Expenses

Year Ended December 31, 2021

	Supporting Activities:				Total Expenses
	Program Services	General and Administrative	Fundraising	Supporting Activities Total	
Salaries, taxes, and benefits	\$ 1,008,615	\$ 59,544	\$ 52,101	\$ 111,645	\$ 1,120,260
Occupancy	408,921	30,623	8,170	38,793	447,714
Professional services	71,821	5,514	37,513	43,027	114,848
Advertising and outreach	60,821	64,886	-	64,886	125,707
Office expenses	81,418	13,333	3,698	17,031	98,449
Clinic supplies	96,677	-	-	-	96,677
Information technology and other	57,473	8,954	2,509	11,463	68,936
Depreciation	16,949	1,786	1,563	3,349	20,298
<b>Total Expenses</b>	<b>\$ 1,802,695</b>	<b>\$ 184,640</b>	<b>\$ 105,554</b>	<b>\$ 290,194</b>	<b>\$ 2,092,889</b>
 Percent of Total Expenses	 <u>86%</u>	 <u>9%</u>	 <u>5%</u>	 <u>14%</u>	 <u>100%</u>

See notes to financial statements

# ALTERNATIVES PREGNANCY CENTER, INC.

## Statement of Functional Expenses

Year Ended December 31, 2020

	Program Services	Supporting Activities:			Total Expenses
		General and Administrative	Fundraising	Supporting Activities Total	
Salaries, taxes, and benefits	\$ 977,276	\$ 19,464	\$ 52,095	\$ 71,559	\$ 1,048,835
Occupancy	394,450	6,510	29,057	35,567	430,017
Professional services	86,874	36,062	8,855	44,917	131,791
Advertising and outreach	46,661	-	44,914	44,914	91,575
Office expenses	69,118	1,657	4,648	6,305	75,423
Clinic supplies	105,081	-	-	-	105,081
Information technology and other	33,961	842	3,810	4,652	38,613
Depreciation	21,118	821	2,196	3,017	24,135
<b>Total Expenses</b>	<b>\$ 1,734,539</b>	<b>\$ 65,356</b>	<b>\$ 145,575</b>	<b>\$ 210,931</b>	<b>\$ 1,945,470</b>
 Percent of Total Expenses	 <u>89%</u>	 <u>4%</u>	 <u>7%</u>	 <u>11%</u>	 <u>100%</u>

See notes to financial statements



# ALTERNATIVES PREGNANCY CENTER, INC.

## Statements of Cash Flows

	Year Ended December 31,	
	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 789,481	\$ 477,517
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	20,298	24,135
Forgiveness of Paycheck Protection Program loan	-	(191,100)
Interest income	(6,583)	-
Change in operating assets and liabilities:		
Prepaid expenses and other assets	(10,074)	(3,821)
Accounts payable	14,445	2,220
Accrued expenses and other liabilities	10,059	15,106
Net Cash Provided by Operating Activities	817,626	324,057
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of investments	(350,000)	-
Purchases of furniture and equipment	(44,202)	(28,863)
Net Cash Used by Investing Activities	(394,202)	(28,863)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from Paycheck Protection Program loan	-	191,100
Net Cash Provided by Financing Activities	-	191,100
Change in Cash and Cash Equivalents	423,424	486,294
Cash and Cash Equivalents, Beginning of Year	1,057,143	570,849
Cash and Cash Equivalents, End of Year	\$ 1,480,567	\$ 1,057,143
<b>NON-CASH TRANSACTION:</b>		
Forgiveness of Paycheck Protection Program loan	\$ -	\$ 191,100

See notes to financial statements

# ALTERNATIVES PREGNANCY CENTER, INC.

## Notes to Financial Statements

December 31, 2021 and 2020

### 1. NATURE OF ORGANIZATION:

Alternatives Pregnancy Center, Inc. (APC) is a Colorado nonprofit corporation founded in 1982 to help Denver-area women, men, and teens who are struggling with pregnancy-related decisions. Alternatives Pregnancy Testing and Options Counseling, Limited Ultrasound Services, Sexually Transmitted Disease (STD) Testing and Treatment, Counseling After Abortion, Men's Support and Pregnancy Consultation, a 24-Hour Helpline, direct material assistance, prenatal vitamins, community resource and medical referrals, adoption resources and referrals, and abortion pill reversal services in four metro Denver locations.

A Promising Future (APF) seeks to educate teens through a custom written curriculum – The Diamond Standard - equipping youth with life skills including goal-setting, effective communication, healthy coping, conflict resolution, healthy relationships, sexual risk avoidance and character development. Staff and volunteer instructors facilitate 90-minute workshops on various relevant topics to the youth culture today. All workshops and presentations are designed to take the student on a journey of goal setting, avoiding high risk behaviors and place them on a trajectory of holistic health in all dimensions of their lives – physical, mental, emotional, social and spiritual. APF is part of the prevention education programming of Alternatives Pregnancy Center.

APC is a non-profit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state law. However, APC is subject to federal income tax on any unrelated business taxable income. In addition, APC is not classified as a private foundation within the meaning of Section 509(a) of the IRC. APC's primary source of support and revenue is contributions.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

APC maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. 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 the reported amounts and disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash held in checking and savings accounts. As of December 31, 2021 and 2020, APC's balances on account exceeded federally insured limits by approximately \$1,050,000 and \$556,000, respectively. APC has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

# ALTERNATIVES PREGNANCY CENTER, INC.

## Notes to Financial Statements

December 31, 2021 and 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### INVESTMENTS

Investments consist of a certificate of deposit. The certificate of deposit is reported at cost and has an original maturities of greater than ninety days. Realized and unrealized gains and losses are included in the consolidated statements of activities within program and other income.

#### FURNITURE AND EQUIPMENT

Furniture and equipment is stated at cost or, if donated, at the estimated fair market value at the date of donation. Absent any donor stipulations, these restrictions expire when the asset is acquired or placed in service, and a reclassification is made from net assets with donor restrictions to net assets without donor restrictions at that time. Depreciation is recorded using the straight-line method over estimated useful lives ranging between three and ten years. Furniture and equipment purchases exceeding \$1,000 are capitalized.

#### NET ASSETS

The net assets of APC are reported according to class as follows:

*Net assets without donor restrictions* are those resources currently available for APC's purposes.

*Net assets with donor restrictions* are those resources contributed with donor stipulations for various projects and locations.

#### SUPPORT AND REVENUE

Contributions are recorded when made, which may be when cash and other assets are received or unconditionally promised. Gifts of cash and other assets are reported as with donor restrictions if they are received with donor stipulations that limit the use of the donated amounts. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. All contributions are considered without donor restrictions unless specifically restricted by the donor or grantor.

Gift-in-kind contributions consist of donated services, supplies, and use of facilities. Donated services are recorded at the fair values of the services received. Contributed supplies are recorded at fair value at the date of donation. The contributed use of facilities is recorded at estimated fair value based on rental rates of comparable facilities in the area.

During the year ended December 31, 2020, APC received a Paycheck Protection Program (PPP) loan of \$191,100 that was eligible for forgiveness based on APC incurring qualifying expenses. Because APC had overcome the required barriers, APC applied and received full forgiveness of the loan during the year ended December 31, 2021. Therefore, this amount was recorded as government grant income with donor restrictions in the statements of activities for the year ended December 31, 2020.

# ALTERNATIVES PREGNANCY CENTER, INC.

## Notes to Financial Statements

December 31, 2021 and 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### ADVERTISING COSTS

APC uses advertising to promote its programs. Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2021 and 2020 was \$46,449 and \$38,683, respectively.

#### FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various program services and supporting activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs, such as salaries and benefits, have been allocated among the program services and supporting activities benefited. Main program activities of APC include preventative care, follow up counseling and support activities, such as Pregnancy Testing and Options Counseling, Ultrasound Services, Abortion Pill Reversal Services, STD Testing and Treatment, Counseling After Abortion, Men's Support and Pregnancy Consultation, and APF which is curriculum and education for positive youth development and healthy relationships.

### 3. LIQUIDITY AND AVAILABILITY OF RESOURCES:

APC has approximately \$1,837,000 and \$1,057,000 of financial assets available within one year of the statements of financial position date as of December 31, 2021 and 2020, respectively. This amount consists of cash, cash equivalents and investments. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statements of financial position date.

APC has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Management monitors cash flow closely through regular board reporting and detailed financial analysis.

### 4. FURNITURE AND EQUIPMENT—NET:

Furniture and equipment—net consist of:

	December 31,	
	2021	2020
Furniture and equipment	\$ 455,214	\$ 411,011
Less accumulated depreciation	(340,382)	(320,083)
	<u>\$ 114,832</u>	<u>\$ 90,928</u>

# ALTERNATIVES PREGNANCY CENTER, INC.

## Notes to Financial Statements

December 31, 2021 and 2020

5. GIFT-IN-KIND CONTRIBUTIONS:

Gift-in-kind contributions consist of:

	Year Ended December 31,	
	2021	2020
Contributed rent and parking spaces	\$ 208,200	\$ 219,600
Layette items	69,553	84,090
Donated medical services and other	68,958	57,195
	\$ 346,711	\$ 360,885

6. OPERATING LEASES:

APC leases office space, a copier, and a phone system under operating leases for various counseling locations. Total lease expense under these agreements was \$197,325 and \$113,900 for the years ended December 31, 2021 and 2020, respectively. Future minimum lease payments are:

<u>Year Ending December 31,</u>	
2022	\$ 198,788
2023	164,603
2024	160,330
2025	139,468
2026	52,151
Thereafter	152,745
	\$ 868,085

7. NET ASSETS WITH DONOR RESTRICTIONS:

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

	December 31,	
	2021	2020
Castle Rock clinic rent	\$ -	\$ 19,682
Inverness office rent	-	21,000
	\$ -	\$ 40,682

# ALTERNATIVES PREGNANCY CENTER, INC.

## Notes to Financial Statements

December 31, 2021 and 2020

8. RISKS AND UNCERTANTIES:

In March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of APC for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.

9. SUPPORT AND REVENUE CONCENTRATION:

During the year ended December 31, 2021, APC received contributions from board members that totaled approximately \$62,000. These gifts accounted for approximately 2% of total revenue for the year ended December 31, 2021. No such concentration exists for the year ended December 31, 2020.

10. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through May 12, 2022, which is the date the financial statements were available to be issued.