

# ALTERNATIVES

PREGNANCY CENTER

## ALTERNATIVES PREGNANCY CENTER, INC.

Financial Statements  
With Independent Auditors' Report

December 31, 2023 and 2022

# 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, 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 financial statements referred to above present fairly, in all material respects, the financial position of Alternatives Pregnancy Center, Inc. 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 *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 audit.

*Capin Crouse LLP*

Centennial, Colorado  
May 17, 2024

# ALTERNATIVES PREGNANCY CENTER, INC.

## Statements of Financial Position

	December 31,	
	<u>2023</u>	<u>2022</u>
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 2,173,999	\$ 1,887,218
Investments	546,720	525,656
Prepaid expenses and other assets	35,856	49,046
Operating leases–right-of-use assets	1,375,384	1,564,381
Financing lease–right-of-use asset	6,091	10,152
Furniture and equipment–net	<u>125,655</u>	<u>113,501</u>
Total Assets	<u>\$ 4,263,705</u>	<u>\$ 4,149,954</u>
<b>LIABILITIES AND NET ASSETS:</b>		
Liabilities:		
Accounts payable	\$ 21,479	\$ 25,083
Accrued expenses and other liabilities	64,866	67,087
Operating lease liabilities	1,455,194	1,658,875
Financing lease liability	<u>6,122</u>	<u>10,189</u>
Total liabilities	<u>1,547,661</u>	<u>1,761,234</u>
Net assets:		
Without donor restrictions	<u>2,716,044</u>	<u>2,388,720</u>
Total net assets	<u>2,716,044</u>	<u>2,388,720</u>
Total Liabilities and Net Assets	<u>\$ 4,263,705</u>	<u>\$ 4,149,954</u>

See notes to financial statements

# ALTERNATIVES PREGNANCY CENTER, INC.

## Statements of Activities

	Year Ended December 31,					
	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>						
Contributions	\$ 2,578,329	\$ -	\$ 2,578,329	\$ 2,408,142	\$ 4,400	\$ 2,412,542
Gift-in-kind contributions	130,821	-	130,821	210,962	-	210,962
Employee retention credit income	-	-	-	156,927	-	156,927
Interest income and other	52,781	-	52,781	31,832	-	31,832
<b>Total Support and Revenue</b>	<b>2,761,931</b>	<b>-</b>	<b>2,761,931</b>	<b>2,807,863</b>	<b>4,400</b>	<b>2,812,263</b>
<b>NET ASSETS RELEASED:</b>						
Purpose restrictions	-	-	-	4,400	(4,400)	-
<b>EXPENSES:</b>						
Program services	2,047,386	-	2,047,386	2,007,569	-	2,007,569
Supporting activities:						
General and administrative	133,065	-	133,065	62,484	-	62,484
Fundraising	254,156	-	254,156	215,755	-	215,755
	387,221	-	387,221	278,239	-	278,239
<b>Total Expenses</b>	<b>2,434,607</b>	<b>-</b>	<b>2,434,607</b>	<b>2,285,808</b>	<b>-</b>	<b>2,285,808</b>
Change in Net Assets	327,324	-	327,324	526,455	-	526,455
Net Assets, Beginning of Year	2,388,720	-	2,388,720	1,862,265	-	1,862,265
Net Assets, End of Year	<b>\$ 2,716,044</b>	<b>\$ -</b>	<b>\$ 2,716,044</b>	<b>\$ 2,388,720</b>	<b>\$ -</b>	<b>\$ 2,388,720</b>

See notes to financial statements

# ALTERNATIVES PREGNANCY CENTER, INC.

## Statement of Functional Expenses

Year Ended December 31, 2023

	Program Services	Supporting Activities:			Total Expenses
		General and Administrative	Fundraising	Supporting Activities Total	
Salaries, taxes, and benefits	\$ 1,240,862	\$ 76,917	\$ 111,840	\$ 188,757	\$ 1,429,619
Occupancy	234,441	9,525	12,634	22,159	256,600
Advertising and outreach	141,390	1,300	105,340	106,640	248,030
Clinic supplies	132,945	-	-	-	132,945
Professional services	85,823	37,406	3,893	41,299	127,122
Office expenses	99,410	3,366	6,903	10,269	109,679
Information technology and other	92,690	3,317	11,914	15,231	107,921
Depreciation and amortization	19,825	1,234	1,632	2,866	22,691
 Total Expenses	 <u>\$ 2,047,386</u>	 <u>\$ 133,065</u>	 <u>\$ 254,156</u>	 <u>\$ 387,221</u>	 <u>\$ 2,434,607</u>
 Percent of Total Expenses	 <u>84%</u>	 <u>6%</u>	 <u>10%</u>	 <u>16%</u>	 <u>100%</u>

See notes to financial statements

# ALTERNATIVES PREGNANCY CENTER, INC.

## Statement of Functional Expenses

Year Ended December 31, 2022

	Supporting Activities:				Total Expenses
	Program Services	General and Administrative	Fundraising	Supporting Activities Total	
Salaries, taxes, and benefits	\$ 1,147,321	\$ 16,677	\$ 66,569	\$ 83,246	\$ 1,230,567
Occupancy	363,108	4,092	19,531	23,623	386,731
Advertising and outreach	101,853	63	113,487	113,550	215,403
Clinic supplies	113,866	-	-	-	113,866
Professional services	85,779	39,494	2,045	41,539	127,318
Office expenses	116,214	1,314	6,585	7,899	124,113
Information technology and other	60,363	494	6,732	7,226	67,589
Depreciation and amortization	19,065	350	806	1,156	20,221
<b>Total Expenses</b>	<b>\$ 2,007,569</b>	<b>\$ 62,484</b>	<b>\$ 215,755</b>	<b>\$ 278,239</b>	<b>\$ 2,285,808</b>
 Percent of Total Expenses	 88%	 3%	 9%	 12%	 100%

See notes to financial statements



# ALTERNATIVES PREGNANCY CENTER, INC.

## Statements of Cash Flows

	Year Ended December 31,	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 327,324	\$ 526,455
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	22,691	20,221
Loss on disposal of property and equipment	-	14,568
Reinvested dividends	(21,064)	(12,146)
Non-cash lease expense	(14,684)	10,096
Non-cash effect of change in accounting principle	-	30,122
Change in operating assets and liabilities:		
Prepaid expenses and other assets	13,190	(4,335)
Accounts payable	(3,604)	(6,144)
Accrued expenses and other liabilities	(2,221)	18,193
Net Cash Provided by Operating Activities	321,632	597,030
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of investments	-	(156,927)
Purchases of furniture and equipment	(30,784)	(29,397)
Net Cash Used by Investing Activities	(30,784)	(186,324)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal paid on financing lease	(4,067)	(4,055)
Net Cash Used by Financing Activities	(4,067)	(4,055)
Change in Cash and Cash Equivalents	286,781	406,651
Cash and Cash Equivalents, Beginning of Year	1,887,218	1,480,567
Cash and Cash Equivalents, End of Year	\$ 2,173,999	\$ 1,887,218

See notes to financial statements

# ALTERNATIVES PREGNANCY CENTER, INC.

## Notes to Financial Statements

December 31, 2023 and 2022

### 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. APC provides 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, 2023 and 2022, APC's balances on account exceeded federally insured limits by approximately \$1,546,000 and \$1,178,000, respectively. Subsequent to the year ended December 31, 2023, APC transferred approximately \$1,100,000 of the cash balance into an insured cash sweep account.

#### INVESTMENTS

Investments consist of a certificate of deposit. The certificate of deposit is reported at cost plus accrued interest and has an original maturity of greater than ninety days.

# ALTERNATIVES PREGNANCY CENTER, INC.

## Notes to Financial Statements

December 31, 2023 and 2022

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

#### 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 \$5,000 are capitalized.

#### OPERATING AND FINANCING RIGHT-OF-USE ASSETS AND LIABILITIES

Some of APC's contracts contain the right to control the use of property or assets and are therefore considered leases. APC records right-of-use assets and lease obligations on the statements of financial position for the rights and obligations created by leases with initial terms of more than twelve months. APC has elected to separate lease and non-lease components. Additional lease disclosures can be found in Notes 6 and 7.

#### 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. There were no net assets with donor restrictions as of December 31, 2023 and 2022. Contributions received with donor restrictions during the years ended December 31, 2023 and 2022 consisted of contributions for the pregnancy programs.

#### 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 estimated fair values of the services received. Contributed supplies are recorded at estimated 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. Gift-in-kind contributions are received without any donor restrictions and are utilized in APC's operations.

# ALTERNATIVES PREGNANCY CENTER, INC.

## Notes to Financial Statements

December 31, 2023 and 2022

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

#### SUPPORT AND REVENUE, continued

Employee Retention Credit (ERC) was offered as a response to the Coronavirus pandemic and APC qualified and applied to receive the ERC. ERC income consists of the amount received from the Small Business Association for the qualified wages under the terms of the ERC agreement. APC filed, received the credit, and recognized the income during the year ended December 31, 2022.

#### ADVERTISING COSTS

APC uses advertising to promote its programs. Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2023 and 2022 was \$93,888 and \$100,549, respectively.

#### FUNCTIONAL ALLOCATION OF EXPENSES

Expenses are recorded when incurred. 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 \$2,721,000 and \$2,413,000 of financial assets available within one year of the statements of financial position date as of December 31, 2023 and 2022, 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.

# ALTERNATIVES PREGNANCY CENTER, INC.

## Notes to Financial Statements

December 31, 2023 and 2022

4. FURNITURE AND EQUIPMENT–NET:

Furniture and equipment–net consist of:

	December 31,	
	2023	2022
Furniture and equipment	\$ 498,181	\$ 463,336
Less accumulated depreciation	(372,526)	(349,835)
	<u>\$ 125,655</u>	<u>\$ 113,501</u>

5. GIFT-IN-KIND CONTRIBUTIONS:

Gift-in-kind contributions consist of:

	Year Ended December 31,	
	2023	2022
Layette items	\$ 78,222	\$ 80,419
Donated medical services and other	52,599	78,493
Contributed rent and parking spaces	-	52,050
	<u>\$ 130,821</u>	<u>\$ 210,962</u>

# ALTERNATIVES PREGNANCY CENTER, INC.

## Notes to Financial Statements

December 31, 2023 and 2022

6. OPERATING LEASE—RIGHT-OF-USE ASSETS AND LIABILITIES:

APC leases office space under four noncancelable operating leases expiring at various dates through 2034. The discount rates represent the risk-free discount rates using periods comparable with that of the individual lease term as of lease commencement. Monthly payments under these leases total \$16,638 and discount rates range between 0.37% and 1.72%.

	December 31,	
	2023	2022
Operating lease right-of-use assets	\$ 1,375,384	\$ 1,564,381
Operating lease liabilities	\$ 1,455,194	\$ 1,658,875
Operating lease costs	\$ 184,484	\$ 191,025
Short-term lease costs	\$ 4,049	\$ 2,447
Weighted-average discount rate	0.84%	0.84%
Weighted-average remaining lease term	8.3 years	9.2 years

Future minimum lease payments required under the operating leases that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

Year Ending December 31,	
2024	\$ 172,106
2025	165,102
2026	165,025
2027	167,131
2028	43,347
Thereafter	803,815
	1,516,526
Less imputed interest	(61,332)
	\$ 1,455,194

# ALTERNATIVES PREGNANCY CENTER, INC.

## Notes to Financial Statements

December 31, 2023 and 2022

7. FINANCING LEASE—RIGHT-OF-USE ASSET AND LIABILITY:

APC leases office equipment under one noncancelable financing lease expiring in 2025. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease term as of lease commencement. Monthly payments under this lease total \$341 and the discount rate is 0.29%.

	December 31,	
	2023	2022
Financing lease right-of-use assets	\$ 6,091	\$ 10,152
Financing lease liabilities	\$ 6,122	\$ 10,189
Finance lease costs:		
Amortization of assets	\$ 4,061	\$ 4,061
Interest on lease liabilities	\$ 24	\$ 36
Weighted-average discount rate	0.29%	0.29%
Weighted-average remaining lease term	1.5 years	2.5 years

Future minimum lease payments required under the financing lease that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

<u>Year Ending December 31,</u>	
2024	\$ 4,091
2025	2,045
	6,136
Less imputed interest	(14)
	\$ 6,122

8. SUPPORT AND REVENUE CONCENTRATION:

During the years ended December 31, 2023 and 2022, APC received contributions from board members that totaled approximately \$37,000 and \$111,000, respectively. APC also received a \$300,000 donation from a single donor, which consists of approximately 11% of total donations as of December 31, 2023.

9. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through May 17, 2024, which is the date the financial statements were available to be issued.