



Provide, Inc.

Financial Statements

December 31, 2016



Kevin P. Martin & Associates, P.C.

PROVIDE, INC.

Index

December 31, 2016

Independent Auditors' Report

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Independent Auditors' Report

To the Board of Directors of
Provide, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Provide, Inc. (the Agency) which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Agency's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 24, 2016. The prior year summarized comparative information is not intended to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent in all material respects, with the audited financial statements from which it has been derived.

Miriam P. Martinez & Associates, P.C.

June 26, 2017

PROVIDE, INC.

Statement of Financial Position

As of December 31, 2016

With Comparative Totals as of December 31, 2015

	<u>2016</u>	<u>2015</u>
Current Assets		
Cash and cash equivalents	\$ 1,187,654	\$ 3,200,606
Investments	913,924	1,087,216
Promises to give	35,700	11,073
Prepaid expenses	30,260	12,903
Security deposit	<u>4,258</u>	<u>-</u>
Total current assets	<u>2,171,796</u>	<u>4,311,798</u>
Fixed Assets		
Furniture and equipment	66,312	32,347
Less: accumulated depreciation	<u>(35,821)</u>	<u>(24,740)</u>
Total net fixed assets	<u>30,491</u>	<u>7,607</u>
Other Assets		
Security deposit	<u>-</u>	<u>4,258</u>
Total other assets	<u>-</u>	<u>4,258</u>
Total Assets	<u>\$ 2,202,287</u>	<u>\$ 4,323,663</u>
Current Liabilities		
Accrued expenses	\$ 26,748	\$ 63,499
Accrued payroll	45,450	-
Accrued vacation	<u>70,573</u>	<u>28,504</u>
Total current liabilities	<u>142,771</u>	<u>92,003</u>
Net Assets		
Unrestricted	1,297,936	1,447,254
Temporarily restricted	<u>761,580</u>	<u>2,784,406</u>
Total net assets	<u>2,059,516</u>	<u>4,231,660</u>
Total Liabilities and Net Assets	<u>\$ 2,202,287</u>	<u>\$ 4,323,663</u>

The accompanying notes are an integral part of the financial statements.

PROVIDE, INC.

Statement of Activities

For the Year Ended December 31, 2016
With Comparative Totals for the Year Ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2016 Total</u>	<u>2015 Total</u>
Support and Revenue				
Grants and contributions	\$ 205,393	\$ 980,608	\$ 1,186,001	\$ 489,694
In-kind contributions	41,675	-	41,675	96,933
Program service fees	20,000	-	20,000	25,000
Released from restriction	3,003,434	(3,003,434)	-	-
Interest income	8,806	-	8,806	7,097
Realized gain on investments	545	-	545	5,742
Total Support and Revenue	<u>3,279,853</u>	<u>(2,022,826)</u>	<u>1,257,027</u>	<u>624,466</u>
Expenses				
Program services	2,975,144	-	2,975,144	2,076,750
General and administrative	180,923	-	180,923	284,882
Fundraising	273,104	-	273,104	108,928
Total Expenses	<u>3,429,171</u>	<u>-</u>	<u>3,429,171</u>	<u>2,470,560</u>
Change in Net Assets	(149,318)	(2,022,826)	(2,172,144)	(1,846,094)
Net Assets - Beginning of Year	<u>1,447,254</u>	<u>2,784,406</u>	<u>4,231,660</u>	<u>6,077,754</u>
Net Assets - End of Year	<u>\$ 1,297,936</u>	<u>\$ 761,580</u>	<u>\$ 2,059,516</u>	<u>\$ 4,231,660</u>

The accompanying notes are an integral part of the financial statements.

PROVIDE, INC.

Statement of Cash Flows

For the Year Ended December 31, 2016
With Comparative Totals for the Year Ended December 31, 2015

Cash Flows from Operating Activities	<u>2016</u>	<u>2015</u>
Change in Net Assets	\$ (2,172,144)	\$ (1,846,094)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	11,081	6,314
Interest reinvested	(8,353)	-
Donation of investments	(11,699)	-
Realized gain on investments	(545)	(5,742)
Decrease (increase) in assets		
Promises to give	(24,627)	2,502,680
Prepaid expenses	(17,357)	(1,446)
Increase (decrease) in liabilities		
Accrued expenses	(36,751)	(14,426)
Accrued payroll	45,450	-
Accrued vacation	42,069	(10,302)
Net Cash (Used in) Provided by Operating Activities	<u>(2,172,876)</u>	<u>630,984</u>
Cash Flows from Investing Activities		
Purchase of fixed assets	(33,965)	-
Proceeds from the sale of investments	1,864,383	1,446,825
Purchase of investments	(1,670,494)	(1,446,745)
Net Cash Provided by Investing Activities	<u>159,924</u>	<u>80</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(2,012,952)	631,064
Cash and Cash Equivalents - Beginning	<u>3,200,606</u>	<u>2,569,542</u>
Cash and Cash Equivalents - Ending	<u>\$ 1,187,654</u>	<u>\$ 3,200,606</u>

The accompanying notes are an integral part of the financial statements.

PROVIDE, INC.

Statement of Functional Expenses

For the Year Ended December 31, 2016

With Comparative Totals for the Year Ended December 31, 2015

	Program Services	General and Administrative	Fundraising	2016 Total	2015 Total
Salaries	\$ 1,714,818	\$ 99,352	\$ 169,028	\$ 1,983,198	\$ 1,225,725
Benefits	213,080	12,356	21,021	246,457	117,427
Payroll taxes	130,909	7,591	12,914	151,414	98,347
Total salary and related expenses	2,058,807	119,299	202,963	2,381,069	1,441,499
Consultants	268,451	1,521	39,520	309,492	457,612
Travel expenses	246,243	19,868	733	266,844	204,428
Meetings and conferences	168,990	6,160	3,044	178,194	58,033
Rent	58,461	4,278	8,555	71,294	58,536
Office expenses	18,690	3,338	2,735	24,763	53,045
In-kind expenses	41,675	-	-	41,675	96,933
Telephone	29,394	2,151	4,302	35,847	19,481
Printing	22,757	1,665	3,330	27,752	17,726
Professional development	23,101	1,341	2,278	26,720	12,731
Postage	10,934	800	1,600	13,334	7,992
Dues and subscriptions	6,283	5,092	920	12,295	10,922
Depreciation	9,086	665	1,330	11,081	6,314
Insurance	6,986	511	1,022	8,519	7,433
Professional fees	-	7,909	-	7,909	7,500
Payroll processing	-	5,938	-	5,938	3,781
Utilities	2,928	214	428	3,570	4,268
Staff recruitment	2,156	158	315	2,629	2,182
Website maintenance	202	15	29	246	144
	\$ 2,975,144	\$ 180,923	\$ 273,104	\$ 3,429,171	\$ 2,470,560

The accompanying notes are an integral part of these financial statements.

PROVIDE, INC.

Notes to Financial Statements

December 31, 2016

(1) Summary of Significant Accounting Policies

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The significant accounting policies followed by Provide, Inc. (the Agency) are described below to enhance the usefulness of the financial statements to the reader.

(a) Nature of Activities

The Agency was organized in the Commonwealth of Massachusetts as a not-for-profit corporation on January 2, 1996. The primary mission of the Agency is to educate the public about the reproductive rights of women, and to act as a clearinghouse for information and services on women's health. The Agency is funded primarily by grants and contributions.

The Agency envisions a world in which all people have the assistance, support and care they need to decide if, how and when to bring children into their lives. The Agency believes that they have a role in making this vision a reality, and that broader engagement around abortion both within the health care system and in society will ensure that abortion is an accessible part of the larger constellation of resources people need. The Agency's work focuses on making sustainable improvements to abortion access where it is needed most: in rural communities and in the South and Midwest, and on the engagement of professional groups such as primary care doctors and nurses that do the most to provide care to women in these areas.

The two programs and the achievements for those programs during 2016 are as follows:

Referrals Program

Nationally, the health care and social services sector employs over 12 million people and serves millions more. These providers can serve as a critical link to getting women quality care for a range of health care needs, including unintended pregnancy. The Agency's referrals program strives to strengthen this link by enhancing pregnancy options counseling and integrating abortion referrals into primary health care and social service sites while simultaneously, working to create the culture change necessary to expand abortion services in the longer term. In 2016, the Agency held trainings at 140 health and social service sites in states where women seeking abortion face particularly high barriers to accessing care, including AL, KY, OK, NC, SC, TN and WV. Tailored to address each site's specific needs, trainings resulted in significant changes in participants' knowledge, attitudes, and intentions for future practice, including correcting common misperceptions about abortion and increasing trainees' intention to provide referral for abortion by 74%. Additional technical assistance was provided to nearly half of trained sites and supported concrete changes to organizational protocols, client handouts and site manuals, to further enhance and sustain agencies' capacity to respond to the needs of women with unintended pregnancy in an empathetic, supportive and client-centered manner.

PROVIDE, INC.

Notes to Financial Statements

December 31, 2016

(1) Summary of Significant Accounting Policies - continued

(a) Nature of Activities - continued

My Home My Voice

The Agency is committed to bringing focused attention to the challenges surrounding abortion access in rural communities. My Home/My Voice is a writing fellowship that brings together writers, advocates, health care and social service providers to share their experiences seeking, receiving and providing reproductive health services in rural America. Through the fellowship, fellows received extensive training and editorial support, skill-building workshops, a writing/placement coach, and other resources. As a result, each Fellow created a series of pieces gleaned from their unique experience and perspective.

My Home/My Voice fellowship pieces have touched on a variety of critical healthcare access and policy issues, including several pieces with an exclusive focus on abortion care access. Through My Home/ My Voice, sixteen editorial pieces were published with regional and national news outlets, including *Huffington Post*. In addition to the written pieces, fellows also created audio pieces telling the stories of healthcare access in their respective communities. All pieces, both written and audio, will be available at www.myhomemyvoice.com. At the conclusion of the fellowship year, the Agency will continue to explore strategies for bringing voices from rural communities into the ongoing public healthcare dialogue.

(b) Basis of Presentation

The statement of activities reports all changes in net assets, including changes in unrestricted net assets from operating activities. Operating revenues consist of those monies received and other contributions attributable to the Agency's ongoing efforts.

(c) Standards of Accounting and Reporting

The Agency's net assets (excess of its assets over liabilities) and its revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

The statement of financial position presents three classes of net assets (unrestricted, temporarily restricted and permanently restricted) and the statement of activities displays the change in each class of net assets. The classes of net assets applicable to the Agency are presented as follows:

Unrestricted - Unrestricted net assets are not subject to donor imposed restrictions. Unrestricted net assets consist of assets and contributions available for the support of operations. Unrestricted net assets may be designated for specific purposes by management or the Board of Directors.

PROVIDE, INC.

Notes to Financial Statements

December 31, 2016

(1) Summary of Significant Accounting Policies - continued

(c) Standards of Accounting and Reporting - continued

Temporarily Restricted - Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met, either by actions of the Agency and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

(d) Cash and Cash Equivalents

The Agency considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

The Agency maintains its cash balances at several financial institutions located in Massachusetts, North Carolina and Florida. The cash balances are insured by the Federal Deposit Insurance Corporation. At times these balances may exceed the federal insurance limits; however, the Agency has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these cash balances as of December 31, 2016.

(e) Investments

The Agency carries investments in 12 month certificates of deposit (CDs), which are expected to be reinvested. The certificate of deposits are maintained at several financial institutions located in Massachusetts and California. The CDs are insured by the Federal Deposit Insurance Corporation. At times these balances may exceed the federal insurance limits; however, the Agency has not experienced any losses with respect to its CDs in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to these CDs as of December 31, 2016. Investments are exposed to risks such as interest rate, credit and overall market volatility.

(f) Revenue Recognition

The Agency earns revenue as follows:

Grants and Contributions - Grants are recorded as revenue as costs related to the services provided are incurred. Contributions are recorded upon receipt or pledge as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. All grants and contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Program Service Fees - Program service fee revenue is earned and recognized by the Agency when services are provided and billed.

PROVIDE, INC.

Notes to Financial Statements

December 31, 2016

(1) Summary of Significant Accounting Policies - continued

(f) Revenue Recognition - continued

In-kind - In-kind services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals with those skills, and would otherwise be purchased by the Agency.

During the year ended December 31, 2016, the Agency derived approximately 99% of its total revenue from individuals and foundations, and 1% from other revenue. All revenue is recorded at the estimated net realizable amounts.

(g) Promises to Give

Unconditional promises to give are recognized as revenue and as assets, net of allowances, in the period in which the promises are made. Unconditional promises to give are recorded, in the year received, at the present value of estimated future cash flows using a risk-adjusted discount rate. Amortization of the discount is included in contribution revenue. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and when the promises become unconditional.

Unconditional promises to give are periodically reviewed to estimate an allowance for doubtful accounts. Management estimates the allowance by review of historical experience and a specific review of collections trends that differ from scheduled collections on individual promises. As of December 31, 2016, management has determined any allowance would be immaterial.

(h) Furniture and Equipment

Furniture and equipment are recorded at cost or if donated, fair value on the date of receipt. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. Improvements, including planned major maintenance activities are capitalized, while expenditures for routine maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of activities.

The Agency computes depreciation using the straight-line method over the following estimated lives:

Furniture and equipment	3-7 years
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PROVIDE, INC.

Notes to Financial Statements

December 31, 2016

(1) Summary of Significant Accounting Policies - continued

(i) Fundraising

Fundraising relates to the activities of raising general and specific contributions and grants to the Agency.

(j) Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to programs and supporting services. Administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Agency.

Payroll and associated costs are allocated to functions based upon actual time charges. Occupancy costs are allocated based upon direct program expenses.

(k) Use of Estimates

In preparing the Agency's financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities 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.

(l) Income Taxes

The Agency qualifies as an organization formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC) and is generally not subject to income tax. However, income from certain activities not directly related to the Agency's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Agency is not a private foundation under Section 509(a)(1).

(m) Reclassifications

Certain amounts in the prior year have been reclassified to conform to the current year presentation.

PROVIDE, INC.

Notes to Financial Statements

December 31, 2016

(1) Summary of Significant Accounting Policies - continued

(n) Summarized Financial Information for 2015

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Also, the financial statements do not include a full presentation of the statement of functional expenses, as certain prior year summarized comparative information is presented in total but not by functional classification. In addition, the financial statements do not include full financial statement disclosures for the prior year. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended December 31, 2015, from which the summarized information was derived.

(2) Investments

Investments are comprised of the following certificates of deposits as of December 31, 2016:

12 month CD maturing 2/28/17 @0.60%	\$ 504,467
12 month CD maturing 4/29/17 @1.00%	<u>409,457</u>
Total	\$ <u>913,924</u>

Investment return consisted of the following for the year ended December 31, 2016:

Realized gain on sale of investment	\$ 545
Interest earned and reinvested	<u>8,353</u>
Total investment income	\$ <u>8,898</u>

(3) Promises to Give

(a) Unconditional

The Agency has received unconditional promises to give primarily due from individual donors and foundations. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be received more than a year after December 31, 2016 are recorded at the present value of their future cash flows.

As of December 31, 2016, promise to give were \$35,700 and are expected to be collected within one year.

PROVIDE, INC.

Notes to Financial Statements

December 31, 2016

(3) Promises to Give - continued

(b) Conditional

During the year ended December 31, 2016, the Agency received a contribution in the amount of \$400,000. The Agency received the first installment of \$200,000 for the fiscal year 2016. Subsequent payments are conditional and will be made after the required reports are completed and at least 75% of the prior payment has been expended.

During the year ended December 31, 2016, the Agency received a contribution in the amount of \$110,000. The Agency received the first installment of \$89,908 for the fiscal year 2016. Subsequent payments are conditional and will be made after the required reports are completed and approved by the grantor.

As of December 31, 2016, total outstanding conditional promises to give were \$220,092.

(4) Operating Lease Commitments

The Agency occupies office and retail store space under non-cancelable, operating lease agreements with various expiration dates through April 2018 at \$4,613 monthly. The Agency is also liable for certain real estate tax increases and operating cost adjustments (additional rent) under the office lease terms. Subsequent to year end, both parties have agreed to terminate the terms of the lease (see note 7). The minimum annual operating non-cancelable lease commitments on property for the year ending December 31, 2017 are \$16,145.

Rent expense for the year ended December 31, 2016 was \$71,294, of which \$55,306 is rent and \$15,988 is additional rent.

(5) Temporarily Restricted Net Assets

Temporarily restricted net assets consist of resources available to meet future obligations, but only in compliance with the restrictions specified by donors. As of December 31, 2016, temporarily restricted net assets are restricted for the following purposes:

Use in 2017	\$ 358,750
Referrals Initiative	183,333
Southern United States Training	100,000
Referrals Program in Rural and Frontier Colorado Counties	83,797
Pledges Receivable	<u>35,700</u>
Total	\$ <u>761,580</u>

PROVIDE, INC.

Notes to Financial Statements

December 31, 2016

(6) Employee Benefits

The Agency implemented a 403(b) retirement plan for the benefit of eligible employees. Employees are eligible to participate in the plan upon date of hire. The Agency shall make a contribution of 2% of compensation for eligible employees, regardless of whether eligible employees elect to make elective deferrals to the plan. Employer contributions of \$32,466, net of expenses, were made by the Agency for 2016.

(7) Subsequent Events

The Agency has performed an evaluation of subsequent events through June 26, 2017, which is the date the Foundation's combined financial statements were available to be issued. No material subsequent events, other than the item disclosed below, have occurred since December 31, 2016 that required recognition or disclosure in these combined financial statements.

As of March 15, 2017, the Agency terminated its lease agreements (see note 4).