

HOPE CLINIC FOR WOMEN

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
Hope Clinic For Women
Nashville, Tennessee

We have audited the accompanying statement of financial position of Hope Clinic for Women, as of December 31, 2005, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hope Clinic for Women, as of December 31, 2005, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

July 3, 2006

HOPE CLINIC FOR WOMEN
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2005

ASSETS

Current Assets

Cash and cash equivalents	\$ 151,228
Grant receivable	8,339
Pledges receivable	80,019
Related party pledges receivable	20,383
Prepaid expenses	4,063
	264,032
 Total Current Assets	 264,032

Property and Equipment

	682,762
Less: Accumulated depreciation	(283,134)
	399,628
 Property and Equipment - Net	 399,628

Noncurrent Assets

Pledges receivable, due after one year	18,216
Related party pledges receivable, due after one year	615
Other assets	701
	19,532
 Total noncurrent assets	 19,532

Total Assets	\$ 683,192
	683,192

LIABILITIES AND NET ASSETS

Net Assets

Unrestricted	574,358
Temporarily restricted	108,834
	683,192
 Total Net Assets	 683,192
 Total Liabilities and Net Assets	 \$ 683,192

The accompanying notes are an integral part of this statement

HOPE CLINIC FOR WOMEN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenue			
Support			
Contributions	\$ 224,679	42,000	\$ 266,679
State Abstinence Grant	-	45,654	45,654
Received indirectly - allocated by local churches	68,537	-	68,537
Donated materials and services - in-kind	88,467	-	88,467
Special events, net of direct costs of \$39,269	156,813	-	156,813
Net assets released from restrictions	75,479	(75,479)	-
Total support	<u>613,975</u>	<u>12,175</u>	<u>626,150</u>
Revenue			
Interest income	217	1,535	1,752
Other income	8,264	-	8,264
Total support and revenue	<u>622,456</u>	<u>13,710</u>	<u>636,166</u>
Expenses			
Program services			
Counseling and support	<u>517,528</u>	<u>-</u>	<u>517,528</u>
Supporting services			
Management and general	80,233	-	80,233
Fundraising	66,670	-	66,670
Total support services	<u>146,903</u>	<u>-</u>	<u>146,903</u>
Total expenses	<u>664,431</u>	<u>-</u>	<u>664,431</u>
Other Income (Loss)			
Loss on investments	<u>(90)</u>	<u>-</u>	<u>(90)</u>
Change in net assets	(42,065)	13,710	(28,355)
Net assets January 1, 2005	<u>616,423</u>	<u>95,124</u>	<u>711,547</u>
Net assets December 31, 2005	<u>\$ 574,358</u>	<u>\$ 108,834</u>	<u>\$ 683,192</u>

The accompanying notes are an integral part of this statement

HOPE CLINIC FOR WOMEN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Program Services</u>	<u>Support Services</u>		<u>Total</u>
	<u>Counseling and Support</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries	\$ 172,637	\$ 50,776	\$ 30,465	\$ 253,878
Employee benefits	14,483	5,247	1,259	20,989
Payroll taxes	13,259	3,900	2,340	19,499
 Total salaries and benefits	 <u>200,379</u>	 <u>59,923</u>	 <u>34,064</u>	 <u>294,366</u>
Professional fees	-	6,933	-	6,933
Postage and shipping	1,760	469	117	2,346
Direct mail and newsletter	-	-	9,608	9,608
Office supplies	1,901	508	128	2,537
Telephone	4,272	1,287	293	5,852
Utilities	5,371	1,619	368	7,358
Janitorial services	2,100	-	-	2,100
Equipment purchases	940	251	63	1,254
Repairs and maintenance	2,632	793	180	3,605
Insurance	8,465	2,319	812	11,596
Client services	5,364	-	-	5,364
Volunteer services	1,482	-	-	1,482
Donated materials and services - in-kind expense	88,467	-	-	88,467
Miscellaneous fundraising	-	-	2,832	2,832
Books and subscriptions	164	44	11	219
Licenses and dues	630	168	42	840
Travel and conferences	957	255	64	1,276
Advertising and public relations	30,669	-	-	30,669
Gifts / appreciation	1,762	470	117	2,349
Board expenses	-	587	-	587
Contract labor	-	-	16,819	16,819
Miscellaneous	932	248	62	1,242
Systems development	4,133	-	-	4,133
Security	718	-	-	718
Medical	50,033	-	-	50,033
Abstinence	88,051	-	-	88,051
 Total other expenses	 <u>300,803</u>	 <u>15,951</u>	 <u>31,516</u>	 <u>348,270</u>
 Total expenses before depreciation	 <u>501,182</u>	 <u>75,874</u>	 <u>65,580</u>	 <u>642,636</u>
Depreciation	16,346	4,359	1,090	21,795
 Total functional expenses	 <u>\$ 517,528</u>	 <u>\$ 80,233</u>	 <u>\$ 66,670</u>	 <u>\$ 664,431</u>

The accompanying notes are an integral part of this statement

HOPE CLINIC FOR WOMEN
STATEMENT OF CASH FLOWS
DECEMBER 31, 2005

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$	(28,355)
Depreciation		21,795
Adjustments to reconcile net income to net cash provided by operations:		
(Increase) decrease in:		
Grant income receivable		4,734
Pledges receivable		13,228
Related party pledges receivable		10,659
Prepaid expenses and other current assets		(1,448)
Increase (decrease) in:		
Accounts payable		(7,073)
Accrued expenses		(471)
		13,069
Net Cash Used by Operating Activities		13,069

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of equipment		(7,860)
		(7,860)
Net Cash Provided by Investing Activities		(7,860)
Net Decrease in Cash		5,209
Cash, January 1, 2005		146,019
		146,019
Cash, December 31, 2005	\$	151,228

The accompanying notes are an integral part of this statement

HOPE CLINIC FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose:

Hope Clinic for Women is a nonprofit organization that provides free pregnancy tests, confidential counseling, referrals, support groups, and occasional material and financial assistance to women in unplanned pregnancies. Hope Clinic for Women also provides counseling and support to women dealing with emotional pain from past abortions, abstinence education, and medical services to clients including STD testing and limited obstetrical ultrasounds.

Classification of Restricted and Unrestricted Net Assets:

Hope Clinic for Women has adopted Statement of Financial Accounting Standards No. 117 (SFAS 117), Financial Statements of Not-For-Profit Organizations. SFAS 117 establishes standards for general-purpose external financial statements provided by not-for-profit organizations. In addition, it requires that the amounts of three classes of assets - permanently restricted, temporarily restricted, and unrestricted - be displayed in a statement of financial position, and that the amounts of change in each of these classes of net assets be displayed in a statement of activities.

SFAS 117 requires Hope Clinic for Women to report gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purposed restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted funds received and released from restrictions in the same period are reported as unrestricted support.

At December 31, 2005, and for the year then ended, there were no permanent restrictions on assets.

Donor and pledge contributions are recognized as support upon receipt from donor.

Advertising:

Hope Clinic for Women expenses advertising costs as incurred. Advertising costs for 2005 amounted to \$30,669.

HOPE CLINIC FOR WOMEN

NOTES TO FINANCIAL STATEMENTS - continued

DECEMBER 31, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of Presentation:

The accompanying financial statements have been prepared on the accrual basis and include the assets, liabilities, and financial activities of the Clinic.

Depreciation:

Acquisitions of property are recorded at original cost and are depreciated on the straight-line basis over their respective estimated useful lives.

Income Taxes:

Hope Clinic for Women is exempt from Federal Income Taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made.

Cash:

Hope Clinic for Women considers all investment instruments purchased with a maturity of three months or less to be cash equivalents.

Donated Assets and Services:

Noncash donations are recorded as contributions at their estimated fair values at the date of donation. A substantial number of volunteers have donated significant amounts of their time to Hope Clinic for Women's program services and fundraising campaigns. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills are provided by individuals possessing those skills. These services would typically need to be purchased if not provided by donation, and are recorded at their fair values in the period received.

Concentration of Credit Risk:

Financial instruments that potentially subject Hope Clinic for Women to concentrations of credit risk consist principally of cash on deposit, pledges receivable from individuals, and a grant receivable from the State of Tennessee. Cash deposits are primarily in financial institutions in Tennessee and at times, may exceed federally insured amounts. Concentrations of credit risk with respect to pledges receivable and the grant receivable are limited to individuals and donors in the greater Nashville area and the State of Tennessee, respectively. Management does not believe that significant credit risk exists at December 31, 2005.

HOPE CLINIC FOR WOMEN

NOTES TO FINANCIAL STATEMENTS - continued

DECEMBER 31, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual amounts could differ from those estimates.

Accounts and Pledges Receivable:

Accounts and pledges to be received within the next 12 months or with restrictions that have been met at year-end are classified as current assets. Pledges designated by the donor to be received more than 12 months after year-end have been classified as noncurrent assets. Hope Clinic for Women does not require collateral or other security to support the receivables nor does it accrue interest on any of its receivables. Management has evaluated all outstanding pledges at December 31, 2005, and determined that no additional allowance is considered necessary.

2. GRANT AND PLEDGES RECEIVABLE

The grant receivable of \$8,339 represents the amount due at December 31, 2005, from the State of Tennessee under an abstinence program. The grant period is from July 1, 2005 through June 30, 2006. These funds are restricted and are used to pay for the salary and direct expenses of the director of prevention services.

During the year, Hope Clinic for Women conducted a pledge drive and accepted donor pledges and promises to give with all funds being unrestricted. The pledges and promises to give are recorded as revenue at their net realizable value at the time received. The pledges have been discounted in the amount of \$3,109 using Hope Clinic for Women's anticipated risk free rate of return of 4.25%. Pledges due in the next fiscal year are reflected as current, whereas, pledges due in subsequent years are reflected as long-term. The majority of the pledges were received from individual donors. Management has evaluated all outstanding pledges at December 31, 2005, and determined that no allowance is considered necessary. Collection of pledges receivable as of December 31, 2005, is anticipated over the following maturity schedule:

<u>December 31,</u>	<u>Amount</u>
2006	\$ 80,019
2007	11,225
2008	10,100
	<u>101,344</u>
Less discount to net present value	(3,109)
Net present value of receivables	<u>\$ 98,235</u>

HOPE CLINIC FOR WOMEN

NOTES TO FINANCIAL STATEMENTS - continued

DECEMBER 31, 2005

3. RELATED PARTY PLEDGES RECEIVABLE

Related party pledges receivable consisted of all pledges received from employees and board members at December 31, 2005. The pledges have been discounted in the amount of \$491 using Hope Clinic for Women's anticipated risk free rate of return of 4.25%. Related party pledges receivable due in the next fiscal year are reflected as current, whereas, pledges due in subsequent years are reflected as long-term. Management has determined that no allowance is deemed necessary. Collection of related party pledges receivable as of December 31, 2005, is anticipated over the following maturity schedule:

<u>December 31,</u>	<u>Amount</u>
2006	\$ 20,383
2007	1,106
	<u>21,489</u>
Less discount to net present value	(491)
Net present value of receivables	<u>\$ 20,998</u>

4. PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2005, is as follows:

Land	\$ 81,000
Building and improvements	391,480
Medical equipment	24,000
Office equipment	104,783
Furniture and fixtures	33,081
Medical leasehold improvements	18,041
Software	30,377
	<u>682,762</u>
Less: accumulated depreciation and amortization	(283,134)
	<u>\$ 399,628</u>

5. NET ASSETS RELEASED FROM RESTRICTION

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors during the year ended December 31, 2005 as follows:

Purpose restrictions accomplished:	
Abstinence program	\$ 58,000
Medical fund	16,763
Client fund	716
	<u>\$ 75,479</u>

HOPE CLINIC FOR WOMEN

NOTES TO FINANCIAL STATEMENTS - continued

DECEMBER 31, 2005

6. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes at December 31, 2005:

Abstinence program	\$	8,939
Client fund		3,622
Capital campaign		62,559
Medical clinic		30,294
Web fund		3,420
		<u>3,420</u>
	\$	<u>108,834</u>

7. RETIREMENT PLAN

Hope Clinic for Women sponsors a SIMPLE IRA retirement plan covering all full-time employees who have received or are reasonably expected to receive \$5,000 in compensation for the year. Hope Clinic for Women matches full-time employee contributions up to 3% of gross salary. Hope Clinic for Women contributed \$2,543 to the plan during 2005.

2005 TAX RETURN

CLIENT COPY

Client: CRISIS

Prepared for: CRISIS PREGNANCY SUPPORT CENTER
DBA HOPE CLINIC FOR WOMEN
1810 HAYES STREET
NASHVILLE, TN 37203
615-321-0005

Prepared by: BOB BELLENFANT, CPA
BELLENFANT & MILES, P.C., CPAS
136 WILSON PIKE CIRCLE
BRENTWOOD, TN 37027
(615) 370-8700

Date: AUGUST 4, 2006

Comments:

DO NOT FILE

Route to: _____

**CRISIS PREGNANCY SUPPORT CENTER
DBA HOPE CLINIC FOR WOMEN
EXEMPT ORG. TAX RETURN
2005**

DO NOT FILE

BELLENFANT & MILES, P.C., CPAS
136 WILSON PIKE CIRCLE
BRENTWOOD, TN 37027
(615) 370-8700

Client **CRISIS**
August 4, 2006

CRISIS PREGNANCY SUPPORT CENTER
DBA HOPE CLINIC FOR WOMEN
1810 HAYES STREET
NASHVILLE, TN 37203
615-321-0005

FEDERAL FORMS

Form 990
Schedule A
Schedule B

2005 Return of Organization Exempt from Income Tax
Organization Exempt Under Section 501(c)(3)
Schedule of Contributors

FEE SUMMARY

Preparation Fee

DO NOT FILE

CRISIS PREGNANCY SUPPORT CENTER
DBA HOPE CLINIC FOR WOMEN

62-1164825

REVENUE

CONTRIBUTIONS, GIFTS, AND GRANTS.....	380,870
INTEREST ON SAVINGS/TEMP CASH INVEST.....	1,662
NET INCOME (LOSS) - SPECIAL EVENTS.....	156,813
OTHER REVENUE.....	8,264
TOTAL REVENUE.....	547,609

EXPENSES

PROGRAM SERVICES.....	429,061
MANAGEMENT AND GENERAL.....	80,233
FUNDRAISING.....	66,670
TOTAL EXPENSES.....	575,964

NET ASSETS OR FUND BALANCES

EXCESS OR (DEFICIT) FOR THE YEAR.....	-28,355
NET ASSETS/FUND BAL. AT BEG. OF YEAR.....	711,547
NET ASSETS/FUND BAL. AT END OF YEAR.....	683,192

DO NOT FILE

2005

GENERAL INFORMATION
CRISIS PREGNANCY SUPPORT CENTER
DBA HOPE CLINIC FOR WOMEN

PAGE 1

62-1164825

FORMS NEEDED FOR THIS RETURN

FEDERAL: 990, SCH A, SCH B

CARRYOVERS TO 2006

NONE

DO NOT FILE

PROJECTED SUPPORT SCHEDULE FOR 2006

THIS WORKSHEET PROJECTS IF THE ORGANIZATION WILL MEET THE SUPPORT TEST FOR THE TAX YEAR 2006 BASED ON THE DATA ENTERED IN SCREEN 55 FOR THE COLUMN 2005 .

SUPPORT ITEMS	2005 (A)	2004 (B)	2003 (C)	2002 (D)	TOTAL (E)
15. GIFTS, GRANTS, AND CONTRIBUTIONS	469,337.	315,659.	512,306.	368,830.	1,666,132.
16. MEMBERSHIP FEES RECEIVED					0.
17. GROSS RECEIPTS FROM ADMISSIONS, MERCHANDISE SOLD OR SERVICES PERFORMED, OR FURNISHING OF FACILITIES IN ANY ACTIVITY THAT IS RELATED TO THE ORGANIZATION'S CHARITABLE PURPOSE					0.
18. GROSS INCOME FROM INTEREST, DIVIDENDS, SAMOUNT RECEIVED FROM PAYMENTS ON SECURITIES LOANS, RENTS, ROYALTIES, AND UNRELATED BUSINESS TAXABLE INCOME FROM BUSINESSES ACQUIRED BY THE ORGANIZATION AFTER 6/30/1975	1,662.	883.	793.	1,754.	5,092.
19. NET INCOME FROM UNRELATED BUSINESS ACTIVITIES NOT INCLUDED IN LINE 18					0.
20. TAX REVENUES LEVIED FOR THE ORGANIZATION'S BENEFIT AND EITHER PAID TO IT OR EXPENDED ON ITS BEHALF					0.
21. THE VALUE OF SERVICES OR FACILITIES FURISHED TO THE ORGANIZATION BY A GOVERNMENTAL UNIT WITHOUT CHARGE. DO NOT INCLUDE THE VALUE OF SERVICES OR FACILITIES GENERALLY FURNISHED TO THE PUBLIC WITHOUT CHARGE					0.
22. OTHER INCOME. DO NOT INCLUDE GAIN (OR LOSS) FROM SALE OF CAPITAL ASSETS	158,077.	294,951.	151,432.	113,634.	718,094.
23. TOTAL OF LINES 15 THROUGH 22	629,076.	611,493.	664,531.	484,218.	2,389,318.
24. LINE 23 MINUS LINE 17	629,076.	611,493.	664,531.	484,218.	2,389,318.
25. ENTER 1% OF LINE 23	6,291.	6,115.	6,645.	4,842.	
ORGANIZATIONS DESCRIBED ON LINES 10 OR 11:					
26A. 2% OF AMOUNT IN COLUMN (E), LINE 24					47,786.
26B. TOTAL OF ALL INDIVIDUAL CONTRIBUTIONS THAT EXCEED THE LINE 26A AMOUNT					0.
26C. TOTAL SUPPORT FOR SECTION 509(A) (1) TEST (LINE 24, COLUMN (E))					2,389,318.
26D. ADD THE AMOUNTS FROM COLUMN (E) FOR LINES 18, 19, 22, AND 26B					723,186.
26E. PUBLIC SUPPORT (LINE 26C MINUS LINE 26D)					1,666,132.
26F. PUBLIC SUPPORT PERCENTAGE (LINE 26E DIVIDED BY LINE 26C)					69.73%

DO NOT FILE