

HOPE CLINIC FOR WOMEN

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

SEPTEMBER 30, 2021

HOPE CLINIC FOR WOMEN

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BELLENFANT

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

Professional Accounting & Consulting Services

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Hope Clinic For Women
Nashville, Tennessee

Opinion

We have audited the accompanying financial statements of Hope Clinic for Women (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses and cash flows for the year 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 Hope Clinic for Women as of September 30, 2021, 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.

Basis for Opinion

We conducted our audit 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 Hope Clinic for Women and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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; 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.

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 Hope Clinic for Women's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 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 for 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 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 Hope Clinic for Women'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 Hope Clinic for Women'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.

Bellenfant, PLLC

Nashville, Tennessee
December 9, 2021

HOPE CLINIC FOR WOMEN

STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2021

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 327,271
Accounts Receivable	340
Pledges Receivable	5,286
Prepaid Expenses	2,251
Investments	<u>255,057</u>

Total Current Assets	<u>590,205</u>
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FIXED ASSETS

	745,881
Less: Accumulated Depreciation	(438,606)

Fixed Assets	<u>307,275</u>
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Total Assets	<u><u>\$ 897,480</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable and Accrued Expenses	\$ 3,187
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Total Current Liabilities	<u>3,187</u>
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Total Liabilities	<u>3,187</u>
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NET ASSETS

Net Assets Without Donor Restrictions	329,610
Net Assets With Donor Restrictions	<u>564,683</u>

Total Net Assets	<u>894,293</u>
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Total Liabilities and Net Assets	<u><u>\$ 897,480</u></u>
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HOPE CLINIC FOR WOMEN

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Support			
Contributions	\$ 647,819	\$ 210,304	\$ 858,123
Received Indirectly - Allocated by Local Churches	163,554	-	163,554
Donated Supplies and Services In-Kind	256,643	-	256,643
Special Events, net of direct costs of \$28,554	265,939	-	265,939
SBA PPP Forgiveness	117,600	-	117,600
Endowment Fund, net of fees of \$1,062	-	178,789	178,789
Net Assets Released from Restrictions	236,076	(236,076)	-
Total Support	<u>1,687,631</u>	<u>153,017</u>	<u>1,840,648</u>
Revenue			
Medical	28,049	-	28,049
Counseling Income	23,142	-	23,142
Other Income	1,732	-	1,732
Total Revenue	<u>52,923</u>	<u>-</u>	<u>52,923</u>
Total Support and Revenue	<u>1,740,554</u>	<u>153,017</u>	<u>1,893,571</u>
EXPENSES			
Program Services			
Counseling and Support	<u>1,243,899</u>	<u>-</u>	<u>1,243,899</u>
Supporting Services			
Management and General	154,242	-	154,242
Fundraising	150,815	-	150,815
Total Support Services	<u>305,057</u>	<u>-</u>	<u>305,057</u>
Total Expenses	<u>1,548,956</u>	<u>-</u>	<u>1,548,956</u>
Change in Net Assets	191,598	153,017	344,615
Net Assets, October 1, 2020	<u>138,012</u>	<u>411,666</u>	<u>549,678</u>
Net Assets, September 30, 2021	<u>\$ 329,610</u>	<u>\$ 564,683</u>	<u>\$ 894,293</u>

HOPE CLINIC FOR WOMEN

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Program Services</u>	<u>Supporting Services</u>		
	<u>Counseling and Support</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 586,300	\$ 84,640	\$ 106,853	\$ 777,793
Employee Benefits	19,266	2,825	3,596	25,687
Payroll Taxes	44,009	6,454	8,215	58,678
 Total Salaries and Benefits	 649,575	 93,919	 118,664	 862,158
 Medical	 41,627	 -	 -	 41,627
Prevention	1,203	-	-	1,203
Pregnancy Services	4,746	-	-	4,746
Equipment	1,181	458	-	1,639
Client Materials	2,911	-	-	2,911
Church Outreach	89	-	-	89
 Professional Fees	 -	 13,697	 -	 13,697
Contract Labor	92,785	-	11,320	104,105
Continuing Education	6,805	1,814	454	9,073
Human Resources	22,888	8,900	-	31,788
Licenses and Dues	799	213	53	1,065
Travel and Conferences	3,264	870	217	4,351
 Postage and Shipping	 1,987	 772	 -	 2,759
Mailings	-	298	1,193	1,491
Office Supplies	6,398	2,139	1,104	9,641
Telephone	14,218	1,579	-	15,797
Utilities	9,268	1,029	-	10,297
Janitorial Services	3,195	355	-	3,550
 Systems Development	 11,329	 3,021	 755	 15,105
Repairs and Maintenance	8,379	930	-	9,309
Insurance	10,501	4,083	-	14,584
Interest	1,574	-	-	1,574
Bank Fees	-	885	-	885
 BHT Grant Staff	 7,420	 -	 -	 7,420
Advertising and Public Relations	1,620	-	-	1,620
Board Expenses	-	1,124	-	1,124
Donor Relations	923	-	5,085	6,008
Non Budgeted Purchases	65,213	7,246	-	72,459
Miscellaneous	3,332	888	222	4,442
 Donated Materials and Services In Kind:				
Pregnancy Supplies	39,066	-	-	39,066
Event Expenses	-	-	11,748	11,748
Medical Services	136,574	-	-	136,574
Volunteer Service Hours	69,255	-	-	69,255
 Total Other Expenses	 568,550	 50,301	 32,151	 651,002
 Total Expenses Before Depreciation	 1,218,125	 144,220	 150,815	 1,513,160
 Depreciation	 25,774	 10,022	 -	 35,796
 Total Functional Expenses	 \$ 1,243,899	 \$ 154,242	 \$ 150,815	 \$ 1,548,956

HOPE CLINIC FOR WOMEN

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$	344,615
Depreciation		35,796
Adjustments to reconcile net income to Net cash provided (used) by operations:		
(Increase) Decrease in:		
Accounts Receivable		(340)
Pledges Receivable		5,925
Related Party Pledges Receivable		6,000
Prepaid Expenses		2,666
Increase (Decrease) in:		
Accounts Payable		(893)
Net Cash Provided (used) by Operating Activities		<u>393,769</u>

CASH FLOWS FROM INVESTING ACTIVITIES

(Purchase)/Disposal Fixed Assets		(3,102)
Investment in Mutual Funds		<u>(178,790)</u>
Net Cash Provided (Used) by Investing Activities		<u>(181,892)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Paycheck Protection Plan Note Payable		(117,600)
Principle Paid on Note Payable		<u>(82,513)</u>
Net Cash Provided (Used) by Financing Activities		<u>(200,113)</u>
Net Increase in Cash		11,764
Cash and cash equivalents, October 1, 2020		<u>315,507</u>
Cash and cash equivalents, September 30, 2021	\$	<u><u>327,271</u></u>

SUPPLEMENTAL DISCLOSURE

Interest Paid	\$	<u><u>1,574</u></u>
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HOPE CLINIC FOR WOMEN
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

Hope Clinic for Women, ("the Organization"), was founded in 1983. It is a safe and confidential place for people coping with unplanned pregnancies, access to women's healthcare, pregnancy loss and postpartum depression. The Organization provides medical care, professional counseling, case management, education classes, mentorship and practical support regardless of age, race, religion or ability to pay. Hope Clinic for Women equips individuals in the Middle Tennessee area to make healthy choices for themselves and their families related to our four core programs: Pregnancy Services, Medical Services, Prevention Education Services, and Counseling Services.

Pregnancy Services- This service provides options information, professional counseling, pregnancy tests and early prenatal care/ultrasounds. In addition, participants of the Pregnancy Bridge program receive personalized case management which can include a professional counselor, a mentor, educational classes and access to free material assistance from the beginning of pregnancy through the child's first year. With both male and female counselors and mentors, we provide counseling and support to all individuals involved (mother and father of the baby and parents/ family supports).

Medical Services- Since 2001, Hope Clinic has offered STD testing and treatment. Our Nurse Practitioners and Nursing staff answer patients' questions, listen to their concerns, and educate them on women's health, pregnancy, and STDs. Since 2016, the Organization began offering affordable women's well- care annual physicals and visits related to gynecological health concerns. Often, these medical clients are successfully transitioned to additional care from our professional counselors to work on issues related to healthy relationships and self-esteem.

Prevention Education Services- This program is for private and public middle and high school students, young adults, churches and parents covering accurate information on STDs, abstinence education and tools necessary to make healthy life choices. The Organization utilizes an evidence-based curriculum that promotes abstinence and healthy relationships. Our staff are certified Sexual Risk Avoidance Educators with the State of Tennessee.

Counseling Services- In addition to our counseling of pregnancy and prevention clients, the Organization also offers counseling for pregnancy loss and postpartum depression and anxiety. The services originally began as post-abortion counseling, but in 2009, it was expanded to include all forms of Pregnancy Loss (miscarriage, stillbirth, and infant death). Later, it was expanded to cover issues related to adoption, failed IVF, and infertility. In 2009, the Organization also added postpartum depression counseling services in partnership with St. Thomas Health Services. These services include a combination of clinical, practical and spiritual components. Nurse Practitioners are on staff to cover medication management overseen by the Medical Director.

HOPE CLINIC FOR WOMEN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

SEPTEMBER 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization and Purpose (Continued)

Mobile Services- Mobile Services: 2019, Hope Clinic for Women test-piloted offering medical and pregnancy services mobile in partnership with People Loving Nashville. This program expanded in 2020 to include a partnership with Operation Saving Life at another location two mornings per week. Scope of care is limited to pregnancy tests, ultrasounds, and pregnancy options counseling. The Organization also provides asymptomatic STD testing and dispenses educational materials, feminine products and other first aid needs. Due to staffing changes and COVID restrictions, by July of 2021, the Organization determined it was best to minimize mobile services to only include case management and educational services and move all medical care back to the clinic. In the future, the Organization will utilize a rented mobile unit for community health fairs and high traffic areas on an ad-hoc basis.

Classification Net Assets With and Without Restriction

Hope Clinic for Women has adopted the Financial Accounting Standards Board (FASB) Accounting Standards Codification. The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Financial statement presentation follows the requirements of the FASB Accounting Standards Codification Topic related to Presentation of Financial Statements of Not-for-Profit Organizations. Under the FASB Accounting Standards Codification, the Organization is required to report 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:

These are net assets that are not subject to donor-imposed stipulations. The Organization had \$329,610 of net assets without donor restrictions as of September 30, 2021.

Net assets with donor restrictions:

These are net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. This classification also includes net assets subject to donor-imposed stipulations that may be maintained permanently by the Organization. Generally, donors of these assets permit the Organization to use all or part of the income earned for general or specific purposes. The Organization had \$564,683 net assets with donor restrictions as of September 30, 2021.

HOPE CLINIC FOR WOMEN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

SEPTEMBER 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification Net Assets With and Without Restriction (Continued)

The FASB Accounting Standards Codification requires the Organization 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, either when a stipulated time restriction ends or purposed restriction is accomplished, net assets with restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions. Restricted funds received and released from restrictions in the same period are reported as net assets without restrictions.

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

Restricted Endowment Fund

The Uniform Prudent Management Institutional Funds Act ("UPMIFA") was enacted in Tennessee effective July 1, 2007. The FASB Accounting Standards Codification provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the UPMIFA. It also requires disclosure of a description of the governing board's interpretation of the law that underlies the organization's net asset classification of donor-restricted endowment funds, a description of the organization's policies for the appropriation of endowment assets for expenditures (its endowment spending policies), a description of the organization's endowment investment policies, and additional disclosures not previously required.

Advertising

The Organization expenses advertising costs as incurred. Advertising costs for the year ended September 30, 2021 were \$1,620. All advertising expenses are related to client services.

Basis of Presentation

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

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all investment instruments purchased with a maturity of twelve months or less to be cash equivalents.

HOPE CLINIC FOR WOMEN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

SEPTEMBER 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation

Fixed Assets with an acquisition cost above \$1,000 are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful life of each asset as follows:

Buildings and Building Improvements	39 years
Furniture and Equipment	5-7 years
Computers	3 years

Revenue Recognition

Revenue Recognition - The Organization's revenue recognition policies are as follows:

Contributions - Contributions are recorded as revenue in the period that the related services are rendered.

Performance Obligations and Revenue Recognition - A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account under ASC 606. The transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Organization's revenue within the scope of ASC 606 consists of contributions and campaigns. The contract obligations related to these services are satisfied when the services are rendered.

Practical Expedients and Exemptions - There are several practical expedients and exemptions allowed under ASC 606 that impact timing of revenue recognition and disclosures. There were no practical expedients or exemptions that were applied for the year ended September 30, 2021.

Revenues from non-exchange transactions (contributions) may be subject to conditions, in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligation to make future payments). Revenues from conditional non-exchange transactions are recognized when the barrier is satisfied.

HOPE CLINIC FOR WOMEN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

SEPTEMBER 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

The Organization has evaluated its tax positions in accordance with the Codification Standard relating to Accounting for Uncertainty in Income Taxes. The Organization believes that it has taken no uncertain tax positions.

The Organization files a U.S. Federal Form 990-Return of Organization Exempt from Income Tax. The Organization's returns for the years prior to year ended September 30, 2018 are no longer open for examination.

Donated Assets and Services

Non-cash 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 the Organization'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.

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 amounts could differ from those estimates.

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash on deposit and pledges receivable from individuals. 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 are limited to individuals and donors in the greater Nashville area. Management does not believe that significant credit risk exists at September 30, 2021.

HOPE CLINIC FOR WOMEN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

SEPTEMBER 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. The Organization 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 September 30, 2021 and determined that no additional allowance is considered necessary.

Fair Values of Financial Instruments

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

Cash, cash equivalents, pledges receivable, related party pledges receivable, other assets, and accounts payable: The carrying amounts reported in the statements of financial position approximate fair values because of the short maturities of those instruments.

2. FAIR VALUE OF INVESTMENTS

The Organization's investments are reported at fair value in the accompanying statements of financial position.

Fair Value Measurements at September 30, 2021				
	Fair Value	Quoted Prices	Significant	Significant
		In Active	Other	Unobservable
		Markets for	Observable	Inputs
		Identical	Inputs	(Level 3)
		Assets	(Level 2)	
		(Level 1)		
Mutual Funds	\$ 255,057	\$ 255,057	\$ -	\$ -
	\$ 255,057	\$ 255,057	\$ -	\$ -

HOPE CLINIC FOR WOMEN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

SEPTEMBER 30, 2021

2. FAIR VALUE OF INVESTMENTS (CONTINUED)

The Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic related to Fair Value Measurements, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Organization uses the appropriate valuation techniques based on the available inputs to measure the fair value of its investments. Level 3 inputs were only used when Level 1 or Level 2 inputs were not available.

Level 1 Fair Value Measurements - The fair value of the investments are based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 Fair Value Measurements - The fair value of the investments are based on inputs other than quoted prices within Level 1 that are observable for the asset, either directly, or indirectly.

Level 3 Fair Value Measurements - The fair value of the investments are based on at least one significant unobservable input.

3. PLEDGES RECEIVABLE

During the year, the Organization conducted a pledge drive and accepted donor pledges and promises to give with all funds being without restriction. The pledges and promises to give are recorded as revenue at their net realizable value at the time received. Pledges due in the next fiscal year are reflected as current, whereas pledges due in subsequent years are reflected as long-term. However as of September 30, 2021 there were no long-term pledges receivable. The majority of the pledges were received from individual donors. Collection of pledges receivable as of September 30, 2021 is anticipated over the following maturity schedule:

2022	<u>\$ 5,286</u>
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HOPE CLINIC FOR WOMEN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

SEPTEMBER 30, 2021

4. 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 September 30, 2021 as follows:

Purpose restrictions accomplished:	
Medical Fund	\$ 45,200
Pregnancy Fund	50,220
Prevention Fund	70,951
Operating Fund	50,481
Mobile Outreach	16,941
Counseling	143
Advancement	2,140
Endowment Fund	-
	<hr/>
Total Net Assets Released from Restriction	<u><u>\$ 236,076</u></u>

5. NET ASSETS WITH RESTRICTIONS

Net assets with restrictions are available for the following purposes at September 30, 2021:

Medical Fund	\$ 78,175
Pregnancy Fund	59,644
Prevention Fund	71,808
Operating Fund	109,223
Mobile Outreach	(6,941)
Counseling	(143)
Advancement	(2,140)
Endowment Fund	255,057
	<hr/>
Total Net Assets With Restrictions	<u><u>\$ 564,683</u></u>

HOPE CLINIC FOR WOMEN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

SEPTEMBER 30, 2021

6. RETIREMENT PLAN

The Organization sponsors a 401k retirement plan allowing contributions by employees. The Organization suspended its contributions in June of 2009 and resumed them during the year ended September 30, 2014. Full-time employees are eligible to participate in the plan after 60 days of employment. Retirement matching is vested after a three year anniversary. The Organization matches 25% of employee contributions up to 8% of the employee's salary. Pension expense for the year ended September 30, 2021 was \$4,646.

7. ENDOWMENT

The Organization's endowment consists of donor restricted gifts held primarily in investment accounts. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based upon the existence or absence of donor-imposed restrictions.

Changes in Endowment Net Assets for the fiscal year ended September 30, 2021:

	Net Assets Without Restrictions	Net Assets With Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 76,268	\$ 76,268
Contributions	-	163,729	163,729
Investment return, net appreciation	-	15,060	15,060
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 255,057</u>	<u>\$ 255,057</u>

Interpretation of Relevant Law

The Organization has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor- endowment funds with restrictions absent of any explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with restrictions (a) the original value of gifts donated to the restricted endowment fund, (b) the original value of subsequent gifts to the restricted endowment fund, and (c) accumulations to the restricted endowment fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-endowment funds with restrictions that are not classified in net assets with restrictions are classified as net assets without restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

HOPE CLINIC FOR WOMEN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

SEPTEMBER 30, 2021

7. ENDOWMENT (CONTINUED)

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor- endowment funds with restrictions may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no deficiencies of this nature for the year ended September 30, 2021.

Endowment Investment Policy and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor- funds with restrictions that the Organization must hold in perpetuity or for a donor-specified period.

Under the Organization's policy, as approved by the Board of Directors, endowment assets are invested primarily in equity securities.

Strategies Employed for Achieving Investment Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives with prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating dividend and interest income from the endowment fund as necessary to fund Organization programs provided the investment balance is greater than the original gift value. Specific agreements with donors for income taken relative to their specific endowment gifts are exempt.

8. SBA PPP LOAN FORGIVENESS

In response to the COVID-19 pandemic, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and it was signed into law on March 27, 2020. The CARES Act implemented the Paycheck Protection Program (PPP), which provides loans to small businesses and charitable organizations to keep their employees on payroll. The Hope Clinic for Women obtained a PPP loan for \$117,600 on April 23, 2020. The portion of loan proceeds that is spent on qualified payroll costs and operational expenses were forgiven December 16, 2020.

HOPE CLINIC FOR WOMEN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

SEPTEMBER 30, 2021

9. FIXED ASSETS

A summary of fixed assets at September 30, 2021 is as follows:

Land	\$ 81,000
Building and Improvements	536,242
Medical Equipment	9,730
Office Equipment	34,187
Furniture and Fixtures	60,171
Computers and Software	24,451
Closing Costs	100
Fixed Assets - Gross	<u>745,881</u>
Less: Accumulated Depreciation and Amortization	(438,606)
Fixed Assets - Net	<u><u>\$ 307,275</u></u>

10. DONATED MATERIALS AND SERVICES IN-KIND

The Organization received in-kind donations as follows:

Donated pregnancy supplies (diapers, cribs, strollers, and car seats)	\$ 39,066
Donated event expenses	11,748
Donated medical services	136,574
Donated service hours (Valued at \$28.54/hr)	<u>69,255</u>
Total Donated Materials and Services	<u><u>\$ 256,643</u></u>

11. AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of September 30, 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date:

Cash and Cash Equivalents Without Donor Restrictions	\$ 327,271
Pledges Receivable	5,286
Investments	255,057
Less: amounts not available to be used within one year due to purpose restrictions	<u>\$ (255,057)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 332,557</u></u>

HOPE CLINIC FOR WOMEN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

SEPTEMBER 30, 2021

11. AVAILABILITY OF FINANCIAL ASSETS (CONTINUED)

There is an adequate amount of financial assets available as of September 30, 2021. The Organization effectively manages its available liquid resources to meet cash needs for general expenditures within one year of the balance sheet date.

12. UNCERTAINTIES

On March 11, 2020, the World Health Organization characterized the outbreak of the COVID-19 coronavirus as a pandemic. The Organization receives the majority of its revenue from governmental grants and contributions therefore, the pandemic may be a significant risk to its ability to generate revenue.

13. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 9, 2021, which is the date the financial statements were available to be issued.