

Women's Care Center, Inc.
December 31, 2020 and 2019
Financial Statements



Table of Contents

	Page
Independent Accountant's Review Report	1
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4 - 5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 12





Independent Accountant's Review Report

November 17, 2021

To the Board of Directors of
Women's Care Center, Inc.
South Bend, Indiana

We have reviewed the accompanying financial statements of Women's Care Center, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2020 and 2019 and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Weidner and Company, P.C.
Plymouth, Indiana

Table of Contents

	Page
Independent Accountant's Review Report	1
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4 - 5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 13



WOMEN'S CARE CENTER, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2020 and 2019

(See Independent Accountant's Review Report)

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets:		
Cash and equivalents	\$ 1,377,520.48	\$ 343,300.95
Restricted cash and equivalents	1,150,000.00	0.00
Accounts receivable	470,640.51	436,259.73
Pledges receivable within one year	250,000.00	242,836.33
Prepaid expenses	56,722.97	48,767.55
Total current assets	<u>3,304,883.96</u>	<u>1,071,164.56</u>
Property and equipment:		
Land	1,210,648.54	1,010,648.54
Buildings and improvements	8,769,981.32	8,276,252.08
Furniture and equipment	1,784,391.73	1,627,568.48
Total cost of property and equipment	<u>11,765,021.59</u>	<u>10,914,469.10</u>
Less accumulated depreciation	<u>(2,456,260.94)</u>	<u>(2,209,534.51)</u>
Net property and equipment	<u>9,308,760.65</u>	<u>8,704,934.59</u>
Other assets:		
Pledges receivable in more than one year	<u>0.00</u>	<u>235,877.93</u>
Total other assets	<u>0.00</u>	<u>235,877.93</u>
Total assets	<u>\$ 12,613,644.61</u>	<u>\$ 10,011,977.08</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 302,403.28	\$ 44,289.67
Accrued expenses	204,334.75	90,158.34
Funds held for partner centers	49,309.34	23,890.93
Total current liabilities	<u>556,047.37</u>	<u>158,338.94</u>
Net assets:		
Without donor restrictions	10,657,597.24	9,374,923.88
With donor restrictions	1,400,000.00	478,714.26
Total net assets	<u>12,057,597.24</u>	<u>9,853,638.14</u>
Total liabilities and net assets	<u>\$ 12,613,644.61</u>	<u>\$ 10,011,977.08</u>

The notes are an integral part of these financial statements.

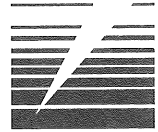


WOMEN'S CARE CENTER, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Years Ended December 31, 2020 and 2019
(See Independent Accountant's Review Report)

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenues:						
Direct mail contributions	\$ 1,174,154.50	\$ 0.00	\$ 1,174,154.50	\$ 1,370,298.70	\$ 0.00	\$ 1,370,298.70
Personally developed contributions	3,010,126.86	950,750.00	3,960,876.86	902,010.80	65,000.00	967,010.80
In-kind contributions	355,047.34	0.00	355,047.34	388,323.97	0.00	388,323.97
Other contributions	1,331,869.48	21,285.74	1,353,155.22	294,982.22	0.00	294,982.22
Grant revenue	3,145,927.47	6,000.00	3,151,927.47	2,414,602.13	244,731.88	2,659,334.01
Special events net of direct expenses of \$59,459 and \$250,634, respectively	237,068.75	0.00	237,068.75	1,119,673.20	0.00	1,119,673.20
Loss on sale of assets	(21,285.93)	0.00	(21,285.93)	(11,656.35)	0.00	(11,656.35)
Interest income	320.05	0.00	320.05	513.72	13,714.26	14,227.98
Net assets released from restrictions	56,750.00	(56,750.00)	0.00	1,609,728.73	(1,609,728.73)	0.00
Total public support and revenues	9,289,978.52	921,285.74	10,211,264.26	8,088,477.12	(1,286,282.59)	6,802,194.53
Expenses:						
Program services	6,471,844.26	0.00	6,471,844.26	6,247,910.01	0.00	6,247,910.01
General and administrative	694,556.35	0.00	694,556.35	584,002.37	0.00	584,002.37
Fundraising	849,905.73	0.00	849,905.73	912,998.94	0.00	912,998.94
Total expenses	8,016,306.34	0	8,016,306.34	7,744,911.33	0.00	7,744,911.33
Grant from Women's Care Center Foundation, Inc.	9,001.18	0.00	9,001.18	1,143,964.96	0.00	1,143,964.96
Change in net assets	1,282,673.36	921,285.74	2,203,959.10	1,487,530.75	(1,286,282.59)	201,248.16
Net assets, beginning of year	9,374,923.88	478,714.26	9,853,638.14	7,887,393.13	1,764,996.85	9,652,389.98
Net assets, end of year	\$ 10,657,597.24	\$ 1,400,000.00	\$ 12,057,597.24	\$ 9,374,923.88	\$ 478,714.26	\$ 9,853,638.14



The notes are an integral part of these financial statements.

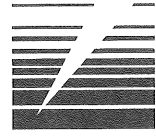
WOMEN'S CARE CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2020

(See Independent Accountant's Review Report)

	2020			
	Program Services	Support Services	Fundraising	Total
Salaries, employee benefits and taxes	\$ 3,877,785.77	\$ 406,378.05	\$ 588,267.42	\$ 4,872,431.24
Carseats, cribs and diapers	597,060.68	0.00	0.00	597,060.68
Client transportation	2,415.54	0.00	0.00	2,415.54
Prenatal vitamins	60,849.05	0.00	0.00	60,849.05
Pregnancy and childcare supplies	99,949.55	0.00	0.00	99,949.55
Children's books	34,602.93	0.00	0.00	34,602.93
Counselor training, conferences, and seminars	37,089.51	0.00	0.00	37,089.51
Database management	33,728.31	0.00	3,965.16	37,693.47
Dues and publications	0.00	5,625.52	0.00	5,625.52
Miscellaneous	0.00	0.00	0.00	0.00
Meals and entertainment	0.00	0.00	21,106.76	21,106.76
Other development costs	0.00	0.00	88,651.56	88,651.56
Office equipment and supplies	0.00	96,922.73	0.00	96,922.73
Postage and printing	0.00	33,124.95	77,323.99	110,448.94
Professional, payroll and computer fees	0.00	61,435.72	3,618.23	65,053.95
Occupancy costs	576,137.39	5,878.95	5,878.95	587,895.30
Depreciation	429,742.50	4,385.13	4,385.13	438,512.75
Service advertising	308,946.08	0.00	5,072.50	314,018.58
Administrative and development	0.00	50,133.80	0.00	50,133.80
Travel and vehicle expenses	3,277.40	5,461.26	51,636.03	60,374.69
Bank fees	0.00	25,210.24	0.00	25,210.24
Partner center costs	410,259.55	0.00	0.00	410,259.55
Total expenses	\$ 6,471,844.26	\$ 694,556.35	\$ 849,905.73	\$ 8,016,306.34



The notes are an integral part of these financial statements.

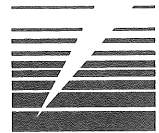
WOMEN'S CARE CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2019

(See Independent Accountant's Review Report)

	2019			
	Program Services	Support Services	Fundraising	Total
Salaries, employee benefits and taxes	\$ 3,789,019.66	\$ 327,318.13	\$ 644,867.94	\$ 4,761,205.73
Carseats, cribs and diapers	492,770.38	0.00	0.00	492,770.38
Client transportation	2,852.00	0.00	0.00	2,852.00
Prenatal vitamins	52,910.37	0.00	0.00	52,910.37
Pregnancy and childcare supplies	97,164.28	0.00	0.00	97,164.28
Children's books	47,428.10	0.00	0.00	47,428.10
Counselor training, conferences, and seminars	35,636.82	0.00	0.00	35,636.82
Database management	20,355.89	0.00	4,412.31	24,768.20
Dues and publications	0.00	9,607.94	0.00	9,607.94
Miscellaneous	0.00	346.77	0.00	346.77
Meals and entertainment	0.00	0.00	41,071.82	41,071.82
Other development costs	0.00	0.00	81,420.01	81,420.01
Office equipment and supplies	0.00	78,572.69	0.00	78,572.69
Postage and printing	0.00	22,276.10	65,781.49	88,057.59
Professional, payroll and computer fees	0.00	62,568.66	3,755.85	66,324.51
Occupancy costs	506,705.44	5,170.46	5,170.46	517,046.37
Depreciation	398,920.65	4,070.62	4,070.62	407,061.89
Service advertising	199,438.13	0.00	13,063.00	212,501.13
Administrative and development	0.00	48,597.51	0.00	48,597.51
Travel and vehicle expenses	6,807.99	3,397.80	49,385.44	59,591.23
Bank fees	0.00	22,075.69	0.00	22,075.69
Partner center costs	597,900.30	0.00	0.00	597,900.30
Total expenses	\$ 6,247,910.01	\$ 584,002.37	\$ 912,998.94	\$ 7,744,911.33



The notes are an integral part of these financial statements.

WOMEN'S CARE CENTER, INC.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2020 and 2019
(See Independent Accountant's Review Report)

	<u>2020</u>	<u>2019</u>
RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Change in net assets	\$ 2,203,959.10	\$ 201,248.16
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	438,512.75	407,061.89
(Gain) loss on disposal of fixed assets	21,285.93	11,656.35
(Increase) decrease in assets:		
Pledge receivables	228,714.26	(13,717.41)
Accounts receivable	(34,380.78)	(13,103.81)
Prepaid expense	(7,955.42)	(43,286.85)
Increase (decrease) in liabilities:		
Accounts payable	257,601.45	(285,431.23)
Funds held for partner center	25,418.41	15,700.19
Accrued expenses	114,688.57	(121,010.00)
Net adjustments	1,043,885.17	(42,130.87)
Net cash provided by operating activities	<u>\$ 3,247,844.27</u>	<u>\$ 159,117.29</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from donors	\$ 10,414,598.92	\$ 8,181,628.24
Cash paid to suppliers and employees	(7,166,754.65)	(8,022,510.95)
Net cash provided by operating activities	<u>3,247,844.27</u>	<u>159,117.29</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from property held for sale	0.00	65,000.00
Purchase of fixed assets	(1,063,624.74)	(1,584,998.82)
Net cash used in investing activities	(1,063,624.74)	(1,519,998.82)
Net increase (decrease) in cash and equivalents	2,184,219.53	(1,360,881.53)
Cash and equivalents, beginning of year	343,300.95	1,704,182.48
Cash and equivalents, end of year	<u>\$ 2,527,520.48</u>	<u>\$ 343,300.95</u>

The notes are an integral part of these financial statements.



WOMEN'S CARE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS
As of December 31, 2020 and 2019

Note 1 - Nature of Activities and Significant Accounting Policies

Nature of Activities – Founded in 1984, Women's Care Center, Inc. (the Organization) is a not-for-profit organization dedicated to helping young women have healthier pregnancies, become better parents and take first steps to self-sufficiency. The Organization provides parenting skills classes, one-on-one goal counseling, ultrasounds and pregnancy testing, baby basics and prenatal education, healthy relationships counseling, prenatal vitamins, cribs, car seats, diapers and baby items offered under an incentive program and books for children. All services are provided free of charge. The Organization is the nation's largest pregnancy resource center with 34 locations in eleven states (Indiana, Illinois, Kentucky, Maryland, Michigan, Minnesota, Nebraska, North Dakota, Ohio, Pennsylvania, and Wisconsin). Funding for all of the center's programs comes almost exclusively from private sources.

Basis of Accounting - The Organization's operations are accounted for on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation – The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on the use of the assets as directed by the donor:

Without Donor Restrictions – Reflects assets which have not been restricted as to use by donors. A designation within this asset group represents assets not restricted by the Board of Directors.

With Donor Restrictions – Reflects contributed assets whose use by the Organization has been limited by donors for a specific time period or purpose.

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 results could differ from those estimates.

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services based on the relative square footage of the facilities used for program and administrative purposes.

Cash and Cash Equivalents - The Organization considers all highly liquid investments, which have an original maturity of three months or less, to be cash equivalents.

Pledges Receivable - Contributions are recognized when the donor makes a promise to the Organization that is, in substance, unconditional. Unconditional promises expected to be collected within one year are reported at their net realizable value. Pledges expected to be received in more than one year, if material to the financial statements, are reported at the present value of their estimated future cash flows using a risk-free rate at the date of the pledge to determine the discounts.



WOMEN'S CARE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS
As of December 31, 2020 and 2019

Note 1 - Nature of Activities and Significant Accounting Policies (continued)

Amortization of the discount is recorded as additional contribution revenue and used in accordance with donor-imposed restrictions, if any, on the contributed support.

Contributions received are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions restricted by the donor are reported as increases in net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or proposed restriction is accomplished, restricted net assets are reclassified to net assets without restrictions as net assets released from restrictions.

Property and Equipment - Donations of property and equipment are reported as unrestricted support unless the donor has restricted the use of the asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

The Organization capitalizes assets on the basis of cost or fair market value at the acquisition date. Maintenance and repairs are charged to expense as incurred while major renewals and betterments are reviewed on an item by item basis for potential capitalization. When items of property or equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the results of operations. Depreciation is computed on the straight-line method over the estimated useful lives of the assets.

Estimated useful lives are as follows:

Furniture and fixtures	7 to 15 years
Equipment	5 to 10 years
Buildings	7 to 40 years
Leasehold improvements	10 to 40 years

Depreciation expense was \$438,513 and \$407,062 for the years ended December 31, 2020 and 2019

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. If an asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value of such property.



WOMEN'S CARE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS
As of December 31, 2020 and 2019

Note 1 - Nature of Activities and Significant Accounting Policies (continued)

Contributed Services - A number of unpaid volunteers have made significant contributions of their time to the Organization. For the years ended December 31, 2020 and 2019, the value of contributed time is not reflected in the accompanying financial statements since the volunteers' time did not meet the requirements for recognition under accounting principles generally accepted in the United States of America.

Advertising - The Organization expenses the production cost of advertising the first time the advertising takes place. Advertising expense for the years ended December 31, 2020 and 2019 was \$314,019 and \$212,501, respectively.

Income Taxes - The Organization's policy is to record an unrecognized tax benefit from an uncertain tax position only if it is more likely than not the tax position will be sustained upon examination by the tax authorities. Interest and penalties related to gross unrecognized tax benefits would be included within the provision for income taxes. To the extent accrued interest and penalties do not ultimately become payable, amounts accrued would be reduced in the period such determination is made and reflected as a reduction of the overall income tax provision.

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar section of the Indiana tax law. The Organization files a federal non-profit income tax return. The Organization also files non-profit income tax returns in Indiana, Illinois, Kentucky, Michigan and Ohio.

Subsequent Events - The Organization has evaluated subsequent events for recognition and disclosure through the date of the independent accountant's review report, which is the date the Organization's financial statements were available to be issued. (See Note 12)

Note 2 - Concentrations of Risk

The Organization places its cash with one financial institution. The amount of deposits held at the institution are at times in excess of the federal depository insurance limits. The Organization has not experienced losses in regards to this risk.

The Organization receives a substantial amount of support from a select group of individuals and foundations. A significant reduction in the level of support, if this were to occur, may have a significant effect on the Organization's programs and activities. For the year ended December 31, 2019, two donors accounted for 24% and 17% of the total revenues for the year. For the year ended December 31, 2020, two donors accounted for 12% and 9% of the total revenues for the year.



WOMEN'S CARE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS
As of December 31, 2020 and 2019

Note 3 – Pledges Receivable

The pledges receivable consists of various unconditional commitments from donors. All pledges receivable are unsecured. The pledges receivable are presented in the financial statements as restricted revenue and net assets with donor restrictions. Amortization of the present value discount is reported as interest income in net assets with donor restrictions.

Pledges receivable as of December 31 are shown on the Statements of Financial Position and are due as follows:

	2020	2019
Receivable in less than one year	\$ 250,000	\$ 250,000
Receivable in more than one year	0	250,000
Total pledges receivable	250,000	500,000
Less present value discount (2.95%)	(0)	(21,286)
Net Pledges Receivable	<u>\$ 250,000</u>	<u>\$ 478,714</u>

Note 4 – Funds Held for Partner Centers

The Organization receives donations for other affiliated centers. The donations are held as agency funds and reported as current liabilities on the Statements of Financial Position. For the years ended December 31, 2020 and 2019, the Organization held funds totaling \$49,309 and \$23,891, respectively.

Note 5 – Net Assets with Donor Restrictions

Net Assets are restricted by donors at December 31 as follows:

	2020	2019
Cash Restricted For:		
Fort Pierce Project	\$ 750,000	\$ 0
New Centers Project	400,000	0
Pledges receivable within one year	250,000	242,836
Pledges receivable in more than one year	0	235,878
	<u>\$ 1,400,000</u>	<u>\$ 478,714</u>



WOMEN'S CARE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS
As of December 31, 2020 and 2019

Note 6 – Contributions In-Kind

Contributions in-kind for year ended December 31 consisted of the following:

	2020	2019
Baby clothing, cribs and diapers	\$ 213,877	\$ 226,374
Rent	79,200	79,200
Vitamins	61,000	61,000
Architectural services	0	9,000
Legal Services	970	0
Ultra sound machine	0	12,750
Total	<u>\$ 355,047</u>	<u>\$ 388,324</u>

Note 7 – Related Party Transactions

During the years ended December 31, 2020 and 2019, the Organization received support from Women's Care Center Foundation, Inc., a separately governed 501(c)(3) non-profit entity. The entities are related through shared programs and certain common board members. The amounts received were \$9,001 and \$1,143,965 for the years ended December 31, 2020 and 2019, respectively.

On December 31, 2020, the Organization purchased property from Women's Care Center Foundation, Inc. for \$262,060. This purchase price represented the net book value for the Foundation.

Note 8 – Lease Commitment

In January 2013, the Organization renewed a non-cancelable seven-year lease agreement to lease clinic space in South Bend, Indiana which requires a monthly lease payment of \$1,700. At the end of the agreement, the lease was converted to a month-to-month lease. The lease expense for both years ended December 31, 2020 and 2019 was \$20,400.

In June 2016, the Organization entered into a non-cancelable three-year lease agreement for clinic space in South Bend, Indiana requiring monthly lease payments of \$750. The lease was not renewed. The lease expense for the years ended December 31, 2020 and 2019 was \$0 and \$5,250, respectively.

In August 2017, the Organization entered into a one-year lease agreement to lease clinic space in Berea, Kentucky which requires a monthly lease payment of \$850. The lease was extended through September 2023. The lease expense for the years ended December 31, 2020 and 2019 was \$10,800 and \$10,800 respectively.



WOMEN'S CARE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS
As of December 31, 2020 and 2019

Note 8 – Lease Commitment (continued)

In February 2019, the Organization entered into a five-year lease agreement for clinic space in Michigan City, Indiana, which requires a monthly payment of \$1,500. The lease expense for the years ended December 31, 2020 and 2019 was \$18,000 and \$16,500 respectively.

In August 2020, the Organization entered into a five-year lease agreement for clinic space in Richmond, Kentucky, which requires a monthly payment of \$2,100. The lease expense for the years ended December 31, 2020 and 2019 was \$6,300 and \$0, respectively.

In February 2020, the Organization entered into a five-year lease agreement for clinic space in Lincoln, Nebraska, which requires a monthly payment of \$2,500 for the first twenty four months and \$3,000 for the remaining 36 months. The lease expense for the years ended December 31, 2020 and 2019 was \$22,500 and \$0, respectively.

Rent expense was \$146,278 and \$133,150 for the years ended December 31, 2020 and 2019. Rent expense includes \$79,200 and \$79,200 of in-kind rent for the years ended December 31, 2020 and 2019, respectively.

Future minimum annual lease commitments at December 31, 2020 under the above lease agreements for the next five years ending December 31 are as follows:

2021	84,000
2022	88,500
2023	87,300
2024	76,200
2025	27,900

Note 9 – Impaired Assets

In 2018, the Organization purchased property on Lincoln Way West in South Bend, Indiana. Because the property could not be rezoned, it cannot be used to serve its intended purpose. The property was held for sale and an offer was made far below the Organization's cost. The Organization has written down the cost of the property to an amount expected to be received based on a good faith offer. The property was sold in 2019.

Note 10 – Paycheck Protection Program Loan

In April 2020, the Company entered into a loan (the "PPP Loan") with 1st Source Bank (the "Lender") evidencing an unsecured promissory note in the amount of \$825,200 (the "PPP Note") pursuant to the Paycheck Protection Program (the "PPP") under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act. Subject to the terms of the PPP Note, the PPP loan bears interest at a fixed rate of 1% per year, with the first ten months of interest deferred, and payable over a term of two to five years. The PPP loan is unsecured and guaranteed by the Small Business Administration ("SBA"). The PPP Loan



WOMEN'S CARE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS
As of December 31, 2020 and 2019

Note 10 – Paycheck Protection Program Loan (Continued)

may be used for payroll costs, costs related to certain group health care benefits and insurance premiums, rent payments, utility payments, and also interest payments on any debt obligations that were entered into before February 15, 2020. PPP loan recipients can apply for and be granted forgiveness for all or a portion of the loan granted under the PPP, with such forgiveness to be determined, subject to limitations, based on the use of the loan proceeds for payment of the payroll costs and any payments of mortgage interest, rent, and utilities.

The PPP loan of \$825,200 was forgiven in full on November 25, 2020.

Note 11 – COVID-19 Outbreak

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Company's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation and the impact on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for 2021.

Note 12 – Subsequent Events

In 2021, the Organization purchased a property in Chicago, IL for \$1,272,664.29 and a property in Naples, FL for \$1,254,304.52.

