

WOMEN'S CARE CENTER, INC.



**FINANCIAL STATEMENTS
DECEMBER 31, 2021**

WOMEN'S CARE CENTER, INC.

South Bend, Indiana

DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors

WOMEN'S CARE CENTER, INC.

South Bend, Indiana

Opinion

We have audited the accompanying financial statements of **WOMEN'S CARE CENTER, INC.** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statement 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 **WOMEN'S CARE CENTER, INC.** as of December 31, 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 audits 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 **WOMEN'S CARE CENTER, INC.** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Women's Care Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 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 Women's Care Center, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Women's Care Center, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Cornerstone CPA Group, LLP

CORNERSTONE CPA GROUP, LLP
Certified Public Accountants
Elkhart, Indiana

November 14, 2022

WOMEN'S CARE CENTER, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2021

	2021
ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 3,933,763
Receivable From Partner Center	31,474
Grants Receivable	494,223
Prepaid Expenses	<u>58,393</u>
Total Current Assets	<u>4,517,853</u>
 PROPERTY AND EQUIPMENT	
Land	1,210,649
Buildings & Improvements	9,169,243
Furniture & Equipment	<u>1,826,838</u>
Total Cost of Property and Equipment	12,206,730
Less Accumulated Depreciation	<u>(2,841,136)</u>
Net Property and Equipment	<u>9,365,594</u>
Construction in Progress	<u>2,569,094</u>
Total Property and Equipment	<u>11,934,688</u>
 OTHER ASSETS	
Beneficial Interest in Assets Held at Community Foundation	<u>1,042,553</u>
 TOTAL ASSETS	 <u><u>\$ 17,495,094</u></u>
 LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable	\$ 59,571
Accrued Expenses	274,978
Funds Held for Partner Centers	<u>148,938</u>
Total Current Liabilities	<u>483,487</u>
 NET ASSETS	
Without Donor Restrictions	12,984,039
With Donor Restrictions	<u>4,027,568</u>
Total Net Assets	<u>17,011,607</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 17,495,094</u></u>

The accompanying notes are an integral part of these financial statements.
(See Independent Auditor's Report)

WOMEN'S CARE CENTER, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

	2021		
	Without Donor Restrictions	With Donor Restrictions	Combined Total
Public Support and Revenues:			
Direct Mail Contributions	\$ 2,037,944		\$ 2,037,944
Personally Developed Contributions	2,045,003	\$ 2,495,015	4,540,018
In-Kind Contributions	375,491		375,491
Other Contributions	392,453		392,453
Grant Revenue	2,292,993	75,000	2,367,993
Grant from Women's Care Center Foundation, Inc.	844,598	1,300,000	2,144,598
Special Events	2,370,780		2,370,780
Less: Special Events Direct Benefits to Donors	(521,066)		(521,066)
Interest Income	502		502
Unrealized Gain on Investment		42,553	42,553
Loss on Disposal of Asset	(14,095)		(14,095)
Subtotal	9,824,603	3,912,568	13,737,171
Net Assets Released from Restriction	1,285,000	(1,285,000)	
Total Support and Revenue	11,109,603	2,627,568	13,737,171
 Expenses			
Program Services	7,282,055		7,282,055
General and Administrative	766,575		766,575
Fundraising	734,531		734,531
Total Expenses	8,783,161		8,783,161
 CHANGE IN NET ASSETS	2,326,442	2,627,568	4,954,010
 Net Assets, Beginning of Year	10,657,597	1,400,000	12,057,597
 Net Assets, End of Year	\$ 12,984,039	\$ 4,027,568	\$ 17,011,607

The accompanying notes are an integral part of these financial statements.
(See Independent Auditor's Report)

WOMEN'S CARE CENTER, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

	2021
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 4,954,010
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	472,077
(Gain)/Loss on Sale of Fixed Assets	14,095
Contribution of Fixed Assets	(5,500)
(Gain) on Investments	(42,553)
(Increase)/Decrease in Operating Assets:	
Other Receivable - Related Party	(31,474)
Pledges Receivable	250,000
Grants Receivable	(23,582)
Prepaid Expenses	(1,670)
Increase/(Decrease) in Operating Liabilities:	
Accounts Payable	(242,832)
Accrued Expenses	70,643
Funds Held for Partner Centers	99,629
Net Change in Cash from Operating Activities	<u>5,512,843</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Transfer of funds to Community Foundation	(1,000,000)
Purchase of Fixed Assets and Construction in Progress	<u>(3,106,600)</u>
Net Change in Cash from Investing Activities	<u>(4,106,600)</u>
NET CHANGE IN CASH & CASH EQUIVALENTS	1,406,243
CASH & CASH EQUIVALENTS - Beginning of Year	<u>2,527,520</u>
CASH & CASH EQUIVALENTS - End of Year	<u>\$ 3,933,763</u>
The Organization had the Following Noncash Investing Transactions:	
Unrealized Gain on Investments	42,553
Donation of Fixed Asset	5,500
Total Noncash Investing Transactions	<u>\$ 48,053</u>

The accompanying notes are an integral part of these financial statements.
(See Independent Auditor's Report)

WOMEN'S CARE CENTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2021

	<u>Program Services</u>	<u>Support Services</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, Employee Benefit, and Taxes	\$ 4,574,471	\$ 433,465	\$ 469,482	\$ 5,477,418
Carseats, Cribs, and Diapers	540,234			540,234
Client Transportation	1,234			1,234
Prenatal Vitamins	45,372			45,372
Pregnancy and Childcare Supplies	126,790			126,790
Children's Books	42,050			42,050
Counselor Training, Conferences, and Seminars	65,364			65,364
Database Management	16,287		3,759	20,046
Dues and Publications		2,908		2,908
Miscellaneous		1,471		1,471
Meals and Entertainment			20,949	20,949
Other Development Costs	2,506		39,476	41,982
Office Equipment and Supplies		105,036		105,036
Postage and Printing		14,412	127,044	141,456
Professional, Payroll, and Computer Fees		44,577	5,088	49,665
Occupancy Costs	608,553	6,210	6,210	620,973
Depreciation	462,635	4,721	4,721	472,077
Service Advertising	382,852		3,012	385,864
Administrative and Development		89,424		89,424
Travel and Vehicle Expenses	34	18,105	54,790	72,929
Bank Fees		46,246		46,246
Partner Center Costs	413,673			413,673
Total Functional Expenses	<u>\$ 7,282,055</u>	<u>\$ 766,575</u>	<u>\$ 734,531</u>	<u>\$ 8,783,161</u>

The accompanying notes are an integral part of these financial statements.
(See Independent Auditor's Report)

WOMEN'S CARE CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 – NATURE OF ORGANIZATION & ACCOUNTING POLICIES

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 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 12 states (Florida, 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.

The following is a summary of the accounting policies adopted by the Organization which have a significant effect on the financial statements:

Basis of Accounting – The accounts of the Organization are maintained, and the financial statements are prepared, on the accrual basis of accounting wherein revenue and expenses are recognized in the period earned or incurred in conformity with accounting principles generally accepted in the United States of America (GAAP).

Use of 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.

Cash and Cash Equivalents – For the purpose of the statement of cash flows, cash and cash equivalents consist of cash held in checking and savings accounts. Additionally, the Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Grants Receivable – Grants are recognized when the grantor makes a promise to the Organization, that is, in substance, unconditional. Unconditional grants expected to be collected within one year are reported at their net realizable value. Grants 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 grant to determine the discounts. All grants receivable are expected to be received within one year.

Property & 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.

(See Independent Auditor's Report)

WOMEN'S CARE CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

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 basis, applied over the estimated useful lives of the assets, generally as follows:

Furniture and Fixtures	7 - 15 Years
Equipment	5 - 15 Years
Buildings	7 - 40 Years
Leasehold Improvements	5 - 40 Years

Depreciation expense was \$472,077 for the year ended December 31, 2021.

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.

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.

Revenue and Support without and with Donor Restrictions – Contributions and grants received are recognized as revenue when received or unconditionally promised. Public support revenue streams are recorded as without or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Donor restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying Statement of Activities and changes in net assets as net assets released from restrictions.

A portion of the Organization's revenue was derived from cost-reimbursable grants, which are conditioned upon the incurrence of allowable qualifying expenses. Revenue is recognized when the Organization has incurred expenditures in compliance with specific grant provisions. In 2021, the Organization received cost-reimbursable grants of \$412,525 of which \$34,229 is included in grants receivable on the Statement of Financial Position. Absent any grantor stipulations, grants are recorded as revenue when the award letter for the grant is received.

(See Independent Auditor's Report)

WOMEN'S CARE CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

The Organization receives significant in-kind contributions of time and pro bono services from members of the community and volunteers related to program operations and fundraising campaigns. Donated services are recognized as contributions if the services create or enhance nonfinancial assets, require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Donated materials consist primarily of baby clothing, car seats, cribs, diapers, and prenatal vitamins. There is also donated rent for two locations in Ft. Wayne, Indiana and one location in Bloomington, Indiana. The Organization recognizes in-kind contribution revenue and a corresponding asset or expense in an amount approximating the estimated fair value at the time of the donation.

Advertising – The organization expenses the production cost of advertising the first time the advertising takes place. Advertising expense for the year ended December 31, 2021 was \$385,864.

Functional Allocation of Expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. While a majority of these costs are specifically identifiable to a functional expense category other costs are allocated. Allocation bases primarily include: estimates of time (e.g. for salaries and wages, payroll taxes, pension contributions) and square footage.

Income Taxes – The Organization is incorporated as a not-for-profit organization under the laws of the State of Indiana, and 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.

The Organization follows the accounting guidance for uncertainty in income taxes. The accounting standard prescribes a comprehensive model for how an organization should measure, recognize, present, and disclose in its financial statements uncertain tax positions that an organization has taken. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income. Management believes the Organization has no material uncertainties in income taxes.

Date of Management's Review – The Organization has evaluated subsequent events for recognition and disclosure through the date of the Independent Auditor's Report, which is the date the Organization's financial statements were available to be issued.

Adopted Accounting Standards – In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07 on Topic 958, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The FASB ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. The presentation and disclosures of contributed nonfinancial assets have been enhanced in accordance with the standard.

(See Independent Auditor's Report)

WOMEN'S CARE CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Recently Issued Accounting Standards – In February 2016, the Federal Accounting Standards Board issued a new accounting standard, ASU 2016-02, *Leases (Topic 842)*, which says lessees will be required to recognize a lease liability and a right-of-use asset for all leases, operating and capital, at the commencement date. The new standard will be effective for the Organization on January 1, 2022. The Organization is currently evaluating the effect that the standard will have on its financial statements and related disclosures.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The table below reflects the Organization's financial assets available within one year of the statements of financial position date for general expenditure, reduced by amounts that are not available for general use due to contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts that are not available also include board designated amounts that could be utilized if the Board of Directors approved the use.

Financial Assets at December 31,	2021
Cash and Cash Equivalents	\$3,933,763
Receivable from Related Party	31,474
Grants Receivable	494,223
Beneficial Interest in Assets Held by Community Foundation	<u>1,042,553</u>
Total Financial Assets Available	5,502,013
Less amounts unavailable for general expenditure within one year	
Restricted by donors with purpose and time restrictions – not yet spent	(425,000)
Beneficial Interest in Assets Held by Community Foundation	<u>(1,042,553)</u>
Total financial assets available to management for general expenditure within one year	<u>\$4,034,460</u>

NOTE 3 – 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. If a significant reduction in the level of support were to occur with these donors, it may have a significant effect on the Organization's programs and activities. For the year ended, December 31, 2021, two donors accounted for 17% and 16% of the total revenues for the year.

NOTE 4 – FUNDS HELD FOR PARTNER CENTERS AND RECEIVABLE FROM PARTNER CENTERS

The Organization receives donations for other affiliated centers. The donations are held as agency funds and reported as current liabilities on the Statement of Financial Position. For the year ended December 31, 2021, the Organization held funds totaling \$148,938.

The Organization paid for some fundraising expenses for an affiliated center. Those fundraising expenses are recorded and as other receivable and presented on the Statement of Financial Position as a current asset. For the year ended December 31, 2021, this receivable balance totaled \$31,474.

(See Independent Auditor's Report)

WOMEN'S CARE CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

The Organization's net assets with donor restrictions include purpose restricted unconditional donor contributions for which expenses satisfying the donor restrictions have not yet been incurred and assets held at a community foundation.

Net assets with donor restrictions are as follows for December 31, 2021:

Contributions for new centers	\$ 350,000
Contribution grant for Nebraska planned expansion	75,000
Contribution for Chicago property not in service	1,300,000
Contribution for Naples property not in service	1,260,015
Funds Held at Community Foundation	<u>1,042,553</u>
Total net assets with donor restrictions	<u>\$4,027,568</u>

NOTE 6 – BENEFICIAL INTEREST IN FUNDS HELD BY COMMUNITY FOUNDATION

The Organization has transferred assets to the Community Foundation of Elkhart County, Inc. (the Foundation) which is holding them as six endowed component funds (the Funds) for the benefit of the Organization. The Organization has granted the Foundation variance power whereby the principal is held and controlled by the Foundation. The Funds are subject to the Foundation's investment and spending policies. The purpose of the Funds are to further the charitable purposes of the Organization. The Organization reports the fair value of the Funds as Beneficial Interest in Assets Held at the Community Foundation in the Statement of Financial Position. Changes in the value of the Funds are reported as gains or losses in the Statement of Activities.

At December 31, 2021, the board designated balance of the Funds, which are reflected as an asset of the Organization in accordance with accounting principles generally accepted in the United States, approximated \$1,042,553 at market value. The total balance of the Funds, which includes original contribution, market growth and additional public contributions, approximated \$1,167,553.

NOTE 7 – FAIR VALUE MEASUREMENTS

Accounting Standards Codification (ASC) Section 820, *Fair Value Measurements and Disclosures*, defines fair value as an exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the entity's principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments included in Level 1 includes listed equities and listed derivatives.
- Level 2: Pricing inputs are other than quoted prices in active markets of comparable instruments, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives.

(See Independent Auditor's Report)

WOMEN'S CARE CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
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- Level 3: Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value are based upon the best information in the circumstances and may require significant management judgment or estimation. Investments that are included in this category generally include equity and debt positions in private companies.

Following is a description of the valuation methodology used for the assets measured at fair value:

Level 3 – The beneficial interest in assets held by Community Foundation has been valued as a practical expedient, at the fair value of the Organization's share of the Foundation's investment pool as of the measurement date. The Foundation values securities and other financial instruments on a fair value basis of accounting.

The following is a summary of assets held at fair value at December 31, 2021:

	<u>Total</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Beneficial Interest in Assets Held by Community Foundation	<u>\$1,042,553</u>			<u>\$1,042,553</u>

The following table represents a reconciliation of the activities for Level 3 financial instruments:

Balance at January 1, 2021	\$ -0-
Amounts invested in funds	1,000,000
Share of appreciation of fund	42,553
Distributions received	<u>-0-</u>
Balance at December 31, 2021	<u>\$1,042,553</u>

NOTE 8 – CONTRIBUTIONS IN-KIND

Contributions in-kind for year ended December 31, 2021 consisted of the following:

Baby Clothing, Cribs, Car Seats, Diapers	\$232,125
Rent	79,200
Prenatal Vitamins	58,060
Architectural Services	5,500
Legal Services	<u>606</u>
Total	<u>\$375,491</u>

NOTE 9 – RELATED PARTY TRANSACTIONS

During the year ended December 31, 2021, the Organization received support from Women's Care Center Foundation, Inc., a separately governed Section 501(c)(3) non-profit entity. The entities are related through a common board member. The funds are reported on the Statement of Activities as public support and revenues and the amount received was \$2,144,598 for the year ended December 31, 2021. As of January 1, 2023, there will no longer be a common board member.

WOMEN'S CARE CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

NOTE 10 – LEASE COMMITMENT

In January 2013, the Organization renewed a non-cancelable seven-year lease agreement to lease clinic space in South Bend, Indiana requiring 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 the year ended December 31, 2021 was \$20,400.

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 year ended December 31, 2021 was \$18,000.

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 year ended December 31, 2021 was \$25,200.

In February 2020, the Organization entered into a five-year lease agreement commencing on April 1, 2020 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 thirty six months. The lease expense for the year ended December 31, 2021 was \$30,000.

In March 2017, the Organization entered into a five-year lease agreement for clinic space in Merrillville, Indiana, which requires a monthly payment of \$1,996 for January through March 2021 then increased to \$2,046 for April through December 2021. The lease expense for the year ended December 31, 2021 was \$24,403.

In 2017, the Organization entered into a fifteen-year lease agreement commencing on February 1, 2017 for space in Bloomington, Indiana, which requires an annual payment of \$1. The monthly fair market value of this in-kind rent is \$2,500. The lease expense and related in-kind revenue was \$30,000.

In 2013, the Organization entered into a ten-year lease agreement commencing on December 1, 2013 for space in Ft. Wayne, Indiana, which requires an annual payment of \$1. The monthly fair market value of this in-kind rent is \$1,400. The lease expense and related in-kind revenue was \$16,800.

In 2009, the Organization entered into a fifteen-year lease agreement commencing on December 1, 2009 for space in Ft. Wayne, Indiana, which requires an annual payment of \$1. The monthly fair market value of this in-kind rent is \$2,700. The lease expense and related in-kind revenue was \$32,400.

Rent expense was \$198,365 for the year ended December 31, 2021. Rent expense includes \$79,200 of in-kind rent for the year ended December 31, 2021.

WOMEN'S CARE CENTER, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021

Future minimum annual cash lease commitments at December 31, 2021 under the above lease agreements for the next five years ending December 31, 2026 are as follows:

2022	\$ 104,241
2023	99,603
2024	84,602
2025	48,301
2026	20,401

NOTE 11 – RETIREMENT PLAN

The Organization maintains a 403(b) plan covering all employees. The Organization contributes a discretionary matching contribution for all employees who have at least one year of service. For the year ended December 31, 2021 the Organization matched participant contributions dollar-for-dollar up to a limit of 1% of each participant's eligible compensation. Amounts contributed are vested 20% per year over 6 years. An employee may contribute to the plan if he/she desires in accordance with guidelines set by the Internal Revenue Service. Retirement plan expense was \$31,819 for 2021.

NOTE 12 – UNCERTAINTIES

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. Through the date of the Independent Auditor's Report, the Organization continues with normal operations. The extent of the impact of COVID-19 on the upcoming year 2022 will depend on certain developments, including the duration and spread of the outbreak, effectiveness of the vaccines, and the impact on the community and the employees, all of which are uncertain and cannot be predicted.

NOTE 13 – SUBSEQUENT EVENTS

On September 21, 2022, the Board of Directors voted to convert the Baltimore licensee center into a branch location. On October 12, 2022, the Organization purchased property in Baltimore, MD for \$350,000 to serve as the building location for this branch.