HOPELINE WOMEN'S CENTER, INC.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

with

INDEPENDENT AUDITORS' REPORT

HOPELINE WOMEN'S CENTER, INC.

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT

Actis-Grande, Ronan & Company, LLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Hopeline Women's Center, Inc.:

Opinion

We have audited the accompanying financial statements of Hopeline Women's Center, Inc. ("Hopeline") which comprise the statement of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses as cash flows for the years 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 Hopeline as of December 31, 2022, and the changes in its net assets and its cash flows 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 Unites States of America (GAAS). 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 Hopeline 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.

Report on Summarized Comparative Information

The Statements of Activities and Functional Expenses include certain 2021 summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the 2021 financial statements from which the summarized information was derived.

Responsibility 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 Hopeline's ability to continue as a going concern for one year from the date of issuance of the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements taken 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 GAAS 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

30 Main Street, Suite 500, Danbury, CT 06810-3047
Phone: (203) 797-0056 ■ Fax: (203) 778-9623 ■ www.AGRCO.com

In performing an audit in accordance with GAAS, we:

1. Exercise professional judgement and maintain professional skepticism throughout the audit.
2. 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.
3. 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 Hopeline's internal control. Accordingly, no such opinion is expressed.
4. 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.
5. Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hopeline'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.

Carter, Goude, Reeves & Company, LLC

April 30, 2023

HOPELINE WOMEN'S CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021
Assets		
Cash and cash equivalents	$ 140,673	$ 211,967
Investments	227,557	170,830
Contributions receivable	45,215	32,300
Total current assets	413,445	415,097
Operating right-of-use assets	677,628	788,188
Property and equipment, net	154,643	180,465
Escrow	24,500	-
Security deposits	14,178	14,178
Total assets	$ 1,284,394	$ 1,397,928
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$ 5,335	$ 6,445
Accrued payroll	12,611	14,612
Total current liabilities	17,946	21,057
Operating lease liabilities	693,008	796,938
Total liabilities	710,954	817,995
Net Assets:		
Without donor restrictions	573,440	579,933
With donor restrictions	-	-
Total net assets	573,440	579,933
Total liabilities and net assets	$ 1,284,394	$ 1,397,928

See accompanying notes to financial statements.

HOPELINE WOMEN'S CENTER, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2022 and 2021

	Without Donor Restrictions	With Donor Restrictions	Total 2022	Total 2021
Revenues and Support:				
Contributions	$ 718,290	$ -	$ 718,290	$ 686,627
Gifts-in-kind	17,752	-	17,752	17,752
Investment income (loss)	(43,829)	-	(43,829)	9,061
Gain on disposal of assets	-	-	-	435
Other	-	-	-	57,682
Total revenues and support	692,213	-	692,213	771,557
Expenses:				
Program services	555,173	-	555,173	601,797
Management and general	68,459	-	68,459	72,141
Fundraising	75,074	-	75,074	109,979
Total expenses	698,706	-	698,706	783,917
Changes in net assets	(6,493)	-	(6,493)	(12,360)
Net assets, beginning	579,933	-	579,933	592,293
Net assets, ending	$ 573,440	$ -	$ 573,440	$ 579,933

See accompanying notes to financial statements.

HOPELINE WOMEN'S CENTER, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

		2022		2021
Cash Flows From Operating Activities:				
Change in net assets	$	(6,493)	$	(12,360)
Adjustment to reconcile change in net assets to net cash provided by operating activities:				
Depreciation & amortization		32,453		47,077
(Gain) loss on disposal of fixed assets		-		(435)
Net realized (gain) loss on investments		6,497		-
Net change in unrealized (gain) loss on investments		37,394		6,697
Changes in assets and liabilities:				
Contributions receivable		(12,915)		(27,742)
Escrow		(24,500)		-
Security deposits		-		(8,178)
Accounts payable and accrued expenses		(1,110)		(7,826)
Accrued payroll		(2,001)		(38,548)
Net cash (used) provided by operating activities		29,325		(41,315)
Cash Flows From Investing Activities:				
Net investment activity		(100,619)		214,973
Purchases of property and equipment		-		(100,230)
Net cash provided by (used in) investing activities		(100,619)		114,743
Net change in cash and cash equivalents		(71,294)		73,428
Cash and cash equivalents, beginning of year		211,967		138,539
Cash and cash equivalents, end of year	$	140,673	$	211,967

See accompanying notes to financial statements.

HOPELINE WOMEN'S CENTER, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	Program Services	Management & General	Fundraising	Total 2022	Total 2021
Personnel	$ 299,830	$ 27,762	$ 42,569	$ 370,161	$ 471,963
Occupancy	129,203	11,963	18,344	159,510	121,943
Special events	-	-	1,868	1,868	20,790
Depreciation & amortization	26,287	2,434	3,732	32,453	47,077
Other fundraising	-	-	1,290	1,290	7,298
Office expense	2,726	252	387	3,365	13,600
Insurance	21,762	2,015	3,090	26,867	31,445
Repairs and maintenance	12,380		-	12,380	3,357
Professional fees	-	21,651	-	21,651	19,555
Advertising	38,958	-	-	38,958	21,039
Dues	8,764	-	-	8,764	2,904
Postage	-	-	3,117	3,117	2,588
Payroll processing fees	3,181	295	452	3,928	1,949
Program services	10,496	-	-	10,496	13,014
Staff development	1,586	147	225	1,958	1,629
Other	-	1,940	-	1,940	3,766
Total expenses	$ 555,173	$ 68,459	$ 75,074	$ 698,706	$ 783,917

See accompanying notes to financial statements.

1. NATURE OF OPERATIONS

Organization

Hopeline Women's Center, Inc. ("Hopeline") is a pregnancy counseling service dedicated to promoting the sanctity of human life by providing education and Christ-centered counseling, guidance, and support for others seeking help with pregnancy related issues.

Hopeline is recognized as an organization exempt from federal income tax under Section 501(c)3 of the Internal Revenue Code of 1986 (IRC).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Recently Issued Accounting Standard

The Financial Accounting Standards Board (FASB) recently issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. The ASU will require organizations that lease assets to recognize on the statement of financial position the assets and liabilities for the rights and obligations created by the lease(s). A lessee will be required to recognize assets and liabilities for the lease(s) with lease terms of more than 12 months. Hopeline adopted ASU 2016-02 and its related amendments as of December 31, 2019, which resulted in the recognition of operating right-of-use assets of $677,628 and operating lease liabilities of $693,008 as of December 31, 2022.

Reclassification

During the year ended December 31, 2022, Hopeline changed the methodology for recording leases. The same methodology was retrospectively applied, therefore reclassifications were made to the amounts in the financial statements for the year ended December 31, 2021. The impact of this change were as follows:

	As originally presented December 31, 2021 (Audited)	After adoption of ASU 2016-02
Statement of financial position, December 31, 2020		
Assets:		
Operating right-of-use assets	-	788,188
Liabilities:		
Operating lease liabilities	-	796,938
Net assets:		
Without donor restrictions	588,683	579,933
Statement of activities, for the year ended December 31, 2021		
Expenses		
Program services	596,225	601,797
Management and general	71,625	72,141
Fundraising	109,188	109,979
Change in net assets	(5,481)	(12,360)
Net assets, beginning	594,164	592,293
Net assets, ending	588,683	579,933
Statement of cash flows, for the year ended December 31, 2021		
Change in net assets	(5,481)	(12,360)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). Accordingly, assets are recorded when Hopeline obtains the rights of ownership or is entitled to claims for receipt, and liabilities are recorded when the obligation is incurred.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, Hopeline's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. Hopeline's management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Net Assets

Net assets and changes in net assets are classified based on the existence or absence of donor or grantor imposed restrictions as follows:

> Net assets without donor restrictions: Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of Hopeline, the environment in which it operates, the purposes specified in its corporate documents, and any limits resulting from contractual agreements with creditors and others that are entered into through the course of its operations. In addition, the governing board of Hopeline may elect to designate such resources for specific purposes. This designation may be removed at the Board's discretion.
>
> Net assets with donor restrictions: Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose and/or in a future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature and Hopeline must continue to use the resources in accordance with the donor's instructions. Hopeline's unspent contributions are included in this class if the donor limited their use.

When a donor's restrictions are satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from the net assets with the donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment are reported as net assets with donor restrictions until the specified asset is placed in service by Hopeline, unless the donor provides more specific directions about the period of its use.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, Hopeline considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Classification of Transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the Statement of Activities unless the relevant donor specified the use of the related resources for a particular purpose of in a future period.

All expenses and net losses are reported as decreases in net assets without donor restrictions.

Investments

Investments are reported at their fair value. The net investment return is reported in the Statement of Activities as unrestricted increases or decreases unless its use is restricted by explicit donor stipulations or by law.

Property and Equipment

Property and equipment are reported in the Statement of Financial Position at cost, if purchased, and at fair value at the date of donation, if donated. Equipment is capitalized if it has a cost of $500 or more and a useful life when acquired of more than one year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the 3-20 years.

Impairment

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable

Measure of Operations

In its Statement of Activities, Hopeline includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities, as well as net assets released from donor restrictions to support operating expenditures.

Contributions, Gifts and Grants

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions, unless use of the contributed assets is specifically restricted by the donor.

Amounts received that are restricted by the donor for use in future periods or specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Gifts-In-Kind Contributions

Hopeline benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in Hopeline's programs, operations and in its fund-raising events. US GAAP allows recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals processing those skills. There were no donated services that met the criteria to be included in in-kind contributions in the Statement of Activities.

Contributed rent of $17,752 has been recorded as "Gifts-in-Kind" revenue for the years ended December 31, 2022 and 2021, respectively.

Expense Recognition and Allocation

The cost of providing Hopeline's programs and other activities is summarized on a functional basis in the Statement of Activities and Statement of Functional Expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Personnel costs related to salaried employees are allocated based on the estimated time such employees spend performing program or support services. All other costs, which are common to multiple functions, are allocated based on the square footage of Hopeline's facility devoted to its program and support services.

Management periodically evaluates the bases on which costs are allocated.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years.

Tax-Exempt Status

Hopeline is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IR.C), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRS). Contributions to Hopeline are tax deductible to donors under Section 170 of the IRC. Hopeline is not classified as a private foundation.

Employee Health Insurance Benefits

Beginning on May 1, 2022, Hopeline offered a group health insurance plan to eligible employees.

Prior to May 1, 2022, Hopeline had offered to eligible employees a Health Reimbursement Arrangement Plan that allowed employees to be reimbursed for qualified medical expenses as set forth in the Plan. Hopeline contributed up to $3,600 annually to the Plan for each eligible employee until May 1, 2022. Hopeline contributed $5,702 and $24,740 to the Plan during the years ended December 31, 2022 and 2021, respectively.

3. LIQUIDITY AND AVAILABILITY

The following represents Hopeline's financial assets:

	2022	2021
Financial assets at year-end:		
Cash and cash equivalents	$ 140,673	$ 211,967
Investments	227,557	170,830
Total financial assets	368,230	382,797
Less Donor-imposed restrictions:		
Net assets with donor restrictions	-	-
Financial assets available to meet general expenditures over the next twelve months	$ 368,230	$ 382,797

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The fair value accounting guidance establishes a three-level hierarchy for fair value measurements that distinguishes between market participant assumptions developed based on market data obtained from sources independent of the reporting entity ("observable inputs") and the reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances ("unobservable inputs") and requires that the most observable inputs be used when available. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 - Valuation based on unadjusted quoted prices in active markets for identical assets that Hopeline has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

- Level 2 - Valuation based on quoted prices for similar assets in active markets; quoted prices for identical or similar assets in inactive markets; or valuations based on models where the significant inputs are observable (e.g., interest rates, yield curves, prepayment speeds, etc.) or can be corroborated by observable market data.

- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement. The unobservable inputs reflect Hopeline's own assumptions about assumptions that market participants might use.

Hopeline's financial assets are measured on a recurring basis using Level 1 information (market quotations for securities that have quoted prices in active markets). Hopeline has no financial assets measured using Level 2 or Level 3 on December 31, 2022 and 2021.

Hopeline's investments are stated at fair market value and consist of the following:

	2022		2021	
	Fair Value	Cost	Fair Value	Cost
Mutual Funds	$ 192,241	$ 225,082	$ 170,830	$ 166,905
U.S. Treasury Bonds	35,316	35,326	-	-
Total	$ 227,557	$ 260,408	$ 170,830	$ 166,905

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

The sources of investment income or losses for the years ended December 31, 2022 and 2021 are as follows:

	2022	2021
Interest and dividend income	$ 3,254	$ 4,463
Net gains/(losses) on securities	(47,083)	5,033
	$ (43,829)	$ 9,496

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31, 2022 and 2021:

	2022	2021
Furniture, fixtures, and equipment	$ 349,903	$ 349,903
Less accumulated depreciation	(195,260)	(169,438)
	$ 154,643	$ 180,465

6. OPERATING LEASES

Hopeline leases its office space in Stamford and Bridgeport, Connecticut, under noncancelable operating leases and its Danbury office space on a month-to-month basis. Contributed rent for Danbury was $17,752 and total rent was $24,979 for the year ended December 31, 2022. Stamford rent expense was $63,156 and Bridgeport rent expense was $53,651 for the year ended December 31, 2022.

	December 31, 2022		
	Cost	Accumulated Amortization	Net Book Value
Operating lease right-of-use assets:			
Stamford lease	665,194	(95,476)	569,718
Bridgeport lease	210,555	(102,645)	107,910
Total	875,749	(198,121)	677,628

	December 31, 2021		
	Cost	Accumulated Amortization	Net Book Value
Operating lease right-of-use assets:			
Stamford lease	665,194	(34,813)	630,381
Bridgeport lease	210,555	(52,748)	157,807
Total	875,749	(87,561)	788,188

6. OPERATING LEASES (continued)

On December 31, 2022, the aggregate minimum rentals under the noncancelable operating leases are:

2023	124,198
2024	126,760
2025	77,949
2026	75,111
2027	76,989
Thereafter	277,608
	$ 758,615

7. CONCENTRATION OF RISKS

Hopeline's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to Hope line's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes should mitigate the impact of changes in any one class.

8. SUBSEQUENT EVENTS

On February 2, 2023, Hopeline purchased two office units at 27 Hospital Avenue in Danbury, CT which will be used for Hopeline's Danbury office. The units were purchased for $245,000 of which $196,980 was financed through a 25-year mortgage.

Hopeline evaluated subsequent events after the Statement of Financial Position date of December 31, 2022 through April 15, 2023, which was the date the financial statements were available to be issued and concluded that no additional disclosures are required.