

INDEPENDENT AUDITOR'S REPORT

HOPELINE WOMEN'S CENTER, INC.

Financial Statements
Years Ended December 31, 2024 and 2023

HOPELINE WOMEN'S CENTER, INC.

TABLE OF CONTENTS

Independent Auditors' Report	1
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Statements of Functional Expenses	6
Notes to Financial Statements	7

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, 2024 and 2023, 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, 2024, 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 United 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 2023 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 2023 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.

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 NYA'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 NYA'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.

Artes. Grande, Renne & Company, LLC

May 6, 2025

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

	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Cash and equivalents	\$ 224,515	\$ 197,021
Investments	77,232	103,052
Contributions receivable	<u>28,739</u>	<u>-</u>
Total current assets	330,486	300,073
Right of use asset	448,837	564,550
Property and equipment, net	421,903	462,757
Security deposits and other assets	<u>14,178</u>	<u>14,178</u>
Total assets	<u><u>\$ 1,215,404</u></u>	<u><u>\$ 1,341,558</u></u>
<u>Liabilities and Net Assets</u>		
Liabilities		
Accounts payable and accrued expenses	\$ 21,600	\$ 22,865
Mortgage payable, current portion	4,517	4,212
Right of use liability, current portion	<u>67,588</u>	<u>114,146</u>
Total current liabilities	93,705	141,223
Mortgage payable	246,330	250,545
Right of use liability	<u>402,327</u>	<u>469,917</u>
Total liabilities	742,362	861,685
Net Assets		
Without donor restrictions	<u>473,041</u>	<u>479,873</u>
Total liabilities and net assets	<u><u>\$ 1,215,404</u></u>	<u><u>\$ 1,341,558</u></u>

See notes to financial statements

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

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>	
			<u>2024</u>	<u>2023</u>
Revenues and support				
Contributions	\$ 785,682	\$ -	\$ 785,682	\$ 724,208
Investment income (loss)	4,196	-	4,196	5,527
	<u>789,878</u>	<u>-</u>	<u>789,878</u>	<u>729,735</u>
Expenses				
Program services	687,512	-	687,512	733,205
Management and general	44,119	-	44,119	43,843
Fundraising	65,079	-	65,079	46,254
	<u>796,710</u>	<u>-</u>	<u>796,710</u>	<u>823,302</u>
Change in net assets	(6,832)	-	(6,832)	(93,567)
Net assets, beginning of year	479,873	-	479,873	573,440
Net assets, end of year	<u>\$ 473,041</u>	<u>\$ -</u>	<u>\$ 473,041</u>	<u>\$ 479,873</u>

See notes to financial statements

HOPELINE WOMEN'S CENTER, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Change in net assets	\$ (6,832)	\$ (93,567)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	42,420	40,996
Net change in unrealized (gain) loss on investments	-	(5,495)
Changes in assets and liabilities:		
Contributions receivable	(28,739)	45,215
Security deposits and other assets	-	24,500
Accounts payable and accrued expenses	<u>(1,265)</u>	<u>4,919</u>
Net cash provided by operating activities	<u>5,584</u>	<u>16,568</u>
Cash flows from investing activities		
Net investment activity	25,820	130,000
Capital additions	<u>-</u>	<u>(344,977)</u>
Net cash provided by (used in) investing activities	<u>25,820</u>	<u>(214,977)</u>
Cash flows from financing activities		
Cash proceeds from mortgage	-	256,000
Mortgage principal repayments	<u>(3,910)</u>	<u>(1,243)</u>
Net cash (used in) provided by financing activities	<u>(3,910)</u>	<u>254,757</u>
Net change in cash and cash equivalents	27,494	56,348
Cash and cash equivalents, beginning of year	<u>197,021</u>	<u>140,673</u>
Cash and cash equivalents, end of year	<u><u>224,515</u></u>	<u><u>197,021</u></u>

See notes to financial statements

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

	Program	Management &		Total	
	<u>Services</u>	<u>General</u>	<u>Fundraising</u>	<u>2024</u>	<u>2023</u>
Personnel	\$ 395,311	\$ 17,747	\$ 21,081	\$ 434,139	\$ 453,431
Occupancy	174,843	7,685	9,607	192,135	188,617
Advertising	28,705	-	-	28,705	36,863
Depreciation and amortization	40,854	-	-	40,854	30,194
Insurance	19,674	-	-	19,674	27,414
Professional fees	-	16,996	-	16,996	16,583
Repairs and maintenance	-	-	-	-	13,543
Program services	-	-	-	-	12,880
Dues	3,870	-	-	3,870	12,172
Payroll processing fees	3,286	144	181	3,611	7,272
Office expense	-	438	-	438	6,677
Postage	-	-	999	999	4,172
Staff development	3,919	-	-	3,919	3,487
Other	-	-	13,231	13,231	3,384
Special events	-	-	19,981	19,981	2,797
General and ministry supplies	4,645	1,107	-	5,752	1,678
Recovery ministry	881	-	-	881	1,523
Taxes and Licenses	3,950	-	-	3,950	615
Computer Technology etc	7,575	-	-	7,575	-
	<u>\$ 687,512</u>	<u>\$ 44,119</u>	<u>\$ 65,079</u>	<u>\$ 796,710</u>	<u>\$ 823,302</u>

See notes to financial statements

HOPELINE WOMEN'S CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 and 2023

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

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.

Lease Accounting

The Company accounts for its operating leases in accordance with Accounting Standards Codification 842 (ASC 842 Leases) whereby right of use (ROU) assets and liabilities are recognized on the balance sheet.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease.

ROU assets and liabilities are recognized at commencement date at the present value of lease payments over the lease term based on a risk free rate.

Our lease agreements do not contain residual value guarantees or restrictive covenants.

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-

HOPELINE WOMEN'S CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (continued)

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.

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.

HOPELINE WOMEN'S CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 possessing those skills. There were no donated services that met the criteria to be included in in-kind contributions in the Statement of Activities.

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 (IRC), 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.

3. LIQUIDITY AND AVAILABILITY

The following represents Hopeline's financial assets:

	<u>2024</u>	<u>2023</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 224,515	\$ 197,021
Investments	<u>77,232</u>	<u>103,052</u>
Total financial assets	301,747	300,073
Less Donor-imposed restrictions:		
Net assets with donor restrictions	<u>-</u>	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 301,747</u>	<u>\$ 300,073</u>

HOPELINE WOMEN'S CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 and 2023

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, 2024 and 2022.

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

	<u>2024</u>		<u>2023</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
U.S. Treasury Notes	<u>\$ 103,051</u>	<u>\$ 76,411</u>	<u>\$ 103,051</u>	<u>\$ 101,564</u>

The sources of investment income or losses for the years ended December 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Interest and dividend income	\$ 2,901	\$ 32
Net gains on securities	<u>1,295</u>	<u>5,495</u>
	<u>\$ 4,196</u>	<u>\$ 5,527</u>

HOPELINE WOMEN'S CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 and 2023

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Furniture, fixtures, and equipment	\$ 694,879	\$ 694,879
Less accumulated depreciation	<u>(272,976)</u>	<u>(232,122)</u>
	<u>\$ 421,903</u>	<u>\$ 462,757</u>

6. OPERATING LEASES

Hopeline leases its office space in Stamford and Bridgeport, Connecticut, under noncancelable operating leases.

Operating lease Right of Use Assets consist of the following as of December 31:

	<u>2024</u>	<u>2023</u>
Cost	\$ 875,749	\$ 875,749
Less accumulated amortization	<u>(426,912)</u>	<u>(311,199)</u>
	<u>\$ 448,837</u>	<u>\$ 564,550</u>

On December 31, 2024, the aggregate minimum rentals under the noncancelable operating leases are:

2025	77,949
2026	75,111
2027	76,989
2028	78,914
2029	80,886
Thereafter	<u>82,909</u>
	<u>\$ 468,758</u>

7. LONG TERM DEBT

Long term debt consists of a 7% mortgage collateralized by Hopeline's Danbury, Connecticut facility.

Scheduled principal payments in years ending after December 31, 2024 are as follows: 2025, \$4,517; 2026, \$4,843; 2027, \$5,194; 2028, \$5,569; 2029, \$5,972; thereafter, \$224,752.

Cash paid for interest was \$14,658 and \$6,062 in 2024 and 2023, respectively.

HOPELINE WOMEN'S CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 and 2023

8. 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 Hopeline'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.

9. SUBSEQUENT EVENTS

Hopeline evaluated subsequent events after the Statement of Financial Position date of December 31, 2024 through April 15, 2024, which was the date the financial statements were available to be issued and concluded that no additional disclosures are required.