

Womankind, Inc.
(A Non-Profit Organization)

REPORT ON
FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 and 2021

WAGNER & COMPANY CPA, LLC
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Womankind, Inc.
(A Non-Profit Organization)

REPORT ON AUDIT OF
FINANCIAL STATEMENTS

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
INDEPENDENT AUDITOR’S REPORT	1-2
FINANCIAL STATEMENTS:	
STATEMENTS OF FINANCIAL POSITION AS OF:	
DECEMBER 31, 2022	3
DECEMBER 31, 2021 – UNAUDITED	4
STATEMENTS OF ACTIVITIES FOR THE YEAR ENDED:	
DECEMBER 31, 2022	5
DECEMBER 31, 2021 – UNAUDITED	6
STATEMENTS OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED:	
DECEMBER 31, 2022	7
DECEMBER 31, 2021 – UNAUDITED	7
STATEMENTS OF CHANGES IN NET ASSETS	8
STATEMENTS OF CASH FLOWS	9
NOTES TO FINANCIAL STATEMENTS	10-19

Wagner & Company CPA, LLC

1655 West Market Street • Suite 260 • Akron, Ohio 44313

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Womankind, Inc.,

Opinion

We have audited the accompanying financial statements of Womankind, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Womankind, Inc. as of December 31, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Womankind, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Womankind, 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 Womankind, 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 Womankind, 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.

Other Matters

The financial statements of Womankind as December 31, 2021 and for the year then ended were not audited, reviewed or compiled. As such, we express no opinion and assume no responsibility for them.

Wagner & Company CPA, LLC

January 18, 2024

Akron, Ohio

WOMANKIND, INC.

STATEMENT OF FINANCIAL POSITION

	December 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS:			
Cash and cash equivalents	\$ 53,569	\$ 17,515	\$ 71,084
Investments	54,894	161,331	216,225
Accounts receivable - trade	10,981	-	10,981
Prepaid expenses	5,664	-	5,664
Property and equipment - net	65,412	-	65,412
Other assets:			
Security deposits	7,300		7,300
Right of use lease asset, net	259,213	-	259,213
 Total Assets	 <u>\$ 457,033</u>	 <u>\$ 178,846</u>	 <u>\$ 635,879</u>
LIABILITIES:			
Accounts payable	\$ 4,083	\$ -	\$ 4,083
Accrued expenses	3,590	-	3,590
Right of use lease liability	261,728	-	261,728
 Total Liabilities	 269,401	 -	 269,401
 NET ASSETS	 <u>187,632</u>	 <u>178,846</u>	 <u>366,478</u>
 Total Liabilities and Net Assets	 <u>\$ 457,033</u>	 <u>\$ 178,846</u>	 <u>\$ 635,879</u>

See independent auditor's report.

WOMANKIND, INC.

STATEMENT OF FINANCIAL POSITION

	UNAUDITED December 31, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS:			
Cash and cash equivalents	\$ 76,961	\$ 4,140	\$ 81,101
Investments	97,041	161,331	258,372
Accounts receivable - trade	115	-	115
Prepaid expenses	14,751	-	14,751
Property and equipment - net	68,750	-	68,750
Other assets	7,300	-	7,300
	<u>264,918</u>	<u>165,471</u>	<u>430,389</u>
Total Assets	<u>\$ 264,918</u>	<u>\$ 165,471</u>	<u>\$ 430,389</u>
LIABILITIES:			
Accounts payable	\$ 16,918	\$ -	\$ 16,918
Accrued expenses	2,775	-	2,775
	<u>19,693</u>	<u>-</u>	<u>19,693</u>
Total Liabilities	<u>19,693</u>	<u>-</u>	<u>19,693</u>
NET ASSETS	<u>245,225</u>	<u>165,471</u>	<u>410,696</u>
Total Liabilities and Net Assets	<u>\$ 264,918</u>	<u>\$ 165,471</u>	<u>\$ 430,389</u>

See independent auditor's report.

WOMANKIND, INC.

STATEMENT OF ACTIVITIES

	Year ended December 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:			
Contributions and Grants:			
Foundations	\$ 12,231	\$ -	\$ 12,231
Individuals	277,738	22,027	299,765
Clubs and organizations	13,312	-	13,312
In-kind support	484,117	-	484,117
Special events - net	125,609	-	125,609
Investment income	(40,736)	-	(40,736)
Other income	1,071	-	1,071
Total Support and Revenue	873,342	22,027	895,369
Net Assets Released from Restrictions:			
Satisfaction of program restrictions	8,652	(8,652)	-
	881,994	13,375	895,369
EXPENSES:			
Program Services:			
Clinic	706,639	-	706,639
Counseling	99,066	-	99,066
Total Program Services	805,705	-	805,705
General and administrative	78,453	-	78,453
Fundraising and development	55,429	-	55,429
Total Expenses	939,587	-	939,587
Change in Net Assets	\$ (57,593)	\$ 13,375	\$ (44,218)

See independent auditor's report.

WOMANKIND, INC.

STATEMENT OF ACTIVITIES

UNAUDITED			
Year ended December 31, 2021			
	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:			
Contributions and Grants:			
Foundations	\$ 46,147	\$ -	\$ 46,147
Individuals	220,886	-	220,886
Clubs and organizations	23,127	-	23,127
In-kind support	629,163	-	629,163
Special events - net	77,555	-	77,555
Investment income	58,853	-	58,853
Other income	180	-	180
	<hr/>	<hr/>	<hr/>
Total Support and Revenue	1,055,911	-	1,055,911
Net Assets Released from Restrictions:			
Satisfaction of program restrictions	75	(75)	-
	<hr/>	<hr/>	<hr/>
	1,055,986	(75)	1,055,911
EXPENSES:			
Program Services:			
Clinic	838,572	-	838,572
Counseling	128,076	-	128,076
	<hr/>	<hr/>	<hr/>
Total Program Services	966,648	-	966,648
General and administrative	89,294	-	89,294
Fundraising and development	49,224	-	49,224
	<hr/>	<hr/>	<hr/>
Total Expenses	1,105,166	-	1,105,166
	<hr/>	<hr/>	<hr/>
Change in Net Assets	<u>\$ (49,180)</u>	<u>\$ (75)</u>	<u>\$ (49,255)</u>

See independent auditor's report.

WOMANKIND, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

	Year Ended December 31, 2022					
	Clinic	Counseling	Total Program	General & Administrative	Fundraising & Development	Total
Personnel costs	\$ 110,116	\$ 59,506	\$ 169,622	\$ 44,209	\$ 26,362	\$ 240,193
Professional and contract services	3,829	3,925	7,754	14,792	9,009	31,555
Program costs	490,320	698	491,018	-	-	491,018
Occupancy	89,106	27,257	116,363	6,456	5,881	128,700
Office expenses	11,038	5,517	16,555	6,355	8,731	31,641
Advertising	-	-	-	-	2,601	2,601
Staff development	1,395	1,558	2,953	765	2,026	5,744
Other expenses	835	605	1,440	5,876	819	8,135
	<u>\$ 706,639</u>	<u>\$ 99,066</u>	<u>\$ 805,705</u>	<u>\$ 78,453</u>	<u>\$ 55,429</u>	<u>\$ 939,587</u>

	UNAUDITED Year Ended December 31, 2021					
	Clinic	Counseling	Total Program	General & Administrative	Fundraising & Development	Total
Personnel costs	\$ 121,092	\$ 73,484	\$ 194,576	\$ 47,750	\$ 22,478	\$ 264,804
Professional and contract services	3,105	-	3,105	14,673	11,915	29,693
Program costs	636,790	75	636,865	-	-	636,865
Occupancy	61,053	48,267	109,320	13,650	5,067	128,037
Office expenses	10,960	5,479	16,439	6,378	7,955	30,772
Advertising	5,217	-	5,217	-	-	5,217
Staff development	355	306	661	2,320	1,180	4,161
Other expenses	-	465	465	4,523	629	5,617
	<u>\$ 838,572</u>	<u>\$ 128,076</u>	<u>\$ 966,648</u>	<u>\$ 89,294</u>	<u>\$ 49,224</u>	<u>\$ 1,105,166</u>

See independent auditor's report.

WOMANKIND, INC.

STATEMENT OF CHANGES IN NET ASSETS

	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets - December 31, 2020, UNAUDITED	\$ 294,405	\$ 165,546	\$ 459,951
Change in net assets - 2021 UNAUDITED	<u>(49,180)</u>	<u>(75)</u>	<u>(49,255)</u>
Net Assets - December 31, 2021 UNAUDITED	245,225	165,471	410,696
Change in net assets - 2022	<u>(57,593)</u>	<u>13,375</u>	<u>(44,218)</u>
Net Assets - December 31, 2022	<u>\$ 187,632</u>	<u>\$ 178,846</u>	<u>\$ 366,478</u>

See independent auditor's report.

WOMANKIND, INC.

STATEMENTS OF CASH FLOWS

	Year ended December 31,	
	2022	UNAUDITED 2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from support and revenue	\$ 430,435	\$ 364,871
Interest and dividends received	5,425	5,904
Cash paid to suppliers and employees	(391,949)	(456,203)
Interest paid on right of use lease liability	(6,672)	-
Net cash provided by (used in) operating activities	37,239	(85,428)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(4,602)	(661)
Purchase of investments	(4,038)	-
Sale of investments	10,711	48,990
Net cash provided investing activities	2,071	48,329
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on right of use lease liability	(49,327)	-
Net cash used in financing activities	(49,327)	-
Decrease in cash and cash equivalents	(10,017)	(37,099)
Cash and cash equivalents - Beginning of year	81,101	118,200
Cash and cash equivalents - End of year	<u>\$ 71,084</u>	<u>\$ 81,101</u>

See independent auditor's report.

WOMANKIND, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1 Nature of Operations

Womankind, Inc. (the "Organization"), is a charitable community service organization with the sole purpose of providing long-term, positive assistance to persons in crisis due to an untimely pregnancy.

Note 2 Summary of Accounting Policies

A summary of the significant accounting policies consistently applied in preparation of the accompanying financial statements follows:

Accounting

The financial statements have been prepared under accounting standards generally accepted in the United States, and accordingly, reflect all significant receivables, payables and other liabilities.

Presentation and classification of net assets

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) No. 958, *Financial Statements of Not-for-Profit Organizations* and the provisions of Accounting Standards Update 2016-14 (ASU 2016-14) *Not-for-Profit Entities*. Under ASC No. 958 and ASU 2016-14, the Organization is required to report information regarding its financial position and activities according to two classes of net assets, net assets without donor restrictions and net assets with donor restrictions. Designations of the Board are considered to be without donor restrictions.

The statement of financial position follows the recommendations of ASU 2016-14 in the sequencing of assets according to the nearness of conversion to cash and liabilities according to the nearness of their maturity and use of cash.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Temporarily uninvested cash in investment accounts is considered an investment rather than a cash equivalent. At times during the year, cash balances may temporarily exceed federally insured limits. The Organization has not experienced a loss in such accounts. Management believes it is not exposed to any significant credit risk on its cash.

Fair Value Measurements

As defined in FASB ASC 820, "Fair Value Measurements", fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about the risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable firm inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the examination of inputs used in the valuation techniques, the Organization is required to provide the following information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

WOMANKIND, INC.

NOTES TO FINANCIAL STATEMENTS

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in accessible active markets.
- Level 2: Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data correlation or other means.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Recent accounting pronouncements:

The Organization follows the provisions of ASU No. 2016-02, *Leases* (Topic 842). This ASU requires lessees to recognize assets and liabilities on the balance sheet for leases with term greater than twelve months. The recognition, measurement and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease on the lessee's balance sheet. This ASU amends guidance that requires only capital leases to be recognized on the lessee's balance sheet. The ASU requires additional disclosures on the amount, timing and uncertainty of cash flows arising from leases. In June 2020, FASB issued an ASU No 2020-05, *Revenue from Contracts with Customers* (Topic 606) and *Leases* (Topic 842) to defer the implementation date of this ASU. Therefore, the Company was required to adopt and implement this ASU for the year ending December 31, 2022. Retrospective implementation of this pronouncement was unnecessary as the lease subject to the standards was executed during 2022.

Revenue recognition

Contributions and grants are recognized when awarded as without donor restrictions or with donor restrictions based on the provisions of the contribution or grant. When the restriction expires through the accomplishment of purpose or passage of time, the restricted net assets are reclassified to without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Donated services

Donated services amounting to \$484,117 and \$629,163 in 2022 and 2021, respectively, relating to the programs of the Organization have been recognized in the Statement of Activities as In-Kind Support.

Services that have been recognized include doctor, nurse and midwife services and laboratory tests performed by a hospital based on hourly rates and laboratory tests charges provided by the hospital. The services have been recognized in accordance with FASB ASC 958-605.

The Organization also received donated services (general assistance, fundraising events, telephone answering, etc.) which do not meet the criteria for recognition under FASB ASC 958-605, or cannot be objectively measured. These donations, while not recognized in the financial statements, provide valuable resources to the organization.

WOMANKIND, INC.

NOTES TO FINANCIAL STATEMENTS

Property and Equipment

Property and equipment purchased by the Organization are recorded at cost. Donated property and equipment are recorded at estimated fair value at the date of donation. Expenditures for maintenance and repairs are charged to expense as incurred. Additions and betterments are capitalized. The cost and related accumulated depreciation of properties sold or otherwise disposed are removed from the accounts and any gain or loss is reflected in the current year's activities. Depreciation expense was \$7,940 and \$8,821 for the year ended December 31, 2022 and 2021, respectively.

The cost of property and equipment is depreciated over the estimated useful lives of related assets primarily on the straight-line method over five years. The functional classification of the property and equipment is as follows:

	2022	2021
Counseling	\$ 11,231	\$ 10,245
Office	7,813	7,526
Clinic	101,898	101,780
	120,942	119,551
Less: Accumulated depreciation	(55,530)	(50,801)
	<u>\$ 65,412</u>	<u>\$ 68,750</u>

Vacation pay

Vacation pay is expensed when paid. Accrual of vacation pay as earned would not have a material effect on the financial statements.

Functional expense allocation

Expenses are charged to functional areas based on specific identification when possible. Expenses that cannot be specifically identified to a function are allocated to the functional areas based on factors such as direct relationship of expense, time spent by employees and square footage of space used for various programs.

Advertising

Advertising costs are expensed as incurred. Advertising costs totaled \$2,601 and \$5,217 for the years ending December 31, 2022 and 2021, respectively.

Income taxes

The Organization is a tax-exempt organization under §501(c)(3) of the Internal Revenue Code. In addition, the Organization is exempt from the Ohio Commercial Activity Tax and Ohio municipal taxes. Accordingly, no provision for federal, state, or local taxes has been made in the accompanying financial statements.

Accounting for uncertainty in income taxes

The Organization has adopted the provisions of "Accounting for Uncertainty in Income Taxes" which prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The amount recognized is measured as the amount of benefit that is greater than 50% of being realized upon ultimate settlement. The Organization recognizes interest and penalties accrued, if any,

WOMANKIND, INC.

NOTES TO FINANCIAL STATEMENTS

related to unrecognized tax uncertainties in income tax expense. The Organization determined that there are no material uncertain tax positions resulting from the implementation of this standard.

The Organization is subject to U.S. Federal jurisdiction income tax examinations. With few exemptions, the Organization is no longer subject to U. S. Federal, state and local income tax examinations by tax authorities for 3 years after the returns are filed.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Subsequent events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosures of transactions and events that affect the financial statements.

Subsequent events have been evaluated through January 18, 2024, which is the date the financial statements were available to be issued.

Reclassifications

Certain reclassifications have been made to the December 31, 2021 financial statements to conform to the current year's presentation.

Note 3 Liquidity

The Organization has \$71,084 of cash available to meet current obligations as of December 31, 2022. The Organization is generally able to support the cost of operations from current cash balances, or revenue sources, however, non-endowment investment balances can be used to fund current operations as necessary.

Note 4 Investments

The composition of investments as of December 31, 2022 and 2021 is as follows:

	2022		2021	
	Cost	Market	Cost	Market
Equities	\$ 56,521	\$ 111,588	\$ 53,138	\$ 139,772
Mutual Funds	4,799	4,187	2,065	4,269
Pooled funds	66,025	96,482	66,025	113,134
Cash	3,969	3,968	1,197	1,197
Total	<u>\$ 131,314</u>	<u>216,225</u>	<u>\$ 122,425</u>	<u>258,372</u>
Less: Cost		<u>131,314</u>		<u>122,425</u>
Cumulative Net				
Unrealized Gains		<u>\$ 84,911</u>		<u>\$ 135,947</u>

WOMANKIND, INC.

NOTES TO FINANCIAL STATEMENTS

Investment income consists of the following:	2022	2021
Interest and dividends	\$ 6,987	\$ 6,306
Investment fees	(1,564)	(1,577)
Realized and unrealized gains	(46,159)	54,124
	<u>\$ (40,736)</u>	<u>\$ 58,853</u>

The following is a description of the valuation methodologies used for financial instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

Equities

The fair value of equities is based on quoted market prices. These fall into the Level 1 category of the valuation hierarchy.

Mutual Funds

The fair value of the index mutual funds is based on quoted market prices. These fall into the Level 1 category of the valuation hierarchy.

The fair value of the bond and blended mutual funds are based on prices and other relevant information generated by market transactions involving identical or comparable securities. These fall into the Level 2 category of the valuation hierarchy.

Cash Accounts

These cash funds are valued at principle plus interest at a variable rate. These fall into the Level 1 category of the valuation hierarchy.

Pooled Funds

The Catholic Diocese pooled fund and the Cleveland Foundation pooled fund are valued at market as reported by the controlling entity. Composition of each fund is not available, but is based on quoted market prices and other valuation methods as appropriate. These fall into the Level 2 category of the valuation hierarchy.

WOMANKIND, INC.

NOTES TO FINANCIAL STATEMENTS

The following table presents the financial instruments carried at fair value as of December 31, 2022 by FASB ASC 820 valuation hierarchy (as described above). There were no assets that fell within Level 3 of the valuation hierarchy.

	Prices in Active Markets (Level 1)	Observable Market Parameters (Level 2)	Statement of Financial Position
Cash	\$ 3,968	\$ -	\$ 3,968
Equities	111,588	-	111,588
Mutual funds	-	4,187	4,187
Catholic Diocese pooled fund	-	72,469	72,469
Cleveland Foundation pooled fund	-	24,013	24,013
	<u>\$ 115,556</u>	<u>\$ 100,669</u>	<u>\$ 216,225</u>

The following table presents the financial instruments carried at fair value as of December 31, 2021 by FASB ASC 820 valuation hierarchy (as described above). There were no assets that fell within Level 3 of the valuation hierarchy.

	Prices in Active Markets (Level 1)	Observable Market Parameters (Level 2)	Statement Of Financial Position
Cash	\$ 1,197	\$ -	\$ 1,197
Equities	139,772	-	139,772
Mutual fund	-	4,269	4,269
Catholic Diocese pooled fund	-	84,759	84,759
Cleveland Foundation pooled fund	-	28,375	28,375
	<u>\$ 140,969</u>	<u>\$ 117,403</u>	<u>\$ 258,372</u>

Note 5 Right of use lease asset and liability

The Organization signed a 48-month lease for office and clinic space in May 2022. The lease requires monthly payments of \$7,000 until April 2026. Pursuant to ASU No. 2016-02 Topic 842 described above, the Organization has included a right of use asset and right of use liability on the statements of financial position initially both in the amount of \$311,055. The right of use asset is being amortized on a straight-line basis over the life of the lease. Amortization expense of \$51,843 was recognized during 2022. Interest expense at 4% is being recorded on the right of use liability. Interest expense of \$6,672 was incurred on this liability during 2022. The balance of the right of use asset was \$259,213 and the balance of the right of use liability was \$261,728 at December 31, 2022. Future minimum payments under this arrangement are \$84,000 for 2023 – 2025 and \$28,000 for 2026.

WOMANKIND, INC.

NOTES TO FINANCIAL STATEMENTS

Note 6 Net Assets with donor restrictions

Net assets wherein the donor has restricted use for a specific purpose consist of the following:

	2022			
	Net Assets			
	Beginning	Contributions	Released	Ending
	Net Assets	and Investment	from	Net Assets
		Income	Restrictions	
Client assistance	\$ 4,140	\$ -	\$ 683	\$ 3,457
Computers & Software	-	22,027	7,969	14,058
Endowment	161,331	-	-	161,331
	<u>\$ 165,471</u>	<u>\$ 22,027</u>	<u>\$ 8,652</u>	<u>\$ 178,846</u>

	2021			
	Net Assets			
	Beginning	Contributions	Released	Ending
	Net Assets	and Investment	from	Net Assets
		Income	Restrictions	
Client assistance	\$ 4,215	\$ -	\$ 75	\$ 4,140
Endowment	161,331	-	-	161,331
	<u>\$ 165,546</u>	<u>\$ -</u>	<u>\$ 75</u>	<u>\$ 165,471</u>

Note 7 Endowment Funds

The Organization follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA) which requires the following disclosures.

Interpretation of Relevant Law

The Board of Trustees of the Organization has interpreted the "Uniform Prudent Management of Institutional Funds Act" (UPMIFA) as requiring the preservation of the fair value of undesignated and board-designated endowment funds. The Organization considers:

1. The duration and preservation of the fund
2. The purpose of the Organization and the endowment fund
3. General economic conditions
4. The possible effect of inflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization

WOMANKIND, INC.

NOTES TO FINANCIAL STATEMENTS

Endowment spending and investment policy

Endowment fund net assets are composed of contributions whereby the principal must be maintained in perpetuity while the income thereon may be used in general operations and is expended upon approval of the Board. Should the value of the endowment assets fall below the original gift amounts, the Organization transfers non-endowment assets to fully fund the endowment assets. Assets are invested as outlined in Note 4 above with reputable investment brokerages or 2 reputable local pooled funds.

Changes in investment and endowment net assets are as follows:

	Board Designated Unrestricted	Permanently Restricted	Total
Endowment net assets - December 31, 2020	\$ 89,917	\$ 161,331	\$ 251,248
2021 Activity:			
Investment return:			
Interest and dividends	1,973	2,740	4,713
Investment fees	-	(1,577)	(1,577)
Realized gains (losses)	(520)	1,696	1,176
Unrealized gains (losses)	14,386	38,562	52,948
Total investment return	15,839	41,421	57,260
Distributions to operating	(15,151)	(38,150)	(53,301)
Transfer to Board Designated			
Unrestricted Funds	3,271	(3,271)	-
Contributions - Donated stock	3,165	-	3,165
Endowment net assets - December 31, 2021	\$ 97,041	\$ 161,331	\$ 258,372
2022 Activity:			
Investment return:			
Interest and dividends	1,406	2,633	4,039
Investment fees	(151)	(1,413)	(1,564)
Realized gains (losses)	(2,263)	(855)	(3,118)
Unrealized gains (losses)	(5,800)	(37,241)	(43,041)
Total investment return	(6,808)	(36,876)	(43,684)
Distributions to operating	(9,150)		(9,150)
Transfer to Board Designated			
Unrestricted Funds	(36,876)	36,876	-
Contributions - Donated stock	10,687	-	10,687
Endowment net assets - December 31, 2022	\$ 54,894	\$ 161,331	\$ 216,225

WOMANKIND, INC.

NOTES TO FINANCIAL STATEMENTS

Note 7 Special Events

The organization conducts various fundraising events during the year. Revenues and expenses related to these events are as follows:

		2022		
		Revenue	Expense	Net
Golf outing		79,160	33,314	45,846
Baby Bottles		83,171	3,408	79,763
		<u>\$ 162,331</u>	<u>\$ 36,722</u>	<u>\$ 125,609</u>

		2021		
		Revenue	Expense	Net
Golf outing		11,714	745	10,969
Baby Bottles		69,654	3,068	66,586
		<u>\$ 81,368</u>	<u>\$ 3,813</u>	<u>\$ 77,555</u>