

**FIRST IMAGE**

**FINANCIAL STATEMENTS**

**Years Ended June 30, 2023 and 2022**



**KERN ▲ THOMPSON**  
CERTIFIED PUBLIC ACCOUNTANTS

**FIRST IMAGE**  
**FINANCIAL STATEMENTS**  
**Years Ended June 30, 2023 and 2022**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
First Image  
Portland, Oregon

**Opinion**

We have audited the accompanying financial statements of First Image (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and 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 First Image as of June 30, 2023 and 2022, and the changes in net assets and its cash flows for the years 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 First Image 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 First Image'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, including omissions, 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.

To the Board of Directors  
First Image

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 First Image'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 First Image'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.

*KERN & THOMPSON, LLC*

Portland, Oregon  
January 29, 2024

**FIRST IMAGE**  
**STATEMENTS OF FINANCIAL POSITION**

June 30, 2023 and 2022

**ASSETS**

	<b>2023</b>	<b>2022</b>
Cash and cash equivalents	\$ 1,299,952	\$ 1,487,216
Pledges receivable - net	111,077	22,725
Investments	499,965	-
Prepaid expenses and deposits	5,546	20,120
Property and equipment - net	216,113	203,640
ROU Lease Asset	879,583	-
<b>Total assets</b>	<b>\$ 3,012,236</b>	<b>\$ 1,733,701</b>

**LIABILITIES AND NET ASSETS**

Accounts payable	\$ 26,862	\$ 37,456
Accrued payroll and related expenses	68,574	58,787
ROU Lease Liability	879,583	-
<b>Total liabilities</b>	<b>975,019</b>	<b>96,243</b>
<b>Net assets</b>		
Without donor restrictions	1,926,140	1,614,733
With donor restrictions	111,077	22,725
<b>Total net assets</b>	<b>2,037,217</b>	<b>1,637,458</b>
<b>Total liabilities and net assets</b>	<b>\$ 3,012,236</b>	<b>\$ 1,733,701</b>

See notes to financial statements.

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**STATEMENTS OF ACTIVITIES**

**Years Ended June 30, 2023 and 2022**

	<b>2023</b>			<b>2022</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Public support and other revenues</b>						
Contributions	\$ 2,539,190	\$ 151,827	\$ 2,691,017	\$ 2,637,913	\$ 22,725	\$ 2,660,638
Contributed services	89,600	-	89,600	73,379	-	73,379
Contributed materials	302,926	-	302,926	265,388	-	265,388
United Way designated giving	64,592	-	64,592	86,997	-	86,997
Interest and other income	60,054	-	60,054	13,787	-	13,787
	<u>3,056,362</u>	<u>151,827</u>	<u>3,208,189</u>	<u>3,077,464</u>	<u>22,725</u>	<u>3,100,189</u>
Net assets released from restrictions	63,475	(63,475)	-	16,735	(16,735)	-
<b>Total public support and other revenues</b>	<b><u>3,119,837</u></b>	<b><u>88,352</u></b>	<b><u>3,208,189</u></b>	<b><u>3,094,199</u></b>	<b><u>5,990</u></b>	<b><u>3,100,189</u></b>
<b>Expenses</b>						
Client services	1,785,745	-	1,785,745	1,574,823	-	1,574,823
Administration	408,054	-	408,054	248,900	-	248,900
Development	614,631	-	614,631	584,861	-	584,861
<b>Total expenses</b>	<b><u>2,808,430</u></b>	<b><u>-</u></b>	<b><u>2,808,430</u></b>	<b><u>2,408,584</u></b>	<b><u>-</u></b>	<b><u>2,408,584</u></b>
<b>Change in net assets</b>	<b>311,407</b>	<b>88,352</b>	<b>399,759</b>	<b>685,615</b>	<b>5,990</b>	<b>691,605</b>
Net assets, beginning of year	<u>1,614,733</u>	<u>22,725</u>	<u>1,637,458</u>	<u>929,118</u>	<u>16,735</u>	<u>945,853</u>
<b>Net assets, end of year</b>	<b><u>\$ 1,926,140</u></b>	<b><u>\$ 111,077</u></b>	<b><u>\$ 2,037,217</u></b>	<b><u>\$ 1,614,733</u></b>	<b><u>\$ 22,725</u></b>	<b><u>\$ 1,637,458</u></b>

See notes to financial statements.

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**STATEMENTS OF FUNCTIONAL EXPENSES**

**Years Ended June 30, 2023 and 2022**

	<b>2023</b>				<b>2022</b>			
	<b>Client Services</b>	<b>Administration</b>	<b>Development</b>	<b>Total</b>	<b>Client Services</b>	<b>Administration</b>	<b>Development</b>	<b>Total</b>
Salaries, taxes, benefits	\$ 912,486	\$ 229,539	\$ 355,185	\$ 1,497,210	\$ 813,215	\$ 140,073	\$ 347,101	\$ 1,300,389
Occupancy	126,966	16,221	23,259	166,446	152,961	16,267	20,984	190,212
Advertising	65,701	933	-	66,634	36,224	476	1,045	37,745
Bank and merchant fees	211	11,518	29,294	41,023	183	10,512	28,696	39,391
Postage	112	702	9,745	10,559	277	852	9,730	10,859
Supplies	57,045	12,248	51,074	120,367	50,936	13,122	54,432	118,490
Repairs and small equipment	26,127	11,095	3,166	40,388	25,093	1,661	4,905	31,659
Telephone	14,069	3,408	4,512	21,989	13,342	1,947	3,766	19,055
Printing and publication	1,192	294	39,362	40,848	1,812	15	29,305	31,132
Depreciation	53,603	-	-	53,603	32,106	-	-	32,106
Equipment rental and maintenance	23,233	1,152	11,703	36,088	43,430	1,437	8,188	53,055
Insurance	11,435	2,400	2,891	16,726	10,244	1,444	2,408	14,096
Miscellaneous	20,523	9,187	2,813	32,523	8,303	7,701	1,262	17,266
Contract services	3,207	80,475	-	83,682	2,373	27,250	3,389	33,012
Professional fees	43,325	19,240	74,540	137,105	36,478	16,661	62,932	116,071
Conferences and education	23,602	6,075	3,406	33,083	6,269	6,978	3,857	17,104
Travel	10,382	3,567	3,681	17,630	2,810	2,504	2,861	8,175
Contributed services	89,600	-	-	89,600	73,379	-	-	73,379
Contributed materials	302,926	-	-	302,926	265,388	-	-	265,388
	<b><u>\$ 1,785,745</u></b>	<b><u>\$ 408,054</u></b>	<b><u>\$ 614,631</u></b>	<b><u>\$ 2,808,430</u></b>	<b><u>\$ 1,574,823</u></b>	<b><u>\$ 248,900</u></b>	<b><u>\$ 584,861</u></b>	<b><u>\$ 2,408,584</u></b>
Percentages	64%	15%	22%	100%	65%	10%	24%	100%

See notes to financial statements.

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**STATEMENTS OF CASH FLOWS**

**Years Ended June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 399,759	\$ 691,605
Reconciliation of change in net assets to net cash provided by (used in) operating activities:		
Depreciation	53,603	32,106
Changes in non-cash current assets and liabilities:		
Pledges receivable	(88,352)	(5,990)
Prepaid expenses and deposits	14,574	(1,573)
ROU Leases		
Accounts payable and accrued liabilities	(807)	8,082
Refundable advance - PPP	-	(194,200)
<b>Net cash provided by (used in) operating activities</b>	<u><b>378,777</b></u>	<u><b>530,030</b></u>
<b>Cash flows from investing activities:</b>		
Purchase of Investments	(499,965)	-
Purchase of property and equipment	(66,076)	(188,804)
<b>Net change in cash and cash equivalents</b>	<u><b>(187,264)</b></u>	<u><b>341,226</b></u>
Cash and cash equivalents, beginning of year	<u>1,487,216</u>	<u>1,145,990</u>
<b>Cash and cash equivalents, end of year</b>	<u><b>\$ 1,299,952</b></u>	<u><b>\$ 1,487,216</b></u>

See notes to financial statements.



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### NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

#### NOTE A – DESCRIPTION OF ORGANIZATION

First Image dba Ava Health (the Organization) was formed as a not-for-profit organization incorporated in the State of Oregon in 1983. The Organization's mission is "To empower individuals to make life-affirming choices by providing education, compassionate counsel, services and support based on the ministry of Jesus Christ." The organization operates three medical clinics throughout the Portland area, helping women who are experiencing unsupported pregnancies in a holistic manner including emotional, spiritual and physical needs. Through medically accurate education about their options, free services, and a network of referrals, the organization empowers women to make their own choices regarding their pregnancy. The clinics do not refer for or perform abortions. If requested, the organization also provides follow up services and referrals to patients regardless of whether they decide to carry or terminate their pregnancy. The principal sources of revenue are contributions.

#### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

##### Adoption of New Accounting Pronouncements

During the year ended June 30, 2023, the Organization adopted *Accounting Standards Update No. 2016-02, Leases Topic 842 ("ASC 842")*. The new standard establishes a right-of-use ("ROU") model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement.

The Organization elected the optional transitional method from the date of adoption, which requires the Organization to report the cumulative effect of the adoption of the standard on the date of adoption with no changes to the prior period balances. Pursuant to the practical expedients, the Organization elected not to reassess: (i) whether expired or existing contracts are or contain leases, (ii) the lease classification for any expired or existing leases, or (iii) initial direct cost for any existing leases.

Operating and financing lease ROU assets and related lease liabilities are recognized at the present value of the future lease payments over the base noncancelable lease term, at the lease commencement date for each lease. The Organization elected the practical expedient for use of the risk-free interest rate for determining the present value of the future lease payments.

##### Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting, which recognizes revenue when earned and expenses when incurred.

##### Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** – Net assets that are not subject to donor-imposed stipulations. The Board of Directors may designate net assets without donor restrictions for specific purposes.

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### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

#### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (CONTINUED)

##### Financial Statement Presentation (Continued)

- **Net Assets With Donor Restrictions** – Net assets either subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time, or that are not subject to appropriation or expenditure.

Expenses are reported as a decrease in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

##### Contributions and Grants

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions with donor restrictions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. Contributions received with donor restrictions that are met in the same reporting period are reported as increases in net assets without donor restrictions. Otherwise, when a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Conditional promises to give and conditional grants – those with a measurable performance or other barrier, and right of return – are not recognized until the conditions on which they depend have been substantially met. As of June 30, 2023, Grants totaling \$49,000 have not been recognized in the accompanying statement of activities because conditions depending on raising additional contributions dollar-for-dollar (\$27,000 by September 1, 2024 and \$22,000 by September 1, 2025) have not yet been met.

##### 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 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 those estimates and may impact future periods.

##### Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments with a maturity date of three months or less from the date of purchase to be cash equivalents.

##### Receivables

Pledges and grants receivable are recorded at amounts expected by management to be collected, based on historical experience and economic conditions. Pledges receivable are typically due in less than one year and are classified as net assets with donor restrictions for timing. Pledges due beyond one year are not material. Pledges receivable are recorded at their net realizable value which reflects reductions for estimated uncollectible.

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### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

#### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (CONTINUED)

##### Investments and Fair Value Measurements

Investments are the only assets measured at fair value on a recurring basis. Valuation techniques used to measure fair value are prioritized into the following hierarchy:

**Level 1** – Quoted prices in active markets for identical assets. This level includes investments in mutual funds.

**Level 2** – Quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data. This level includes investments in brokered certificates of deposit.

**Level 3** – Unobservable inputs that reflect management's assumptions and best estimates based on available data.

Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

##### Property and Equipment

Property and equipment acquired through purchase is recorded at cost, while those received as donations are recorded at their fair market value at the date of donation. The Organization capitalizes all assets with a cost or value over \$1,500. Maintenance and repairs are charged to expense as incurred.

Depreciation is computed using the straight-line method over the estimated useful lives, generally three or five years. For leasehold improvements, depreciation is taken over the shorter of the estimated useful life or the lease term.

##### Leases

The Organization determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration.

The Organization determines these assets are leased because the Organization has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset and would benefit economically for the exercise of the right to substitute the asset are not considered to be or contain a lease because the Organization determines it does not have the right to contract and direct the use of the identified asset.

In evaluating its contracts, the Organization separately identifies lease and non-lease components, such as fixed common area and other fixed maintenance costs, in calculating the ROU assets and lease liabilities for its radio tower equipment, rented space, and office equipment. Non-lease components, which primarily include payments for maintenance and utilities, are excluded from lease payments in calculating the ROU balances.

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### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023 and 2022

#### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (CONTINUED)

##### Leases (Continued)

Leases result in the recognition of ROU assets and lease liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Organization uses the implicit rate when readily determinable. As most leases do not provide an implicit rate, the Organization uses a risk-free discount rate to measure the present value.

The lease term may include options to extend or to terminate the lease that the Organization is reasonably certain to exercise. Lease expense is generally recognized on a straight-line bases over the lease term.

##### Short-Term Leases

Short-term leases are agreements for terms of 12 months or less, do not contain renewal options, and are otherwise subject to renegotiation or termination by either party upon expiration. The Organization has elected to not include short-term leases within the statement of financial position.

##### Compensated Absences

Vacation benefits are accrued as earned and are included in payroll related liabilities. Sick time does not vest and is therefore expensed as used.

##### Advertising Costs

The Organization expenses advertising and fundraising costs as they are incurred. Advertising costs were \$66,633 and \$37,745 for the years ended June 30, 2023 and 2022, respectively.

##### Functional Allocation of Expenses

The costs of providing the programs and supporting services have been summarized in the Statement of Activities. Directly identifiable expenses are charged to programs and supporting services when incurred. Certain costs, including office expense, occupancy, leases and utilities have been allocated among the programs and supporting services benefited based primarily on estimates of time and effort.

##### Income Taxes

The Organization has been approved as a tax-exempt organization under the Internal Revenue Code Section 501(c)(3) and applicable state laws. Accordingly, no provision for income taxes is included in the accompanying financial statements. The Organization does not believe it has unrelated trade or business income in excess of \$1,000.

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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2023 and 2022**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNT POLICIES (CONTINUED)**

**Contributed Services and Materials**

The Organization records various types of contributed services and materials. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible materials are recognized at fair value when received.

The Organization's policy related to gifts-in-kind is to utilize the assets received to carry out its mission. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value, donated to another charitable organization, returned to the donor, or discarded.

The amounts reflected in the accompanying financial statements as contributed services and materials are offset by like amounts included in expenses or additions to property and equipment.

**NOTE C – INVESTMENTS**

Investments are measured at fair value as follows as of the year ended June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Brokered CDs	\$ -	\$ 499,965	\$ -	\$ 499,965

There were no investments held as of June 30, 2022.

**NOTE D – PROPERTY AND EQUIPMENT**

Property and equipment consists of the following:

	<u>2023</u>	<u>2022</u>
Office equipment and furnishings	\$ 189,585	\$ 176,605
Leasehold improvements	116,444	82,727
Construction in progress	19,380	-
	<u>325,409</u>	<u>259,332</u>
Less accumulated depreciation	<u>(109,296)</u>	<u>(55,692)</u>
Net property and equipment	<u>\$ 216,113</u>	<u>\$ 203,640</u>

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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2023 and 2022**

**NOTE E – RESTRICTIONS ON NET ASSETS**

The Organization's net assets with donor restrictions are subject to the following purpose or time restrictions:

	<u>2023</u>	<u>2022</u>
Subject to time restrictions:		
Pledges receivable	\$ <u>111,077</u>	\$ <u>22,725</u>
	\$ <u><u>111,077</u></u>	\$ <u><u>22,725</u></u>

**NOTE F – REVOLVING LINE OF CREDIT**

First Image maintains a line of credit with KeyBank National Association. The \$50,000 credit limit is unsecured, and bears interest at a rate based on the prime rate plus 3.19%. No amounts were borrowed as of June 30, 2023 and 2022, respectively.

**NOTE G – RETIREMENT SAVINGS PLAN**

The Organization maintains a 403(b) retirement savings for the benefit of its employees. Under the plan, all employees are eligible to participate and employees who work 25 hours or more per week are eligible for employer matching contributions. At the discretion of the Board of Directors, employer matching contributions are made at a rate of 50% of the first 6% of eligible employee contribution. Contributions by the Organization to this plan were \$19,946 for the year ended June 30, 2023 and \$23,264 for 2022.

**NOTE H – RELATED PARTY ACTIVITY**

During the years ended June 30, 2023 and 2022, the Organization received contributions of approximately \$51,410 and \$63,000, respectively, from various Board members and employees.

**NOTE I – CONCENTRATION OF CREDIT RISK**

Financial instruments which potentially subject the Organization to credit risk consist of cash and pledges receivable. The Organization's cash balances are with reputable FDIC member banks and SIPC brokers, and periodically exceed insured limits. Uninsured cash and cash equivalents as of June 30, 2023 totaled \$582,798. The Organization's pledges receivable are from individuals and businesses located in the Portland metropolitan area. Pledges receivable, which are determined to be collectible or uncollectible based on an assessment by management of the facts and circumstances related to individual accounts, are not collateralized and have been adjusted for all known doubtful accounts.

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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2023 and 2022**

**NOTE J – LEASE ASSETS AND LIABILITIES**

**Nature of Leases**

The Organization rents its administrative office and three client care centers under non-cancelable operating lease agreements. The rental rates range from \$3,090 to \$4,480 per month with lease periods of generally three to five years and contain various renewal options. The lease agreements generally require the Organization to pay for maintenance, property taxes and insurance.

**Other Required Information**

Annual Lease Cost	\$ <u>193,671</u>
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from leases	\$ <u>136,991</u>
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ <u>1,000,915</u>
Weighted-average remaining lease term	3.8 years
Weighted-average discount rate	2.49%

Future minimum lease payments and reconciliation to the statement of financial position at June 30, 2023 are as follows:

<u>Year ending June 30,</u>	<u>Total</u>
2024	\$ 186,167
2025	190,655
2026	184,598
2027	105,839
2028	53,208
Thereafter	<u>229,272</u>
Total future undiscounted lease payments	<u>949,739</u>
Less present value discount	<u>(70,156)</u>
Total lease liability	<u>\$ 879,583</u>

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**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2023 and 2022**

**NOTE K – LIQUIDITY**

The following chart represents the Organization's financial assets available to meet cash needs for general expenditures within one year of June 30, 2023:

Financial assets at year-end	
Cash and cash equivalents	\$ 1,299,952
Pledges receivable - net	<u>111,077</u>
Total financial assets	<u>1,411,029</u>
Less those unavailable for general expenditure within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with purpose restriction	<u>111,077</u>
Total unavailable financial assets	<u>111,077</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 1,299,952</u></u>

As part of its liquidity management, the Organization structures its financial assets to be available as obligations come due.

**NOTE L – IN-KIND CONTRIBUTIONS**

The Organization receives donated services from volunteers with specialized clinical skills, as well as donated supplies and maternity items from the public. Without these non-financial donations, the Organization would not be able to provide services to the community. Donated services are valued at current market rates for professional services. Donated materials are valued at thrift-store prices.

The Organization received donated services and materials for the years ended June 30 as follows:

	<u>2023</u>	<u>2022</u>
Services:		
Doctors	\$ 48,000	\$ 22,500
Counselors and assistants	25,281	36,984
Other healthcare professionals	<u>16,319</u>	<u>13,895</u>
Total contributed services	89,600	73,379
Supplies and materials	<u>302,926</u>	<u>265,388</u>
Total contributed services and materials	<u><u>\$ 392,526</u></u>	<u><u>\$ 338,767</u></u>



**FIRST IMAGE**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2023 and 2022**

**NOTE L – IN-KIND CONTRIBUTIONS (CONTINUED)**

All gifts-in-kind received by the Organization for the years ended June 30, 2023 and 2022 were considered without donor restrictions and able to be used by the Organization as determined by the board of directors and management.

Volunteers also provide administrative and fundraising services throughout the year that are not recognized in the financial statements since the recognition criteria for contributed services are not met. Total contributed services received but not recognized as revenues were \$21,858 and \$27,471 for the years ended June 30, 2023 and 2022, respectively.

**NOTE M – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through January 29, 2024, which is the date the financial statements were available to be issued.