

SHARE PREGNANCY & INFANT LOSS SUPPORT, INC.

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED
JUNE 30, 2020 AND 2019**

Share Pregnancy & Infant Loss Support, Inc.

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Independent Auditors' Report

To the Board of Directors
Share Pregnancy & Infant Loss Support, Inc.
St. Charles, Missouri

We have audited the accompanying financial statements of Share Pregnancy & Infant Loss Support, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Share Pregnancy & Infant Loss Support, Inc. as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Schmersahl Treloar & Co.

St. Louis, Missouri
December 9, 2020

FINANCIAL STATEMENTS

Share Pregnancy & Infant Loss Support, Inc.
STATEMENTS OF FINANCIAL POSITION

ASSETS

	June 30,	
	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	\$ 106,439	\$ 90,002
Accounts receivable	406	7,272
Grant receivable, current	40,132	63,553
Pledge receivable, current	5,000	5,000
Inventory	34,962	27,874
Prepaid expenses	4,921	2,000
Total Current Assets	191,860	195,701
GRANT RECEIVABLE, less current portion	-	40,132
PLEDGE RECEIVABLE, less current portion	15,000	20,000
INVESTMENTS	60,928	48,124
PROPERTY AND EQUIPMENT, net	6,828	11,072
TOTAL ASSETS	\$ 274,616	\$ 315,029
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 4,008	\$ 7,215
Accrued salaries and payroll taxes	10,090	7,853
Deferred revenue	5,405	100
Note payable, current	15,654	-
Total Current Liabilities	35,157	15,168
NOTE PAYABLE, less current portion	40,546	-
TOTAL LIABILITIES	75,703	15,168
NET ASSETS		
Without donor restrictions		
Board-designated endowment	62,612	49,807
Net investment in property and equipment	6,828	11,072
Undesignated	12,535	81,623
Total Net Assets Without Donor Restrictions	81,975	142,502
With donor restrictions		
Purpose restrictions	85,778	132,359
Time-restricted for future periods	31,160	25,000
Total Net Assets With Donor Restrictions	116,938	157,359
Total Net Assets	198,913	299,861
TOTAL LIABILITIES AND NET ASSETS	\$ 274,616	\$ 315,029

See accompanying notes to financial statements

Share Pregnancy & Infant Loss Support, Inc.
STATEMENTS OF ACTIVITIES

	Year Ended June 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Program service revenues			
Angel statue and bricks	\$ 5,850	\$ -	\$ 5,850
Books	27,430	-	27,430
Group fees	14,500	-	14,500
Workshops	390	-	390
Speaking engagements	-	-	-
Total Program Service Revenues	48,170	-	48,170
Contributions	7,667	4,400	12,067
Grants	-	-	-
In-kind donations	19,899	-	19,899
Investment return, net of fees	2,805	-	2,805
Special events	223,774	11,160	234,934
Other income	14	-	14
Release from restrictions	55,981	(55,981)	-
Total Revenues and Support	358,310	(40,421)	317,889
EXPENSES			
Program services	247,083	-	247,083
Management and general	89,507	-	89,507
Fundraising	82,247	-	82,247
Total Expenses	418,837	-	418,837
CHANGE IN NET ASSETS	(60,527)	(40,421)	(100,948)
NET ASSETS, Beginning of year	142,502	157,359	299,861
NET ASSETS, End of year	\$ 81,975	\$ 116,938	\$ 198,913

See accompanying notes to financial statements

Year Ended June 30, 2019

Without Donor Restrictions	With Donor Restrictions	Total
\$ 5,000	\$ -	\$ 5,000
31,745	-	31,745
17,100	-	17,100
1,211	-	1,211
3,200	-	3,200
<u>58,256</u>	-	<u>58,256</u>
6,493	-	6,493
10,000	-	10,000
21,020	-	21,020
1,611	-	1,611
303,751	-	303,751
1,130	-	1,130
<u>103,650</u>	<u>(103,650)</u>	<u>-</u>
<u>505,911</u>	<u>(103,650)</u>	<u>402,261</u>
295,225	-	295,225
79,203	-	79,203
<u>114,413</u>	<u>-</u>	<u>114,413</u>
<u>488,841</u>	<u>-</u>	<u>488,841</u>
17,070	(103,650)	(86,580)
<u>125,432</u>	<u>261,009</u>	<u>386,441</u>
<u>\$ 142,502</u>	<u>\$ 157,359</u>	<u>\$ 299,861</u>

Share Pregnancy & Infant Loss Support, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2020

	Program Services	Management and General	Fund- raising	Total Expenses
Salaries	\$ 190,262	\$ 38,580	\$ 36,776	\$ 265,618
Payroll taxes	15,015	3,045	2,902	20,962
Direct cost of revenues and support	10,368	986	30,213	41,567
Professional fees and insurance	9,443	13,483	844	23,770
Office expense	7,534	8,902	1,920	18,356
Rent, utilities and property taxes	1,613	14,214	202	16,029
Bank charges and fees	-	3,109	6,204	9,313
Dues, conferences and professional development	6,631	648	540	7,819
Bad debt expense	-	4,982	-	4,982
Depreciation	3,483	761	-	4,244
Printing	335	570	2,606	3,511
Travel	2,225	227	-	2,452
Miscellaneous	174	-	40	214
	<u>\$ 247,083</u>	<u>\$ 89,507</u>	<u>\$ 82,247</u>	<u>\$ 418,837</u>

See accompanying notes to financial statements

Share Pregnancy & Infant Loss Support, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2019

	Program Services	Management and General	Fund- raising	Total Expenses
Salaries	\$ 192,979	\$ 30,995	\$ 42,001	\$ 265,975
Payroll taxes	15,275	2,453	3,324	21,052
Direct cost of revenues and support	29,619	32	53,129	82,780
Professional fees and insurance	18,983	13,196	679	32,858
Office expense	7,559	10,539	1,392	19,490
Rent, utilities and property taxes	1,676	15,325	162	17,163
Bank charges and fees	-	2,143	9,568	11,711
Dues, conferences and professional development	13,230	315	210	13,755
Bad debt expense	-	2,894	-	2,894
Depreciation	1,161	926	-	2,087
Printing	2,586	363	2,672	5,621
Travel	12,008	-	-	12,008
Miscellaneous	149	22	1,276	1,447
	<u>\$ 295,225</u>	<u>\$ 79,203</u>	<u>\$ 114,413</u>	<u>\$ 488,841</u>

See accompanying notes to financial statements

Share Pregnancy & Infant Loss Support, Inc.
STATEMENTS OF CASH FLOWS

	Years Ended June 30,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	(\$ 100,948)	(\$ 86,580)
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Depreciation	4,244	2,087
Net realized and unrealized (gains) on investments	(1,532)	(1,292)
Bad debt expense	4,982	2,894
Decrease (increase) in assets:		
Accounts receivable	1,884	(1,014)
Grant receivable	63,553	81,809
Pledge receivable	5,000	-
Inventory	(7,088)	4,158
Prepaid expenses	(2,921)	1,770
Increase (decrease) in liabilities:		
Accounts payable	(3,207)	(2,247)
Accrued salaries and payroll taxes	2,237	137
Deferred revenue	<u>5,305</u>	<u>100</u>
 Net Change in Cash from Operating Activities	 (28,491)	 1,822
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	2,191	-
Purchase of investments	(13,463)	(46,832)
Purchase of property and equipment	<u>-</u>	<u>(10,450)</u>
 Net Change in Cash from Financing Activities	 <u>(11,272)</u>	 <u>(57,282)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from note payable	<u>56,200</u>	<u>-</u>
 NET CHANGE IN CASH AND CASH EQUIVALENTS	 16,437	 (55,460)
 CASH AND CASH EQUIVALENTS, Beginning of year	 <u>90,002</u>	 <u>145,462</u>
 CASH AND CASH EQUIVALENTS, End of year	 <u>\$ 106,439</u>	 <u>\$ 90,002</u>

See accompanying notes to financial statements

Share Pregnancy & Infant Loss Support, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

Share Pregnancy & Infant Loss Support, Inc. (the “Organization”) was incorporated as a general not-for-profit by the Missouri Secretary of State on July 30, 1993. The Organization’s primary purpose is to operate as a support group for bereaved parents and their families after a miscarriage, stillbirth, or infant death and to aid in the positive resolution of the grief experience. This support encompasses emotional, physical, spiritual and social healing, as well as sustaining a family unit. In addition, the Organization provides information, education, and resources on the needs and rights of bereaved parents and siblings. The objective is to aid those in the community, including family, friends, employers, members of the congregation, care givers and others in their supportive role. The Organization is worldwide with 67 chapters and has exempt status under section 501(a) of the Internal Revenue code as an organization described in section 501(c)(3).

The governing body of the Organization is the Board of Directors.

Change in Accounting Principle

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Subsequent to May 2014, the FASB issued six ASUs to clarify certain matters related to Topic 606.

Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The updates address the complexity of revenue recognition and provide sufficient information to enable financial statements users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

The Organization’s financial statements reflect the application of ASC 606 guidance beginning in 2018. No cumulative-effect adjustment in net assets was recorded because the adoption of ASU 2014-09 did not significantly impact the Organization’s reported historical revenue.

Additionally in June 2018, FASB issued Accounting Standards (ASU) 2018-08, *Accounting Guidance for Contributions Received and Made (Topic 958-605)*. This ASU was issued to clarify accounting guidance for contributions received and contributions made. The amendments to this ASU assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as an exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The implementation of this standard had no impact on the financial statements.

Share Pregnancy & Infant Loss Support, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019
(Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Financial Statement Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Basis of Accounting

The accompanying financial statements of the Organization have been prepared using the accrual basis of accounting.

Net Assets without Donor Restrictions

Net assets available for use in general operations and not subject to donor or certain grantor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net Assets with Donor Restrictions

Net assets subject to donor or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that such assets be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled or both.

Financial Instruments

The carrying amounts of cash and cash equivalents, accounts receivable, grants and pledges receivable due in less than one year, accounts payable, accrued expenses and deferred revenue approximate fair values due to the short-term maturities of those instruments.

Cash and Cash Equivalents

The Organization considers all highly liquid investments which have an original maturity of three months or less to be cash equivalents. This is the policy used for the preparation of the Statements of Cash Flows. The Organization did not have any deposits with any financial institution in excess of the \$250,000 FDIC coverage as of June 30, 2020.

Share Pregnancy & Infant Loss Support, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019
(Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Accounts, Grant and Pledge Receivable

Accounts, grant and pledge receivable are carried at net of allowance for doubtful accounts. The allowance for doubtful accounts is increased by provisions charged to expense and reduced by accounts charged off, net of recoveries. The allowance is maintained at a level considered adequate to provide for potential account losses based on management's evaluation of the anticipated impact on the balance of current economic conditions, changes in the character and size of the balance, past and expected future loss experience and other pertinent factors. No allowance was deemed necessary as of June 30, 2020 and 2019.

Inventory

Inventory consists primarily of books (related to the Organization's mission) which are available for sale to the Organization's clients and the general public. Inventory is stated at the lower of cost or market, valued principally on the first-in, first-out basis.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values based on quoted prices in active markets in the Statements of Financial Position. Net investment return is reported in the Statements of Activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Financial Position.

Property and Equipment

Property and equipment is carried at cost for purchased assets and fair value for contributed assets. As of June 30, 2020, no assets have been contributed to the Organization. Depreciation is computed using the straight-line method over the following estimated useful lives of the property and equipment:

Property	3 years
Equipment	5 years

The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$2,500 and useful life greater than one year.

Share Pregnancy & Infant Loss Support, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019
(Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Support and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measureable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Contributions and grants

Contributions and grants are recognized when a donor makes a promise to give to the Organization that is, in substance, unconditional. Restricted contributions which are received and expended in the same fiscal year are reported as increases in net assets without donor restrictions. Amounts received that are restricted by the donor for use in future periods or for specific purposes are reported as support with donor restrictions that increases net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions. Application of ASU 2018-08 had no impact on the recognition of Contributions and Grants.

Special Event Revenue

The portion of ticket sales and sponsorship revenue that relates to the commensurate value the attendee receives in return is recognized when the related events are held and performance obligations are met. Adoption of ASC 606 had no impact on the recognition of Special Event Revenue.

Program Service Revenues

Program service revenues are recorded when performance obligations are met. Payments received in advance are deferred until earned. Adoption of Topic 606 had no impact on the recognition of Program Service Revenues.

In-Kind Donations

The Organization's operational space, utilities, and property taxes are donated to the Organization. The donated space, utilities, and property taxes meet the criteria for recognition under the related authoritative guidance and are recorded at fair market value at the date of donation. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs; however, these services do not meet the criteria for recognition as contributed services.

Share Pregnancy & Infant Loss Support, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019
(Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Description of Program and Supporting Services

The following program and supporting services are included in the accompanying financial statements:

Program Services

Includes expenses incurred in providing emotional, physical, spiritual and social healing for bereaved parents and siblings through various methods of support.

Management and General

Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Organization's program strategy; secure proper administrative functioning of the Board of Directors; and manage the financial and budgetary responsibilities of the Organization.

Fundraising

Provides the structure necessary to encourage and secure private financial support from corporations, foundations, other organizations, and individuals through fundraising events and other activities.

Functional Expense Allocation

The Statements of Functional Expenses report certain categories of expenses directly traceable to certain programs and expenses allocable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated on the basis of time and effort include salaries and payroll taxes. The remaining expenses are recorded on a direct cost basis to program services, management and general, and fundraising categories.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization qualifies as a nonprofit organization and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization does not have unrelated business income, excise taxes or activities that would threaten the Organization's tax-exempt status. Accordingly, no provision for federal or state income taxes is provided. The Organization files an information return, IRS Form 990.

The Organization follows the provisions relating to Accounting for Uncertainty in Income Taxes and management is not aware of any uncertain tax positions of the Organization related to the tax filings.

Share Pregnancy & Infant Loss Support, Inc.
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2020 and 2019
 (Continued)

A. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Reclassification

Certain prior year amounts have been reclassified, where appropriate, to conform to the financial statement presentation used in the current year.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 9, 2020, the date the financial statements were available to be issued.

B. **ACCOUNTS RECEIVABLE**

For the years ended June 30, 2020 and 2019, the Organization charged annual fees to all affiliate Share Pregnancy and Infant Loss Support offices, with rates ranging from \$100 to \$300, to assist in providing support, educational resources, and the bi-monthly newsletter. The outstanding balances as of June 30, 2020 and 2019 from affiliate offices totaled \$24 and \$3,942, respectively. The Organization accrued revenue for sales of literature which resulted in other outstanding balances as of June 30, 2020 and 2019 totaling \$382 and \$3,330, respectively, for a total accounts receivable balance of \$406 and \$7,272, respectively.

C. **GRANT RECEIVABLE**

Grant receivable consists of a grant from Missouri Foundation for Health and is restricted for the Access and Awareness Program in Missouri.

Grant receivable is collectible as follows at June 30:

	2020	2019
Receivable in less than one year	\$40,132	\$ 63,553
Receivable in one to five years	-	40,132
	\$40,132	\$103,685

Management has determined the grants receivable are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at June 30, 2020 and 2019.

Share Pregnancy & Infant Loss Support, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019
(Continued)

D. PLEDGE RECEIVABLE

The Organization received a multiyear pledge. The pledge receivable is collectible as follows as of June 30:

	2020	2019
Receivable in less than one year	\$ 5,000	\$ 5,000
Receivable in one to five years	15,000	20,000
	\$20,000	\$25,000

Management has determined the pledge receivable is fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at June 30, 2020 and 2019.

E. INVESTMENTS

The fair value of investments at June 30 are summarized as follows:

	2020	2019
Cash	\$ 1,064	\$ 1,426
Money Market Funds	-	2,164
Bond Mutual Funds	19,746	18,080
Exchange Traded Funds	40,118	26,454
	\$60,928	\$48,124

F. FAIR VALUE MEASUREMENTS

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs consist of observable inputs other than quoted prices for identical assets; and Level 3 inputs are unobservable and have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs will only be used when Level 1 or Level 2 inputs are not available. There were no assets requiring the use of Level 2 and Level 3 inputs for the periods presented.

Share Pregnancy & Infant Loss Support, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019
(Continued)

F. **FAIR VALUE MEASUREMENTS** (Continued)

Level 1 Fair Value Measurements

The fair value of mutual funds is based on quoted net asset values of the shares as reported by the fund. The mutual funds held by the Organization are open-end mutual funds registered with the U.S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at that price. The mutual funds held by the Organization are considered to be actively traded. The fair values of exchanged traded funds are based on the closing price reported on the active market where the individual securities are traded.

The following tables set forth, by level within the fair value hierarchy, the Organization's investment holdings:

	Investments at Fair Value as of June 30, 2020			
	Level 1	Level 2	Level 3	Total
Cash	\$ 1,064	\$ -	\$ -	\$ 1,064
Bond Mutual Funds	19,746	-	-	19,746
Exchange Traded Funds	40,118	-	-	40,118

Total Investments at Fair Value	\$60,928	\$ -	\$ -	\$60,928
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	Investments at Fair Value as of June 30, 2019			
	Level 1	Level 2	Level 3	Total
Cash	\$ 1,426	\$ -	\$ -	\$ 1,426
Money Market Mutual Funds	2,164	-	-	2,164
Bond Mutual Funds	18,080	-	-	18,080
Exchange Traded Funds	26,454	-	-	26,454

Total Investments at Fair Value	\$48,124	\$ -	\$ -	\$48,124
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Gains and losses included in changes in net assets available for the years ended June 30, 2020 and 2019 are reported in net realized and unrealized gains and losses on investments.

The Organization's policy is to recognize transfers between Levels 1 and 2 and into and out of Level 3 as of the date of the event or change in circumstances that caused the transfer. For the year ended June 30, 2020, there were no transfers between Levels 1 and 2 and no transfers into or out of Level 3.

Share Pregnancy & Infant Loss Support, Inc.
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2020 and 2019
 (Continued)

G. PROPERTY AND EQUIPMENT

The following summarizes the Organization's property and equipment as of June 30:

	2020	2019
Equipment	\$16,100	\$16,100
Training videos	28,863	28,863
Accumulated depreciation	(38,135)	(33,891)
Total Property and Equipment, net	\$ 6,828	\$11,072

Depreciation expense was \$4,244 and \$2,087 for the years ended June 30, 2020 and 2019, respectively.

H. BOARD-DESIGNATED ENDOWMENT

The Organization's endowment was established with funds designated by the Board of Directors to function as an endowment.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for investments which make up the board-designated endowment. The long-term objective of the fund is to provide a total return equivalent to or greater than the Organization's financial requirements of at least ten years. The board-designated endowment fund should have an infinite life. The Organization believes that the long-term objectives can be achieved while assuming risk levels commensurate with market volatility. The Organization will seek to limit the overall risk, consistent with the chosen policy asset allocation.

Strategy Employed for Achieving Objectives

The Organization will aim to achieve the long-term objective while maintaining acceptable risk levels. To accomplish this, the board-designated endowment will diversify its assets among several asset classes. Asset allocation is as follows: cash and fixed income – 55% and equities – 45%.

Spending Policy

For the purpose of making distributions, the fund shall make use of a total-return based spending policy, funding distributions from cash allocation, net investment income, and proceeds from the sale of investments. The annual spending rate will be reviewed periodically in light of evolving trends with respect to investment returns, spending needs, and the rate of inflation. Adjustments will be made when appropriate.

Endowment net asset composition by type of fund as of June 30, 2020 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Board-designated endowment funds	\$62,612	\$ -	\$62,612

Share Pregnancy & Infant Loss Support, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019
(Continued)

H. **BOARD-DESIGNATED ENDOWMENT** (Continued)

Changes in endowment net assets as of June 30, 2020 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Endowment net assets, beginning of year	\$49,807	\$ -	\$49,807
Board transfer in	10,000	-	10,000
Investment income, net of fees	1,273	-	1,273
Net realized and unrealized gains	1,532	-	1,532
Amounts appropriated for operations	-	-	-
Endowment net assets, end of year	<u>\$62,612</u>	<u>\$ -</u>	<u>\$62,612</u>

Endowment net asset composition by type of fund as of June 30, 2019 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Board-designated endowment funds	<u>\$49,807</u>	<u>\$ -</u>	<u>\$49,807</u>

Changes in endowment net assets for the year ended June 30, 2019 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Endowment net assets, beginning of year	\$47,000	\$ -	\$47,000
Board transfer in	1,200	-	1,200
Investment income, net of fees	315	-	315
Net realized and unrealized gains	1,292	-	1,292
Amounts appropriated for operations	-	-	-
Endowment net assets, end of year	<u>\$49,807</u>	<u>\$ -</u>	<u>\$49,807</u>

I. **DEFERRED COMPENSATION PLAN**

The Organization provides a tax-deferred annuity plan under Internal Revenue Code Section 403(b), which allows eligible employees to make tax-deferred contributions. The plan does not provide for contributions by the Organization.

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 NOTES TO FINANCIAL STATEMENTS
 June 30, 2020 and 2019
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J. NOTE PAYABLE

On April 20, 2020, the Organization was granted a loan in the amount of \$56,200 from Commerce Bank, pursuant to the Paycheck Protection Program (PPP), established as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Under certain circumstances, all or part of the loan may be forgiven and counted to a grant.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1% per annum, with a deferral of payments for the first ten months. Commencing March 20, 2021, the Organization is required to make a combined interest and principal payment monthly in the amount of \$3,163. As of June 30, 2020, the outstanding balance of the loan was \$56,200. The Organization believes they have spent the funds on eligible expenses, such that the loan will be forgiven, and will be working with their lender to begin the forgiveness application process.

The maturities of note payable as of June 30, 2020, if not forgiven, are:

<u>Year</u>	<u>Amount</u>
2021	\$15,654
2022	<u>40,546</u>
	<u><u>\$56,200</u></u>

K. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
Subject to expenditure for specific purpose:		
Access and awareness program	\$ 81,378	\$132,359
Memorial events	4,400	-
Subject to passage of time:		
For periods after June 30:	<u>31,160</u>	<u>25,000</u>
Total Net Assets with Donor Restrictions	<u><u>\$116,938</u></u>	<u><u>\$157,359</u></u>

Net assets with donor restrictions are reclassified to net assets without donor restrictions when the time restriction expires or the funds are utilized for the restricted purpose.

Share Pregnancy & Infant Loss Support, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019
(Continued)

L. NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors as follows for the years ended:

	June 30,	
	2020	2019
Purpose restrictions accomplished	\$50,981	\$103,650
Time restrictions expired	5,000	-
Net Assets Released from Restrictions	<u>\$55,981</u>	<u>\$103,650</u>

M. OPERATING LEASE

The Organization entered into a copier rental agreement in March 2015 for a period of 48 months. In April 2019, the Organization renewed the copier rental agreement for an additional 48 months. Future minimum lease payments are as follows:

Year Ending June 30,	
2021	\$3,576
2022	3,576
2023	<u>2,682</u>
Total	<u>\$9,834</u>

Lease expense was \$3,652 and \$4,001 for the years ended June 30, 2020 and 2019, respectively.

N. RELATED PARTY

The Organization receives donated operational space from SSM Health St. Joseph Hospital – St. Charles. The value of this donated operational space (including related utilities and taxes) was \$19,899 and \$21,020 for the years ended June 30, 2020 and 2019, respectively. These amounts are included in in-kind donations on the statements of activities and are included in rent, utilities, property taxes, and office expense on the statements of functional expenses on the accompanying financial statements. Additionally, SSM Health St. Joseph Hospital – St. Charles occasionally refers its maternity patients to the Organization.

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NOTES TO FINANCIAL STATEMENTS
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(Continued)

O. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization receives revenue from contributions and grants with and without donor restrictions, and considers all contributions and grants, which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization maintains financial assets, consisting of cash and investments, on hand to meet its normal operating expenses based on its annual budget. Operating expenses are compared to budgeted expenses on a monthly basis and financial assets on hand are adjusted as necessary. The Organization maintains a board-designated endowment that allows for annual spending of income and appreciation generated from endowment funds.

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	June 30,	
	2020	2019
Cash and cash equivalents	\$106,439	\$ 90,002
Accounts receivable	406	7,272
Grant receivable	40,132	103,685
Pledge receivable	20,000	25,000
Investments	60,928	48,124
Total financial assets	227,905	274,083
Less amounts not available to be used within one year:		
Long-term portion of pledge receivable	15,000	20,000
Board-designated endowment	62,612	49,807
Long-term portion of grant receivable	-	40,132
Total financial assets not available to be used within one year	77,612	109,939
Financial assets available to meet cash needs for general expenditures within one year	\$150,293	\$164,144

Although the Organization does not intend to spend from its board-designated endowment, other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation, amounts from its board-designated endowment could be made available if necessary.

P. SUBSEQUENT EVENT

As the spread of the COVID-19 coronavirus continues worldwide, economic uncertainties have arisen that are likely to impact the Organization's financial results. While management expects this impact to be temporary, the severity and duration of the impact is uncertain at this time.