

**SHARE PREGNANCY & INFANT LOSS SUPPORT, INC.**

**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT  
FOR THE YEARS ENDED  
JUNE 30, 2022 AND 2021**

Share Pregnancy & Infant Loss Support, Inc.

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## **INDEPENDENT AUDITORS' REPORT**

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

### **Opinion**

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, 2022 and 2021, 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 Share Pregnancy & Infant Loss Support, Inc. as of June 30, 2022 and 2021, 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.

### **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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Share Pregnancy & Infant Loss Support, Inc. 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 Share Pregnancy & Infant Loss Support, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditors' 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 auditors' 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 Share Pregnancy & Infant Loss Support, 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 Share Pregnancy & Infant Loss Support, 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.

*Schmersahl Treloar & Co.*

St. Louis, Missouri  
November 9, 2022

**FINANCIAL STATEMENTS**

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

ASSETS

	June 30,	
	2022	2021
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 90,012	\$ 150,913
Accounts receivable	10,543	9,659
Pledge receivable, current	5,000	5,000
Inventory	36,147	35,845
Prepaid expenses	4,774	3,526
Total Current Assets	146,476	204,943
PLEDGE RECEIVABLE, less current portion	5,000	10,000
INVESTMENTS	74,245	81,411
PROPERTY AND EQUIPMENT, net	177	2,841
<b>TOTAL ASSETS</b>	<b>\$ 225,898</b>	<b>\$ 299,195</b>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 5,925	\$ 12,270
Accrued salaries and payroll taxes	1,174	10,794
Total Liabilities	7,099	23,064
<b>NET ASSETS</b>		
Without donor restrictions		
Board-designated endowment	75,930	83,095
Net investment in property and equipment	177	2,841
Undesignated	112,252	172,802
Total Net Assets Without Donor Restrictions	188,359	258,738
With donor restrictions		
Purpose restrictions	20,440	2,393
Time-restricted for future periods	10,000	15,000
Total Net Assets With Donor Restrictions	30,440	17,393
Total Net Assets	218,799	276,131
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 225,898</b>	<b>\$ 299,195</b>

See accompanying notes to financial statements

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

	Year Ended June 30, 2022			Year Ended June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND SUPPORT</b>						
Program service revenues						
Angel statue and bricks	\$ 4,713	\$ -	\$ 4,713	\$ 6,280	\$ -	\$ 6,280
Books	29,948	-	29,948	30,651	-	30,651
Group fees	15,050	-	15,050	14,900	-	14,900
Workshops	5,244	-	5,244	2,310	-	2,310
	<u>54,955</u>	<u>-</u>	<u>54,955</u>	<u>54,141</u>	<u>-</u>	<u>54,141</u>
Total Program Service Revenues						
Special events	318,205	-	318,205	386,355	-	386,355
In-kind donations	27,309	-	27,309	25,348	-	25,348
Grants	4,491	18,047	22,538	2,776	-	2,776
Investment return, net of fees	( 12,165)	-	( 12,165)	15,483	-	15,483
Contributions	-	-	-	2,641	2,393	5,034
Other income	10	-	10	177	-	177
Payroll Protection Program grant	-	-	-	56,200	-	56,200
Release from restrictions	5,000	( 5,000)	-	101,938	( 101,938)	-
	<u>397,805</u>	<u>13,047</u>	<u>410,852</u>	<u>645,059</u>	<u>( 99,545)</u>	<u>545,514</u>
Total Revenues and Support						
<b>EXPENSES</b>						
Program services	244,747	-	244,747	273,361	-	273,361
Management and general	98,267	-	98,267	100,508	-	100,508
Fundraising	125,170	-	125,170	94,427	-	94,427
	<u>468,184</u>	<u>-</u>	<u>468,184</u>	<u>468,296</u>	<u>-</u>	<u>468,296</u>
Total Expenses						
CHANGE IN NET ASSETS	( 70,379)	13,047	( 57,332)	176,763	( 99,545)	77,218
NET ASSETS, Beginning of year	<u>258,738</u>	<u>17,393</u>	<u>276,131</u>	<u>81,975</u>	<u>116,938</u>	<u>198,913</u>
NET ASSETS, End of year	<u>\$ 188,359</u>	<u>\$ 30,440</u>	<u>\$ 218,799</u>	<u>\$ 258,738</u>	<u>\$ 17,393</u>	<u>\$ 276,131</u>

See accompanying notes to financial statements

Share Pregnancy & Infant Loss Support, Inc.  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended June 30, 2022

	Program Services	Management and General	Fund- raising	Total Expenses
Salaries	\$ 181,468	\$ 36,746	\$ 49,961	\$ 268,175
Payroll taxes	12,591	2,550	3,466	18,607
Special events expense	-	1,495	56,408	57,903
Professional fees and insurance	15,482	14,759	833	31,074
Office expense	7,153	15,615	2,612	25,380
Rent, utilities and property taxes	1,609	15,995	201	17,805
Dues, conferences and professional development	9,684	1,010	891	11,585
Bank charges and fees	-	3,491	6,472	9,963
Cost of goods sold	8,983	-	345	9,328
Program expenses	7,711	1,218	-	8,929
Bad debt expense	-	2,724	-	2,724
Depreciation	-	2,664	-	2,664
Printing	-	-	2,542	2,542
Miscellaneous	66	-	1,439	1,505
	<u>\$ 244,747</u>	<u>\$ 98,267</u>	<u>\$ 125,170</u>	<u>\$ 468,184</u>

See accompanying notes to financial statements



Share Pregnancy & Infant Loss Support, Inc.  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended June 30, 2021

	Program Services	Management and General	Fund- raising	Total Expenses
Salaries	\$ 183,418	\$ 41,018	\$ 40,097	\$ 264,533
Payroll taxes	13,933	3,116	3,046	20,095
Special events expense	-	-	35,052	35,052
Professional fees and insurance	32,170	14,141	829	47,140
Office expense	7,198	16,902	1,568	25,668
Rent, utilities and property taxes	1,603	14,144	203	15,950
Dues, conferences and professional development	7,148	885	767	8,800
Bank charges and fees	-	2,616	8,098	10,714
Cost of goods sold	12,398	11	197	12,606
Program expenses	15,397	3,270	2,192	20,859
Bad debt expense	-	239	-	239
Depreciation	-	3,987	-	3,987
Printing	-	136	2,378	2,514
Miscellaneous	96	43	-	139
	<u>\$ 273,361</u>	<u>\$ 100,508</u>	<u>\$ 94,427</u>	<u>\$ 468,296</u>

See accompanying notes to financial statements

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

	Years Ended June 30,	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	(\$ 57,332)	\$ 77,218
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Depreciation	2,664	3,987
Payroll Protection Program grant	-	( 56,200)
Net realized and unrealized losses (gains) on investments	13,531	( 13,540)
Bad debt expense	2,724	239
Decrease (increase) in assets:		
Accounts receivable	( 3,608)	( 9,492)
Grant receivable	-	40,132
Pledge receivable	5,000	5,000
Inventory	( 302)	( 883)
Prepaid expenses	( 1,248)	1,395
Increase (decrease) in liabilities:		
Accounts payable	( 6,345)	8,262
Accrued salaries and payroll taxes	( 9,620)	704
Deferred revenue	-	( 5,405)
	-	( 5,405)
Net Change in Cash from Operating Activities	( 54,536)	51,417
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	47	6,719
Purchase of investments	( 6,412)	( 13,662)
Net Change in Cash from Financing Activities	( 6,365)	( 6,943)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	( 60,901)	44,474
<b>CASH AND CASH EQUIVALENTS, Beginning of year</b>	150,913	106,439
<b>CASH AND CASH EQUIVALENTS, End of year</b>	\$ 90,012	\$ 150,913

See accompanying notes to financial statements

Share Pregnancy & Infant Loss Support, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022 and 2021

**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.

**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. At the board’s discretion, these designations can be removed at any time.

**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.

Share Pregnancy & Infant Loss Support, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022 and 2021  
(Continued)

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

**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.

**Concentration of Credit Risk**

Financial instruments, which potentially subject the Organization to concentration of credit risk, consist principally of cash and investments. The Organization places its cash and investments with high credit quality financial institutions and, by policy, limits the amount of credit exposure to any one financial institution or investment type.

**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, 2022.

During 2022 and 2021, for cash flow reporting purposes, no cash payments relating to interest or income tax were made.

**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, 2022 and 2021.

**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.

Share Pregnancy & Infant Loss Support, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022 and 2021  
(Continued)

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

**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, 2022, 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.

**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.

Share Pregnancy & Infant Loss Support, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022 and 2021  
(Continued)

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

*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.

*Program Service Revenues*

Program service revenues are recorded when performance obligations are met. Payments received in advance are deferred until earned.

**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.

**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 programs 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.

Share Pregnancy & Infant Loss Support, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022 and 2021  
(Continued)

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

**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. The Organization's tax returns for fiscal years 2019 and later remain subject to examination by taxing authorities.

**Subsequent Events**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 9, 2022, the date the financial statements were available to be issued.

B. **ACCOUNTS RECEIVABLE**

For the years ended June 30, 2022 and 2021, 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 access to the online Sharing magazine. The outstanding balances as of June 30, 2022 and 2021 from affiliate offices totaled \$5,502 and \$5,158, respectively. The Organization accrued revenue for sales of literature which resulted in other outstanding balances as of June 30, 2022 and 2021 totaling \$5,041 and \$4,501, respectively, for a total accounts receivable balance of \$10,543 and \$9,659, respectively.

Share Pregnancy & Infant Loss Support, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022 and 2021  
(Continued)

**C. PLEDGE RECEIVABLE**

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

	2022	2021
Receivable in less than one year	\$ 5,000	\$ 5,000
Receivable in one to five years	5,000	10,000
	\$10,000	\$15,000

Management has determined the pledge receivable is fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at June 30, 2022 and 2021.

**D. INVESTMENTS**

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

	2022	2021
Cash	\$ 199	\$ 195
Bond Mutual Funds	28,925	31,413
Exchange Traded Funds	45,121	49,803
Total Investments	\$74,245	\$81,411

**E. FAIR VALUE MEASUREMENTS**

The financial assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy in accordance with GAAP. GAAP establishes a hierarchy based on the quality of the inputs used to measure fair value. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Institute.

Unobservable inputs are inputs that reflect management’s assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

*Level 1*—Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Institute has the ability to access and does not entail a significant degree of judgment.

*Level 2*—Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.



Share Pregnancy & Infant Loss Support, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022 and 2021  
(Continued)

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

*Level 3*—Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

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, 2022			
	Level 1	Level 2	Level 3	Total
Cash	\$ 199	\$ -	\$ -	\$ 199
Bond Mutual Funds	-	28,925	-	28,925
Exchange Traded Funds	45,121	-	-	45,121
Total Investments at Fair Value	\$45,320	\$28,925	\$ -	\$74,245

	Investments at Fair Value as of June 30, 2021			
	Level 1	Level 2	Level 3	Total
Cash	\$ 195	\$ -	\$ -	\$ 195
Bond Mutual Funds	-	31,413	-	31,413
Exchange Traded Funds	49,803	-	-	49,803
Total Investments at Fair Value	\$49,998	\$31,413	\$ -	\$81,411

Gains and losses included in changes in net assets available for the years ended June 30, 2022 and 2021 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, 2022, 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, 2022 and 2021  
 (Continued)

**F. PROPERTY AND EQUIPMENT**

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

	2022	2021
Equipment	\$16,100	\$16,100
Training videos	28,863	28,863
Accumulated depreciation	( 44,786)	( 42,122)
Total Property and Equipment, net	\$ 177	\$ 2,841

Depreciation expense was \$2,664 and \$3,987 for the years ended June 30, 2022 and 2021, respectively.

**G. 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, 2022 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Board-designated endowment funds	\$75,930	\$ -	\$75,930

Share Pregnancy & Infant Loss Support, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022 and 2021  
(Continued)

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

Changes in endowment net assets as of June 30, 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Endowment net assets, beginning of year	\$83,095	\$ -	\$83,095
Board transfer in	5,000	-	5,000
Investment income, net of fees	1,366	-	1,366
Net realized and unrealized losses	( 13,531)	-	( 13,531)
Amounts appropriated for operations	-	-	-
Endowment net assets, end of year	<u>\$75,930</u>	<u>\$ -</u>	<u>\$75,930</u>

Endowment net asset composition by type of fund as of June 30, 2021 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Board-designated endowment funds	<u>\$83,095</u>	<u>\$ -</u>	<u>\$83,095</u>

Changes in endowment net assets for the year ended June 30, 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Net Assets
Endowment net assets, beginning of year	\$62,612	\$ -	\$62,612
Board transfer in	5,000	-	5,000
Investment income, net of fees	1,943	-	1,943
Net realized and unrealized gains	13,540	-	13,540
Amounts appropriated for operations	-	-	-
Endowment net assets, end of year	<u>\$83,095</u>	<u>\$ -</u>	<u>\$83,095</u>

H. **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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**I. NET ASSETS WITH DONOR RESTRICTIONS**

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

	June 30,	
	2022	2021
Subject to expenditure for specific purpose:		
Companion program	\$10,000	\$ -
Support group program	5,906	-
Access and awareness program	2,393	2,393
Keepsakes and events	2,141	-
Subject to passage of time:		
For periods after June 30:	10,000	15,000
Total Net Assets with Donor Restrictions	\$30,440	\$17,939

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.

**J. 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,	
	2022	2021
Purpose restrictions accomplished	\$ -	\$ 85,778
Time restrictions expired	5,000	16,160
Net Assets Released from Restrictions	\$ 5,000	\$101,938

**K. 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 <u>June 30,</u>	
2023	<u>\$2,682</u>

Lease expense was \$3,855 and \$3,744 for the years ended June 30, 2022 and 2021, respectively.

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**L. 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 \$27,309 and \$25,348 for the years ended June 30, 2022 and 2021, 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.

**M. 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,	
	2022	2021
Cash and cash equivalents	\$ 90,012	\$150,913
Accounts receivable	10,543	9,659
Pledge receivable	10,000	15,000
Investments	74,245	81,411
Total financial assets	184,800	256,983
Less amounts not available to be used within one year:		
Long-term portion of pledge receivable	5,000	10,000
Board-designated endowment	75,930	83,095
Total financial assets not available to be used within one year	80,930	93,095
Financial assets available to meet cash needs for general expenditures within one year	\$103,870	\$163,888

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.