



**First Choice Women's
Medical Center, Inc.**

FINANCIAL STATEMENTS

December 31, 2021 (Audited) and 2020 (Reviewed)



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REPORT





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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
First Choice Women's Medical Center, Inc.
Montgomery, Alabama

Opinion

We have audited the accompanying financial statements of First Choice Women's Medical Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of First Choice Women's Medical Center, Inc. (the Organization) as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Prior Period Financial Statements

The 2020 financial statements were reviewed by us, and our report thereon dated March 24, 2021, stated we were not aware of any material modifications that should be made to those financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements as a whole.

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 the Organization'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 auditing standards generally accepted in the United States of America 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.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, 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 the Organization'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 the Organization'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.

Carr, Riggs & Ingram, L.L.C.

Montgomery, Alabama

February 9, 2022



FINANCIAL STATEMENTS



First Choice Women's Medical Center, Inc.
Statements of Financial Position

<i>December 31,</i>	2021	2020
Assets		
Current assets		
Cash and cash equivalents	\$ 459,404	\$ 327,242
Pledges and grants receivable, net	73,626	59,278
Prepaid expenses	31,643	20,752
Other assets	100	-
Total current assets	564,773	407,272
Non-current assets		
Cash and cash equivalents - designated and restricted	10,703	86,618
Property and equipment, net	217,220	178,027
Investments	173,663	145,022
Total non-current assets	401,586	409,667
Total assets	\$ 966,359	\$ 816,939
Liabilities and net assets		
Current liabilities		
Accrued liabilities	\$ 11,980	\$ 11,728
Total current liabilities	11,980	11,728
Net assets		
Without donor restrictions		
Undesignated	796,162	573,571
Board designated for:		
Reserve Fund	127,673	112,530
Program Development Fund	-	85,109
Building Fund	-	2,015
Endowment	1,012	4,096
Total net assets without donor restrictions	924,847	777,321
With donor restrictions	29,532	27,890
Total net assets	954,379	805,211
Total liabilities and net assets	\$ 966,359	\$ 816,939

The accompanying notes are an integral part of these financial statements.

First Choice Women's Medical Center, Inc.
Statements of Activities

<i>Years ended December 31,</i>	2021	2020
Change in net assets without donor restrictions		
Revenues, other support, and net assets released from restriction		
Contributions		
Direct public support	\$ 227,897	\$ 226,449
Fundraising	335,862	227,106
Donated goods and services	47,003	14,873
Indirect public support	4,773	1,829
Contribution revenue - Paycheck Protection Program Loan	-	49,268
Net investment return	21,893	18,724
Other sources	5,356	976
Net assets released from restrictions	82,090	5,640
Total revenues, other support, and net assets released from restriction	724,874	544,865
Expenses		
Programs	431,046	307,666
Management and general	84,940	85,837
Fundraising	61,362	40,354
Total expenses	577,348	433,857
Change in net assets without donor restrictions	147,526	111,008
Change in net assets with donor restrictions		
Revenues and other support		
Contributions	83,732	5,720
Net assets released from restriction	(82,090)	(5,640)
Change in net assets with donor restrictions	1,642	80
Change in net assets	149,168	111,088
Net assets, beginning of year	805,211	694,123
Net assets, end of year	\$ 954,379	\$ 805,211

The accompanying notes are an integral part of these financial statements.

First Choice Women's Medical Center, Inc.
Statements of Functional Expenses

<i>Years ended December 31,</i>	2021				2020			
	Programs	Management and General	Fundraising	Total	Programs	Management and General	Fundraising	Total
Administrative expenses	\$ 1,498	\$ 296	\$ 56	\$ 1,850	\$ -	\$ -	\$ -	\$ -
Advertising and newsletter expenses	30,270	5,979	1,121	37,370	25,459	6,445	322	32,226
Bank fees	-	-	6,966	6,966	3,588	908	270	4,766
Client retreat, incentives and educational resources	2,316	-	-	2,316	3,013	-	-	3,013
Conference, convention and meetings	1,921	-	-	1,921	1,060	-	-	1,060
Contract services	-	8,275	7,000	15,275	-	10,361	15,000	25,361
Depreciation	20,720	4,093	767	25,580	15,632	3,957	198	19,787
Donated items	13,093	-	-	13,093	12,865	-	-	12,865
Equipment rental and maintenance	1,215	240	45	1,500	-	-	-	-
Event expenses	-	-	29,318	29,318	-	-	18,189	18,189
Insurance	9,422	1,861	349	11,632	8,539	2,162	108	10,809
Janitorial services	4,486	886	166	5,538	4,546	1,151	58	5,755
Licenses and fees	890	176	33	1,099	215	54	3	272
Memberships and dues	745	147	28	920	707	179	9	895
Other expenses	4,979	983	228	6,190	2,314	586	29	2,929
Payroll taxes	18,147	3,585	672	22,404	15,168	3,840	192	19,200
Printing, postage and computer applications	9,738	1,924	3,406	15,068	6,831	1,729	3,371	11,931
Property insurance	2,371	468	88	2,927	949	240	12	1,201
Provision for uncollectible pledges	-	(3,271)	-	(3,271)	-	2,591	-	2,591
Rent, parking and utilities	11,896	2,350	441	14,687	5,311	1,345	67	6,723
Repairs and maintenance	51,948	10,261	1,924	64,133	429	108	5	542
Salary and benefits	225,369	44,517	8,347	278,233	192,727	48,792	2,440	243,959
Supplies	12,790	1,602	300	14,692	6,033	940	59	7,032
Telephone	2,878	568	107	3,553	1,770	449	22	2,241
Travel	4,354	-	-	4,354	510	-	-	510
Total expenses	\$ 431,046	\$ 84,940	\$ 61,362	\$ 577,348	\$ 307,666	\$ 85,837	\$ 40,354	\$ 433,857

The accompanying notes are an integral part of these financial statements.

First Choice Women's Medical Center, Inc.
Statements of Cash Flows

<i>Years ended December 31,</i>	2021	2020
Operating activities		
Change in net assets	\$ 149,168	\$ 111,088
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	25,580	19,787
Unrealized and realized gains	(21,276)	(12,894)
Bad debt expense (recovery)	(3,271)	2,591
Donated property and equipment	(5,898)	-
Change in operating assets and liabilities:		
Pledges and grants receivable	(11,077)	4,237
Prepaid expenses	(10,891)	(9,719)
Other assets	(100)	-
Accounts payable	-	(12,406)
Accrued liabilities	252	5,017
Net cash provided by operating activities	122,487	107,701
Investing activities		
Purchases of investments	(122,957)	(30,850)
Proceeds on sales of investments	115,592	38,160
Purchases of property and equipment	(58,875)	(9,963)
Net cash used in investing activities	(66,240)	(2,653)
Net change in cash and cash equivalents	56,247	105,048
Cash and cash equivalents, beginning of year	413,860	308,812
Cash and cash equivalents, end of year	\$ 470,107	\$ 413,860
Presented in the statement of financial position as:		
Cash and cash equivalents	\$ 459,404	\$ 327,242
Cash and cash equivalents - designated and restricted	10,703	86,618
Total cash and cash equivalents	\$ 470,107	\$ 413,860

The accompanying notes are an integral part of these financial statements.

First Choice Women's Medical Center, Inc. Notes to Financial Statements

Note 1: NATURE OF OPERATIONS

First Choice Women's Medical Center, Inc. (formerly, Sav-A-Life, Montgomery, Inc.) (the Organization) is a non-profit corporation that was organized in 1982. The Organization is a non-denominational Christian ministry organized to provide Christ-centered medical, parenting, and life-skill services to extend help, offer hope, and promote healing. Support for the Organization comes from churches, individuals, local foundations, family businesses, and civic clubs. The Organization provides counseling and referral services for pregnant females experiencing an unexpected pregnancy. The Organization also helps pregnant females find God's help and guidance in decisions related to their pregnancy and for their baby after its birth. The Organization also maintains a medical center in which the Organization administers pregnancy tests, ultrasound confirmations, pregnancy peer counseling and community referrals. The Organization also serves the men involved in unexpected pregnancies through a men's ministry. Other services offered by the Organization include post abortion peer counseling as well as sexual purity education.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements 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 Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements 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.

Cash and Cash Equivalents

Cash and cash equivalents include cash and all highly liquid investments with an original maturity of 90 days or less.

Pledges and Grants Receivable

Pledges and grants receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on pledges and grants receivable using the allowance method. The allowance is based on experience and other circumstances, which may affect the ability of donors and grantors to meet their obligations.

First Choice Women's Medical Center, Inc. Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pledges and Grants Receivable (Continued)

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Property and Equipment

All acquisitions of property and equipment in that have useful lives longer than one year are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method. Estimated useful lives used in computing depreciation are five to forty years.

Investments

The Organization reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. The governing board has designated, from net assets without donor restrictions, net assets for certain purposes.

First Choice Women's Medical Center, Inc. Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets (Continued)

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue Recognition

Program service fees and payments under cost-reimbursable contracts are accounted for under ASC Topic 606, Revenue from Contracts with Customers (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied. Income from payments and service fees received in advance are deferred and recognized as performance obligation liabilities over the periods to which the dates and revenues relate. There were no performance obligation liabilities at December 31, 2021 and 2020.

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance the nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provide services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

First Choice Women's Medical Center, Inc. Notes to Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services based on considerations of time and effort and space utilized for the relative activities. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Advertising

The Organization uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During the years ended December 31, 2021 and 2020 was \$37,370 and \$32,226, respectively.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the Organization is exempt from taxes on income other than unrelated business income (UBI). The Organization had no UBI for the years ended December 31, 2021 and 2020.

The Organization utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of December 31, 2021 and 2020, the Organization has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements. The Organization believes it is no longer subject to income tax examination for years prior to 2017.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, February 9, 2022. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

First Choice Women's Medical Center, Inc.
Notes to Financial Statements

Note 3: FINANCIAL ASSET AVAILABILITY

The Organization regularly monitors liquidity required to meet operating needs and other contractual commitments, while also striving to maximize the investment of available funds. The Organization has various sources of liquidity at their disposal, including cash and cash equivalents, receivables and operating investments. The Organization manages liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves.

The Organization operates with a cash positive budget and anticipates collecting sufficient revenues to meet current expenditures.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

<i>Years ended December 31,</i>	2021	2020
Cash and cash equivalents	\$ 459,404	\$ 327,242
Pledges and grants receivable, net	73,626	59,278
Operating investments	26,149	-
Total	\$ 559,179	\$ 386,520

As part of the Organization's liquidity management plan, cash in excess of daily requirements is invested in operating investments.

Note 4: PLEDGES AND GRANTS RECEIVABLE

Pledges and grants receivable consist of the following:

<i>December 31,</i>	2021	2020
Pledges and grants receivable	\$ 74,139	\$ 66,988
Less allowance for doubtful accounts	(513)	(7,710)
Pledges and grants receivable, net	\$ 73,626	\$ 59,278

Bad debt (recoveries) expense totaled \$(3,271) and \$2,591 for 2021 and 2020, respectively.

First Choice Women's Medical Center, Inc.
Notes to Financial Statements

Note 5: PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

<i>December 31,</i>	2021	2020
Land	\$ 47,850	\$ 47,850
Building	275,332	275,332
Equipment	149,209	87,411
Accumulated depreciation	(255,171)	(232,566)
Total property and equipment, net	\$ 217,220	\$ 178,027

Depreciation expense for the years ended December 31, 2021 and 2020 was \$25,580 and \$19,787, respectively.

Note 6: INVESTMENTS

Investments in marketable securities consist of the following:

<i>December 31, 2021</i>	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Certificates of deposit - negotiable	\$ 18,280	\$ 588	\$ -	\$ 18,868
Fixed income	47,707	895	(233)	48,369
Mutual funds - equities	3,076	-	-	3,076
Equity securities	94,418	10,792	(1,860)	103,350
Total investments	\$ 163,481	\$ 12,275	\$ (2,093)	\$ 173,663

<i>December 31, 2020</i>	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Fixed income	\$ 52,246	\$ 2,680	\$ -	\$ 54,926
Mutual funds - equities	74,590	15,506	-	90,096
Total investments	\$ 126,836	\$ 18,186	\$ -	\$ 145,022

First Choice Women's Medical Center, Inc.
Notes to Financial Statements

Note 6: INVESTMENTS (Continued)

Major categories of net investment return and its classification in the statements of activities is as follows:

<i>Years ended December 31,</i>	2021	2020
Interest and dividend income	\$ 2,424	\$ 7,192
Realized gains (losses)	29,280	(1,628)
Unrealized gains (losses)	(8,004)	14,522
Investment fees	(1,807)	(1,362)
 Net investment return	 \$ 21,893	 \$ 18,724

Note 7: FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
 - observable; or
 - can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

First Choice Women's Medical Center, Inc.
Notes to Financial Statements

Note 7: FAIR VALUE MEASUREMENTS (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

Certificates of deposit – negotiable and fixed income: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Mutual funds - equities: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Equity securities: Valued at the closing price reported on the active market on which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

The Organization's investments in marketable securities at December 31, 2021 and 2020 were carried at fair value in the statements of financial position as follows:

	Based on:			Total
	Level 1 inputs	Level 2 inputs	Level 3 inputs	
<i>December 31, 2021</i>				
Certificates of deposit - negotiable	\$ -	\$ 18,868	\$ -	\$ 18,868
Fixed income	-	48,369	-	48,369
Mutual funds - equities	3,076	-	-	3,076
Equity securities	103,350	-	-	103,350
Total investments	\$ 106,426	\$ 67,237	\$ -	\$ 173,663

	Based on:			Total
	Level 1 inputs	Level 2 inputs	Level 3 inputs	
<i>December 31, 2020</i>				
Fixed income	\$ -	\$ 54,926	\$ -	\$ 54,926
Mutual funds - equities	90,096	-	-	90,096
Total investments	\$ 90,096	\$ 54,926	\$ -	\$ 145,022

First Choice Women's Medical Center, Inc.
Notes to Financial Statements

Note 8: NET ASSETS

Reserve Fund (Board Designated)

The Board established a Reserve Fund in 2010 equal to approximately three months of the annual operating budget (at the time of the designation) to be held in a separate fund in their checking or money market account. In 2018, the board approved to invest the Cash Reserve Fund in fixed income and mutual fund securities and was renamed the Reserve Fund. The Reserve Fund is designated for times of financial hardship and a majority approval by the Board members is required for the use of this Fund. Interest earned on the Reserve Fund account is reinvested. Amounts designated to support this purpose amounted to \$127,673 and \$112,530 at December 31, 2021 and 2020, respectively.

Program Development Fund (Board Designated)

On January 25, 2016, the Board voted to designate funds as a Program Development Fund to be used for future program development of the Organization. Amounts designated for this purpose amounted to \$-0- and \$85,109 as of December 31, 2021 and 2020, respectively. In July 2021, the Board voted to dissolve the Program Development Fund.

Building Fund (Board Designated)

The Board has designated certain amounts as a Building Fund. Amounts designated to support this purpose amounted to \$-0- and \$2,015 at December 31, 2021 and 2020, respectively.

Other Funds (with Donor Restrictions)

Donors have placed certain time and purpose restrictions on amounts for specific projects as follows:

<i>December 31,</i>	2021	2020
EWYL Program	\$ 411	\$ -
Montgomery Lions Club	402	-
Alabama Pro-Life Coalition	1,987	1,158
Total	\$ 2,800	\$ 1,158

Marjory McCarty Fund (with Donor Restrictions)

In 2007, the Board created an Endowment Fund in honor of Marjory McCarty, a former Executive Director of the Organization for her eighteen years of service. Contributions were received with the initial goal being \$25,000. Contributions received as of December 31, 2021 and 2020 amounted to \$26,732 and \$26,732, respectively.

First Choice Women's Medical Center, Inc. Notes to Financial Statements

Note 8: NET ASSETS (Continued)

Interpretation of Relevant Law

The Board has interpreted the Alabama Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds, unless there are explicit donor stipulations to the contrary. At December 31, 2021 and 2020, there were no such donor stipulations. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment, (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. The Organization considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

- a) The duration and preservation of the fund
- b) The purposes of the Organization and the donor-restricted endowment fund
- c) General economic conditions
- d) The possible effect of inflation and deflation
- e) The expected total return from income and the appreciation of investments
- f) Other resources of the Organization
- g) The investment policies of the Organization

Deficiencies

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets without donor restrictions. There were no such deficiencies as of December 31, 2021 and 2020.

Investment Policy

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to produce reasonable growth at reasonable risk, while ensuring the conservation of principal and the growth of the fund to offset inflation.

First Choice Women's Medical Center, Inc.
Notes to Financial Statements

Note 8: NET ASSETS (Continued)

Distributions Policy

The principal of the fund is to be maintained permanently and increased if others choose to donate to the fund. The interest income from this fund is to be used at the discretion of the Board of Directors.

The composition of and the changes in the endowment net assets are as follows:

<i>Year ended December 31, 2021</i>	Board Designated for Endowment	Donor Restricted for Endowment	Total
Balance - beginning of year	\$ 4,096	\$ 26,732	\$ 30,828
Withdrawals	(3,500)	-	(3,500)
Interest income	1,413	-	1,413
Unrealized gains (losses)	(703)	-	(703)
Investment fees	(294)	-	(294)
Balance - end of year	\$ 1,012	\$ 26,732	\$ 27,744

<i>Year ended December 31, 2020</i>	Board Designated for Endowment	Donor Restricted for Endowment	Total
Balance - beginning of year	\$ 2,955	\$ 26,732	\$ 29,687
Interest income	1,187	-	1,187
Unrealized gains (losses)	224	-	224
Investment fees	(270)	-	(270)
Balance - end of year	\$ 4,096	\$ 26,732	\$ 30,828

First Choice Women's Medical Center, Inc. Notes to Financial Statements

Note 9: CONCENTRATIONS OF RISK

The Organization maintains its cash balances at financial institutions located in Alabama. The Federal Deposit Insurance Corporation (FDIC) insures these balances up to a total of \$250,000 for interest-bearing accounts at each institution. The amounts in excess of FDIC insured limits as of December 31, 2021 and 2020 were \$201,720 and \$146,745, respectively. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to these accounts.

The majority of the Organization's contribution revenue is from donors in the River Region of Alabama. Consequently, the Organization is substantially affected by economic events in the region.

Note 10: CONTRIBUTION REVENUE – PAYCHECK PROTECTION PROGRAM (PPP) LOAN

In April 2020, the Organization received a loan in the amount of \$49,268 under the Paycheck Protection Program (PPP Loan). The PPP Loan and accrued interest are forgivable after the covered period, up to 24-weeks, if the borrower uses the PPP Loan proceeds for eligible purposes, including payroll, benefits, rent, utilities, covered operations expenditures, covered property damage, covered supplier costs, covered worker protection expenditures and maintains its payroll levels. The amount of the PPP Loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the covered period, up to 24-weeks. The unforgiven portion of the PPP Loan is payable over 2 years at an interest rate of 1%, with a deferral of payments for the first 10 months.

The Organization met the PPP's eligibility criteria prior to the year ending December 31, 2020 and, therefore, has concluded that the PPP Loan represents, in substance, a grant that is expected to be forgiven. As a result, the Organization has accounted for the PPP Loan in accordance with FASB ASC 958-605 as a conditional contribution. The Organization initially recorded the amount received as a refundable advance followed by a reduction in the advance and recognition of revenue as the aforementioned conditions are substantially met. During the year ended December 31, 2020, the Organization has used the entire proceeds for purposes consistent with the PPP, resulting in recognition of the entire PPP Loan amount as contribution revenue in the accompanying financial statements. During December 2020, the entire balance of the loan and accrued interest was forgiven by the Small Business Administration.

Note 11: UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Organization. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

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Notes to Financial Statements

Note 12: BENEFICIAL INTEREST IN TRUST

The Organization was notified in December 2020 that the Organization is a named beneficiary of a revocable grantor trust (the Trust). The trust document provides that the Organization will receive certain distributions from the Trust upon the occurrence of certain events. The amount and timing of the distributions has not been fully determined as of December 31, 2021. The Organization is working with the Trustee to make these determinations and will record its beneficial interest in Trust once the additional information is available.