

FIRST CARE FAMILY RESOURCES, INC.

**FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020**

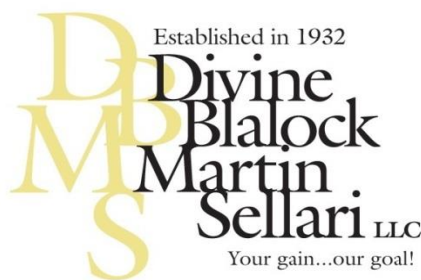
FIRST CARE FAMILY RESOURCES, INC.
TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report.....	1
Statements of Financial Position.....	3
Statements of Activities	4-5
Statements of Functional Expenses	6-7
Statements of Cash Flows.....	8
Notes to the Financial Statements.....	9-17

GARY B. SELLARI, CPA*/PFS, MSM
SCOTT A. STEIN, CPA***
SUZI J. RAPP, CPA*, MAC
B. CHARLES SELLARI, CPA*, MTAX
J. RONALD ANDERSON, CPA**/ABV
TOM KEYS, CPA*, CGMA

VICTORIA BOLSKAR, CPA****, LTD
DUSTAN J. BROWN, CPA****
MARY L. CONTESSA, CPA*, PA
STEVE A. GOINDOO, CPA**/PFS, MTAX, CFP®
SHARON HOWARD, CPA, CMA, MST*****
CANDACE ANTEZANA KLOTZBIER, CPA*
CHRISTINE M. MCKENNA, CPA*
ROBERT REYNOLDS, CPA*****
JAMIE M. RUSSO, CPA*
JANET SCALZITTI, CPA*****
APRIL M. SINNOTT, CPA*
ARTHUR J. SINNOTT, CPA**

BARBARA AHEARN-DUNN, EA
KELLY BEACH, EA
JACQUELINE CARTIER, EA
ANTHONY J. SELLARI, EA



Certified Public Accountants and Consultants

580 Village Boulevard, Suite 110
West Palm Beach, FL 33409

Phone: (561) 686-1110 Fax: (561) 686-1330
info@dbmscpa.com

MEMBERS

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

WILBUR F. DIVINE, III, CPA (1896-1964)
WILBUR F. DIVINE, IV, CPA (1925-1989)
JAMES A. BLALOCK, CPA (1914-1996)
G. MICHAEL MARTIN, CPA (1945-2014)

*REGULATED BY THE STATE OF FL
**REGULATED BY THE STATE OF FL AND
THE STATE OF TN

***REGULATED BY THE STATE OF FL
AND THE STATE OF NY

****REGULATED BY THE STATE OF WI
*****REGULATED BY THE STATE OF FL
AND THE STATE OF NJ

*****REGULATED BY THE STATE OF NY
*****REGULATED BY THE STATE OF NY
AND THE STATE OF NC

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
First Care Family Resources, Inc.
West Palm Beach, Florida

Opinion

We have audited the accompanying financial statements of First Care Family Resources, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2021 and 2020 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of First Care Family Resources, Inc as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of First Care Family Resources, 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 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about First Care Family Resources Inc's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of First Care Family Resources, Inc internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about First Care Family Resources, 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.

Divine, Blalock, Martin & Sellari, LLC

DIVINE, BLALOCK, MARTIN & SELLARI, LLC
West Palm Beach, Florida
May 3, 2022

FIRST CARE FAMILY RESOURCES, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021 AND 2020

Assets	2021	2020
Current assets		
Cash and cash equivalents	\$ 2,604,541	\$ 1,424,350
Unconditional promises to give & other receivables	318,052	203,186
Employee retention credit receivable	259,727	-
Pregnancy clinic supplies	3,263	4,487
Prepaid expenses	51,817	49,646
Total current assets	3,237,400	1,681,669
Unconditional promises to give, noncurrent	-	50,000
Property and equipment, net	78,283	127,198
Deposits and other assets	16,587	21,566
Total other assets	94,870	198,764
Total assets	\$ 3,332,270	\$ 1,880,433
Liabilities and net assets		
Current liabilities		
Accounts payable	\$ 45,121	\$ 28,383
Accrued vacation and other expenses	115,985	88,020
Total current liabilities	161,106	116,403
Long-term debt - PPP loan	222,194	233,023
Total liabilities	383,300	349,426
Net assets		
Without donor restrictions		
Board designated for future liquidity needs	239,975	239,975
Undesignated	2,686,902	1,229,112
Total without donor restrictions	2,926,877	1,469,087
With donor restrictions	22,093	61,920
Total net assets	2,948,970	1,531,007
Total liabilities and net assets	\$ 3,332,270	\$ 1,880,433

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

FIRST CARE FAMILY RESOURCES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Contributions and gifts	\$ 1,583,558	\$ 7,851	\$ 1,591,409
Special events	1,471,833	-	1,471,833
Interest and other income, net	285,613	-	285,613
Gifts in kind	12,715	-	12,715
PPP loan forgiveness	233,023	-	233,023
Net assets released from restrictions	47,678	(47,678)	-
Total revenue and support	3,634,420	(39,827)	3,594,593
Expenses:			
Program services	1,504,263	-	1,504,263
Management and general	392,739	-	392,739
Fundraising	279,628	-	279,628
Total expenses	2,176,630	-	2,176,630
Change in Net Assets	1,457,790	(39,827)	1,417,963
Net assets at beginning of the year	1,469,087	61,920	1,531,007
Net assets at end of year	\$ 2,926,877	\$ 22,093	\$ 2,948,970

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

FIRST CARE FAMILY RESOURCES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Contributions and gifts	\$ 1,419,844	\$ 3,109	\$ 1,422,953
Fees	1,018	-	1,018
Special events	535,614	-	535,614
Interest and other income, net	20,236	-	20,236
Gifts in kind	14,916	-	14,916
Net assets released from restrictions	94,479	(94,479)	-
Total revenue and support	<u>2,086,107</u>	<u>(91,370)</u>	<u>1,994,737</u>
Expenses:			
Program services	1,382,307	-	1,382,307
Management and general	334,763	-	334,763
Fundraising	213,155	-	213,155
Total expenses	<u>1,930,225</u>	<u>-</u>	<u>1,930,225</u>
Change in Net Assets	155,882	(91,370)	64,512
Net assets at beginning of the year	<u>1,313,205</u>	<u>153,290</u>	<u>1,466,495</u>
Net assets at end of year	<u><u>\$ 1,469,087</u></u>	<u><u>\$ 61,920</u></u>	<u><u>\$ 1,531,007</u></u>

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

FIRST CARE FAMILY RESOURCES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services	Management and General	Fundraising	Total
Salaries and employee benefits	\$ 774,686	\$ 252,628	\$ 121,275	\$ 1,148,589
Payroll taxes	58,040	18,675	9,001	85,716
Health insurance	35,983	11,293	1,516	48,792
Retirement benefits	14,725	6,723	3,193	24,641
Workers compensation	2,628	1,018	400	4,046
	<u>886,062</u>	<u>290,337</u>	<u>135,385</u>	<u>1,311,784</u>
Advertising	-	-	2,784	2,784
Building rent	249,201	12,208	18,091	279,500
Client counseling and medical	23,101	-	-	23,101
Client Acquisition and Management Fee	175,363	-	-	175,363
Computer and website expense	22,727	5,874	6,073	34,674
Conferences and meetings	-	11,816	-	11,816
Insurance	13,595	2,533	1,838	17,966
Interest expense	-	2,844	-	2,844
Legal and accounting	-	11,625	-	11,625
Office expense	7,562	35,807	2,686	46,055
Other	5,289	3,223	7,101	15,613
Postage and delivery	5	495	15,915	16,415
Printing and publications	12,195	19	23,677	35,891
Relocation and maintenance	32,191	1,383	817	34,391
Special events expense	-	-	62,312	62,312
Staff and volunteer training	2,075	10,891	80	13,046
Telephone	15,509	2,415	1,690	19,614
Travel	-	93	84	177
Utilities	10,107	577	856	11,540
	<u>1,454,982</u>	<u>392,140</u>	<u>279,389</u>	<u>2,126,511</u>
Total expenses before depreciation				
Depreciation	49,281	599	239	50,119
	<u>49,281</u>	<u>599</u>	<u>239</u>	<u>50,119</u>
Total expenses	<u>\$ 1,504,263</u>	<u>\$ 392,739</u>	<u>\$ 279,628</u>	<u>\$ 2,176,630</u>

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

FIRST CARE FAMILY RESOURCES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services	Management and General	Fundraising	Total
Salaries and employee benefits	\$ 774,830	\$ 236,994	\$ 64,074	\$ 1,075,898
Payroll taxes	55,650	19,523	4,634	79,807
Health insurance	39,813	10,118	1,380	51,311
Retirement benefits	14,319	5,262	1,118	20,699
Workers compensation	2,750	838	228	3,816
	<u>887,362</u>	<u>272,735</u>	<u>71,434</u>	<u>1,231,531</u>
Advertising	98,674	-	5,520	104,194
Building rent	257,576	8,486	17,564	283,626
Client counseling and medical	17,463	-	-	17,463
Computer and website expense	19,783	4,832	7,331	31,946
Conferences and meetings	5,844	3,145	-	8,989
Insurance	14,397	2,642	1,693	18,732
Interest	-	1,623	-	1,623
Legal and accounting	-	8,500	-	8,500
Office expense	4,767	20,263	2,520	27,550
Other	4,747	2,117	6,137	13,001
Postage and delivery	114	313	17,129	17,556
Printing and publications	2,680	3,762	25,494	31,936
Relocation and maintenance	13,827	668	368	14,863
Special events expense	-	-	53,437	53,437
Staff and volunteer training	2,035	1,772	16	3,823
Telephone	18,269	1,532	2,741	22,542
Travel	-	208	370	578
Utilities	10,614	589	907	12,110
	<u>1,358,152</u>	<u>333,187</u>	<u>212,661</u>	<u>1,904,000</u>
Total expenses before depreciation				
Depreciation	24,155	1,576	494	26,225
Total expenses	<u>\$ 1,382,307</u>	<u>\$ 334,763</u>	<u>\$ 213,155</u>	<u>\$ 1,930,225</u>

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

FIRST CARE FAMILY RESOURCES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 1,417,963	\$ 64,512
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	50,119	26,225
PPP loan forgiveness	(233,023)	-
Changes in operating assets & liabilities		
Unconditional promise to give & other receivables	(324,593)	13,834
Pregnancy clinic supplies	1,224	2,428
Prepaid expenses	(2,171)	17,790
Deposits and other assets	4,979	153
Accounts payable	16,738	(6,287)
Accrued vacation and other liabilities	27,965	15,117
Deferred revenue	-	(7,884)
Net cash provided by (used in) operating activities	<u>959,201</u>	<u>125,888</u>
Cash flows from investing activities:		
Purchase of fixed assets	(1,204)	(1,672)
Net cash provided by (used in) investing activities	<u>(1,204)</u>	<u>(1,672)</u>
Cash flows from financing activities:		
Proceeds from long-term debt	222,194	233,023
Net cash provided by (used in) financing activities	<u>222,194</u>	<u>233,023</u>
Increase (decrease) in cash and cash equivalents	<u>1,180,191</u>	<u>357,239</u>
Cash and cash equivalents, beginning of year	<u>1,424,350</u>	<u>1,067,111</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,604,541</u></u>	<u><u>\$ 1,424,350</u></u>

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

FIRST CARE FAMILY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

First Care Family Resources, Inc. (First Care) is a faith and community-based educational and health and welfare organization serving Palm Beach County, Florida. Its principal mission is to offer counseling and other assistance to women through the operation of pregnancy medical clinics.

First Care's mission is carried out by the operation of women's health clinics under the brand name of 'Palm Beach Women's Clinic'. Client services include programs designed to assist women in confronting and dealing with the physical, emotional, economic and social issues associated with pregnancy by offering counseling, pregnancy tests, sonograms, STI testing and treatment, infant and maternity clothing, baby food, infant formula and other goods and services to women in need.

First Care is managed by a full-time professional staff under the oversight and direction of a volunteer Board of Directors (the Board or Board of Directors). It vigorously enforces its policy to provide services to those in need regardless of the client's ability to pay. Accordingly, First Care is significantly dependent upon gifts and charitable contributions to assist in subsidizing nonrevenue-producing services.

Basis of accounting

First Care's financial statements are prepared on the accrual basis of accounting and in accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*.

Basis of presentation

First Care records unconditional promises to give (pledges) as contributions at fair value at the date the promises are received or made and distinguishes between promises received for each net asset category in accordance with donor restrictions, if any.

Net assets and revenue, expenses, gains and losses are classified as net assets with donor restrictions and net assets without donor restrictions based on the existence or absence, respectively, of donor-imposed restrictions. Accordingly, net assets of the First Care and changes therein are classified as follows:

Net assets without donor restrictions – Net assets either not restricted by donors or the donor-imposed restrictions have expired.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of First Care or the passage of time and net assets subject to donor-imposed stipulations to be maintained permanently by First Care. Generally, the donors of these assets permit First Care to use all or part of the earnings on related investments for general or specific purposes.

FIRST CARE FAMILY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain 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. The use of estimates includes, but are not limited to, amounts earned in the reporting period under grant contracts, the estimated value of in-kind services, the allocation of expenses among program and support categories, and useful lives of depreciable assets. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents consist of non-interest-bearing demand deposit accounts and interest-bearing money market accounts. Cash equivalents are short term investments with a maturity date of three months or less from the date of purchase. The concentration of credit risk associated with cash and cash equivalents is considered low due to the credit quality of the financial institutions and the immediate availability of these financial instruments.

Pregnancy clinic supplies

Infant and maternity clothing, diapers, baby beds and bedding accessories, strollers, nonperishable food and other items on hand at year-end are valued at cost for items purchased and at estimated fair value for donated goods. Inventory items are not resalable. Items are held for distribution to needy persons and their families.

Property and equipment

Property and equipment is stated at cost, if purchased, or if acquired by contribution, at estimated fair value on the date of contribution. Depreciation is provided for using the straight-line method over the five to ten year estimated useful lives of the assets. Office, computers and medical equipment are generally assigned an estimated useful life of 5-years; office furniture is assigned a useful life of 7-years; and leasehold improvements are generally amortized over a 10-year period. Expenditures for furniture and equipment costing \$1,000 or more are capitalized; lesser amounts are expensed.

Board designated net assets

The Board of Directors established an operating reserve with the objective of setting aside funds to be drawn upon in the event of financial distress or immediate liquidity need. The operating reserve balance totaled \$239,975 and \$239,975 at December 31, 2021 and 2020, respectively. The funds may be released from designation by majority vote of the Board of Directors' Finance Committee with notification to the entire Board.

Compensated Absences

First Care compensates its employees for designated holidays, vacation and sick time. The amount accrued as of December 31, 2021 and 2020 is \$33,928 and \$35,555, respectively.

FIRST CARE FAMILY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value of financial instruments

The carrying values of cash and cash equivalents, unconditional promise to give, accounts payable, and accrued vacation and other liabilities are reflected in the financial statements at fair value because, in management's opinion, the short maturity of these financial instruments is equal to the price that would be received to sell the assets or paid to transfer the liabilities in an orderly transaction between market participants at the measurement date.

Revenue recognition

Financial support is provided by private sector grants, public donations and gifts. Private grants and public contributions are recognized when received or when a donor or grantor makes an unconditional promise to give. Donor pledges are considered intent to give rather than an unconditional promise to give. Accordingly, pledges are not recognized as support at the time of the pledge. Contributions that contain donor stipulations that limit the use of an asset for specific purposes or designates the support for future periods, are reported as an increase in net assets with donor restrictions and net assets without donor restrictions depending upon the nature of the restriction. When a donor restriction expires, that is, when a stipulation time restriction ends or a purpose restriction is accomplished; net assets with donor restrictions are reclassified and reported in the statements of activities as net assets released from restrictions. Donor contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Contributions of long-lived assets (e.g., property and equipment) or contributions that the donor requires to be used to acquire long-lived assets are reported as net assets with donor restrictions. First Care reflects the expiration of the donor-imposed restriction when long-lived assets have been placed in service, at which time net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributed services and goods

Donated services that create or enhance a non-financial asset or that require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded as in-kind service income and in-kind expense at their respective fair value in the period received. Services donated by volunteers that do not meet those criteria are not recorded as in-kind services. Donated goods and supplies are recorded at their fair value when received.

Functional classification of expenses

In the accompanying statements of activities, expenses have been reported by their functional classification, a method of grouping expenses according to the purpose for which they were incurred. The primary functional classifications are program services and supporting activities. Program services are the activities that result in services being provided to members that fulfill the purposes or mission for which First Care exists. Supporting activities are all activities of organizations other than program services and are included in the financial statements as management and general expenses and fundraising expenses. Expenses are recorded in the period in which the obligation is incurred. Expenses are charges directly to program services or support activities based on specific identification, when possible. Indirect expenses are allocated among the programs and support categories based on the level of benefit received as measured by personnel time and facility usage associated with the activity or function.

FIRST CARE FAMILY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional classification of expenses (continued)

Income taxes

First Care is a tax-exempt, not-for-profit corporation under Internal Revenue Code (IRC) Section 501I(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Internal Revenue Service notified First Care by letter dated April 12, 1984, that its governing documents and plan of operations were designed in accordance with section 501I(3) of the Internal Revenue Code (the Code)

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by First Care and recognize a tax liability if First Care has taken an uncertain position that more than likely would not be substantiated upon examination by the tax authorities. Management monitors the on-going financial and functional activities undertaken by First Care for compliance with its exempt status requirements and has concluded that for the tax reporting periods ended December 31, 2021 and 2020, there were no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. First Care is no longer subject to income tax examinations for years prior to 2017.

Recent Accounting Pronouncements

The FASB has issued the following accounting standards updates that may affect First Care in future years. Management is evaluating the effects, if any, of the following updates:

- ASU 2016-09, *Leases*, will be effective for First Care for the year ending December 31, 2022 and must be adopted using a modified retrospective method. ASU 2016-02 generally requires lessees to recognize assets and liabilities arising from leases on the statements of financial position.
- ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, will be effective for the year ending December 31, 2022. ASU 2020-07 seeks to increase the transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure.

NOTE B – UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are recorded as receivables and support when received or promised. These contributions are considered unconditional promises to give which is a promise to give that depends only on the passage of time or demand by the promise for performance. Unconditional promises to give that are due beyond one year have been measured using the net present value of future cash flows based on a discount rate of 3%. For the year ended December 31, 2021 no discount for future payments has been recorded as the calculated amount was immaterial. The allowance for uncollectible pledges is based on management's estimate of uncollectible amounts in the future. As of December 31, 2021 and 2020, management determined no allowance for uncollectible pledges was needed.

FIRST CARE FAMILY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE B – UNCONDITIONAL PROMISES TO GIVE (CONTINUED)

Unconditional promises to give at December 31, 2021 and 2020 were as follows:

	2021	2020
Unconditional promises to give, net	<u>\$ 318,021</u>	<u>\$ 253,000</u>
Unconditional promises to give due within one year	\$ 318,021	\$ 203,000
Unconditional promises to give due in one-five years	-	50,000
	<u>\$ 318,021</u>	<u>\$ 253,000</u>

NOTE C – EMPLOYEE RETENTION CREDIT

During the year the organization computed and recognized \$259,727 in payroll expenses under the Employee Retention Credit (ERC) government program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Organization’s claim to the ERC, and it is not possible to determine the impact (if any) this would have upon the Organization. In April 2022, subsequent to the year end, the organization received a credit for the full amount of \$259,727 from the US Treasury Department, representing the Employee Retention Credit claimed.

NOTE D– PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2021 and 2020:

	2021	2020
Leasehold improvements	\$ 71,531	\$ 77,863
Office and computer equipment	53,586	37,501
Medical equipment	113,257	130,679
Office furniture	18,548	18,548
	<u>256,922</u>	<u>264,591</u>
Less: Accumulated depreciation	(178,639)	(137,393)
Property and equipment, net	<u>\$ 78,283</u>	<u>\$ 127,198</u>

FIRST CARE FAMILY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE E – LONG TERM DEBT – PPP LOANS

In 2020, First Care applied for and was approved for a \$231,400 loan under the Paycheck Protection Program (PPP loan) created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The PPP loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the PPP loan. First Care was eligible for PPP loan forgiveness of up to 100% of the PPP loan, upon meeting certain requirements. The PPP loan was uncollateralized and was fully guaranteed by the Federal government. On June 15, 2021 First Care received notice from the Small Business Administration (SBA) that 100% of the PPP loan has been forgiven. At the time of the notice, the outstanding principal balance was \$231,400 and interest was \$2,713.

On March 12, 2021, First Care received a second draw from Paycheck Protection Program (PPP loan) of \$220,440. This PPP loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the PPP loan. First Care is eligible for PPP loan forgiveness of up to 100% of the PPP loan, upon meeting certain requirements. The PPP loan is uncollateralized and is fully guaranteed by the Federal government. At December 31, 2021, the outstanding principal balance was \$220,440 and accrued interest was \$1,754. Subsequent to the year ended December 31, 2021, First Care received notice from the Small Business Administration (SBA) that 100% of this PPP loan has been forgiven. As of December 31, 2021, the outstanding balance was \$222,194 and is included in long term debt, net of current portion on the statement of financial position.

NOTE F – IN-KIND CONTRIBUTIONS

First Care receives the majority of baby and maternity supplies from individuals and churches, which are recorded as in-kind support at estimated fair value. In accordance with the accounting policies set forth in Note A, the estimated fair value of the donated services rendered by nurses and other medical professionals and the rental value of donated facilities are recorded as in-kind support and expense in the accompanying statements of activities. Furthermore, the receipt of donated equipment or the purchase of equipment at a price significantly below its current value is also recorded as in-kind support.

In-kind support for the years ended December 31, 2021 and 2020 consisted of:

	<u>2021</u>	<u>2020</u>
Baby and maternity supplies	\$ 2,129	\$ 7,927
Equipment and supplies	9,040	-
Volunteer professionals	1,546	6,989
	<u>\$ 12,715</u>	<u>\$ 14,916</u>

Volunteer time that did not meet the criteria for recognition in the accompanying financial statements totaled 798 and 987 hours for the years ended December 31, 2021 and 2020 having an estimated fair value of \$22,775 and \$26,860, respectively.

FIRST CARE FAMILY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE G – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at December 31, 2021 and 2020:

	December 31, 2020	Contributions	Released	December 31, 2021
Baby closets	\$ 98	\$ -	\$ (98)	\$ -
Boca Raton RV/clinic	309	1,900	(2,209)	-
Natural childbirth education	420	-	-	420
Johanna Jurado Memorial Fund	29,165	2,050	(9,751)	21,464
Empowerment Fund	31,719	-	(31,719)	-
Light & Hope Project	209	-	-	209
Benevolence	-	2,425	(2,425)	-
Jamaica PRC	-	1,476	(1,476)	-
Outreach	-	-	-	-
	<u>\$ 61,920</u>	<u>\$ 7,851</u>	<u>\$ (47,678)</u>	<u>\$ 22,093</u>

	December 31, 2019	Contributions	Released	December 31, 2020
Baby closets	\$ 98	\$ -	\$ -	\$ 98
Boca Raton RV/clinic	1,293	1,100	(2,084)	309
Natural childbirth education	420	-	-	420
Johanna Jurado Memorial Fund	30,616	1,800	(3,251)	29,165
Empowerment Fund	95,405	-	(63,686)	31,719
Light & Hope Project	-	209	-	209
Outreach	25,458	-	(25,458)	-
	<u>\$ 153,290</u>	<u>\$ 3,109</u>	<u>\$ (94,479)</u>	<u>\$ 61,920</u>

NOTE H – CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject First Care to concentrations of credit risk consist principally of cash and cash equivalents. First Care maintains its cash and cash equivalents in various bank deposit accounts which, at times, may exceed federally insured limits. First Care has not experienced any losses in such accounts.

As of December 31, 2021, 93% of unconditional promises to give are due from four (4) donors, management believes the unconditional promises to give to be fully collectible.

FIRST CARE FAMILY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE I – RETIREMENT PLAN

First Care maintains a SIMPLE IRA plan under Code Section 408(p). Under the plan, employees are able to contribute up to the maximum allowed by the Internal Revenue Service. First Care made matching contributions of \$24,641 and \$20,699 for the years ended December 31, 2021 and 2020, respectively.

NOTE J – LEASE COMMITMENTS

First Care operates its administrative offices and its pregnancy clinics in leased facilities under operating lease arrangements. For the year ended December 31, 2021, facility lease expense totaled \$279,500. During the February 4th 2021 Board of Directors meeting, it was announced that the lease for its Lake Worth location won't be renewed beyond the current end date of 4/30/2022.

Future minimum annual lease payments for the administrative office and clinics for the remaining terms of the leases in effect at December 31, 2021 are as follows:

Year Ending December 31,	Office	Clinics	Total
2022	44,473	168,378	212,851
2023	46,002	156,282	202,284
2024	47,382	159,159	206,541
2025	47,613	163,402	211,015
2026 and thereafter	48,804	166,588	215,392
	\$ 234,274	\$ 813,809	\$ 1,048,083

NOTE K – LIQUIDITY

The following reflects First Care's financial assets as of December 31, 2021 and 2020, reduced by amounts not available for general expenditures within one year of the statement of financial position date.

	2021	2020
Financial assets:		
Cash and cash equivalents	\$ 2,604,541	\$ 1,424,350
Unconditional promises to give	318,052	253,186
Total Financial assets, at year-end	2,922,593	1,677,536
Less those unavailable for general expenditures within one year due to:		
Donor restricted	(22,093)	(61,920)
Board designated reserves for future liquidity needs	(239,975)	(239,975)
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,660,525	\$ 1,375,641

FIRST CARE FAMILY RESOURCES, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE L – SUBSEQUENT EVENTS

In the normal course of preparing First Care’s financial statements, management reviews events that occur after the statement of financial position date, December 31, 2021, for potential recognition or disclosure in the financial statements. Management has evaluated subsequent events through May 3, 2022, which is the date the financial statements were available to be issued.