SAVE THE STORKS

Financial Statements
With Independent Auditors' Report

December 31, 2021 and 2020

CAPINCROUSE LLP

SAVE THE STORKS

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CAPINCROUSE LLP

Celebrating 50 YEARS OF EMPOWERING NONPROFITS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Save the Storks
Colorado Springs, Colorado

Opinion
We have audited the accompanying financial statements of Save the Storks, which comprise the statements of financial position as of December 31 , 2021 and 2020, 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 Save the Storks as of December 31, 2021 and 2020, 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 Save the Storks 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, 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 Save the Storks' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Board of Directors
Save the Storks
Colorado Springs, Colorado

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, 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 Save the Storks' 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 Save the Storks' 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.

Capin Crouse LLP

Colorado Springs, Colorado
May 19, 2022

SAVE THE STORKS

Statements of Financial Position

	December 31, 2021	December 31, 2020
ASSETS:		
Cash and cash equivalents	$ 2,932,949	$ 2,003,656
Prepaid expenses and other assets	228,444	282,258
Assets held for sale	474,106	70,560
Property and equipment–net	692,039	1,511,191
Total Assets	$ 4,327,538	$ 3,867,665
LIABILITIES AND NET ASSETS:		
Accounts payable and accrued expenses	$ 202,596	$ 653,698
Grants payable	160,000	169,000
Deferred income	10,774	10,000
Deferred lease incentive–net	158,515	203,805
Note payable	262,118	270,907
Total liabilities	794,003	1,307,410
Net assets:		
Without donor restrictions	3,441,815	1,897,195
With donor restrictions	91,720	663,060
Total net assets	3,533,535	2,560,255
Total Liabilities and Net Assets	$ 4,327,538	$ 3,867,665

See notes to financial statements

SAVE THE STORKS

Statements of Activities

	Year Ended December 31,					
	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	$ 7,432,609	$ 419,188	$ 7,851,797	$ 7,288,977	$ 654,830	$ 7,943,807
Government grant revenue	428,303	-	428,303	428,303	-	$ 428,303
Service and product income	75,790	-	75,790	276,768	-	276,768
Special events:						
Contributions	-	-	-	487,159	-	487,159
Other revenue	-	-	-	173,298	-	173,298
Costs of direct benefits to donors	-	-	-	(221,925)	-	(221,925)
	-	-	-	438,532	-	438,532
Loss on sale of property and equipment	(160,803)	-	(160,803)	-	-	-
Other income	15,947	-	15,947	17,936	-	17,936
Total Support and Revenue	7,791,846	419,188	8,211,034	8,450,516	654,830	9,105,346
NET ASSETS RELEASED:						
Purpose restrictions	990,528	(990,528)	-	2,215,683	(2,215,683)	-
EXPENSES:						
Program activities	5,482,350	-	5,482,350	6,742,012	-	6,742,012
Supporting activities:						
Fund-raising	743,907	-	743,907	1,227,609	-	1,227,609
General and administrative	1,011,497	-	1,011,497	1,377,793	-	1,377,793
	1,755,404	-	1,755,404	2,605,402	-	2,605,402
Total Expenses	7,237,754	-	7,237,754	9,347,414	-	9,347,414
Change in Net Assets	1,544,620	(571,340)	973,280	1,318,785	(1,560,853)	(242,068)
Net Assets, Beginning of Year	1,897,195	663,060	2,560,255	578,410	2,223,913	2,802,323
Net Assets, End of Year	$ 3,441,815	$ 91,720	$ 3,533,535	$ 1,897,195	$ 663,060	$ 2,560,255

See notes to financial statements

SAVE THE STORKS

Statement of Functional Expenses

Year Ended December 31, 2021

		Supporting Activities:		
	Program Services	Fund-raising	General and Administrative	Total
Salaries and benefits	$ 1,853,672	$ 243,903	$ 341,465	$ 2,439,040
Contributions to others	1,505,763	-	-	1,505,763
Professional services	722,702	149,539	247,662	1,119,903
Communication and events	495,807	194,084	45,630	735,521
Office and other expenses	227,103	78,272	276,590	581,965
Depreciation expense	205,710	18,870	29,037	253,617
Facilities and maintenance	180,826	17,425	32,816	231,067
Travel	121,022	41,814	32,187	195,023
Mobile medical unit manufacturing	169,745	-	6,110	175,855
Total Expenses	$ 5,482,350	$ 743,907	$ 1,011,497	$ 7,237,754

See notes to financial statements

SAVE THE STORKS

Statement of Functional Expenses

Year Ended December 31, 2020

		Supporting Activities:		
	Program Services	Fund-raising	General and Administrative	Total
Salaries and benefits	$ 1,832,898	$ 493,950	$ 144,703	$ 2,471,551
Contributions to others	2,455,871	-	-	2,455,871
Professional services	774,098	303,668	793,583	1,871,349
Communication and events	369,127	18,180	365,123	752,430
Office and other expenses	358,350	312,317	40,441	711,108
Depreciation expense	208,084	40,495	11,685	260,264
Facilities and maintenance	205,598	40,580	12,777	258,955
Travel	165,605	18,419	9,481	193,505
Mobile medical unit manufacturing	372,381	-	-	372,381
Total Expenses	$ 6,742,012	$ 1,227,609	$ 1,377,793	$ 9,347,414

See notes to financial statements

SAVE THE STORKS

Statements of Cash Flows

	Year Ended December 31, 2021	Year Ended December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 973,280	$ (242,068)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	253,617	260,264
Loss on disposal of property and equipment	160,803	-
Forgiveness of Paycheck Protection Program loan	(428,303)	(428,303)
Contribution of property and equipment	143,200	-
Change in operating assets and liabilities:		
Accounts receivable–net	-	29,899
Prepaid expenses and other assets	53,814	921,853
Accounts payable and accrued expenses	(451,102)	(33,362)
Grants payable	(9,000)	169,000
Deferred income	774	(682,289)
Deferred lease incentive–net	(45,290)	203,805
Net Cash Provided by Operating Activities	651,793	198,799
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(172,514)	(306,744)
Proceeds from sale of property and equipment	30,500	-
Net Cash Used by Investing Activities	(142,014)	(306,744)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on note payable	(8,789)	(8,319)
Proceeds from Paycheck Protection Program loan	428,303	428,303
Net Cash Provided by Investing Activities	419,514	419,984
Change in Cash and Cash Equivalents	929,293	312,039
Cash and Cash Equivalents, Beginning of Year	2,003,656	1,691,617
Cash and Cash Equivalents, End of Year	$ 2,932,949	$ 2,003,656

(continued)

See notes to financial statements

SAVE THE STORKS

Statements of Cash Flows
(continued)

	Year Ended December 31, 2021	Year Ended December 31, 2020
SUPPLEMENTAL DISCLOSURE:		
Transfer to asset held for sale	$ 474,106	$ 70,560
Non-cash forgiveness of Paycheck Protection Program loan	$ 428,303	$ 428,303

See notes to financial statements

SAVE THE STORKS

Notes to Financial Statements

December 31, 2021 and 2020

1. NATURE OF ORGANIZATION:

   Officially founded in 2012, Save the Storks (STS) is a nonprofit corporation that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state laws. Save The Storks is not a private foundation under Section 509(a) of the Internal Revenue Code.

   The initial program of Save the Storks was developing partnerships with pregnancy resource centers across the nation and helping them launch Mobile Medical Units (MMU). As the organization grew, the goal of serving abortion-vulnerable moms and saving babies continued to expand. There was an increased need to equip pregnancy resource centers with more than just mobile ministry. Save the Storks has since developed and implemented training curriculum and services to help the centers more efficiently and effectively serve their communities.

   The stated mission of Save the Storks is to revolutionize the meaning of pro-life. This is accomplished by: 1) changing the language and conversation around pro-life, 2) creating innovative ways to engage and serve abortion-vulnerable women and save babies, 3) equipping grassroots leaders with strategies and tools to provide love, compassion and action to women in crisis pregnancies, and 4) mobilizing cultural influences to create catalytic change.

2. SIGNIFICANT ACCOUNTING POLICIES:

   STS maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures 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. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

   CASH AND CASH EQUIVALENTS

   Cash and cash equivalents consist of cash held in checking and savings accounts, cash on hand, and money market funds. As of December 31, 2021 and 2020, cash on deposit with financial institutions exceeded federally insured limits by approximately $2,334,000 and $2,087,000, respectively. STS has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

ASSETS HELD FOR SALE
As of December 31, 2020, assets held for sale consisted of a mobile medical unit, which was sold during the year ended December 31, 2021. As of December 31, 2021, assets held for sale consist of land and a building. The assets are recorded at the lower of market value or historical cost, net of accumulated depreciation.

PROPERTY AND EQUIPMENT–NET:
Property and equipment are recorded at cost or, if donated, at fair market value at the date of donation. Assets costing greater than $2,500 are capitalized. Depreciation is recorded over the estimated useful lives of the assets on a straight-line basis, which range from three to thirty years. Leasehold improvements are depreciated or amortized over the lessor of the useful life or lease term.

DEFERRED INCOME
Deferred income is recorded for the unearned portion of payments received on mobile medical units (MMU). Revenue is recognized as earned, which is at point of delivery of the MMU. Deferred income is also recorded for the unearned portion of ticket sales related to upcoming events.

GRANTS PAYABLE
Grants payable consist of amounts not yet paid, but unconditionally promised, to recipient organizations as of December 31, 2021 and 2020.

NET ASSETS
The financial statements report amounts separately by class of net assets as follows:

Net assets without donor restrictions are those resources currently available at the discretion of the board of directors for use in STS's operations.

Net assets with donor restrictions are those contributions restricted by donors for various ministry projects and programs.

SUPPORT, REVENUE, AND EXPENSES
Contributions are recorded when made, which may be when cash and other assets are received or unconditionally promised. Gifts of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated amounts. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, 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. All contributions are considered available for use without donor restrictions unless specifically restricted by the donor.

Service and product income consists primarily of MMU sales to pregnancy resource centers and is recognized when earned.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT, REVENUE, AND EXPENSES, continued:

During the year ended December 31, 2021, STS received a second draw Paycheck Protection Program 2 (PPP) loan of $428,303. STS incurred qualifying expenses exceeding the loan amount and on August 19, 2021, STS' request for loan forgiveness was granted by the Small Business Administration (SBA). During the year ended December 31, 2020, STS received the first PPP loan for the same amount, which was forgiven by the SBA on November 2, 2020. The full amount of both grants are recorded in government grant revenue on the statements of activities. STS has adopted the simultaneous release option for funds received through conditional grants. Therefore, all conditional grants for which STS has met the barriers for revenue recognition have been treated as grants without donor restrictions in the statements of activities.

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of STS. These expenses include salaries and benefits, facilities, travel, depreciation, and other. Depreciation and facilities are allocated based on square footage. Costs of other categories are allocated on estimates of time and effort. Total expenses include all operating expenses.

JOINT COSTS

STS hosts events and sends marketing materials throughout the year that result in joint cost. Joint costs are incurred when requests for contributions and program service activities are conducted simultaneously. Joint costs are allocated based on time and effort or space used on marketing materials. Total joint costs consist of the following:

	December 31, 2021	December 31, 2020
Program services	$ 150,430	$ 312,500
Fund-raising	37,607	312,500
	$ 188,037	$ 625,000

3. LIQUIDITY AND FUNDS AVAILABLE:

STS has approximately $2,933,000 and $2,004,000 of financial assets available for general expenditure within one year of the statements of financial position date as of December 31, 2021 and 2020, respectively. This amount consists of cash and cash equivalents. STS has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

4. PROPERTY AND EQUIPMENT–NET:

Property and equipment–net consist of:

	December 31, 2021	December 31, 2020
Leasehold improvements	$ 944,907	$ 944,907
Equipment	132,767	145,008
Software	135,000	-
Vehicles	-	266,134
Buildings	-	331,464
Land	-	31,300
	1,212,674	1,718,813
Less accumulated depreciation and amortization	(520,635)	(425,694)
	692,039	1,293,119
Construction in progress	-	218,072
	$ 692,039	$ 1,511,191

5. NOTE PAYABLE:

Note payable consists of:

	December 31, 2021	December 31, 2020
Note payable consists of a mortgage to a financial institution. The mortgage bears interest at 4.98% and has monthly principal and interest payments of $1,855 with a balloon payment required upon maturity. The mortgage matures in November 2029 and is secured by land and buildings.	$ 262,118	$ 270,907

Future minimum payments are:

Year Ending December 31,	
2022	$ 9,447
2023	9,929
2024	10,435
2025	10,966
2026	11,525
Thereafter	209,816
	$ 262,118

SAVE THE STORKS

Notes to Financial Statements

December 31, 2021 and 2020

6. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of:

	December 31, 2021	December 31, 2020
Mobile medical units	$ 61,720	$ 658,010
Other	30,000	5,050
	$ 91,720	$ 663,060

7. RELATED PARTIES:

During the years ended December 31, 2021 and 2020, STS paid $60,000 and $63,684, respectively, for consulting services provided by board members. STS also paid $60,000 and $0, to a former board member who managed the New York property and training program, during the years ended December 31, 2021 and 2020, respectively. STS also paid $0 and $27,800 to companies owned by board members during the years ended December 31, 2021 and 2020, respectively.

8. OPERATING LEASE:

During the year ended December 31, 2019, STS entered into a lease agreement with an unrelated third party vendor for use of office space. Per the agreement, the lessor agreed to pay for leasehold improvements up to $271,740. This is considered a lease incentive. The total costs of the leasehold improvements were capitalized, and the amount paid directly by the lessor, $271,740, was recorded as a deferred lease incentive liability. The deferred lease incentive will be amortized at a rate of $3,774 per month over the life of the lease as an offset against rent expense. As of December 31, 2021 and 2020, the deferred lease incentive is stated net of amortization of $113,225 and $67,935, respectively. Net lease expense for the years ended December 31, 2021 and 2020 was $174,251 and $196,024, respectively.

Future minimum payments required under lease agreements and other contractual obligations as of December 31, 2021, are:

Year Ending December 31,	
2022	$ 133,605
2023	138,135
2024	142,664
2025	72,464
2026	-
Thereafter	-
	$ 486,868

9. <u>RISKS AND UNCERTAINTIES:</u>

In March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remain unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of STS for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.

10. <u>SUBSEQUENT EVENTS:</u>

Subsequent events were evaluated through May 19, 2022, which is the date the financial statements were available to be issued.