

MISSION: Pre-Born, Inc.

Financial Statements

Year Ended September 30, 2020

MISSION: Pre-Born, Inc.

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BEESON, HOFFMAN & SIDDALL, INC.

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Independent Auditor's Report

March 12, 2021

Board of Directors
MISSION: Pre-Born, Inc.
Indianapolis, IN

We have audited the accompanying financial statements of MISSION: Pre-Born, Inc. (a non-profit organization), which comprise the statement of financial position as of September 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MISSION: Pre-Born, Inc. as of September 30, 2020, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Beeson, Hoffman & Siddall

MISSION: PRE-BORN, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2020

ASSETS

Cash and cash equivalents	\$ 2,035,369
Prepays	179,590
Certificates of deposit	4,767,653
Property and equipment, net	25,276
Deposits	<u>855</u>
Total Assets	\$ <u>7,008,743</u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable and accrued expenses	\$ <u>259,906</u>
Total Liabilities	<u>259,906</u>

Net Assets

Net assets without donor restrictions	5,335,933
Net assets with donor restrictions	<u>1,412,904</u>
Total Net Assets	<u>6,748,837</u>
Total Liabilities and Net Assets	\$ <u>7,008,743</u>

See Accompanying Notes

MISSION: PRE-BORN, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support & Revenues			
Contributions	\$ 6,556,811	\$ 3,499,037	\$ 10,055,848
Interest and dividends	72,379	-	72,379
Investment income	22,669	-	22,669
Other income	31,233	-	31,233
Net assets released from restrictions	<u>3,690,131</u>	<u>(3,690,131)</u>	<u>-</u>
Total Revenues	<u>10,373,223</u>	<u>(191,094)</u>	<u>10,182,129</u>
Expenses			
Program	9,337,836	-	9,337,836
Support: management & general	779,610	-	779,610
Fundraising	<u>311,935</u>	<u>-</u>	<u>311,935</u>
Total Expenses	<u>10,429,381</u>	<u>-</u>	<u>10,429,381</u>
Change in Net Assets	(56,158)	(191,094)	(247,252)
Net Assets - Beginning of Year	<u>5,392,091</u>	<u>1,603,998</u>	<u>6,996,089</u>
Net Assets - End of Year	<u>\$ 5,335,933</u>	<u>\$ 1,412,904</u>	<u>\$ 6,748,837</u>

See Accompanying Notes

MISSION: PRE-BORN, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Consulting</u>	<u>Events</u>	<u>Sponsor- ship</u>	<u>Operation Equipment</u>	<u>Total Program</u>	<u>Support: Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 801,630	\$ -	\$ -	\$ 73,372	\$ 875,002	\$ 282,718	\$ 177,660	\$ 1,335,380
Printing	21,569	-	-	21,057	42,626	69,381	28,734	140,741
Marketing	67,436	-	922,830	49,298	1,039,564	38,422	1,599	1,079,585
Office	20,992	52	92,097	-	113,141	165,940	15,305	294,386
Facilities	-	-	-	-	-	42,149	-	42,149
Insurance	-	-	-	-	-	15,732	-	15,732
Auto	-	-	-	-	-	9,543	-	9,543
Travel	35,126	5,643	12,600	9,815	63,184	31,655	21,562	116,401
Professional seivces	240	-	-	-	240	71,756	4,000	75,996
Contract labor	26,057	-	-	14,270	40,327	15,795	11,200	67,322
Program and grants	4,497,142	23,761	1,631,054	1,011,795	7,163,752	30,389	51,875	7,246,016
Depreciation	-	-	-	-	-	6,130	-	6,130
	<u>\$ 5,470,192</u>	<u>\$ 29,456</u>	<u>\$ 2,658,581</u>	<u>\$ 1,179,608</u>	<u>\$ 9,337,836</u>	<u>\$ 779,610</u>	<u>\$ 311,935</u>	<u>\$ 10,429,381</u>

See Accompanying Notes

MISSION: PRE-BORN, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Operating Activities

Change in net assets	\$ (247,252)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	6,130
Sources and (uses) of cash from changes in operating assets and liabilities:	
Prepays	(87,363)
Accounts payable and accrued expenses	<u>(245,507)</u>

Net Cash Used by Operating Activities (573,992)

Investing Activities

Sale of certificates of deposit	1,426,077
Expenditures for property and equipment	<u>(16,398)</u>

Net Cash Provided by Investing Activities 1,409,679

Net Change in Cash 835,687

Beginning Cash 1,199,682

Ending Cash \$ 2,035,369

See Accompanying Notes

MISSION: PRE-BORN, INC.
Notes to Financial Statements
September 30, 2020

1. Nature of the Organization

MISSION: Pre-Born, Inc. (Pre-born!) was incorporated in 2007 in Indiana as a not-for-profit public charity exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. Contributions made by the public are deductible for income tax purposes.

The vision of Pre-Born! is to glorify Jesus Christ by leading and equipping pregnancy clinics to save more babies and souls. Pre-Born! strategically impacts the abortion industry through the following initiatives: Prayer, Equipping Pregnancy Clinics and Evangelism Training.

2. Summary of Significant Accounting Policies

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The statements include a statement of financial position that presents the amount of net assets as either with restrictions or without restrictions based on the existence or absence of donor-imposed restrictions, a statement of activities that reflects the change in those categories of net assets, and a statement of functional expenses that shows the detailed nature of the expenses.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The carrying values of cash and cash equivalents approximate their fair values because of the short maturities of those financial instruments.

Certificates of Deposit

Certificates of deposit are valued at cost plus accrued interest, which approximates fair value due to the short-term nature of these investments.

Property and Equipment

The Organization capitalizes property and equipment over \$1,000. 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 over estimated useful lives ranging from three to ten years.

The Organization reviews the carrying value of its property and equipment for impairment whenever events or changes in circumstances indicate the net carrying value may not be recoverable.

MISSION: PRE-BORN, INC.
Notes to Financial Statements
September 30, 2020

2. Summary of Significant Accounting Policies (continued)

Estimates

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax Status

The Organization files information returns with federal and state governments. The returns are subject to examination by the relevant authorities under the prescribed statutes of limitation.

Net Assets

The financial statements report amounts by classification of net assets as follows:

Net assets without donor restrictions are those currently available for purposes under the direction of the board, designated by the board and resources invested in property and equipment.

Net assets with donor restrictions are contributed with donor stipulations for specific operating purposes or programs.

Support, Revenue and Reclassifications

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of donated assets is transferred to the Organization. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met. Donated property (including securities, real property and equipment) is recorded at estimated fair value on the date of the gift.

The Organization receives gifts of cash and other assets as “support with donor restrictions” if they are received with donor stipulations that limit the use of the donated amounts. 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. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

MISSION: PRE-BORN, INC.
Notes to Financial Statements
September 30, 2020

2. Summary of Significant Accounting Policies (continued)

Expenses

All expenses are stated on the accrual basis and presented on both a program area basis and a functional basis. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include printing and marketing, which are allocated based on the nature of the mailing as well as salaries and benefits, which are allocated on the basis of estimates of time and effort.

Advertising

Advertising costs are expensed as incurred. During the year ended September 30, 2020, advertising costs totaled \$1,073,364.

Evaluation of Subsequent Events

Management has evaluated the impact of all subsequent events through March 12, 2021, which was the date the financial statements were available to be issued.

3. Property and Equipment

Property and equipment consist of the following:

Office equipment	\$ 44,906
Less accumulated depreciation	<u>(19,630)</u>
	<u>\$ 25,276</u>

4. Retirement Plan

The Organization has a defined contribution pension plan under Section 401(k) of the Internal Revenue Code that all eligible employees. During the year ended September 30, 2020, the organization contributed \$72,915 to the plan.

MISSION: PRE-BORN, INC.
Notes to Financial Statements
September 30, 2020

5. Liquidity

The following reflects the Organization's financial assets as of September 30, 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year. Financial assets are considered unavailable when illiquid, not convertible to cash within one year or restricted by donors either for long-term purposes or for use in a certain time period. Pre-Born! has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due.

Cash and cash equivalents	\$ 2,035,369
Certificates of deposit	4,767,653
Restricted by donor for purpose	<u>(1,412,904)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,390,118</u>