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ACCOUNTING
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THURMAN L. BROOKS, CPA, LLC

THE GERMAN ST VINCENT ORPHAN ASSOCIATION

**INDEPENDENT AUDITOR'S REPORT AND
FINANCIAL STATEMENTS**

DECEMBER 31, 2023 and 2022

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Independent Auditor's Report

To the Board of Directors
The German St Vincent Orphan Association
St. Louis, Missouri

Opinion

I have audited the accompanying financial statements of The German St Vincent Orphan Association (a nonprofit organization), which comprise the statements of financial position, as of December 31, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The German St Vincent Orphan Association as of December 31, 2023 and 2022, 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

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibility under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of The German St Vincent Orphan Association and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The German St Vincent Orphan Association'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

My 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 my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually, or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgement 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 German St Vincent Orphan Association'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about The German St Vincent Orphan Association's ability to continue as a going concern for a reasonable period of time.

I am 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.



Thurman L Brooks CPA, LLC
St. Louis, Missouri
June 17, 2024

THE GERMAN ST. VINCENT ORPHAN ASSOCIATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31,

ASSETS

	2023	2022
Current Assets		
Cash	\$ 769,232	\$ 884,302
Accounts receivable, net	349,849	363,108
Unconditional promise to give	81,149	79,094
Prepaid Expenses	27,389	26,630
Short-term investment	38,200	36,150
Total Current Assets	1,265,819	1,389,284
Property and Equipment, net	2,177,495	2,248,633
Other Assets		
Assets Subject to Operating Leases, Net of Amortization	17,473	23,540
Beneficial interest in perpetual trusts	852,413	973,856
Total Other Assets	869,886	997,396
TOTAL ASSETS	\$ 4,313,200	\$ 4,635,313

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 95,392	\$ 89,213
Accrued salaries and taxes	46,742	144,292
Right of use liability	5,724	6,067
Other current liabilities	-	10,821
Total Current Liabilities	147,858	250,393
Long Term Liabilities		
Right of use liability	11,749	17,473
Total Liabilities	159,607	267,866
Net Assets		
Without donor restrictions	2,002,256	2,323,784
With donor restrictions	2,151,337	2,043,663
Total Net Assets	4,153,593	4,367,447
TOTAL LIABILITIES AND NET ASSETS	\$ 4,313,200	\$ 4,635,313

THE GERMAN ST. VINCENT ORPHAN ASSOCIATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restriction	With Donor Restriction	Total
Public Support and Revenues			
Public Support:			
Contributions and grants	\$ 1,244,276	\$ 1,031,865	\$ 2,276,141
Fundraising	150,399	-	150,399
United Way of Greater St. Louis	-	95,646	95,646
Total Public Support	<u>1,394,675</u>	<u>1,127,511</u>	<u>2,522,186</u>
Revenues:			
Fee for services	1,314,260	-	1,314,260
Investment loss	-	(112,440)	(112,440)
Miscellaneous	38,095	-	38,095
Total Revenue	<u>1,352,355</u>	<u>(112,440)</u>	<u>1,239,915</u>
Net assets released from restrictions	907,397	(907,397)	-
Total Public Support and Revenues	3,654,427	107,674	3,762,101
Expenses			
Program Services	3,129,511	-	3,129,511
Management and general	588,432	-	588,432
Development	258,012	-	258,012
Total Expenses	<u>3,975,955</u>	<u>-</u>	<u>3,975,955</u>
CHANGE IN NET ASSETS	(321,528)	107,674	(213,854)
NET ASSETS, Beginning of year	<u>2,323,784</u>	<u>2,043,663</u>	<u>4,367,447</u>
NET ASSETS, End of year	<u><u>\$ 2,002,256</u></u>	<u><u>\$ 2,151,337</u></u>	<u><u>\$ 4,153,593</u></u>

See accompanying notes to financial statements

THE GERMAN ST. VINCENT ORPHAN ASSOCIATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2022

	Without Donor Restriction	With Donor Restriction	Total
Public Support and Revenues			
Public Support:			
Contributions and grants	\$ 854,446	\$ 811,231	\$ 1,665,677
Fundraising	166,797	-	166,797
United Way of Greater St. Louis	-	79,094	79,094
Total Public Support	<u>1,021,243</u>	<u>890,325</u>	<u>1,911,568</u>
Revenues:			
Fee for services	1,390,112	-	1,390,112
Investment loss	-	(410,182)	(410,182)
Miscellaneous	77,654	-	77,654
Total Revenue	<u>1,467,766</u>	<u>(410,182)</u>	<u>1,057,584</u>
Net assets released from restrictions	634,094	(634,094)	-
Total Public Support and Revenues	3,123,103	(153,951)	2,969,152
Expenses			
Program Services	2,495,279	-	2,495,279
Management and general	667,025	-	667,025
Development	236,135	-	236,135
Total Expenses	<u>3,398,439</u>	<u>-</u>	<u>3,398,439</u>
CHANGE IN NET ASSETS	(275,336)	(153,951)	(429,287)
NET ASSETS, Beginning of year	<u>2,599,120</u>	<u>2,197,614</u>	<u>4,796,734</u>
NET ASSETS, End of year	<u><u>\$2,323,784</u></u>	<u><u>\$2,043,663</u></u>	<u><u>\$4,367,447</u></u>

See accompanying notes to financial statements

THE GERMAN ST. VINCENT ORPHAN ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services					Supporting Services			
	Residential Days	Counseling / Crisis	Case Management	Group Therapy	inHome Counseling	Program Total	Management and General	Development	Total
Salaries and wages	\$ 1,275,870	\$ 243,881	\$ 65,325	\$ 54,438	\$ 87,100	\$ 1,726,615	\$ 298,471	\$ 152,426	\$ 2,177,512
Benefits and taxes	188,096	40,281	10,789	8,991	14,386	262,544	71,930	25,175	359,649
Total Salaries and related benefits	1,463,966	284,162	76,115	63,429	101,486	1,989,159	370,401	177,601	2,537,161
Program expenses - direct	105,853	17,096	4,579	3,816	6,106	137,449	30,528	10,685	178,662
Professional services	13,300	2,848	763	636	1,017	18,564	5,086	1,780	25,430
Depreciation	91,049	19,498	5,223	4,352	6,964	127,086	31,287	12,186	170,559
Utilities	78,025	16,709	4,476	3,730	5,967	108,907	29,837	10,443	149,187
Insurance	62,567	13,399	3,589	2,991	4,785	87,331	14,372	8,374	110,077
Office expense	34,530	7,394	1,981	1,651	2,641	48,196	13,204	4,622	66,022
Supplies	4,444	952	255	212	340	6,203	2,778	595	9,576
Fundraising - direct	14,957	3,203	858	715	1,144	20,877	5,720	1,900	28,496
Repairs and maintenance	75,439	16,155	4,327	3,606	5,770	105,297	28,849	10,097	144,243
Leases	3,948	845	226	189	302	5,510	1,510	528	7,548
Travel & conferences	16,119	3,452	925	771	1,233	22,499	6,164	2,157	30,821
Outside services	114,515	24,523	6,569	5,474	8,758	159,839	43,791	15,327	218,957
Bad debt expense	197,546	41,741	11,181	9,317	14,907	274,692	-	-	274,692
Miscellaneous	12,826	2,747	736	613	981	17,903	4,905	1,717	24,524
Total Expenses	\$ 2,289,083	\$ 454,724	\$ 121,801	\$ 101,501	\$ 162,401	\$ 3,129,511	\$ 588,432	\$ 258,012	\$ 3,975,955

See accompanying notes to financial statements

THE GERMAN ST. VINCENT ORPHAN ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services					Supporting Services			
	Residential Days	Counseling / Crisis	Case Management	Group Therapy	inHome Counseling	Program Total	Management and General	Development	Total
Salaries and wages	\$ 1,090,900	\$ 233,615	\$ 62,576	\$ 52,146	\$ 83,434	\$ 1,522,671	\$ 417,170	\$ 146,010	\$ 2,085,850
Benefits and taxes	169,234	36,241	9,708	8,090	12,943	236,216	64,717	22,651	323,584
Total Salaries and related benefits	<u>1,260,134</u>	<u>269,857</u>	<u>72,283</u>	<u>60,236</u>	<u>96,377</u>	<u>1,758,887</u>	<u>481,887</u>	<u>168,660</u>	<u>2,409,434</u>
Program expenses - direct	128,402	20,737	5,555	4,629	7,406	166,729	37,031	12,961	216,721
Professional services	14,756	3,160	846	705	1,129	20,596	5,643	1,975	28,213
Depreciation	62,760	13,440	3,600	3,000	4,800	87,600	21,566	8,400	117,566
Utilities	73,397	15,718	4,210	3,508	5,614	102,447	28,068	9,824	140,338
Insurance	44,041	9,431	2,526	2,105	3,368	61,472	10,117	5,895	77,483
Office expense	20,983	4,493	1,204	1,003	1,605	29,288	8,024	2,808	40,120
Supplies	4,920	1,054	282	235	376	6,867	3,075	659	10,601
Fundraising - direct	16,250	3,480	932	777	1,243	22,682	6,214	2,064	30,960
Repairs and maintenance	45,767	9,801	2,625	2,188	3,500	63,882	17,502	6,126	87,509
Leases	3,613	774	207	173	276	5,043	1,382	484	6,909
Travel & conferences	13,639	2,921	782	652	1,043	19,037	5,216	1,825	26,078
Outside services	81,998	17,560	4,704	3,920	6,271	114,452	31,357	10,975	156,784
Miscellaneous	26,005	5,569	1,492	1,243	1,988.91	36,298	9,945	3,481	49,723
Total Expenses	<u>\$ 1,796,665</u>	<u>\$ 377,994</u>	<u>\$ 101,248</u>	<u>\$ 84,374</u>	<u>\$ 134,998</u>	<u>\$ 2,495,279</u>	<u>\$ 667,025</u>	<u>\$ 236,135</u>	<u>\$ 3,398,439</u>

See accompanying notes to financial statements

THE GERMAN ST. VINCENT ORPHAN ASSOCIATION
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31,

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (213,854)	\$ (429,287)
Adjustments to reconcile change in net assets to net change in cash and cash equivalents from operating activities:		
Depreciation	170,559	117,566
Changed in beneficial interest in perpetual trusts	121,443	421,175
(Increase) decrease in assets:		
Accounts receivable	13,259	(174,945)
Promises to give	(2,055)	-
Prepaid expenses	(759)	(8,621)
Change in Right of Use Asset	6,067	(23,540)
Change in Investments	(2,050)	-
Increase (decrease) in liabilities:		
Accounts payable	6,179	(169,559)
Change in Right of Use Liability	(6,067)	23,540
Accrued salaries,taxes, and other liabilities	(108,371)	42,065
	(15,649)	(201,606)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(99,421)	(215,167)
Proceeds from cash value of life insurance	-	2,217
	(99,421)	(212,950)
INCREASE (DECREASE) IN CASH	(115,070)	(414,556)
CASH, Beginning of year	884,302	1,298,858
CASH, End of year	\$ 769,232	\$ 884,302

See accompanying notes to financial statements

THE GERMAN ST VINCENT ORPHAN ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The German St Vincent Orphan Association (the "Organization") is a not-for-profit Missouri corporation whose purpose is to provide mental health treatment to at-risk youth and their families through a range of programs and services.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis in accordance with U.S. generally accepted accounting principles.

Basis of Presentation

Contributions received are recorded as an increase in support with or without donor restrictions, depending on the existence or nature of any donor restrictions. Contributions restricted for capital items are recorded as an increase in support with donor restrictions until the capital expenditures are made.

Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions.

With Donor Restrictions - Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of the Organization or passage of time.

Contributions with donor restrictions whose restrictions are met in the same reporting period are recorded as without donor restriction. Interest earned on the temporary investment of such support is without donor restriction.

Cash

For the purpose of the statements of financial position and cash flows, the Organization considers all short-term investments with an original maturity of 90 days or less to be cash equivalents.

Revenue and Expense Recognition

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). ASU 2014-09 is effective for non-public entities with fiscal years beginning after December 15, 2018. This ASU replaces nearly all existing U.S. GAAP guidance on revenue recognition. The ASU also requires expanded disclosures relating to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

A description of the Organization's revenue streams accounted for under ASC 606 follows:

Fundraising: The Organization collects proceeds from ticket sales for attendance and auction proceeds from fundraising events. Both the ticket sales and auction proceeds transactions represent revenue where the Organization transfers goods or services to donors. Fundraising event revenues are recognized at the point in time when the event occurs.

Fee for services: The Organization provides a variety of on-site residential and home-based programs that are tailored for the various levels of support for youths. The Organization partners with multiple agencies to be reimbursed for their services. These fees for services are recognized at the point in time when the services occur.

THE GERMAN ST VINCENT ORPHAN ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

The following table disaggregates the Organization's revenue based on the timing of satisfaction of performance obligations for the year ended December 31:

	2023	2022
Performance obligations satisfied at a point in time	\$1,314,260	\$1,390,112
Performance obligations satisfied over time	-	-
Total revenue from performance obligations	\$1,314,260	\$1,390,112

The revenue in the above table is included in public support and revenues on the statement of activities.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable consists of amounts due from state and local governments. Management reviews all contract receivables on an ongoing basis for collectability. Management provides for probable uncollectible amounts through a provision for bad debts and an adjustment to a valuation allowance based on its assessment of the current status of each individual account. The allowance for doubtful accounts was \$10,000 and \$10,000 at December 31, 2023 and 2022. The bad debt expense was \$274,692 and \$0 for the years ended December 31, 2023 and 2022, respectively.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization is a nonprofit corporation and qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

Property and Equipment

Fixed assets are recorded at cost as of the date of acquisition or fair value as of the date of receipt in the case of gifts. The Organization capitalizes all fixed asset purchases \$1,000 or more. Depreciation is computed on the straight-line method over the estimated useful lives of the assets as follows:

Building and improvements	30-80 years
Furniture and equipment	5-10 years
Automobiles	5 years
Land improvements	10 years

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributable to one or more programs or supporting services of

THE GERMAN ST VINCENT ORPHAN ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

the Organization. Those expenses include but are not limited to salary and wages, direct program expenses, depreciation, and utilities. Salary and wages are allocated based on the time of where efforts are made. Direct program expenses are allocated based on earnings ratio and the admissions percentage of each program. Depreciation, utilities, and repair and maintenance expenses are allocated based on a square footage basis. All remaining costs are allocated based on earnings ratio of each program.

Donated Materials, Equipment, and Services

The Organization has adopted SFAS No. 116, 'Accounting for Contributions Received and Contributions Made. Donated materials, equipment, and services are reflected as contributions in the accompanying statements at their estimated values at date of receipt.

The Organization uses volunteers to assist in its programs and the volunteers are considered to possess specialized skills. However, the value of donated volunteer services is not reflected in the accompanying financial statements since no objective basis is available by which to measure the value of such services. During the year it is estimated that volunteers have donated 40 – 50 hours in the Organization's program services and fund-raising campaigns.

Compensated Absences

The Organization has a formal paid time off policy for employee benefits. Eligible employees are paid for time earned but not taken for vacation at termination of employment. There were no significant changes in the policy.

Recent Accounting Pronouncements

FASB ASC 842 - Leases

The Organization has adopted FASB ASC 842, Leases. The new standard establishes a right-of-use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the Statements of Financial Position for all leases and requires expanded qualitative and quantitative disclosures. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition on the Statement of Activities. Leases with a term of less than 12 months will not record a right of use asset and lease liability and the payments will be recognized on the Statement of Activities on a straight-line basis over the lease term. This change in accounting principle did not have a material impact on the Organization's financial statements for the year ended December 31, 2023 and 2022.

FASB ASU 2016-013, Financial Instruments – Credit Losses (Topic 326)

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through change in net assets. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. The organization adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements.

THE GERMAN ST VINCENT ORPHAN ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 2 - CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balances at several financial institution. Accounts at these institutions are insured by the FDIC. At times, the balances in these accounts may be in excess of federally insured limits. At December 31, 2023, and 2022 the Organization's balance was greater than the FDIC insured balance of \$250,000 by approximately \$320,000 and \$383,000 respectively.

NOTE 3 – CONCENTRATIONS OF REVENUES

The Organization received approximately 29% of its revenue for the year ended December 31, 2023 from the Children’s Service Fund, an organization with the mission of providing resources to organizations who help children with crucial mental and behavioral disorders. For 2022 the Organization received approximately 38% of its revenue from the Children's Service Fund.

NOTE 4 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of the following:

	2023	2022
United Way	\$81,149	\$79,094
Charitable donations	-	-
	\$81,149	\$79,094
Receivable in less than one year	\$81,149	\$79,094
Receivable in one to five years	-	-
Total Unconditional Promises to Give	\$81,149	\$79,094

Due to the nature of the promises, management believes that all amounts will be received when due, therefore no allowance for uncollectible promises has been provided.

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

The Organization’s net assets with donor restrictions are subject to the following purpose or time restrictions:

	2023	2022
Subject to purpose restrictions:		
Building Renovations and Equipment	\$ 120,416	\$ 747,427
Staff	15,300	15,300
Strategic Vision	35,697	227,987
	171,413	990,713
Subject to time restrictions for the periods after December 31:		
United Way	95,646	79,094
Other Contributions / Grants	1,031,865	-
Not subject to appropriation or expenditure:		
Trust held in perpetuity	852,413	973,856
Total net assets with donor restrictions	\$ 2,151,337	\$ 2,043,663
Unrestricted	2,002,256	2,323,784
TOTAL	4,153,593	4,367,447

THE GERMAN ST VINCENT ORPHAN ASSOCIATION
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Support received subject to purpose restrictions was solicited from various organizations and must be spent on these programs.

NOTE 6 - BENEFICIAL INTEREST IN PERPETUAL TRUST

The Organization has two irrevocable perpetual trusts administered by third parties which were established by donors and became effective after their death. The Organization has the irrevocable right to receive 25.00% and 2.94%, respectively, of the income from the trusts' assets in perpetuity. However, the Organization will never receive its interest in the principal of the trusts' assets.

The assets for the trusts have been recognized at the lesser of the present value of the expected future cash flow payments discounted at a rate of 5.8% and 5.2% for the years ended December 31, 2023 and 2022, or the current interest in the underlying assets of the trusts. At December 31, 2023 and 2022, the present value of the expected future cash flow payments represents the Organization's share of the fair market value of the trust principal. A decrease in the value of the Trusts of \$121,443 and \$421,064 for the years ended December 31, 2023 and 2022 have been reported in the statement of activities as a decrease in net assets with donor restrictions. The income produced and reported in the Statement of Activities without donor restriction by the trusts for the years ended December 31, 2023 and 2022 was \$36,378 and \$66,152.

NOTE 7 - STOCK INVESTMENT

The Organization received a stock investment in a nonpublic company on May 1, 2017, as an in-kind contribution. The stock investment was originally recorded based on the fair market value of the nonpublic company stock on its most recent valuation. During 2022 the shares were purchased by a publicly traded company. The entity received 55.1061 shares of the stock for each share outstanding at the time of acquisition. At December 31, 2023 and 2022 the entity had 1,102 shares of stock with a value of \$34.34 and \$32.80 per share.

NOTE 8 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2023 and 2022, consist of the following:

	2023	2022
Land	\$ 208,331	\$ 208,331
Land improvements	124,604	124,604
Building improvements	4,709,206	4,609,785
Vehicles	89,789	89,789
Furniture and fixtures	854,552	854,552
Less: Accumulated depreciation	(3,809,026)	(3,638,427)
Property and equipment, net	<u>\$ 2,177,456</u>	<u>\$ 2,248,634</u>

Depreciation expense for the years ended December 31, 2023 and 2022, was \$170,559 and \$117,566.

THE GERMAN ST VINCENT ORPHAN ASSOCIATION
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 9 - LEASE OBLIGATION

The Organization has adopted FASB ASC 842 Accounting for Operating Leases. The effective date for ASC 842 is the fiscal year starting after December 15, 2021. The new standard requires all operating leases with a term greater than a year to be reflected on the statement of financial position, and disclosed in the footnotes.

The organization leases a copier that expires on March 2027. Termination of the lease is generally prohibited unless there is a violation under the lease agreement. Right-of-use assets and lease liabilities were \$15,473 and \$23,540 at December 31, 2023 and 2022 respectively.

The amount of operating lease expense reflected in the current statement of activities is \$7,548. The amount of \$7,152 is directly related to the Right-of-use asset, and the remaining nominal portion of \$396 reflects other lease payments that are not reflected as a Right-of-use asset.

Year	PV of Lease Payments
2024	5,724
2025	5,400
2026	5,094
2027	1,255
Total	<u>17,473</u>

NOTE 10 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization is primarily funded by fees for service provided by Children's Service Fund. As part of the Organization's investment policy, investment of the funds is limited, in general, to passively managed mutual funds or direct fixed income obligations. Investments within the investment portfolio shall be readily marketable unless an exception is recommended by the Finance Committee and approved by the Board of Trustees. A designated account is established to hold Reserve funds, which is funded with surplus unrestricted operating funds and Board-designated sources of revenue. The Organization's current designated account is its investment account with Charles Schwab, managed by PlanCorp. The minimum amount designated as Reserves will be established in an amount sufficient to maintain ongoing operations and programs for a set period of time, measured in months. The target minimum Reserve Fund amount is equal to three months of average operating costs.

The below reflects the Organization's financial assets as of the statements of financial position date, reduced by the amounts that are not available for general use due to contractual or donor-imposed restrictions within one year of the statements of financial position date. The promises to give are subject to implied time restrictions but are expected to be collected within one year.

THE GERMAN ST VINCENT ORPHAN ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Liquidity and Availability of Financial Assets		
Financial Assets, at year end	\$ 2,090,843	\$ 2,336,510
Less those unavailable for general expenditure within one year, Due to:		
Contractual or donor-imposed restrictions:		
Trust held in perpetuity	(852,413)	(973,856)
Financial assets available to meet cash needs for general expenditures within one year.	\$ 1,238,430	\$ 1,362,654

Support received subject to purpose restrictions was solicited from various organizations and must be spent on these programs.

NOTE 11 – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 17, 2024, the date the financial statements were available to be issued