



**CLARK SCHAEFER HACKETT**  
BUSINESS ADVISORS

## **Brigid's Path, Inc. and Subsidiary**

Consolidated Financial Statements

December 31, 2022 and 2021

with Independent Auditors' Report

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Brigid's Path, Inc. and Subsidiary  
3601 S. Dixie Dr.  
Kettering, Ohio 45439

### **Opinion**

We have audited the accompanying consolidated financial statements of Brigid's Path, Inc. and Subsidiary (a not-for-profit organization), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Brigid's Path, Inc. and Subsidiary as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended, in conformity 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 Consolidated Financial Statements section of our report. We are required to be independent of Brigid's Path, Inc. and Subsidiary 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.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 risk of material misstatement of the consolidated 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 consolidated 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 Brigid's Path, Inc. and Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Brigid's Path, Inc. and Subsidiary'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 audits.

*Clark, Schaefer, Hackett & Co.*

Dayton, Ohio  
March 21, 2023

Brigid's Path, Inc. and Subsidiary  
Consolidated Statements of Financial Position  
December 31, 2022 and 2021

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,313,765	966,152
Investments	503,477	-
Receivables:		
Contributions receivable	12,245	22,025
Grants receivable	91,808	691,605
Inventory	60,316	53,047
Prepaid expenses	41,877	30,869
	2,023,488	1,763,698
Other assets:		
Property and equipment, net	2,593,288	2,279,677
	\$ 4,616,776	4,043,375
Liabilities and net assets		
Current liabilities:		
Current portion of note payable	\$ 23,994	40,057
Accounts payable	41,540	45,811
Accrued expenses	10,144	6,499
Accrued payroll and taxes	153,214	138,987
Refundable advances	318,553	-
	547,445	231,354
Other liabilities:		
Note payable, net of current portion	693,924	219,595
	1,241,369	450,949
Net assets:		
Without donor restrictions	3,314,284	3,514,521
With donor restrictions	61,123	77,905
	3,375,407	3,592,426
	\$ 4,616,776	4,043,375

See accompanying notes to the consolidated financial statements.

Brigid's Path, Inc. and Subsidiary  
Consolidated Statement of Activities  
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Changes in net assets:			
Public support:			
Contributions	\$ 555,320	77,437	632,757
Special fundraising events, net of direct expenses of \$46,137	180,824	-	180,824
Grants	2,127,142	-	2,127,142
Donated services and materials	204,892	-	204,892
Other income	3,513	-	3,513
Net assets released from restrictions	94,219	(94,219)	-
Total public support	3,165,910	(16,782)	3,149,128
Expenses:			
Program services	2,667,611	-	2,667,611
General and administrative	392,603	-	392,603
Fundraising	310,644	-	310,644
Total expenses	3,370,858	-	3,370,858
Other income:			
Net investment return	4,711	-	4,711
Change in net assets	(200,237)	(16,782)	(217,019)
Net assets, beginning of year	3,514,521	77,905	3,592,426
Net assets, end of year	\$ 3,314,284	61,123	3,375,407

See accompanying notes to the consolidated financial statements.

Brigid's Path, Inc. and Subsidiary  
Consolidated Statement of Activities  
Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Changes in net assets:			
Public support:			
Contributions	\$ 635,005	58,009	693,014
Special fundraising events, net of direct expenses of \$58,285	161,350	-	161,350
Grants	2,028,960	-	2,028,960
Paycheck Protection Program grant	359,754	-	359,754
Donated services and materials	192,480	-	192,480
Employee Retention Credits	91,808	-	91,808
Other income	1,790	-	1,790
Net assets released from restrictions	<u>249,475</u>	<u>(249,475)</u>	<u>-</u>
Total public support	<u>3,720,622</u>	<u>(191,466)</u>	<u>3,529,156</u>
Expenses:			
Program services	2,442,054	-	2,442,054
General and administrative	301,821	-	301,821
Fundraising	<u>212,216</u>	<u>-</u>	<u>212,216</u>
Total expenses	<u>2,956,091</u>	<u>-</u>	<u>2,956,091</u>
Other loss:			
Loss on disposal of equipment and furniture	<u>3,471</u>	<u>-</u>	<u>3,471</u>
Change in net assets	761,060	(191,466)	569,594
Net assets, beginning of year	<u>2,753,461</u>	<u>269,371</u>	<u>3,022,832</u>
Net assets, end of year	<u>\$ 3,514,521</u>	<u>77,905</u>	<u>3,592,426</u>

See accompanying notes to the consolidated financial statements.

Brigid's Path, Inc. and Subsidiary  
Consolidated Statement of Functional Expenses  
Year Ended December 31, 2022

	Infant Care	Family Advocacy	Program Services	General and Administrative	Fundraising	Total
Salaries	\$ 1,351,784	177,543	1,529,327	187,518	190,645	1,907,490
Payroll taxes	114,779	15,075	129,854	15,922	16,188	161,964
Benefits	125,185	16,442	141,627	17,365	17,655	176,647
Contract medical staff labor	86,765	-	86,765	-	-	86,765
Security	158,247	27,926	186,173	-	-	186,173
Maintenance and repairs	14,046	2,413	16,459	1,362	797	18,618
Medical supplies and equipment	26,847	1,581	28,428	-	-	28,428
Program supplies	98,867	38,605	137,472	122	11	137,605
Insurance	10,493	2,094	12,587	30,798	398	43,783
Telephone	4,614	1,237	5,851	1,022	486	7,359
Utilities	43,803	10,113	53,916	8,362	3,754	66,032
Office supplies	2,539	1,778	4,317	7,746	8,111	20,174
Meetings and training	4,046	7,132	11,178	4,610	150	15,938
Payroll and merchant fees	5,665	794	6,459	809	4,037	11,305
Professional fees	58,046	24,800	82,846	81,238	48,770	212,854
Advertising and promotion	1,793	2,506	4,299	3,191	6,060	13,550
Taxes and licenses	58,211	1,563	59,774	882	8,107	68,763
Interest expense	8,193	1,870	10,063	18,001	577	28,641
Miscellaneous	6,924	1,364	8,288	3,734	388	12,410
<b>Total functional expenses before depreciation</b>	<b>2,180,847</b>	<b>334,836</b>	<b>2,515,683</b>	<b>382,682</b>	<b>306,134</b>	<b>3,204,499</b>
Depreciation	137,896	14,032	151,928	9,921	4,510	166,359
<b>Total functional expenses</b>	<b>\$ 2,318,743</b>	<b>348,868</b>	<b>2,667,611</b>	<b>392,603</b>	<b>310,644</b>	<b>3,370,858</b>

See accompanying notes to the consolidated financial statements.



Brigid's Path, Inc. and Subsidiary  
Consolidated Statement of Functional Expenses  
Year Ended December 31, 2021

	Infant Care	Family Advocacy	Program Services	General and Administrative	Fundraising	Total
Salaries	\$ 1,182,239	151,221	1,333,460	124,900	132,490	1,590,850
Payroll taxes	104,899	13,418	118,317	11,082	11,756	141,155
Benefits	99,268	12,698	111,966	10,487	11,125	133,578
Contract medical staff labor	146,057	-	146,057	-	-	146,057
Security	145,908	19,847	165,755	-	-	165,755
Maintenance and repairs	21,787	3,432	25,219	4,219	1,189	30,627
Medical supplies and equipment	22,496	434	22,930	-	-	22,930
Program supplies	82,077	20,770	102,847	-	-	102,847
Insurance	10,333	1,718	12,051	26,836	13	38,900
Telephone	4,166	978	5,144	635	431	6,210
Utilities	43,459	9,932	53,391	4,966	3,717	62,074
Office supplies	1,513	1,375	2,888	9,228	16,784	28,900
Meetings and training	3,569	2,118	5,687	5,035	4,797	15,519
Payroll and merchant fees	2,799	376	3,175	531	4,418	8,124
Professional fees	61,731	25,620	87,351	81,464	2,750	171,565
Advertising and promotion	2,688	2,640	5,328	12,586	17,205	35,119
Taxes and licenses	58,419	725	59,144	813	387	60,344
Interest expense	8,634	1,992	10,626	922	710	12,258
Miscellaneous	15,771	6,019	21,790	1,557	71	23,418
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Total functional expenses before depreciation	2,017,813	275,313	2,293,126	295,261	207,843	2,796,230
	<hr/>					
Depreciation	134,756	14,172	148,928	6,560	4,373	159,861
	<hr/>					
Total functional expenses	\$ 2,152,569	289,485	2,442,054	301,821	212,216	2,956,091
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See accompanying notes to the consolidated financial statements.

Brigid's Path, Inc. and Subsidiary  
Consolidated Statements of Cash Flows  
Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (217,019)	569,594
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	166,359	159,861
Loss on disposal of equipment and furniture	-	3,471
Unrealized gain on investments	(3,705)	-
Net change in donated inventory	(7,269)	(12,032)
Change in discounts on contributions receivable	-	(2,538)
Effects of change in operating assets and liabilities:		
Contributions receivable	9,780	129,971
Grants receivable	599,797	(627,855)
Prepaid expenses	(11,008)	178
Accounts payable	(4,271)	12,202
Accrued expenses	3,645	(4,080)
Accrued payroll and taxes	14,227	31,201
Refundable advances	318,553	(45,000)
	869,089	214,973
Cash flows from investing activities:		
Purchase of investments	(499,772)	-
Purchase of property and equipment	(4,970)	(84,321)
	(504,742)	(84,321)
Cash flows from financing activities:		
Proceeds from refinancing of note payable	10,149	-
Payments on note payable	(26,883)	(34,852)
	(16,734)	(34,852)
Change in cash and cash equivalents	347,613	95,800
Cash and cash equivalents, beginning of year	966,152	870,352
Cash and cash equivalents, end of year	\$ 1,313,765	966,152
Supplemental disclosure of cash flow information:		
Interest paid	\$ 28,641	12,258
Supplemental schedule of non-cash investing and financing activities:		
Purchase of land and building through refinance of note payable	\$ 475,000	-

See accompanying notes to the consolidated financial statements.

## **1. NATURE OF THE ORGANIZATION:**

Brigid's Path, Inc. and Subsidiary (the "Organization") is a not-for-profit organization that is supported primarily through donor contributions and grants. The Organization operates a Residential Infant Care Center licensed by the Ohio Department of Job and Family Services and is the first of its kind in the State of Ohio and second in the nation. The Organization is a non-judgmental, family-centered, secured facility providing services in a home-like setting. The facility is open 24 hours a day, 7 days a week with around the clock staff meeting the needs of babies and families.

Brigid's Path, Inc. is dedicated to two goals:

Providing withdrawal services to infants with Neonatal Abstinence Syndrome (NAS) in an intimate home-like setting surrounded by medical staff and specially trained volunteers.

Engaging these infant's families in an easy-to-access, non-judgmental setting where they can begin the journey of bonding with their child and accessing a wide range of community services with the assistance of family advocates using a strengths-based approach.

BP Community, LLC, formed in January 2022, is dedicated to expanding the mission of the Organization into a more supportive community for the babies, moms and families served through offering housing, childcare, a café and a shop.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The following accounting principles and practices of the Organization are set forth to facilitate the understanding of data presented in the consolidated financial statements:

### **Basis of accounting**

The consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

### **Principles of consolidation**

The consolidated financial statements are comprised of Brigid's Path, Inc. and BP Community, LLC, which is a single member limited liability company of Brigid's Path, Inc. and is disregarded for income tax purposes. All significant intercompany transactions and balances have been eliminated in consolidation.

### **Adopted accounting pronouncement**

In September 2020, the FASB issued Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958). The standard requires gifts-in-kind to be presented as a separate line item in the statement of activities as well as requiring expanded disclosures including disaggregating by category and adding qualitative information about whether the contributions were monetized or utilized during the reporting period. The Organization adopted the standard for the year ended December 31, 2022 and applied the standard retrospectively to the year ended December 31, 2021. Adoption of the standard had no impact on previously stated net assets.

### **Basis of presentation**

The Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will likely be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. As of December 31, 2022 and 2021, the Organization has not received any funds that are required to be maintained in perpetuity.

### **Revenue and support**

Funding received for which the resource providers do not receive commensurate value is accounted for as contributions. Unconditional contributions are recognized when made. Conditional contributions are recognized as revenue when the conditions underlying the contribution have been met. The Organization receives conditional funding from various sources, including the Ohio Department of Medicaid. This funding is recognized as the Organization meets the donor-imposed conditions, which generally represent incurring allowable costs related to the Organization's mission. The excess of grant revenue over cash received is recognized as grants receivable and the excess of cash received over grant revenue is recognized as refundable advances. Grants awarded in 2022 for which conditions were not met by December 31, 2022 totaled \$1,129,584.

Contributions are reported as an increase in net assets without donor restrictions unless specifically restricted by the resource provider. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a donor restriction expires, the net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Contributions with donor restrictions which are released in the same year they were received are classified as net assets without donor restrictions.

### **Donated assets, property and equipment, and services**

Donated marketable securities, property and equipment, inventory and other noncash donations are recorded as contributions at their fair values at the date of donation. Fair value is determined through comparison to similar noncash items published on active marketplaces. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use are reported as net assets with donor restrictions.

Donated services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Donated services recognized as contributions are recorded at a value commensurate with an hourly rate of the specialized skill being provided. A number of volunteers have donated time in support of the Organization and its programs. Since these services do not meet the requirements for recognition, the value thereof is not reflected in the accompanying consolidated financial statements.

### **Cash and cash equivalents**

The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Organization maintains its cash in deposit accounts, which at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

### **Investments**

Investments are started at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for fair value methodology.

Investment return includes dividends and unrealized appreciation from changes in the fair value of investments held at year end, net of investment expenses.

### **Contributions and grants receivable**

At December 31, 2022 and 2021, the Organization had contributions receivable totaling \$12,245 and \$22,025, respectively, which represent unconditional promises to contribute cash over specified time-periods. Contributions receivable are expected to be collected in less than one year.

Management individually reviews all contributions and grants receivable, and estimates the portion, if any, of the balance that will not be collected based on current knowledge, past experience and recent economic conditions. Amounts considered uncollectible are written off when the facts are determined; therefore, no allowance for doubtful accounts is provided in the valuation of accounts receivable.

### **Inventory**

Inventory consists mainly of donated items received for infant care. Donated items of larger value, such as diapers, wipes, clothing, bottles, cribs and car seats are maintained in inventory and physically counted on a regular basis. Such items are valued based on prices listed on nationally recognized shopping websites for identical or similar items. The Organization recognizes an in-kind contribution upon receipt of donated inventory and recognizes the related expense when used. Donations of items of smaller value used for infant care are not inventoried and are recognized as in-kind revenue and expensed upon receipt.

### **Property and equipment**

Property and equipment are stated at cost, or if donated, at the fair value at the date of donation. Expenditures in excess of \$5,000 to acquire property and equipment or to substantially increase the useful lives of assets are capitalized. Maintenance, repairs and expenditures to acquire assets where the cost of individual items does not meet capitalization criteria are expensed as incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, which range from 3 to 39 years.

### **Concentrations**

The Organization received approximately 41% and 42% of its non-in-kind revenue and support from a grant provided through the Ohio Department of Medicaid for the years ended December 31, 2022 and 2021, respectively.

### **Functional allocation of expenses**

The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting service of the Organization. Expenses that are directly related to a specific function are charged directly to that function. Salaries, payroll taxes and benefits of employees that have responsibilities in multiple areas are allocated based on time studies and estimates of time and effort. Dividends received from the Ohio Bureau of Workers' Compensation are recorded as a reduction of payroll taxes and are allocated in a manner consistent with payroll tax expense. Facility related costs, including depreciation and interest are allocated based on square footage.

### **Income taxes**

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation under Section 509(a)(1). BP Community, LLC is a single member limited liability company of Brigid's Path, Inc. that is recognized as a disregarded entity for income tax purposes, with both entities' information included on one reporting return.

### **Advertising costs**

Advertising costs are expensed as incurred.

### **Use of estimates**

The preparation of consolidated 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.

### **Subsequent events**

The Organization evaluates events and transactions occurring subsequent to the date of the consolidated financial statements for matters requiring recognition or disclosure in the consolidated financial statements. The accompanying consolidated financial statements consider events through March 21, 2023, the date on which the consolidated financial statements were available to be issued.

## **3. FAIR VALUE MEASUREMENT:**

GAAP establishes a framework for measuring fair value. The framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022.

U.S. government securities: Valued using pricing models maximizing the use of observable inputs for similar securities

The following sets forth the Organization's assets measured at fair value on a recurring basis as of December 31, 2022:

		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. government securities	\$	-	503,477	-	503,477
Total investments at fair value	\$	<u>-</u>	<u>503,477</u>	<u>-</u>	<u>503,477</u>

#### 4. GRANTS RECEIVABLE:

Grants receivable consisted of the following at December 31:

		<u>2022</u>	<u>2021</u>
Ohio Department of Medicaid	\$	-	599,670
Employee Retention Credits		91,808	91,808
ADAHMS Board		-	127
	\$	<u>91,808</u>	<u>691,605</u>

The Organization is eligible for the Employee Retention Credit (ERC) under the CARES Act. Grants receivable for the ERC at December 31, 2022 includes \$91,808 which represents refunds due for the quarter ended June 30, 2020 filed on Form 941-X Adjusted Employer's Quarterly Federal Tax Return or Claim for Refund.

**5. PROPERTY AND EQUIPMENT:**

The following is a summary of property and equipment at December 31:

	2022	2021
Assets not placed in service	\$ 18,353	27,530
Land and land improvements	392,470	105,000
Building and improvements	2,482,048	2,294,518
Furniture and equipment	364,987	350,840
	3,257,858	2,777,888
Less accumulated depreciation	664,570	498,211
	\$ 2,593,288	2,279,677

**6. NOTE PAYABLE:**

The Organization had a term loan with Minster Bank secured by the Organization's facility which required monthly principal and interest payments of \$4,283, including interest at 4.75%. Effective March 2022, the Organization refinanced the term loan with additional principal. The refinanced note requires monthly principal and interest payments of \$4,650, including interest at 4.50%. The interest rate on the loan is fixed at 4.50% through April 2027, at which time the lender will recalculate the interest based on the Federal Home Loan Bank of Cincinnati five-year rate for fixed rate advances plus 3.0%. The note matures in March 2042.

At December 31, 2022, the maturity of the note payable during the next five years and thereafter is as follows:

2023	\$	23,994
2024		25,096
2025		26,249
2026		27,455
2027		28,716
Thereafter		586,408
	\$	717,918

**7. LINE OF CREDIT:**

The Organization has a \$350,000 revolving line of credit with interest at an annual rate equal to the Wall Street Journal prime rate for fixed rate advances plus 1.0%. The line of credit expires on February 15, 2025. The line is secured by a commercial mortgage on the Organization's facility. No amounts were outstanding on the line of credit at December 31, 2022 and 2021.



**8. PAYCHECK PROTECTION PROGRAM:**

On February 10, 2021, the Organization received a loan processed in the amount of \$359,754 under the Paycheck Protection Program (PPP). Established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), the PPP provides loans to qualifying businesses in amounts up to 2.5 times the Organization's average monthly payroll expenses. PPP loans and accrued interest are forgivable after a covered period as long as the Organization maintains payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities. During the year ended December 31, 2021, the Organization incurred sufficient qualifying expenses to meet the forgiveness criteria, applied for forgiveness, and on October 22, 2021, received notice of forgiveness for the full loan amount from the Small Business Administration. As the Organization met all conditions of the grant, the full amount of the PPP funding is recognized as public support revenue on the 2021 statement of activities.

**9. NET ASSETS WITH DONOR RESTRICTIONS:**

Net assets with donor restrictions consisted of the following at December 31:

	2022	2021
Subject to expenditure for specified purpose:		
Technology and office equipment	\$ -	56
Building improvements	-	21,000
Program expenditures	15,000	15,000
Grantwriter salaries	-	19,824
Program supplies	11,474	-
After care program	10,000	-
Accreditation/certification	10,000	-
Marketing	2,404	-
Subject to passage of time:		
For periods subsequent to end of year	12,245	22,025
	\$ 61,123	77,905

**10. LIQUIDITY DISCLOSURES:**

The Organization is substantially supported by contributions and governmental grants accounted for as contributions. Some contributions have donor-imposed restrictions. Because donor restrictions require resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following table presents the financial assets available to meet cash needs for general expenditures within one year at December 31:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 1,313,765	966,152
Investments	503,477	-
Contributions receivable	12,245	22,025
Grants receivable	<u>91,808</u>	<u>691,605</u>
Financial assets available at year end	1,921,295	1,679,782
Less: those unavailable for general expenditures within one year due to:		
Restricted by donor with purpose restriction	<u>48,878</u>	<u>55,880</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 1,872,417</u>	<u>1,623,902</u>

In addition, the Organization can draw on the line of credit described in Note 7 for additional liquidity.

