GREENLEAF FAMILY CENTER

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

GREENLEAF FAMILY CENTER
TABLE OF CONTENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Greenleaf Family Center
Akron, Ohio

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Greenleaf Family Center (an Ohio nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, 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 Greenleaf Family Center as of December 31, 2023 and 2022, and the change in 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Greenleaf Family Center 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 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 Greenleaf Family Center's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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 GAAS and *Government 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government 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 Greenleaf Family Center'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Greenleaf Family Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Board of Trustees
Greenleaf Family Center

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2024, on our consideration of Greenleaf Family Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Greenleaf Family Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Greenleaf Family Center's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Akron, Ohio
June 26, 2024

GREENLEAF FAMILY CENTER
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	$ 886,451	$ 1,007,378
Accounts Receivable, Net	348,001	187,362
Prepaid Expenses	51,266	38,984
Funds Held for Others	35,262	21,580
Investments	384,388	205,863
Total Current Assets	1,705,368	1,461,167
NONCURRENT ASSETS		
Property and Equipment, Net	1,146,982	1,125,394
Endowment Investments	72,000	72,000
Total Noncurrent Assets	1,218,982	1,197,394
Total Assets	$ 2,924,350	$ 2,658,561
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$ 207,388	$ 164,460
Funds Held for Others	35,262	21,580
Deferred Contract Fees	100,002	93,647
Total Current Liabilities	342,652	279,687
Total Liabilities	342,652	279,687
NET ASSETS		
Net Assets Without Donor Restrictions:		
Undesignated	2,433,880	2,235,830
Total Net Assets Without Donor Restrictions	2,433,880	2,235,830
Net Assets With Donor Restrictions:		
Subject to Expenditure for Specified Purpose	75,818	71,044
Subject to be Held in Perpetuity	72,000	72,000
Total Net Assets With Donor Restrictions	147,818	143,044
Total Net Assets	2,581,698	2,378,874
Total Liabilities and Net Assets	$ 2,924,350	$ 2,658,561

See accompanying Notes to Financial Statements.

GREENLEAF FAMILY CENTER
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Government and Contract Agency Fees	$ 1,907,450	$ -	$ 1,907,450
Government Grants	1,641,680	-	1,641,680
Contributions	238,625	7,000	245,625
Special Events, Net of Cost of Direct Benefit to Donors of $7,490	186,540	-	186,540
Other Revenue	58,178	-	58,178
Net Assets Released from Restrictions	2,226	(2,226)	-
Total Public Support and Revenue	4,034,699	4,774	4,039,473
EXPENSES			
Program Services	3,486,039	-	3,486,039
Management and General	275,604	-	275,604
Fundraising	103,530	-	103,530
Total Expenses	3,865,173	-	3,865,173
CHANGE IN NET ASSETS BEFORE INVESTMENT AND OTHER INCOME	169,526	4,774	174,300
OTHER INCOME			
Net Appreciation on Investments	20,631	-	20,631
Investment Income, Net	7,893	-	7,893
Total Other Income	28,524	-	28,524
CHANGE IN NET ASSETS	198,050	4,774	202,824
Net Assets - Beginning of Year	2,235,830	143,044	2,378,874
NET ASSETS - END OF YEAR	$ 2,433,880	$ 147,818	$ 2,581,698

See accompanying Notes to Financial Statements.

GREENLEAF FAMILY CENTER
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Government and Contract Agency Fees	$ 1,876,110	$ -	$ 1,876,110
Government Grants	1,406,255	-	1,406,255
Contributions	160,073	3,000	163,073
Special Events, Net of Cost of Direct Benefit to Donors of $5,641	213,014	-	213,014
Other Revenue	49,623	-	49,623
Net Assets Released from Restrictions	17,088	(17,088)	-
Total Public Support and Revenue	3,722,163	(14,088)	3,708,075
EXPENSES			
Program Services	3,055,271	-	3,055,271
Management and General	251,529	-	251,529
Fundraising	128,039	-	128,039
Total Expenses	3,434,839	-	3,434,839
CHANGE IN NET ASSETS BEFORE INVESTMENT AND OTHER INCOME (EXPENSE)	287,324	(14,088)	273,236
OTHER INCOME (EXPENSE)			
Net Depreciation on Investments	(65,057)	-	(65,057)
Investment Income, Net	12,336	-	12,336
Total Other Expense	(52,721)	-	(52,721)
CHANGE IN NET ASSETS	234,603	(14,088)	220,515
Net Assets - Beginning of Year	2,001,227	157,132	2,158,359
NET ASSETS - END OF YEAR	$ 2,235,830	$ 143,044	$ 2,378,874

See accompanying Notes to Financial Statements.

GREENLEAF FAMILY CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Services						
	Behavioral Health Services	Special Services for Families	Community Services for Families	Program Services Total	Management and General	Fundraising	2023 Total
Salaries, Benefits, and Related Expenses:							
Salaries	$ 715,708	$ 556,225	$ 1,105,159	$ 2,377,092	$ 137,000	$ 41,910	$ 2,556,002
Employee Benefits	40,800	27,050	58,527	126,377	11,825	-	138,202
Payroll Taxes	54,927	42,817	83,229	180,973	10,258	3,177	194,408
Total Salaries, Benefits, and Related Expenses	811,435	626,092	1,246,915	2,684,442	159,083	45,087	2,888,612
Professional Fees and Contract Services	97,246	31,819	43,493	172,558	105,177	1,871	279,606
Utilities	6,048	4,700	9,338	20,086	1,294	396	21,776
Supplies	9,729	8,379	348,589	366,697	1,416	781	368,894
Specific Assistance to Individuals	-	53	17,913	17,966	-	3,100	21,066
Total	924,458	671,043	1,666,248	3,261,749	266,970	51,235	3,579,954
Other Expenses:							
Transportation	1,306	15,600	22,625	39,531	20	40	39,591
Conferences and Meetings	4,238	3,768	10,692	18,698	794	483	19,975
Telephone	3,465	3,589	17,347	24,401	568	174	25,143
Postage and Shipping	1,169	517	312	1,998	18	97	2,113
Repairs and Maintenance	6,646	4,325	11,617	22,588	1,035	367	23,990
Printing and Publications	3,187	485	10,677	14,349	92	991	15,432
Organization Dues	7,959	902	2,144	11,005	248	76	11,329
Insurance	7,347	5,710	11,345	24,402	1,572	481	26,455
Supplies for Special Event	-	-	-	-		2,895	2,895
Bad Debt Expense	-	150	-	150	-	-	150
Miscellaneous	3,077	2,441	4,751	10,269	655	46,691	57,615
Total Other Expenses	38,394	37,487	91,510	167,391	5,002	52,295	224,688
Total Expenses Before Depreciation	962,852	708,530	1,757,758	3,429,140	271,972	103,530	3,804,642
Depreciation	39,345	6,053	11,501	56,899	3,632	-	60,531
Total Expenses	1,002,197	714,583	1,769,259	3,486,039	275,604	103,530	3,865,173
Additional Costs:							
Cost of Direct Benefit to Donors	-	-	-	-	-	7,490	7,490
Total Functional Expenses	$ 1,002,197	$ 714,583	$ 1,769,259	$ 3,486,039	$ 275,604	$ 111,020	$ 3,872,663

See accompanying Notes to Financial Statements.

GREENLEAF FAMILY CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	Program Services						
	Behavioral Health Services	Special Services for Families	Community Services for Families	Program Services Total	Management and General	Fundraising	2022 Total
Salaries, Benefits, and Related Expenses:							
Salaries	$ 675,543	$ 502,664	$ 896,861	$ 2,075,068	$ 117,385	$ 42,429	$ 2,234,882
Employee Benefits	55,690	24,790	58,457	138,937	10,138	-	149,075
Payroll Taxes	51,378	39,002	68,716	159,096	8,824	3,215	171,135
Total Salaries, Benefits, and Related Expenses	782,611	566,456	1,024,034	2,373,101	136,347	45,644	2,555,092
Professional Fees and Contract Services	105,208	27,453	45,907	178,568	104,957	2,127	285,652
Utilities	6,326	4,707	8,399	19,432	1,168	422	21,022
Supplies	18,307	4,726	260,800	283,833	1,018	716	285,567
Specific Assistance to Individuals	383	50	4,121	4,554	-	1,600	6,154
Total	912,835	603,392	1,343,261	2,859,488	243,490	50,509	3,153,487
Other Expenses:							
Transportation	1,024	15,783	9,593	26,400	19	19	26,438
Conferences and Meetings	3,200	1,669	6,572	11,441	395	3,277	15,113
Telephone	2,966	5,711	13,806	22,483	536	194	23,213
Postage and Shipping	1,163	563	558	2,284	37	603	2,924
Repairs and Maintenance	7,843	5,262	12,176	25,281	1,182	436	26,899
Printing and Publications	3,091	688	3,254	7,033	85	766	7,884
Organization Dues	7,857	825	1,723	10,405	205	74	10,684
Insurance	7,648	5,691	10,153	23,492	1,412	510	25,414
Supplies for Special Event	-	-	-	-	-	572	572
Bad Debt Expense	-	1,080	-	1,080	-	-	1,080
Miscellaneous	3,289	2,447	4,366	10,102	607	71,079	81,788
Total Other Expenses	38,081	39,719	62,201	140,001	4,478	77,530	222,009
Total Expenses Before Depreciation	950,916	643,111	1,405,462	2,999,489	247,968	128,039	3,375,496
Depreciation	38,573	5,934	11,275	55,782	3,561	-	59,343
Total Expenses	989,489	649,045	1,416,737	3,055,271	251,529	128,039	3,434,839
Additional Costs:							
Cost of Direct Benefit to Donors	-	-	-	-	-	5,641	5,641
Total Functional Expenses	$ 989,489	$ 649,045	$ 1,416,737	$ 3,055,271	$ 251,529	$ 133,680	$ 3,440,480

See accompanying Notes to Financial Statements.

GREENLEAF FAMILY CENTER
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 202,824	$ 220,515
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	60,531	59,343
Provision for Bad Debts on Accounts Receivable	150	1,080
Net (Appreciation) Depreciation on Investments	(20,631)	65,057
(Increase) Decrease in Assets:		
Accounts Receivable	(160,789)	10,456
Prepaid Expenses	(12,282)	(10,520)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	42,928	(7,123)
Deferred Contract Fees	6,355	27,396
Net Cash Provided by Operating Activities	119,086	366,204
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(82,119)	(37,376)
Proceeds from Sale of Investments	165,205	137,103
Purchases of Investments	(323,099)	(149,438)
Net Cash Used by Investing Activities	(240,013)	(49,711)
NET INCREASE (DECREASE) IN CASH	(120,927)	316,493
Cash - Beginning of Year	1,007,378	690,885
CASH - END OF YEAR	$ 886,451	$ 1,007,378

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Greenleaf Family Center (the Agency) is a nonprofit social service organization that has served families since 1912. The original mission continues today as the Agency endeavors to strengthen families in the community through counseling, education, and support. Programs include the following:

Behavioral Health Services

The Agency serves individuals and families who face challenges of daily living and personal crises that arise from a variety of problems, including personal adjustment, marital problems, alcohol and drug addictions, financial instability, and school adjustment. Services include individual, family, and group counseling.

Special Services for Families

The Agency provides various services for the deaf community including interpreting, case management, sign language classes, advocacy services, emergency services, community presentations, and workshops and social events.

Community Services for Families

The Agency provides various services for at-risk-youth including anti-bullying and teen anger.

The Agency is accredited by the Council on Accreditation, certified by the Ohio Department of Mental Health as an outpatient mental health facility, and is a member of the Ohio Council of Behavioral Health and Family Services Providers.

Basis of Accounting

The Agency prepares its financial statements using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Net Assets

Net assets and related revenues, expenses, gains and losses are classified based on the existence or absence of donor restrictions as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor stipulations and which are available for use in general operations, including any funds designated by the board of directors for specific purposes.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions that may or will be met either by the passage of time or by actions of the Agency. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

Revenues are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor restrictions. Expenses are reported as decreases in net assets without donor restrictions.

Donor-imposed restrictions are released when a restriction expires; that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue Recognition

The Agency recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

A portion of the Agency's revenue is derived from reimbursable government grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Agency has incurred expenditures in compliance with specific grant provisions.

Government and contract agency fee revenue is reported at the amount that reflects the consideration to which the Agency expects to be entitled in exchange for providing client care. These amounts are due from clients, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Agency bills the clients and third-party payors several days after the services are performed and/or the client is discharged from the program. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Agency. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Agency believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. The Agency measures the performance obligation from admission into the program to the point when it is no longer required to provide services to that client.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Agency has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The performance obligations for these contracts are generally completed when the clients are discharged from a program or facility, which generally occurs within days or weeks of the end of the reporting period.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

When the Agency receives funds in advance of the recognition of revenue, a contract liability is recognized. Contract liabilities represent services which have not yet been rendered. The contract liability as of January 1, 2022, was $66,251. The contract receivable as of January 1, 2022, was $144,932. The following is a summary of the Agency's contract liabilities and receivables as of December 31:

	2023	2022
Deferred Revenue	$ 100,002	$ 93,647
Accounts Receivable	$ 232,557	$ 128,778

The Agency determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured clients in accordance with the Agency's policy, and/or implicit price concessions provided to uninsured clients. The Agency determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policy(ies), and historical experience. The Agency determines its estimate of implicit price concessions based on its historical collection experience with this class of clients.

Clients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Agency also provides services to uninsured clients, and offers those uninsured clients a discount, either by policy or law, from standard charges. The Agency estimates the transaction price for clients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to Government and contract agency fee revenue in the period of the change. Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments were not considered material for the years ended December 31, 2023 and 2022. Subsequent changes that are determined to be the result of an adverse change in the client's ability to pay are recorded as bad debt expense.

Consistent with the Agency's mission, care is provided to clients regardless of their ability to pay. Therefore, the Agency has determined it has provided implicit price concessions to uninsured clients and clients with other uninsured balances (for example, copays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to clients and the amounts the Agency expects to collect based on its collection history with those clients.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

The Agency has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors:

- Payors (for example, Medicare, Medicaid, managed care or other insurance, client) have different reimbursement/payment methodologies
- Length of the client's service/episode of care
- Geography of the service location
- Method of reimbursement
- Program that the service relates to

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Receivables are considered past due based on various contractual terms. It is the policy of management to review the outstanding receivables at year-end and based on current and historical bad debt write-offs, establish an allowance for credit losses for uncollectible accounts. The Agency uses a combination of historical loss experience, current economic conditions, and forward-looking information to estimate credit losses for financial assets. The Agency has recorded an allowance for credit losses of $22,667 and $13,686 at December 31, 2023 and 2022, respectively. Account write-offs, net of recoveries, were $150 in 2023 and $1,080 in 2022.

Investments

Investments are reported at their fair values in the statements of financial position. Realized and unrealized gains and losses on investments are recognized as changes in net assets in the periods in which they occur, and investment income is recognized as revenue in the period earned. Investment income and gains restricted by a donor are reported as increases in net assets without donor restriction if the restrictions are met (either by passage of time or by use) in the reporting period in which the income or gains are recognized. Investment expenses are netted against investment income on the statement of activities. Investment expenses totaled $4,203 in 2023 and $4,200 in 2022.

Investment securities are exposed to various risks, such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect the amounts reported in the statements of financial position and the statements of activities.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment with a cost of $1,500 or more, in 2023, and $1,000 or more, in 2022, and that have an estimated useful life greater than one year, are capitalized at cost, or as to contributions in kind at the market value prevailing at the date of donation. Major additions and betterments are capitalized while maintenance and repairs, which do not improve or extend the lives of the respective assets are expensed currently. When property is retired or otherwise disposed of, the cost of the property is removed from the asset account, accumulated depreciation is charged with an amount equivalent to the depreciation provided, and the difference is charged or credited to operations. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets ranging from 3 to 40 years. Depreciation expense totaled $60,531 and $59,343 for the years ended December 31, 2023 and 2022, respectively.

Use of 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

Cash includes cash on hand and demand deposits. However, cash and deposit accounts held as part of the Agency’s investment policy are classified as Investments in the statements of financial position.

Concentration of Credit Risk

The Agency maintains its cash in deposit accounts, which, at times, may exceed federally insured limits. There were no uninsured deposits at December 31, 2023 and 2022. The Agency has not experienced any significant losses in such accounts. Management of the Agency believes it is not exposed to any significant credit risk on their cash.

Functional Expenses

The costs of supporting the activities of the Agency have been summarized on a functional basis. Accordingly, certain costs have been allocated among the program and supporting services benefited. Administrative wages, with the exception of the chief executive officer’s salary, are allocated to each classification based on functions for each program. The chief executive officer’s salary remains in Management and General. Expenses other than depreciation are allocated based on percentage of direct wages to each program. Depreciation is allocated based on percentage of office space used (by square footage).

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Agency is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the Agency has not recorded provisions for federal and state income taxes. The Agency is not classified as a private foundation.

Adoption of New Accounting Standards

At the beginning of 2023, the Organization adopted Financial Accounting Standards Board (FASB) ASU 2016-03, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modified the measurement of expected credit losses. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Organization's financial statements but did change how the allowance for credit losses is determined.

The Organization has program service revenue which is recognized as revenue over time when the Organization has incurred expenditures in compliance with specific contract or grant provisions. The Organization uses historical loss information based on the aging of receivables as the basis to determine expected credit losses for receivables. An allowance for credit losses related to such receivables is established based upon historical collection rates by age of receivable and adjusted for reasonable expectations of future collection performance, net of estimated recoveries. The Organization periodically assesses its methodologies for estimating credit losses in consideration of actual experience, trends, and changes in the overall economic environment.

NOTE 2 ACCOUNTS RECEIVABLE

Accounts receivable as of December 31 are summarized as follows:

	2023	2022
Medicaid	$ 60,257	$ 25,913
Medicare	19,927	7,192
Third-Party, Net Allowance of $20,819 and $10,994 in 2023 and 2022, Respectively	20,819	10,994
Self Pay, Net Allowance of $1,448 and $2,692 in 2023 and 2022, Respectively	1,448	2,692
Program Receivables	232,557	128,778
Other	12,993	11,793
Total	$ 348,001	$ 187,362

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2023	2022
Land	$ 88,600	$ 88,600
Buildings and Improvements	1,338,402	1,292,795
Equipment	470,550	434,038
Total	1,897,552	1,815,433
Less: Accumulated Depreciation and Amortization	750,570	690,039
Total Property and Equipment	$ 1,146,982	$ 1,125,394

NOTE 4 SHORT-TERM BORROWINGS

The Agency has a $200,000 line of credit with their principal bank. This agreement is subject to annual renewal in June and provides for interest at prime plus 0.25 percentage points (8.50% at December 31, 2023). The line of credit is collateralized by substantially all assets of the Agency. This is considered a demand line of credit and there was no outstanding balance under this agreement at December 31, 2023.

The line of credit contains certain covenants common to such agreements. The covenants require the Agency, among other things, to maintain a debt service coverage ratio effective December 31, 2023. As of December 31, 2023, the Agency's management is not aware of any violations of covenants related to this line.

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restriction are restricted for the following purposes at December 31:

	2023	2022
Subject to Expenditure for Specified Purpose:		
Family Loan Program	$ 52,978	$ 52,978
Adolescent Suicide Prevention	15,000	11,500
Various Other Donor Specified Purposed	7,840	6,566
Subtotal	75,818	71,044
Subject to Be Held in Perpetuity	72,000	72,000
Total	$ 147,818	$ 143,044

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Permanently endowed net assets are restricted to investments held in perpetuity, the income of which is available to support programming, operating, and capital improvements.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows for the years ended December 31:

	2023	2022
Specified Purpose Restrictions Accomplished:		
Adolescent Suicide Prevention	$ -	$ 1,000
Various Other Donor Specified Purposed	2,226	16,088
Total Net Assets Released from Restriction	$ 2,226	$ 17,088

NOTE 6 ENDOWMENT

Interpretation of Relevant Law

The board of trustees of the Agency has interpreted state law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Agency classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions is classified as net assets without donor restrictions in accordance with the donor gift instruments. In accordance with state law, the Agency considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1) The duration and preservation of the fund
2) The purposes of the Agency and the donor-restricted endowment fund
3) General economic conditions
4) The possible effect of inflation and deflation
5) The expected total return from income and the appreciation of investments
6) Other resources of the Agency
7) The investment policies of the Agency

It is the board of trustees practice to immediately appropriate for future expenditures all investment income earned on the endowment. Therefore, the endowment comprises only net assets with donor restrictions and board-designated endowment funds. All investment income is recorded as net assets without donor restriction.

NOTE 6 ENDOWMENT (CONTINUED)

Endowment Net Asset Classification by Type of Fund

	2023		
	Without Donor Restriction	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	$ -	$ 72,000	$ 72,000
Total Funds	$ -	$ 72,000	$ 72,000

	2022		
	Without Donor Restriction	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	$ -	$ 72,000	$ 72,000
Total Funds	$ -	$ 72,000	$ 72,000

Changes in Endowment Net Assets

	Without Donor Restriction	With Donor Restrictions	Total
Endowment Net Assets - December 31, 2021	$ -	$ 72,000	$ 72,000
Endowment Investment Return:			
Endowment Investment Income	-	-	-
Net Appreciation	-	3,196	3,196
Withdrawals	-	(3,196)	(3,196)
Total Endowment Investment Return	-	-	-
Endowment Net Assets - December 31, 2022	-	72,000	72,000
Endowment Investment Return:			
Endowment Investment Income	-	1,245	1,245
Withdrawals	-	(1,245)	(1,245)
Total Endowment Investment Return	-	-	-
Endowment Net Assets - December 31, 2023	$ -	$ 72,000	$ 72,000

Return Objectives and Risk Parameters

The Agency has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to grants supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The Agency's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes.

NOTE 6 ENDOWMENT (CONTINUED)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Agency relies on a moderate-income strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Agency targets a diversified asset allocation that places a greater emphasis on bond investments to achieve its long-term return objectives.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Agency has no formal spending policy. However, the Agency evaluates the return on its investments on an annual basis and decides, based upon these returns, whether to appropriate funds for programming, operating, and capital improvement purposes. This is consistent with the Agency's objective to maintain the core value of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through investment return.

NOTE 7 FAIR VALUE MEASUREMENTS

The Agency accounts for assets and liabilities in accordance with the provisions of the Fair Value Measurements and Disclosures topic of the FASB Accounting Standards Codification. This topic applies to all assets and liabilities that are being measured and reported on a fair value basis. This topic requires disclosure that establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America, and expands disclosure about fair value measurements. This statement enables the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The statement requires that assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Unobservable inputs that are not corroborated by market data.

The asset 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 maximize the use of observable inputs and minimize the use of unobservable inputs.

If an investment that is measured using net asset value (NAV) has a readily determinable fair value (that is, it can be traded at the measurement date at its published NAV, it is included in Level 1 of the hierarchy. Otherwise, investments measured using NAVs are not included in Level 1, 2, or 3, but are separately reported.

NOTE 7 FAIR VALUE MEASUREMENTS (CONTINUED

Valuation Techniques

Following is a description of the valuation techniques used for assets measured at fair value on a recurring basis. There have been no changes to the techniques used during the years ended December 31, 2023 and 2022.

Mutual Funds - Valued at the NAV of shares on the last trading day of the year.

The following table presents the assets carried on the statements of financial position by level within the fair value hierarchy as of December 31:

	2023			
	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 435,283	$ -	$ -	$ 435,283
Total Assets at Fair Value	435,283	-	-	435,283
Cash and Deposit Accounts (a)				21,105
Total Investments				$ 456,388

(a) The amount presented is at cost.

	2022			
	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 268,008	$ -	$ -	$ 268,008
Total Assets at Fair Value	268,008	-		268,008
Cash and Deposit Accounts (a)				9,855
Total Investments				$ 277,863

(a) The amount presented is at cost.

NOTE 8 FUNDING

The Agency receives almost all of its funding through government fees and grants. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Agency’s activities.

NOTE 9 FUNDS HELD FOR OTHERS

The Agency is holding funds in a joint account for an unrelated entity. These funds totaled $35,262 at December 31, 2023 and $21,580 at December 31, 2022 and are shown as an asset and offsetting liability on the statements of financial position.

NOTE 10 LIQUIDITY

The Agency's financial assets available for general expenditures within one year of the statement of financial position date are as follows:

	2023	2022
Total Current Assets	$ 1,705,368	$ 1,461,167
Less Funds Held for Others	(35,262)	(21,580)
Less Prepaids	(51,266)	(38,984)
Less Restricted Net Assets	(75,818)	(71,044)
Less Deferred Contract Fees	(100,002)	(93,647)
Total	$ 1,443,020	$ 1,235,912

As part of the Agency's liquidity management plan, they maintain a $200,000 line of credit, as discussed in more detail in Note 4. Management could draw upon this resource in the event of unanticipated liquidity need.

NOTE 11 SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 26, 2024, which is the date the financial statements were available to be issued.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Greenleaf Family Center
Akron, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Greenleaf Family Center (an Ohio nonprofit organization) (the Agency), which comprise the statement of financial position as of December 31, 2023, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Greenleaf Family Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Greenleaf Family Center's internal control. Accordingly, we do not express an opinion on the effectiveness of Greenleaf Family Center's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Board of Trustees
Greenleaf Family Center

<u>Internal Control Over Financial Reporting (Continued)</u>

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

<u>Compliance and Other Matters</u>

As part of obtaining reasonable assurance about whether Greenleaf Family Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

<u>Purpose of this Report</u>

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Akron, Ohio
June 26, 2024