

St. Vincent and Sarah Fisher Center

Financial Statements

December 31, 2022

With Comparative Totals

For the Year Ended December 31, 2021

St. Vincent and Sarah Fisher Center
Table of Contents
December 31, 2022

Financial Statements

Independent Auditor's Report.....	1-2
Statement of Financial Position.....	3
Statement of Activities and Changes in Net Assets.....	4
Statement of Functional Expenses.....	5
Statement of Cash Flows.....	6
Notes to the Financial Statements.....	7-14

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
St. Vincent and Sarah Fisher Center
Detroit, MI

Opinion

We have audited the accompanying financial statements of St. Vincent and Sarah Fisher Center (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 St. Vincent and Sarah Fisher Center as of December 31, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of St. Vincent and Sarah Fisher Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 St. Vincent and Sarah Fisher Center'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

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 auditor's 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of St. Vincent and Sarah Fisher 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 St. Vincent and Sarah Fisher 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.

Report on Summarized Comparative Information

We have previously audited St. Vincent and Sarah Fisher Center's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 2, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Cole, Newton & Duran

Cole, Newton & Duran CPAs
Livonia, Michigan
May 13, 2024

St. Vincent and Sarah Fisher Center
Statement of Financial Position
December 31, 2022
With Comparative Totals for December 31, 2021

ASSETS	2022	2021
CURRENT ASSETS		
Cash and cash equivalents	\$ 327,615	\$ 272,843
Interest receivable	10,786	957
Accounts receivable	137,390	175,150
Prepaid expenses	116,789	79,162
Total current assets	592,580	528,112
PROPERTY AND EQUIPMENT, NET OF ACCUMULATED DEPRECIATION	2,409,379	1,651,397
OTHER ASSETS		
Investments	4,799,691	7,029,577
Right-of-use assets	16,393	-
	4,816,084	7,029,577
TOTAL ASSETS	\$ 7,818,043	\$ 9,209,086
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 133,010	\$ 36,918
Operating lease liability, current portion	2,996	-
Accrued expenses	121,345	115,522
Total current liabilities	257,351	152,440
LONG-TERM LIABILITIES		
Operating lease liability, long-term portion	13,397	-
Total liabilities	270,748	152,440
NET ASSETS		
Without donor restrictions		
Board designated operating reserve	-	3,151,113
Board designated endowment	-	1,941,489
Undesignated	7,546,319	3,963,068
With donor restrictions	976	976
Total net assets	7,547,295	9,056,646
TOTAL LIABILITIES AND NET ASSETS	\$ 7,818,043	\$ 9,209,086

See Notes to the Financial Statements

St. Vincent and Sarah Fisher Center
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	<u>2022</u>			<u>2021</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Totals</u>	<u>Summarized Totals</u>
SUPPORT AND REVENUE				
Contributions	\$ 1,268,552	\$ -	\$ 1,268,552	\$ 412,891
Grants and contracts	414,629	-	414,629	676,095
In-kind donations	64,033	-	64,033	36,301
Total Support and Revenue	<u>1,747,214</u>	<u>-</u>	<u>1,747,214</u>	<u>1,125,287</u>
FUNCTIONAL EXPENSES				
Program	1,922,054	-	1,922,054	1,530,423
Management and general	105,588	-	105,588	72,662
Fundraising	277,179	-	277,179	167,106
Total Expenses	<u>2,304,821</u>	<u>-</u>	<u>2,304,821</u>	<u>1,770,191</u>
Changes in Net Assets from Operations	(557,607)	-	(557,607)	(644,904)
Investment income	<u>(951,744)</u>	<u>-</u>	<u>(951,744)</u>	<u>1,608,719</u>
Increase (Decrease) in Net Assets	<u>(1,509,351)</u>	<u>-</u>	<u>(1,509,351)</u>	<u>963,815</u>
Net Assets at Beginning of Year	<u>9,055,670</u>	<u>976</u>	<u>9,056,646</u>	<u>8,092,831</u>
Net Assets at End of Year	<u>\$ 7,546,319</u>	<u>\$ 976</u>	<u>\$ 7,547,295</u>	<u>\$ 9,056,646</u>

See Notes to the Financial Statements

St. Vincent and Sarah Fisher Center
Statement of Functional Expenses
For the Year Ended December 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	2022					2021	
	Child Services	Adult Services	Total Program Services	Management and General	Fundraising	Total Expenses	Total Expenses
Salaries and wages	\$ 307,961	\$ 778,419	\$ 1,086,380	\$ 54,083	\$ 90,483	\$ 1,230,946	\$ 1,052,945
Employee health benefits	42,721	83,793	126,514	5,683	19,215	151,412	99,876
Employee retirement benefits	12,288	32,792	45,080	2,231	2,301	49,612	42,812
Payroll taxes and workers' compensation	24,600	59,090	83,690	6,259	7,169	97,118	82,414
Total salaries and related expenses	387,570	954,094	1,341,664	68,256	119,168	1,529,088	1,278,047
Advertising	3,016	3,216	6,232	3,841	17,089	27,162	-
Bonds and insurance	7,456	17,402	24,858	1,209	2,210	28,277	23,408
Conferences, conventions and meetings	2,679	4,477	7,156	261	478	7,895	9,794
Depreciation	7,088	12,741	19,829	1,542	1,739	23,110	2,723
Membership fees	230	535	765	770	69	1,604	1,587
Miscellaneous	25,405	43,740	69,145	12,549	8,918	90,612	34,868
Occupancy	91,458	100,356	191,814	6,121	9,245	207,180	156,561
Outside printing	38	77	115	-	13,465	13,580	8,187
Postage and shipping	16	113	129	57	5,992	6,178	8,269
Professional fees	58,031	107,488	165,519	5,177	67,909	238,605	154,105
Specific assistance to individuals	555	5,170	5,725	-	-	5,725	32,011
Subscriptions and publications	538	841	1,379	267	1,799	3,445	2,367
Supplies	18,446	22,851	41,297	4,324	26,869	72,490	24,466
Telephone and technology	7,999	20,251	28,250	1,173	2,207	31,630	24,327
Travel	4,494	13,683	18,177	41	22	18,240	9,471
Total expenses	<u>\$ 615,019</u>	<u>\$ 1,307,035</u>	<u>\$ 1,922,054</u>	<u>\$ 105,588</u>	<u>\$ 277,179</u>	<u>\$ 2,304,821</u>	<u>\$ 1,770,191</u>

See Notes to the Financial Statements

St. Vincent and Sarah Fisher Center
Statement of Cash Flows
For the Year Ended December 31, 2022
With Comparative Totals for the Year Ended December 31, 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,509,351)	\$ 963,815
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities		
Depreciation	23,110	2,723
Unrealized (gain) loss on investments	1,492,549	45,320
(Increase) decrease in assets:		
Interest receivable	(9,829)	1,516
Accounts receivable	37,760	(101,278)
Prepaid expenses	(37,627)	(2,544)
Increase (decrease) in liabilities:		
Accounts payable	96,092	(14,894)
Accrued expenses	5,823	(26,347)
Net cash provided by operating activities	98,527	868,311
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(781,092)	(1,648,535)
Purchase of investments	(2,892,711)	(2,936,177)
Proceeds from sale of investments	3,630,048	3,630,048
Net cash (used in) provided by investing activities	(43,755)	(954,664)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	54,772	(86,353)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	272,843	359,196
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 327,615	\$ 272,843
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -

See Notes to the Financial Statements

St. Vincent and Sarah Fisher Center
Notes to the Financial Statements
December 31, 2022 and 2021

NOTE 1 – Nature of Activities

The St. Vincent and Sarah Fisher Center (the Center) is a nonprofit entity whose mission is to provide education and skill development opportunities for at-risk children and families in Metropolitan Detroit. The Center derives its revenue primarily from contributions and investment income.

NOTE 2 – Summary of Significant Accounting Policies

Basis of accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, and accordingly, reflect all significant receivables, payables, and other liabilities.

Comparative Financial Information

The financial information presented for comparative purposes for the year ended December 31, 2021 is not intended to be a complete financial statement presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the 2021 financial statements of the Center from which the summarized information was derived.

Basis of presentation

Financial statement presentation follows the requirements of the Not-for-Profit Entities Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The Center is required to report information regarding its financial position and activities according to two classes of net assets as follows:

Net assets without donor restrictions consist of resources that are not restricted by donor-imposed stipulations.

Net assets with donor restrictions consist of resources of which the use by the Center is limited by donor-imposed stipulations.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of support and expenses during the period. Actual results could differ from those estimates.

Fair value of financial instruments

FASB guidance on fair value measurement defines fair value, establishes a framework for measuring fair value, and expands disclosure of fair value measurements. The guidance applies to all assets and liabilities that are measured and reported on a fair value basis. The carrying amounts of financial instruments, including cash, cash equivalents, receivables, prepaids, accounts payable, and accrued liabilities approximate fair value due to the short-term maturity of these instruments.

Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand and demand deposits in banks, plus short-term investments with original maturities of three months or less. However, short-term investments with maturities at the date of purchase of three months or less, which are subject to investment management direction, are treated as investments rather than cash.

St. Vincent and Sarah Fisher Center
Notes to the Financial Statements
December 31, 2022 and 2021

NOTE 2 – Summary of Significant Accounting Policies (continued)

Accounts receivable

The Center currently provides all services free of charge. The Center occasionally records receivables from grants or other activities. Management is of the opinion that all receivables will be collected and as a result, there is no allowance for bad debt.

Property and equipment

All property and equipment expenditures over \$1,000 are capitalized at cost if purchased, or at the approximate fair value on the date of the donation if donated. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Furniture and equipment purchased with donor restricted funds are released from restriction as depreciation is recognized over the estimated useful lives of the assets. Expenditures for normal repairs and maintenance are charged to expense as incurred.

Investments

Investments are reported at their fair values in the statement of financial position in accordance with Not-for-Profit Entities Topic of the FASB ASC, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Investment income, including unrealized gains and losses, are included in the statement of activities and changes in net assets as investment income without donor restrictions, unless the income is restricted by donor stipulations.

Compensated absences

Full-time employees receive paid time off (PTO) based upon length of employment. Maximum PTO accruals are based upon length of employment. At the end of a fiscal year, PTO is determined and recorded as a liability for that fiscal year. The liability is included in accrued expenses on the statement of financial position. Unused PTO at the end of a fiscal year accumulates and is carried over to the following year. Payments are made for unused PTO if an employee, after one or more years of continuous service, resigns or is laid off before the end of the fiscal year.

Contributions

All contributions are considered available for general use unless specifically restricted by the donor. All donations are recorded at fair value when received. Contributions without donor-imposed restrictions and contributions with donor-imposed time or purpose restrictions that are met in the same period as the gift are reported as support without donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are classified as net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. The Center, on occasion, is the beneficiary under various wills, the amounts of which cannot be estimated. The Center's share of such bequests is recorded when the proceeds are determinable.

Grants and contracts

The Center receives funding under grants and contracts from local government and other public grantors, for direct and indirect program costs. This funding is subject to contractual restrictions, which must be met through incurring qualifying expenses for particular programs.

Revenue from grants and contracts is recognized only when funds are utilized by the Center to carry out the activity stipulated in the grant or contract agreement.

Donated services

A substantial number of volunteers have donated significant amounts of time to the Center's program services. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under the Not-for-Profit Entities Topic of the FASB ASC.

St. Vincent and Sarah Fisher Center
Notes to the Financial Statements
December 31, 2022 and 2021

NOTE 2 – Summary of Significant Accounting Policies (continued)

In-kind donations

In-kind donations of materials are recorded as both contributions and expenditures at fair value when received. During the years ended December 31, 2022, and 2021 in-kind donations totaled \$64,033 and \$36,301, respectively. In-kind donations are reflected in the statement of activities and changes in net assets as in-kind donations. The value of the donation is based on the amount that the Center would be required to spend to purchase the same or similar item. It is the Center's policy to use all in-kind donations within their programs or special events unless they are unable to use the item. In that event, they would attempt to monetize the item or donate the item to another nonprofit.

Statement of functional expenses

The Center presents their expenses by functional classification, which shows the amount spent for program-related activities. Expenses that can be identified with a specific program are charged directly to that program. Program expenses that cannot be identified with a specific program require allocation on a reasonable basis that is consistently applied. Expenses that are allocated are salaries and benefits which are allocated on the basis of estimates of time and effort, occupancy and depreciation which are allocated based on square footage, as well as supplies which are allocated by headcounts of the students, volunteers, and staff that use them. Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Center. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Tax status

The Center is exempt from federal income taxes under §501(c)(3) of the U.S. Internal Revenue Code. The Internal Revenue Service has classified the Center as an organization that is not a private foundation. The Center is no longer subject to U.S. federal tax examinations by tax authorities for years before 2019. Management has evaluated FASB ASC 740, *Income Taxes*, and has concluded it has no uncertain tax positions.

Subsequent events

Management has evaluated events and transactions for potential recognition or disclosure through the date of the auditor's report, which is the date the financial statements were available to be issued.

New Accounting Pronouncements - Leases

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes existing guidance for accounting for leases under Topic 840, *Leases*. The FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope Improvements for Lessors*; and ASU 2019-01, *Leases (Topic 842): Codification Improvements*. The most significant change in the new leasing guidance is the requirement to recognize right-of-use (ROU) assets and lease liabilities for operating leases on the balance sheet.

The Center elected to adopt these ASUs effective January 1, 2022 and utilized all of the available practical expedients. The adoption had a immaterial impact on the Center's financial statements. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases. Adoption of the standard required the Center to restate amounts as of January 1, 2022, resulting in an increase in operating lease ROU assets of approximately \$3,200, and an increase in operating lease liabilities of approximately \$3,200.

St. Vincent and Sarah Fisher Center
Notes to the Financial Statements
December 31, 2022 and 2021

NOTE 3 – Concentration of Credit Risk and Contingencies

Cash

The Center maintains its cash balances in several banks located in southeastern Michigan. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 in any one bank. At times during the year, balances on deposit in any one bank may exceed the insured amount. The uninsured balance for the year ended December 31, 2022 was \$75,497. The Center had no uninsured balances for the year ended December 31, 2021. The Center has not experienced any losses with respect to uninsured cash balances.

Investments

Funds held in brokerage accounts are not covered by the FDIC, but are covered by the Securities Investor Protection Corporation (SIPC), which insures certain claims up to \$500,000, including a \$250,000 limit for cash. Uninsured balances in brokerage accounts at the years ended December 31, 2022, and 2021 were \$4,299,691 and \$7,028,601, respectively. The Center has not experienced any losses with respect to uninsured deposits.

Grants and contracts

The Center receives a portion of its revenues from certain government grants that may be subject to audit. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to the government entity. Until the reported costs have been audited and final settlement reached, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits. These grants accounted for approximately 24% and 60% of revenue for the years ended December 31, 2022, and 2021, respectively.

Contributions

For the year ended December 31, 2022, the Center received 70% of the total contribution revenue from two bequests. For the year ended December 31, 2021, the Center received 50% of the total contribution revenue from two bequests.

NOTE 4 – Property and Equipment

Property and equipment consisted of the following:

	2022	2021
Land	\$ 76,600	\$ 76,600
Building	2,269,003	1,564,470
Furniture and office equipment	97,847	21,289
Vehicles	43,605	43,605
	2,487,055	1,705,964
Less accumulated depreciation	77,676	54,567
Net furniture and equipment	\$ 2,409,379	\$ 1,651,397

Depreciation expense for the years ended December 31, 2022, and 2021 was \$23,110 and \$2,723, respectively.

St. Vincent and Sarah Fisher Center
Notes to the Financial Statements
December 31, 2022 and 2021

NOTE 5 – Investments

Investments consisted of the following for the years ended December 31,

	2022	2021
Cash and money market funds	\$ 309,449	\$ 310,350
Fixed income	1,543,093	2,108,273
Equities	2,947,149	4,610,954
	\$ 4,799,691	\$ 7,029,577

Investment income (loss) for the years ended December 31,

	2022	2021
Interest and dividends	\$ 77,492	\$ 98,113
Realized gains (losses)	494,204	1,600,406
Unrealized gains (losses)	(1,492,549)	(45,320)
Investment fees	(30,891)	(44,480)
	\$ (951,744)	\$ 1,608,719

Investment risks – 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 the values in the near term could materially affect the amounts reported in the accompanying financial statements.

NOTE 6 – Employee Benefit Plan

The Center maintains a Safe Harbor 401(k) (the Plan), which covers substantially all employees. The Center matches one half of employee contributions to the Plan, up to 5% of the employee’s wages. The Center also contributes 3% of each participating employee’s wages to the Plan. The total contributions charged to expense during the years ended December 31, 2022, and 2021 were \$49,612 and \$42,812, respectively.

NOTE 7 – Lease Commitments

The Center has an operating leases of office equipment and certain facilities. The Center assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the statement of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease term. Short term leases resulted in an expense of \$48,678 and \$73,017 for the years ended December 31, 2022 and 2021, respectively.

St. Vincent and Sarah Fisher Center
Notes to the Financial Statements
December 31, 2022 and 2021

NOTE 7 – Lease Commitments (continued)

The following summarizes the line items in the balance sheet which include amounts for operating leases as of December 31:

	2022	2021
Operating lease right of use asset	\$ 16,393	\$ -
Operating lease liability, current portion	\$ 2,996	\$ -
Operating lease liability, long-term portion	13,397	-
	\$ 16,393	\$ -

The following summarizes the weighted average remaining lease term and discount rate as of December 31:

	2022	2021
Weighted Average Remaining Lease Term	4 years	N/A
Weighted Average Discount Rate	1.73%	N/A

Years Ending December 31:	Amount
2023	\$ 3,660
2024	3,660
2025	3,660
2026	3,660
2027	3,660
Total lease payments	18,300
Less: interest	(1,907)
Present value of lease liabilities	\$ 16,393

The following summarizes the line items in the statements of activities which include the components of operating lease expense for the year ended December 31:

	2022	2021
Expense included in program services expenses	\$ 3,048	\$ 3,325
Expense included in management and general expenses	136	127
Expense included in program services expenses	309	289
	\$ 3,493	\$ 3,741

The following summarizes cash flow information related to leases for the year ended December 31:

Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 3,493	\$ 3,741
Lease assets obtained in exchange for operating lease obligations	\$ 16,393	\$ -

St. Vincent and Sarah Fisher Center
Notes to the Financial Statements
December 31, 2022 and 2021

NOTE 8 – Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. U.S. GAAP requires the Center to disclose the fair value of each of its assets and liabilities based on the level of observable inputs. The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date or published net asset value for alternative investments with characteristics similar to a mutual fund.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement falls, in its entirety, is based on the lowest level input that is significant to the fair value measurement. As of December 31, 2022 and 2021, management considers all investments of the Center to be Level 1 in the fair value hierarchy. During the years ended December 31, 2022, and 2021, there were no transfers between levels.

NOTE 9 – Donor Restrictions on Net Assets

Donor restricted net assets were restricted as follows as of December 31,

	<u>2022</u>	<u>2021</u>
Other activities	<u>\$ 976</u>	<u>\$ 976</u>

NOTE 10 – Board Designated Net Assets

Board Designated Net Assets

Historically, the Board of Trustees had designated funds to be used, generally in unusual or emergency circumstances, to fund necessary operations (operating reserve). During 2022, the Board of Trustees voted to release the restrictions on the funds. The amount designated as of December 31, 2022, and 2021 was \$0 and \$3,151,113, respectively.

Board Designated Endowment

As of December 31, 2021, the Board of Trustees has designated funds for endowment in the amount of \$1,941,489. During 2022, the Board of trustees voted to also release the restrictions on these funds.

St. Vincent and Sarah Fisher Center
Notes to the Financial Statements
December 31, 2022 and 2021

NOTE 10 – Board Designated Net Assets (continued)

Board designated endowment fund activities for the years ended December 31,

	2022	2021
Investment return		
Investment income	\$ -	\$ 456,827
Net appreciation (depreciation)	-	(12,522)
Total investment return	-	444,305
Amount appropriated for expenditure	-	(444,305)
Total change in endowment fund	\$ -	\$ -

NOTE 11 – Liquidity and Availability of Financial Assets

The following reflects the Center's financial assets as of the balance sheet date, reduced by amounts not available for general use within one year.

	2022	2021
Total assets at year-end	\$ 7,818,043	\$ 9,209,086
Donor restricted net assets	976	976
Net property and equipment	2,409,379	1,651,397
Right-of-use assets	16,393	-
Board designated endowment	-	1,941,489
Board designated operating reserve	-	3,151,113
	2,426,748	6,744,975
Financial assets available to meet cash needs for general expenditure within one year	\$ 5,391,295	\$ 2,464,111

As part of the Center's liquidity management, it invests cash in excess of daily requirements in equities, mutual funds, and cash equivalents.

NOTE 12 – Subsequent Event

During 2023, the Center opened a revolving line of credit with a local financial institution. The line of credit allows them to borrow up to \$750,000 and bears interest at the banks prime rate plus 0.50%. The line of credit is due on demand and currently expires in July, 2024.