Timothy J. Otte CPA, PC

UNITED METHODIST YOUTH HOME, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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P.O. Box 308 Newburgh IN. 47629
Member of American Institute of Certified Public Accountants and Indiana CPA Society

TABLE OF CONTENTS

	Pages
Independent Auditor's Report	1-2
Financial Statements	
Statements of Financial Position	3
Statement of Activities- 2024	4
Statement of Activities -2023	5
Statement of Functional Expenses- 2024	6
Statement of Functional Expenses- 2023	7
Statements of Cash Flows	8
Notes to Financial Statements	9-18

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
United Methodist Youth Home, Inc.

Opinion

We have audited the accompanying financial statements of United Methodist Youth Home, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2024 and 2023, 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 United Methodist Youth Home, Inc. as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United Methodist Youth Home, Inc. 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 these 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 United Methodist Youth Home, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 United Methodist Youth Home, Inc.'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 United Methodist Youth Home, Inc.'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.

Timothy J Otte CPA PC

Evansville, IN
June 20, 2025

United Methodist Youth Home, Inc.
Statements of Financial Position
December 31, 2024 and 2023

ASSETS	2024	2023
Current Assets		
Cash and Cash Equivalents	$ 1,758,854	$ 1,119,998
Restricted Cash- Endowment	7,111	14,369
Total Cash and Cash Equivalents	1,765,965	1,134,367
Government Service Revenue Receivable	359,126	267,877
Prepaid Expenses and Other Assets	10,200	16,245
Total Current Assets	2,135,291	1,418,489
Property and Equipment		
Automobiles	191,357	126,112
Building	2,094,833	1,997,265
Equipment	54,214	54,214
Land	22,630	22,630
Office Equipment	111,556	111,556
Less: Accumulated Depreciation	(883,637)	(806,121)
Total Property and Equipment	1,590,953	1,505,656
Other Assets		
Investments	1,502,955	2,169,898
Investments- Board Designated Endowment	2,339,361	2,068,642
Investments- Endowment	913,114	807,834
Total Investments	4,755,430	5,046,374
Beneficial Interest in Endowment Fund	35,331	29,242
Beneficial Interest in Remainder Trust	464,075	425,037
Total Other Assets	5,254,836	5,500,653
Total Assets	$ 8,981,080	$ 8,424,798

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts Payable	$ 18,309	$ 22,223
Accrued Expenses	89,267	73,267
Total Current Liabilities	107,576	95,490
Net Assets		
Without Donor Restrictions	6,536,146	5,928,567
With Donor Restrictions	2,337,358	2,400,741
Total Net Assets	8,873,504	8,329,308
Total Liabilities and Net Assets	$ 8,981,080	$ 8,424,798

See notes to financial statements

United Methodist Youth Home, Inc.
Statement of Activities
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Public Support and Service Revenues			
Contributions	$ 588,338	$ 256,023	**$ 844,361**
Government Service Revenue	2,038,031	-	**2,038,031**
Total Public Support and Service Revenue	2,626,369	256,023	**2,882,392**
Other Revenue			
Interest	994	-	**994**
Investment Income	148,344	20,502	**168,846**
Other	27,569	-	**27,569**
Unrealized Gains or (Losses)	321,335	77,519	**398,854**
Change in Value of Beneficial Interest in Remainder Trust	-	39,038	**39,038**
Change in Value of Agency Fund	-	6,089	**6,089**
Net Assets Released From Restrictions	462,554	(462,554)	**-**
Total Other Revenue	960,796	(319,406)	**641,390**
Total Public Support and Revenue	3,587,165	(63,383)	**3,523,782**
FUNCTIONAL EXPENSES			
Program Service			
Residential	1,739,923	-	**1,739,923**
Day Education	365,119	-	**365,119**
Truancy	252,368	-	**252,368**
Total Program Service	2,357,410	-	**2,357,410**
Supporting Services			
Management and General	368,084	-	**368,084**
Fundraising	254,092	-	**254,092**
Total Supporting Services	622,176	-	**622,176**
Total Functional Expenses	2,979,586	-	**2,979,586**
Change in Net Assets	607,579	(63,383)	**544,196**
Net Assets- beginning of year	5,928,567	2,400,741	**8,329,308**
Net Assets- end of year	$ 6,536,146	$ 2,337,358	**$ 8,873,504**

See notes to financial statements

United Methodist Youth Home, Inc.
Statement of Activities
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Public Support and Service Revenues			
Contributions	$ 498,513	$ 1,111,255	$ 1,609,768
Government Service Revenue	2,014,325	-	2,014,325
Total Public Support and Service Revenue	2,512,838	1,111,255	3,624,093
Other Revenue			
Interest	1,383	-	1,383
Investment Income	105,448	18,802	124,250
Gains or (Losses) on Assets	500	-	500
Unrealized Gains or (Losses)	113,399	23,636	137,035
Change in Value of Beneficial Interest in Remainder Trust	-	57,187	57,187
Change in Value of Agency Fund	-	4,813	4,813
Net Assets Released From Restrictions	36,862	(36,862)	-
Total Other Revenue	257,592	67,576	325,168
Total Public Support and Revenue	2,770,430	1,178,831	3,949,261
FUNCTIONAL EXPENSES			
Program Service			
Residential	1,461,548	-	1,461,548
Day Education	292,202	-	292,202
Truancy	225,936	-	225,936
Total Program Service	1,979,686	-	1,979,686
Supporting Services			
Management and General	342,447	-	342,447
Fundraising	214,453	-	214,453
Total Supporting Services	556,900	-	556,900
Total Functional Expenses	2,536,586	-	2,536,586
Change in Net Assets	233,844	1,178,831	1,412,675
Net Assets- beginning of year	5,694,723	1,221,910	6,916,633
Net Assets- end of year	$ 5,928,567	$ 2,400,741	$ 8,329,308

See notes to financial statements

United Methodist Youth Home, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2024

	Program Services				Management		
	Residential	Day Education	Truancy	Total Program	and General	Fundraising	Total
Activities	$ 12,613	$ 824	$ 7	$ 13,444	$ -	$ -	**$ 13,444**
Advertising	930	270	30	1,230	225	3,248	**4,703**
Automobile	16,233	5,661	-	21,894	-	-	**21,894**
Clothing	4,119	-	-	4,119	-	-	**4,119**
Depreciation	62,125	12,042	9,968	84,135	4,493	5,839	**94,467**
Dues and Fees	700	115	-	815	6,478	1,793	**9,086**
Education and Training	10,913	5,859	702	17,474	1,744	1,621	**20,839**
Fundraising Expense	-	-	-	-	-	8,643	**8,643**
Groceries	44,181	15,264	-	59,445	2,537	47	**62,029**
Incentives for Residents	5,490	3,429	2,186	11,105	-	-	**11,105**
Insurance	36,783	10,414	2,437	49,634	13,709	3,557	**66,900**
Maintenance and Repairs	26,571	15,466	82	42,119	4,110	138	**46,367**
Medical Expenses for Residents	10,056	1,508	-	11,564	-	-	**11,564**
Miscellaneous	2,199	87	-	2,286	376	945	**3,607**
New Hire Expenses	10,389	2,864	209	13,462	2,101	380	**15,943**
Office Supplies	13,477	4,377	37	17,891	4,654	3,063	**25,608**
Paper Goods	5,180	2,090	-	7,270	751	-	**8,021**
Payroll	1,150,456	227,711	179,204	1,557,371	262,546	177,773	**1,997,690**
Payroll Taxes & Benefits	221,148	24,074	37,548	282,770	34,936	16,587	**334,293**
Printing	4,137	-	-	4,137	230	8,824	**13,191**
Professional Fees	12,514	2,930	646	16,090	10,313	703	**27,106**
Program Expenses	1,941	6,247	6,583	14,771	-	7,047	**21,818**
Software	45,306	13,153	1,464	59,923	12,021	9,941	**81,885**
Telephone	5,850	552	1,234	7,636	451	114	**8,201**
Travel	1,147	-	8,351	9,498	-	2,419	**11,917**
Utilities	35,466	10,182	1,679	47,327	6,409	1,410	**55,146**
Total Functional Expenses	$ 1,739,924	$ 365,119	$ 252,367	$ 2,357,410	$ 368,084	$ 254,092	**$ 2,979,586**

See notes to financial statements

United Methodist Youth Home, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2023

	Program Services				Management		
	Residential	Day Education	Truancy	Total Program	and General	Fundraising	Total
Activities	$ 13,458	$ 611	$ -	$ 14,069	$ 105	$ -	$ 14,174
Automobile	11,468	7,138	-	18,606	-	-	18,606
Classroom Supplies	-	-	-	-	-	-	-
Clothing	4,514	35	-	4,549	-	-	4,549
Depreciation	46,539	13,826	5,062	65,427	10,124	-	75,551
Dues and Fees	1,326	93	20	1,439	13,557	9,108	24,104
Education and Training	3,707	2,491	24	6,222	30	63	6,315
Fundraising Expense	-	-	-	-		4,350	4,350
Groceries	46,268	17,750	-	64,018	1,025	1,065	66,108
Incentives for Residents	4,292	3,251	5,326	12,869	-	-	12,869
Insurance	24,803	6,597	3,770	35,170	6,102	5,848	47,120
Maintenance and Repairs	27,660	8,021	58	35,739	8,038	93	43,870
Medical Expenses for Residents	13,496	532	-	14,028	-	-	14,028
Miscellaneous	-	-	-	-	1,058	4,545	5,603
New Hire Expenses	6,671	2,597	493	9,761	3,647	635	14,043
Office Supplies	14,235	5,991	2,319	22,545	3,791	6,510	32,846
Paper Goods	6,034	2,361	-	8,395	134	-	8,529
Payroll	991,657	176,210	157,477	1,325,344	245,747	152,635	1,723,726
Payroll Taxes & Benefits	197,559	33,234	36,391	267,184	40,914	12,922	321,020
Printing	150	-	-	150	-	9,231	9,381
Professional Fees	11,361	1,888	987	14,236	4,614	15	18,865
Telephone	5,549	594	2,047	8,190	367	419	8,976
Travel	1,462	-	9,620	11,082	141	3,335	14,558
Utilities	29,339	8,982	2,342	40,663	3,053	3,679	47,395
Total Functional Expenses	$ 1,461,548	$ 292,202	$ 225,936	$ 1,979,686	$ 342,447	$ 214,453	$ 2,536,586

See notes to financial statements

United Methodist Youth Home, Inc.
Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 544,196	$1,412,675
Adjustments to Reconcile Increase (Decrease) in Net Assets to net cash provided by operating activities:		
Depreciation	94,467	75,550
Realized and Unrealized (gains) or losses on Investments	(398,854)	(137,035)
Change in Value of Endowment Fund	(6,089)	(4,813)
Change in Beneficial Interest in Remainder Trust	(39,038)	(57,187)
(Increase) Decrease in Operating Assets:		
Government Service Revenue Receivable	(91,249)	(10,271)
Prepaid Expenses and Other Assets	6,045	(14,238)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Expenses	12,086	(954)
Net Cash Provided (Used) by Operating Activities	121,564	1,263,727
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(179,763)	(209,988)
Purchase of Investments	(526,377)	(1,519,459)
Net Change in Cash Equivalents Included in Investments	(539,711)	(495,832)
Proceeds from Sales and Maturities of Investments	1,755,885	1,217,162
Net Cash Provided (Used) by Investing Activities	510,034	(1,008,117)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Change in Line of Credit	-	-
Net Cash Provided (Used) by Financing Activities	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	631,598	255,610
Cash and Cash Equivalents- beginning of year	1,134,367	878,757
Cash and Cash Equivalents- end of year	$ 1,765,965	$1,134,367
Supplemental Disclosures of Cash Flows Information		
Restricted Cash Included in Cash and Cash Equivalents- end of year	$ 7,111	$ 14,369

See notes to financial statements

UNITED METHODIST YOUTH HOME, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization
The United Methodist Youth Home, Inc.(the "Organization) is a nonprofit organization. The Organization is a faith based non-profit agency that strives to help at-risk youth become responsible and productive members of the community. The Organization operated the following programs:

Residential Treatment Program, which currently operates a licensed group home for girls ages 10-21 and a licensed group home for boys ages 10 to 21. Resident programming focuses on developing pro-social behavior, personal responsibility, educational achievement, and independent living skills training. Residents are usually placed at the Organization with the goal of reunification with parents or relatives, emancipation, or placement in a foster home or other less restrictive environment. This program also provides aftercare services to the youth for up to six months post-discharge.

Day Education Program, which works with youth who have either dropped out of school, who are having adjusting socially or academically in school, who have been suspended or expelled from school, or who need a more intensive and structured program. The program includes intensive preparation for the high school equivalency exam. The youth also participate in a daily cognitive skills group on topics such as self-esteem, problem solving, anger management, healthy lifestyles, and independent living.

Truancy Intervention Program is a program to prevent youth from dropping out of school, increase the youth's school attendance, and improve the youth's overall academic performance. The program assesses both the youth and the family to determine the obstacles to school attendance, The program works with the youth and the family to put appropriate interventions in place to overcome the obstacles, resulting in improvements of academic performance.

Basis of Accounting
The accompanying financial statements are presented on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation
The Organization reports information regarding its financial position and activities according to two classifications of net assets: net assets without donor restrictions and net assets with donor restrictions.

> **Net Assets without Donor Restrictions-** These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.
>
> **Net Assets with Donor Restrictions-** These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends, or the purpose of the restriction is accomplished, the net assets are restricted.

Federal Income Taxes
The Organization is exempt from income taxes as a non-profit corporation under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Organization believes that it has support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Cash and Cash Equivalents
For purposes of the Statement of Cash Flows, the Organization considers all investments with a maturity of three months or less at the date of purchase to be cash equivalents. Accounts at each institution are insured by the FDIC up to $250,000. At December 31, 2024 and 2023, the Organization had $55,548 and $91,971, respectively in excess of the FDIC limit.

Government Service Revenue Receivable
Government service revenue receivable consist of noninterest-bearing amounts for residential, day treatment and truancy services. The allowance for uncollectible accounts is determined based on historical experience and a review of subsequent receipts. Government service revenue receivable are written off when deemed uncollectible. At December 31, 2024 and 2023, management determined no allowance for uncollectible amounts is necessary. 100% of the government service revenue receivable is due from three agencies of the State of Indiana.

Property and Equipment
The Organization follows the practice of capitalizing all expenditures in excess of $2,500 for property and equipment at cost; the fair market value of donated assets is similarly capitalized. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Maintenance and repairs are charged to expense as incurred; major improvements are capitalized.

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an assets may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent the carrying value exceeds the fair value of the asset. The Organization has determined that no long-lived assets were impaired during the years ended December 31, 2024 and 2023.

Beneficial Interests in Charitable Trusts Held by Others
The Organization has been named as a beneficiary of a charitable trust held and administered by an independent trustee. This trust was created independently by a donor and is administered by an outside agent designated by the donor. Therefore, the Organization have neither possession nor control over the assets of the trust. At the date, the Organization received notice of a beneficial interest, a contribution with donor restrictions is recorded in the Statements of Activities, and a beneficial interest in charitable trusts held by others is recorded in the Statements of Financial Position at fair value using the underlying value of the assets held. Therefore, beneficial interests in the trusts are reported at fair value in the Statements of Financial Position, with changes in fair value recognized in the Statements of Activities.

Investments
Purchased investments are recorded at cost or if donated, fair value at the date of donation. Thereafter, investments are reported at their fair values in the Statements of Financial Position. Net investment return (loss) is reported in the Statements of Activities and consists of interest and dividend income, realized and unrealized capital gains and losses, and less external investment expenses.

Government Service Revenue
Revenue is recognized when earned. The Organization receives government service revenue through periodic receipts of funds claimed by monthly filings with the respective funding sources. At December 31, 2024 and 2023 representing 58% and 51% of revenues, respectively, receives revenues from the following governmental sources:

The *Indiana Department of Child Services (IDCS)* agreement to provide residential treatment is effective until December 31, 2024. The award amount is determined monthly by the number of residents of the Organization served multiplied by the established per diem rates and counseling hours provided to the residents and their families.

The *Indiana Department of Education (IDOE)* agreement operates on a June 30th fiscal year. The Organization has a permanent agreement with the IDOE. The award amount is determined monthly by the number of meals the Organization serves to children multiplied by the established reimbursement rates.

The *Indiana Department of Child Services (IDCS)* agreement to provide day treatment and truancy intervention services is effective until June 30, 2025. The award amount is determined monthly by the number of youths the Organization served multiplied by established per diem rates.

Contributions
Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notifications of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Contributions received with restrictions that are met in the same reporting period and conditional contributions for which the conditions and restrictions are met in the same period are reported as with donor restrictions and then released from restrictions. For the years ended December 31, 2024 and 2023, the Organization received 36% and 63% of its support and revenue from one donor, respectively.

Donated Services
Volunteers contribute significant amounts of time to the program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet the recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at the fair value at the date of donation. No significant contributions of such goods and services were received during the years ended December 31, 2024 and 2023, 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 effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses
The costs of providing the various programs and supporting activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, costs have been allocated among the program and services benefited. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Expenses have been classified based on the actual direct expenditures and cost allocation based on the square footage of each building or department and the current student census in each particular program unless the expense is specified. Expenses allocated include insurance-general, utilities and office supplies.

Unemployment Compensation
The Organization has elected to finance unemployment compensation benefits under a reimbursement method whereby the Organization is billed for actual benefits paid.

Risks and Uncertainties
The Organization invests or holds a variety of investment vehicles, including stocks and corporate bonds. These investments are exposed to interest rate, market, credit, and other risks depending upon the nature of the investment. Accordingly, it is reasonably possible that these factors will result in changes in the value of the Organization's investments, which could materially affect amounts reported in the financial statements. Investments held by a broker in customer accounts are protected against physical loss and theft by the Securities Investor Protection Corporation (SIPC).

Reclassifications
Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to confirm with the presentation in the current-year financial statements. Such reclassifications had no effect on the previously reported change in net assets.

NOTE 2- SIMPLE RETIREMENT PLAN

The Organization adopted a Simple IRA retirement plan. The Organization contributes a matching contribution up to 3% of the employee's annual salary. The Organization's contributions to a plan were $20,358 and $18,866 for the years ending December 31, 2024 and 2023, respectively.

NOTE 3- RELATED PARTY TRANSACTIONS

The Organization is affiliated with the United Methodist Church and must have representation on the board. The Organization periodically receives donations from local United Methodist Churches, which are recorded as public support on the financial statements.

NOTE 4- BENEFICIAL INTEREST IN REMAINDER TRUST

The Organization has been named a secondary beneficiary in a charitable remainder trust administered by an outside party. The primary beneficiary will receive all income distributions until death. Upon death of the primary beneficiary, the Organization will become the primary beneficiary of the trust's assets.

Beneficial interest in remainder trust was $464,075 and $425,037 at December 31, 2024 and 2023, respectively.

NOTE 5- LINE OF CREDIT

The Organization has available a $150,000 line of credit for general operating purposes. The line is payable upon demand with interest payable monthly at the prime rate plus .5%. Collateral of all assets of the Organization. The balance was $0 and $0 at December 31, 2024 and 2023, respectively.

NOTE 6- ENDOWMENT

At December 31, 2024 and 2023, the Organization has endowment fund which consists of cash and investments restricted for endowment by donors of $920,225 and $822,204, respectively. The Organization does not have a policy for making appropriation for expenditures from the endowment fund.

The Organization's governing body has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) 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 Organization classifies donor-restricted endowment funds as net assets with donor restrictions until those amounts are appropriated for expenditure for Organization in a matter consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: 1) the duration and preservation of the various funds, 2) the purposes of the donor restricted endowment funds, 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 Organization, and 7) the Organization's investment policies.

The Organization has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowments.

NOTE 6- ENDOWMENT (Con't)

	2024	2023
Endowment- beginning of year	$ 822,204	$ 779,767
Contributions	-	-
Investment Income	28,145	25,637
Realized and Unrealized Losses	77,519	23,636
Distributions	-	-
Management Fees	(7,643)	(6,836)
Endowment- end of year	$ 920,225	$ 822,204

	2024	2023
Board-Designated Endowment- beginning of year	$ 2,105,592	$ 1,996,469
Contributions	-	-
Investment Income	72,374	65,924
Realized and Unrealized Losses	199,335	60,777
Management Fees	(19,655)	(17,578)
Board-Designated Endowment- end of year	$ 2,357,646	$ 2,105,592

NOTE 7- BENEFICIAL INTEREST IN ENDOWMENT FUND

Beneficial interest in assets held by Community Foundation Alliance, Inc. (CFA) are measured by the fair market value of the underlying assets. No variance powers were granted to the CFA. The Fund is subject to the CFA's investment and spending policies. Investment Income from distributions is reported in the statement of activities as increases in net assets with donor restrictions. Changes in the value of the Fund is reported in the statement of activities as increased or decreases in net assets with donor restrictions.

	2024	2023
Balance- beginning of year	$ 29,242	$ 24,429
Contributions	2,928	1,000
Share of Appreciation Fund	3,672	4,212
Management Fees	(511)	(399)
Balance- end of year	$ 35,331	$ 29,242

NOTE 8- FAIR VALUE MEASUREMENTS

Fair value of assets is measured on a recurring basis at December 31, 2024 and 2023 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Asset/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2024				
Exchange Traded Funds (ETF's)	$ 570,331	$ 570,331	$ -	$ -
Fixed Income	718,991	718,991	-	-
Other Assets	255,473	255,473		
Equity Securities	3,210,635	3,210,635	-	-
Total Investments	$ 4,755,430	$ 4,755,430	$ -	$ -
Beneficial interest in assets held by CFA	$ 35,331	$ -	$ -	$ 35,331
Beneficial interest in remainder trust	$ 464,075	$ -	$ 464,075	$ -
December 31, 2023				
Exchange Traded Funds (ETF's)	$ 312,451	$ 312,451	$ -	$ -
Fixed Income	513,206	513,206	-	-
Mutual Funds	764,672	764,672		
Other Assets	172,338	172,338		
Equity Securities	3,283,707	3,283,707	-	-
Total Investments	$ 5,046,374	$ 5,046,374	$ -	$ -
Beneficial interest in assets held by CFA	$ 29,242	$ -	$ -	$ 29,242
Beneficial interest in remainder trust	$ 425,037	$ -	$ 425,037	$ -

NOTE 9- NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods:

	2024	2023
Subject for expenditure for specified purpose:		
Aftercare	$ 12,888	$ 9,417
Cash for Class	26,998	22,461
Christmas	3,962	4,689
Day Reporting	5,343	9,710
NAP Credits	22,936	9,340
Duffel Bags	636	929
Exercise Equipment	2,099	2,488
Girl's Home	100,519	519
Lilly Endowment (Youth Programs)	710,001	996,362
Medical	980	-
MP3 Players	-	1,209
Parking Lot Grant	-	41,257
Professional Clothing	711	1,114
Residential Recreation	1,000	1,000
Summer Activities	1,396	-
Thanksgiving	-	688
Truancy	10,215	5,000
Tuition	-	500
United Way (Payroll)	1,334	-
Welborn Heal (Garden)	-	3,095
Welborn (Christ Centered)	13,862	11,125
Winter Clothes	2,847	2,000
Winter Coats	-	1,355
	$ 917,727	$ 1,124,258

NOTE 9- NET ASSETS WITH DONOR RESTRICTIONS (Con't)

	2024	2023
Subject to the passage of time:		
Beneficial interest in charitable remainder trust	464,075	425,037
	464,075	425,037
Endowments:		
Beneficial interest in assets held by CFA	35,331	29,242
Endowment- available for general use	920,225	822,204
	955,556	851,446
Total	$ 2,337,358	$ 2,400,741

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2024	2023
Satisfaction of purpose restriction		
Aftercare	$ 21,254	$ 975
Cash for Class	858	-
Christmas	827	-
Day Reporting	30,717	2,450
NAP Credits	11,116	-
Duffel Bags	293	-
Exercise Equipment	389	900
Girl's Home	-	6,129
Lilly Endowment (Youth Programs)	286,361	3,353
Medical	20	1,127
Memory Books	-	-
MP3 Players	1,209	930
Parking Lot Grant	41,257	-
Professional Clothing	403	438
Residential Recreation	1,000	-
Summer Activities	704	
Thanksgiving	1,403	1,074
Truancy	11,310	-
Tuition	500	-
United Way (Payroll)	43,074	-
Welborn Heal (Garden)	5,108	6,585
Welborn (Christ Centered)	2,888	9,750
Winter Clothes	508	757
Winter Coats	1,355	2,394
Total	$ 462,554	$ 36,862

NOTE 10- LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date, comprise the following:

	2024	2023
Cash and Cash Equivalents	$ 1,758,854	$ 1,119,998
Government Service Revenue Receivable	359,126	267,877
Investments- Board Designated Endowment	2,339,361	2,068,642
Investments- unrestricted	1,502,955	2,169,898
	$ 5,960,296	$ 5,626,415

The endowment fund consist of donor-restricted endowments. Income from donor restricted endowments is available for general use.

The Organization's goal is to have three months of average reoccurring operating costs. As part of its liquidity plan, the Organization has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due.

NOTE 11- SUBSEQUENT EVENTS

The Organization has evaluated subsequent events and transactions through June 20, 2025, the date the financial statements were available to be issued.