OUR LITTLE HAVEN

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021

Caring for Children. Mind. Body. Soul.

our little haven®

ourlittlehaven.org

Contents

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report

Executive Board of Directors
Our Little Haven
St. Louis, Missouri

Report On The Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Our Little Haven, a not-for-profit organization, and Our Little Haven Service Agency, LLC, which comprise the consolidated statement of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility For The Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Our Little Haven and Our Little Haven Service Agency, LLC as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis Of Matter

As discussed in Note 2 to the consolidated financial statements, Our Little Haven and Our Little Haven Service Agency, LLC adopted Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* for the year ending June 30, 2021. Our opinion is not modified with respect to this matter.

RubinBrown LLP

September 20, 2021

OUR LITTLE HAVEN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

	June 30, 2021	June 30, 2020
Cash and cash equivalents (Note 3)	$ 2,951,917	$ 2,083,037
Investments (Note 9)	1,575,325	1,433,978
Assets held on behalf of others (Notes 3 and 4)	2,510,575	2,279,194
Accounts receivable (Note 5)	78,398	65,379
Promises to give	—	3,561
Employee retention credit receivable (Note 2)	354,037	—
Prepaid expenses	97,613	65,612
Advances on life insurance contracts (Note 7)	352,400	352,426
Property and equipment (Note 8)	400,571	367,541
Assets restricted and appropriated for endowment (Notes 3 and 9)	12,100,486	9,694,881
Total Assets	$ 20,421,322	$ 16,345,609

Liabilities And Net Assets

	June 30, 2021	June 30, 2020
Liabilities		
Accounts payable and accrued expenses	$ 109,868	$ 71,559
Agency funds held on behalf of others (Note 4)	2,510,575	2,279,194
Deferred revenue (Note 5)	65,895	—
Paycheck Protection Program Loan (Note 10)	400,000	400,000
Total Liabilities	3,086,338	2,750,753
Net Assets		
Without donor restrictions		
Undesignated	4,833,927	3,532,434
Invested in property and equipment	400,571	367,541
Board-appropriated endowment (Note 11)	9,285,235	7,194,881
Total without donor restrictions	14,519,733	11,094,856
With donor restrictions (Note 11)	2,815,251	2,500,000
Total Net Assets	17,334,984	13,594,856
Total Liabilities And Net Assets	$ 20,421,322	$ 16,345,609

OUR LITTLE HAVEN

CONSOLIDATED STATEMENT OF ACTIVITIES

	For The Years Ended June 30,					
	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support And Revenue						
Public Support						
Contributions:						
Churches/schools	$ 4,537	$ —	$ 4,537	$ 7,935	$ —	$ 7,935
Civic groups	1,225	—	1,225	2,603	—	2,603
Corporations	325,414	—	325,414	142,644	—	142,644
Memorials and tributes	34,500	—	34,500	31,960	—	31,960
Foundations	173,146	—	173,146	155,296	2,500,000	2,655,296
Individuals	691,690	—	691,690	569,875	—	569,875
Total Contributions	1,230,512	—	1,230,512	910,313	2,500,000	3,410,313
Community grants (Note 5)	330,408	—	330,408	282,940	—	282,940
Fundraising (net of direct expenses of $48,653 in 2021 and $80,276 in 2020)	145,189	—	145,189	197,736	—	197,736
Total Public Support	1,706,109	—	1,706,109	1,390,989	2,500,000	3,890,989
Revenue						
Program service revenues (Note 5)	1,638,906	—	1,638,906	1,316,784	—	1,316,784
Interest and dividends	181,176	25,267	206,443	210,907	—	210,907
Total Revenue	1,820,082	25,267	1,845,349	1,527,691	—	1,527,691
Total Public Support And Revenue	3,526,191	25,267	3,551,458	2,918,680	2,500,000	5,418,680
Expenses						
Program services	2,554,260	—	2,554,260	2,337,246	—	2,337,246
Management and general	243,393	—	243,393	238,869	—	238,869
Fundraising	383,020	—	383,020	383,827	—	383,827
Total Expenses	3,180,673	—	3,180,673	2,959,942	—	2,959,942
Increase (Decrease) In Net Assets Before Gains (Losses)	345,518	25,267	370,785	(41,262)	2,500,000	2,458,738
Gain On Forgiveness Of Paycheck Protection Program Loan (Note 10)	400,000	—	400,000	—	—	—
Employee Retention Credit (Note 2)	354,037	—	354,037	—	—	—
Realized And Unrealized Gains (Losses) On Investments	2,325,322	289,984	2,615,306	(200,071)	—	(200,071)
Increase (Decrease) In Net Assets	3,424,877	315,251	3,740,128	(241,333)	2,500,000	2,258,667
Net Assets - Beginning Of Year	11,094,856	2,500,000	13,594,856	11,336,189	—	11,336,189
Net Assets - End Of Year	$ 14,519,733	$ 2,815,251	$ 17,334,984	$ 11,094,856	$ 2,500,000	$ 13,594,856

OUR LITTLE HAVEN

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

	For The Years Ended June 30,							
	2021				2020			
	Program Services	Management And General	Fundraising	Total	Program Services	Management And General	Fundraising	Total
Salaries	$ 1,583,758	$ 109,401	$ 234,098	$ 1,927,257	$ 1,405,431	$ 104,337	$ 217,605	$ 1,727,373
Payroll taxes	119,270	8,448	17,636	145,354	105,703	8,564	16,525	130,792
Health insurance	188,937	12,687	32,705	234,329	170,195	7,302	30,561	208,058
403(b) contribution (Note 12)	69,039	5,152	11,809	86,000	49,544	4,337	8,391	62,272
Total Payroll Expenses	1,961,004	135,688	296,248	2,392,940	1,730,873	124,540	273,082	2,128,495
Advertising/newsletter	205	—	22,979	23,184	—	—	22,270	22,270
Case management expenses	254,841	—	—	254,841	294,694	—	—	294,694
Conferences and meetings	271	—	—	271	689	981	75	1,745
Data processing	24,509	11,565	1,549	37,623	25,751	6,581	1,887	34,219
Dues and subscriptions	6,455	515	13,769	20,739	5,406	103	7,640	13,149
Indirect fundraising event costs	—	—	2,792	2,792	—	—	20,649	20,649
Insurance	81,192	22,980	24,316	128,488	71,246	20,638	22,561	114,445
Maintenance of buildings and equipment	22,427	6,422	28	28,877	8,755	5,694	59	14,508
Miscellaneous expense	—	—	—	—	5	—	—	5
Office expense	13,807	3,631	2,075	19,513	12,409	2,648	1,925	16,982
Outpatient services expense	49,838	—	87	49,925	38,611	—	—	38,611
Payroll processing	—	3,344	—	3,344	285	2,782	39	3,106
Postage	3,482	352	1,192	5,026	3,290	529	519	4,338
Preschool expenses	3,265	—	—	3,265	5,227	—	—	5,227
Printing	3,613	533	4,338	8,484	2,071	412	5,093	7,576
Professional fees	3,444	41,203	1,097	45,744	21,226	56,942	6,212	84,380
Program supplies	22,078	7,562	—	29,640	18,074	6,087	925	25,086
Telephone	11,764	932	932	13,628	11,848	864	760	13,472
Training	19,910	790	841	21,541	16,611	—	2,220	18,831
Utilities	18,610	2,235	2,235	23,080	20,040	2,280	2,280	24,600
Volunteer recruitment and awards	3,060	601	142	3,803	6,791	617	775	8,183
Total Other Expenses	542,771	102,665	78,372	723,808	563,029	107,158	95,889	766,076
Total Expenses Before Depreciation And Amortization	2,503,775	238,353	374,620	3,116,748	2,293,902	231,698	368,971	2,894,571
Depreciation And Amortization	50,485	5,040	8,400	63,925	43,344	7,171	14,856	65,371
	$ 2,554,260	$ 243,393	$ 383,020	$ 3,180,673	$ 2,337,246	$ 238,869	$ 383,827	$ 2,959,942

OUR LITTLE HAVEN

CONSOLIDATED STATEMENT OF CASH FLOWS

	For The Years Ended June 30, 2021	2020
Cash Flows From Operating Activities		
Increase in net assets	$ 3,740,128	$ 2,258,667
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Contributions restricted for term endowment	—	(2,500,000)
Depreciation and amortization	63,925	65,371
Realized gains on investments	(83,553)	(1,247,363)
Unrealized (gains) losses on investments	(2,531,753)	1,447,434
Gain on forgiveness of Paycheck Protection Program loan	(400,000)	—
Changes in assets and liabilities:		
Accounts receivable	(13,019)	673
Promises to give	3,561	102,218
Employee retention credit receivable	(354,037)	—
Prepaid expenses	(32,001)	(9,203)
Accounts payable and accrued expenses	38,309	(32,139)
Deferred revenue	65,895	(2,250)
Net Cash Provided By Operating Activities	497,455	83,408
Cash Flows From Investing Activities		
Payments for the purchase of property and equipment	(96,955)	(21,412)
Proceeds from sales and maturities of investments	799,178	2,159,850
Purchases of investments	(2,801,087)	(2,979,306)
Decrease in advances on life insurance contracts	26	—
Net Cash Used In Investing Activities	(2,098,838)	(840,868)
Cash Flows From Financing Activities		
Amounts received for term endowment	—	2,500,000
Proceeds from Paycheck Protection Program loan	400,000	400,000
Net Cash Provided By Financing Activities	400,000	2,900,000
Net Increase (Decrease) In Cash And Cash Equivalents	(1,201,383)	2,142,540
Cash And Cash Equivalents - Beginning Of Year	4,583,037	2,440,497
Cash And Cash Equivalents - End Of Year	$ 3,381,654	$ 4,583,037
Cash And Cash Equivalents Consist Of:		
Undesignated cash and cash equivalents	$ 2,951,917	$ 2,083,037
Donor restricted term endowment cash and cash equivalents	158,288	2,500,000
Board-appropriated endowment cash and cash equivalents	271,449	—
	$ 3,381,654	$ 4,583,037

1. Operations

Our Little Haven, a not-for-profit organization, was founded to provide early intervention services to young children who need healing care early in their lives. Since 1993, Our Little Haven has grown from a single program serving 30 children annually to three programs serving more than 500 children and families each year. As specialists in care for young children, Our Little Haven helps them recover from the early trauma of abuse and neglect as well as behavioral and emotional challenges so they can live, learn and grow in their home, family, school and community. Early intervention builds foundations for productive, healthy lives full of promise. Our Little Haven has shown that when children have appropriate treatment services, even those who had a very rough start can succeed. Without Our Little Haven, these children would have no access to professional care and little hope of beating the odds. Our Little Haven is focused on early intervention and includes Keystone Mental Health Services providing professional assessments, testing, treatment, counseling and healing care; Our Little Academy, a therapeutic preschool designed to work with children who need special care not found in traditional preschool settings; and the Taylor Family Care Center, a holistic approach to resolving significant family issues allowing for a permanent, loving, healthy home for the children.

2. Summary Of Significant Accounting Policies

Basis Of Consolidation

The accompanying consolidated financial statements include the accounts of Our Little Haven and its wholly-owned subsidiary, Our Little Haven Service Agency, LLC (the LLC), (collectively, the Organization). The single member LLC was created March 1, 2011. See Note 4 for further description of the LLC.

New Accounting Pronouncement

During 2021, the Organization adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which clarifies the principles for recognizing revenue and develops a common revenue standard. ASU 2014-09 requires disclosures about contracts with customers, significant judgements in determining the satisfaction of performance obligations in contracts, and assets recognized from costs to obtain or fulfill contracts. The implementation did not have a material impact on the Organization's consolidated financial statements.

The Organization adopted ASC 606 using a modified retrospective approach, and accordingly the new guidance was applied retrospectively to contracts that were not completed as of July 1, 2020, which is the date of initial application. As a practical expedient, for any contracts that were modified prior to July 1, 2020, the Organization has applied the new guidance for these uncompleted contracts as of the date of adoption, rather than as of the date of each modification. As a result of the judgements used, including the allocation of the transaction price to satisfied and unsatisfied performance obligations for modifications, the Organization may have come to different conclusions if analyzed based on the date of each modification. Management does not believe that the effect of this practical expedient had a material effect on the application of ASC 606. The adoption of ASC 606 has no impact on the change in net assets or cash provided by operating results and did not result in a material change to the timing of when revenue is recognized.

Basis Of Presentation

The consolidated financial statement presentation follows the requirements of the Financial Accounting Standards Board for Not-for-Profit Organizations by presenting assets and liabilities within similar groups and classifying them in ways that provide relevant information about their interrelationships, liquidity and financial flexibility. As a result, the Organization is required to report its financial position and activities according to the following two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Estimates And Assumptions

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash And Cash Equivalents

The Organization considers all highly liquid instruments available for operations to be cash equivalents. The Organization invests its excess cash in debt instruments and securities with financial institutions with strong credit ratings and has established guidelines relative to diversification and maturities that maintain safety and liquidity. At times, such amounts may be in excess of the Federal Deposit Insurance Corporation (FDIC) and Securities Investors Protection Corporation (SIPC) insurance amounts. At June 30, 2021, cash and cash equivalents held in excess of the FDIC limit amounted to approximately $2,781,000. As of June 30, 2021, assets held on behalf of others include cash and cash equivalents of $2,579,237 of which $2,329,237 was held in excess of the FDIC limit. Total cash and cash equivalents held in bank represents the amount physically deposited in the bank at June 30, 2021, without regard to deposits in transit or outstanding checks.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year end will be immaterial.

Promises To Give

Unconditional promises to give are recognized as support in the period the promises are received. Conditional promises to give, that is, those with a measurable performance or other barrier, are not recognized until the conditions on which they depend have been met. All promises to give are expected to be collected within one year. Promises to give are reported at the amount management expects to collect on balances outstanding at year end. Management has determined that all promises to give are collectible and that an allowance for uncollectible promises to give is not necessary.

Property And Equipment

Property and equipment are carried at cost, less accumulated depreciation and amortization. Depreciation and amortization is computed using the straight-line method over periods ranging from 3 to 30 years.

Investments And Assets Restricted And Appropriated For Endowment

Investments and assets restricted and appropriated for endowment are reported at fair value. Gains or losses on sales of investments are determined on a specific cost identification basis. Unrealized gains and losses are determined based on year-end fair value fluctuations.

Paycheck Protection Program Loan

The Organization received loans that are part of the Paycheck Protection Program (PPP) established under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and administered by the U.S. Small Business Administration (SBA). In accordance with the requirements of the CARES Act, the Organization used and expects to use the proceeds from the loans exclusively for qualified expenses under PPP, including payroll costs, mortgage interest, rent and utility costs, as further detailed in the CARES Act and applicable guidance issued by the SBA. The Organization considers the PPP loans to be debt, subject to the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 470, *Debt*. The Organization will not impute additional interest at a market rate as transactions where interest rates are prescribed by governmental agencies are not subject to the accounting guidance on imputing interest.

The loan will remain recorded as a liability until either (1) the loan is, in part or wholly, forgiven and the debtor has been legally released or (2) the debtor pays off the loan to the creditor. Once the loan is, in part or wholly, forgiven and legal release is received, the Organization will reduce the liability by the amount forgiven and record a gain on extinguishment.

The Organization applied for and received forgiveness of all principal and interest for the PPP loan received in April 2020 (Note 10), and has applied for forgiveness of all principal and interest for the PPP loan received in January 2021 (Note 10), in an amount equal to the sum of qualified expenses under the PPP incurred during the weeks following initial disbursement.

Public Support

The Organization reports gifts of cash and other assets as donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. In situations where the restriction is met in the same period the contribution is made, the support is recorded in net assets without donor restrictions. The Organization has also adopted the policy of reporting net assets released from restrictions upon completion of the donor purpose restriction, regardless of whether the related cash has been received.

Revenue Recognition

The Organization has contractual arrangements with various funders to provide services at negotiated rates for specific services. The Organization recognizes revenue at the time the contracted services are provided. Revenues and related accounts receivable are recorded at their estimated net realizable amounts. Timing of cash flows varies by funder type.

The Organization records fundraising revenue when the related fundraising event takes place. At times, payment is collected in advance of the fundraising event and is deferred until the fundraising event takes place.

Employee Retention Credit

The CARES Act provided an employee retention credit which is a refundable tax credit against certain employment taxes of up to $5,000 per employee for eligible employers. The credit is equal to 50% of qualified wages paid to employees during a quarter, capped at $10,000 of qualified wages through December 31, 2020.

The Consolidated Appropriations Act of 2021 extended and expanded the availability of the employee retention credit through December 31, 2021. However, certain provisions apply only after December 31, 2020. This new legislation amends the employee retention credit to be equal to 70% of qualified wages paid to employees after December 31, 2020, and before December 31, 2021. During 2021, a maximum of $10,000 in qualified wages for each employee per calendar quarter may be counted in determining the 70% credit. Therefore, the maximum tax credit that can be claimed by an eligible employer in 2021 is $7,000 per employee per calendar quarter.

The Organization recognizes the employee retention credit when the conditions for earning it are substantially met.

The Organization qualified for the credit beginning in April 2020 and received credits for qualified wages through September 2020. In addition, the Organization qualified for the credit beginning in April 2021 and received credits for qualified wages through June 2021. During the year ended June 30, 2021, revenue in the amount of $354,037 related to the employee retention credit was recognized within employee retention credit on the consolidated statement of activities. This amount remains outstanding at June 30, 2021 and is included in employee retention credit receivable on the consolidated statement of financial position.

Description Of Program Services And Supporting Activities

The following program services and supporting activities are included in the accompanying consolidated financial statements:

Program Services

Includes expenses incurred in providing early intervention treatment for those impacted by abuse, neglect and mental or behavioral health needs. Services included are foster care case management for children and families, psycho-social assessment and treatment services, and therapeutic day treatment.

Management And General

Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Organization's program strategy; secure proper administrative functioning of the Executive Board of Directors; and manage the financial and budgetary responsibilities of the Organization.

Fundraising

Provides the structure necessary to encourage and secure private financial support from corporations, foundations, other organizations and individuals.

Expense Allocation

The costs of supporting the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. Payroll expenses are charged to program services and supporting activities on the basis of periodic time and expense studies. Depreciation and amortization expense is allocated based on the use of the space in the Organization's buildings. All other allocations are performed based on specific identification of expenses.

Donated Services

Various services and materials are donated to the Organization. Those donated services and materials that meet the criteria for recognition are recorded at fair value at the date of donation. A substantial number of other volunteers have also donated a significant amount of time to the Organization. However, such donated services have not been recorded because they do not meet the criteria for recognition.

Tax Status

Our Little Haven constitutes a qualified not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code, and is, therefore, exempt from federal income taxes on related, exempt income. Our Little Haven Service Agency, LLC is a single member LLC, and thus is also tax exempt under Section 501(c)(3).

The Organization's federal and state tax returns for tax years 2017 and later remain subject to examination by taxing authorities.

Subsequent Events

Management evaluates subsequent events through the date the consolidated financial statements are available for issue, which is the date of the Independent Auditors' Report.

3. Cash And Cash Equivalents

Cash and cash equivalents consist of the following as of June 30:

	2021	2020
Checking and savings accounts	$ 4,818,454	$ 6,011,131
Sweep account	1,039,426	816,494
Money market	34,349	34,606
	$ 5,892,229	$ 6,862,231

These amounts are reported on the consolidated statement of financial position as follows:

	2021	2020
Cash and cash equivalents	$ 2,951,917	$ 2,083,037
Assets held on behalf of others	2,510,575	2,279,194
Cash and cash equivalents - donor restricted endowment (Note 9)	158,288	2,500,000
Cash and cash equivalents - board appropriated endowment (Note 9)	271,449	—
	$ 5,892,229	$ 6,862,231

4. Contract For Foster Care Case Management

In March 2011, the LLC was formed, with Our Little Haven as its sole member. The LLC's purpose is to provide case management and other support services to children and youth in need thereof, either directly or in conjunction with children's service organizations.

The State of Missouri Department of Social Services, Children's Division (the State Agency) has contracted with the LLC to provide foster care case management for 450 cases. Through the proposal submitted to the State Agency, there are four social service organizations providing such foster care case management services. Our Little Haven is one of the four social service organizations providing these services.

The LLC receives the monthly funding from the State Agency, distributes the funding to the four social service organizations and other providers of room and board for the foster children, and pays for the administrative costs of the program. These administrative costs paid by the LLC include rent for office space for which Our Little Haven has entered into a lease agreement with monthly payments of $850 through August 2023. Rent expense was $10,200 in 2021 and 2020, which is included in case management expenses.

In the consolidated financial statements, amounts received by the Organization for foster care case management are reported as program service revenues. Administrative expenses paid by the LLC are reported as expenses in the Organization's consolidated statement of functional expenses, as well as the revenues from the State Agency reimbursing such expenses. The remaining transactions passing through the LLC to the other three social service organizations and providers of room and board are excluded from the Organization's revenues and expenses because the LLC is considered a disbursing agent for these funds, and, therefore, no revenue or expenses should be reported.

5. Accounts Receivable, Deferred Revenue, Program Service Revenues And Community Grants

In 2011, the Organization entered into a service agreement with the LLC to provide case management services for a fee. In 2021 and 2020, the fees earned were $1,036 and $1,021 per month, per child, respectively (Note 4). Amounts totaling $1,392,913 and $1,014,326 were received by the Organization for these services for the years ended June 30, 2021 and 2020, respectively.

Since 1998, the Organization has had a contractual agreement with MO HealthNet to provide mental health services under their Medicaid program. Services include individual, group and family counseling, psychological evaluations and parenting assessments. Rates range from $48 to $79 per one hour unit of service billed. Amounts totaling $50,877 and $46,601 were billed to Medicaid for the years ended June 30, 2021 and 2020, respectively.

In 2006, the Organization began a preschool program to provide day treatment services for children between the ages of three and six years old. Revenues received from this program amounted to $30,542 and $62,055 in 2021 and 2020, respectively.

The Organization has an agreement with St. Louis County Children's Service Fund to provide individual, group and family mental health services. Revenues earned from this program amounted to $164,574 and $193,802 in 2021 and 2020, respectively.

In addition, the Organization received community grants totaling $330,408 and $282,940 in 2021 and 2020, respectively, from the St. Louis Mental Health Board.

The following table provides opening and closing balances of receivables from contracts with customers for the years ended June 30, 2021 and 2020:

	July 1, 2020	**June 30, 2021**
Missouri Department of Social Services (Preschool)	$ —	$ 5,940
Medicaid And Other Insurance Companies (Keystone)	11,761	19,083
St. Louis County Children's Service Fund (Community Grant)	53,618	53,375
	$ 65,379	$ 78,398

	July 1, 2019	June 30, 2020
Missouri Department of Social Services (Preschool)	$ 13,094	$ —
Medicaid And Other Insurance Companies (Keystone)	20,689	11,761
St. Louis County Children's Service Fund (Community Grant)	32,269	53,618
	$ 66,052	$ 65,379

The following table provides opening and closing balances of deferred revenue from contracts with customers for the years ended June 30, 2021 and 2020:

	July 1, 2020	June 30, 2021
Fundraising events	$ —	$ 65,895
	$ —	$ 65,895

	July 1, 2019	June 30, 2020
Fundraising events	$ 2,250	$ —
	$ 2,250	$ —

6. Concentrations

In 2021, the Organization received approximately 39% of its total public support and revenue from one revenue source. In 2020, the Organization received approximately 65% of its total public support and revenue from two revenue sources.

7. Advances On Life Insurance Contracts

The Organization has advanced premiums for life insurance on its officers. The Organization has a beneficiary interest in $352,400 and $352,426 of the premiums paid at June 30, 2021 and 2020, respectively.

8. Property And Equipment

Property and equipment consist of the following at June 30:

	2021	2020
Land	$ 92,000	$ 92,000
Buildings	895,975	895,975
Building improvements	1,127,682	1,103,432
Furniture and equipment	347,520	292,704
	2,463,177	2,384,111
Less: Accumulated depreciation and amortization	2,062,606	2,016,570
	$ 400,571	$ 367,541

9. Investments And Assets Appropriated For Endowment

Investments consist of the following as of June 30:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Money Market Fund	$ 328,108	$ 328,108	$ 13,115	$ 13,115
Certificates Of Deposit	—	—	700,000	726,173
Equity Mutual Funds				
Small Cap	903,129	1,536,079	880,351	953,037
Small Blend	528,735	751,187	154,143	178,975
Large Cap	915,456	2,578,509	898,930	1,842,111
Large Blend	1,434,492	1,830,605	338,282	391,640
Real Estate	545,053	597,902	421,034	349,525
International	1,650,330	1,992,636	1,249,076	1,171,567
Emerging Markets	535,326	673,609	410,473	387,125
Bond Mutual Funds				
Corporate U.S. Investment Grade	2,108,588	2,258,592	2,399,452	2,529,589
Multisector	564,000	575,470	—	—
One Year Fixed	56,851	56,640	37,765	37,553
Five Year Global Fixed	67,356	66,737	49,341	48,449
	$ 9,637,424	$ 13,246,074	$ 7,551,962	$ 8,628,859

These amounts are reported in the consolidated statement of financial position as follows:

	2021	2020
Investments	$ 1,575,325	$ 1,433,978
Assets restricted for endowment	2,656,963	—
Assets appropriated for board designated endowment	9,013,786	7,194,881
	$ 13,246,074	$ 8,628,859

Investments are carried at fair value using quoted prices in active markets (Level 1), with the exception of Certificates of Deposit, which are valued at amortized cost, which approximates fair value.

Investment securities are exposed to various risks, such as significant world events, interest rate, credit and overall market volatility risk. 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 would materially affect the amounts reported in the consolidated statement of financial position.

At June 30, 2021 and 2020, assets restricted and appropriated for endowment include cash and cash equivalents of $429,737 and $2,500,000, respectively (Note 3).

10. Debt

Line Of Credit

At June 30, 2021, the Organization had an available and unused line of credit with a bank in the amount of $300,000. The agreement expires on November 1, 2021, is unsecured and bears interest at the prime rate, 3.25% as of June 30, 2021.

Paycheck Protection Program Loan

In April 2020, the Organization qualified for and received a loan pursuant to the PPP for an aggregate principal amount of $400,000. The full amount was recorded as debt as of June 30, 2020. In November 2020, the Organization received notification from the bank that the SBA had forgiven the full amount of the loan. Therefore, the Organization recognized $400,000 as gain on forgiveness of PPP loan for the year ending June 30, 2021.

In January 2021, the Organization entered into a second PPP Loan and received proceeds in the amount of $400,000. The second PPP Loan bears interest at a fixed rate of 1% per annum, has a term of 5 years, and is unsecured. The Organization applied for forgiveness of the PPP Loan and in August 2021, the Organization received full forgiveness of the second PPP loan.

The Organization has recorded the second PPP Loan as debt in the consolidated statement of financial position as of June 30, 2021. The portion of the second PPP Loan that is forgiven by the bank will be recognized as gain on forgiveness of PPP loan in the period in which it is forgiven.

The scheduled maturities of the PPP loan at June 30, 2021 are as follows:

Year	**Amount**
2022	$ —
2023	93,461
2024	109,566
2025	110,674
2026	86,299
	$ 400,000

11. Net Assets

In 2020, the Organization received a $2,500,000 donor-restricted contribution for investment over a 20-year term. This gift is classified as a term endowment. Beginning in year three, appropriations can be used to support the operating budget of the Organization, and appropriations can be made from accumulated earnings as well as the corpus of the gift.

The Organization's endowment funds include both a donor-restricted endowment fund, and funds designated by the Executive Board of Directors of the Organization to function as an endowment. Assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Endowment funds were as follows for the years ended June 30, 2021 and 2020 and 2020:

	2021		
	Without Donor Restrictions	With Donor Restrictions	
	Board-Appropriated Endowment	Term Endowment	Total
Board-appropriated endowment funds	$ 9,285,235	$ —	$ 9,285,235
Donor restricted endowment fund	—	2,815,251	2,815,251
	$ 9,285,235	$ 2,815,251	$ 12,100,486

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-appropriated endowment funds	$ 7,194,881	$ —	$ 7,194,881
Donor restricted endowment fund	—	2,500,000	2,500,000
	$ 7,194,881	$ 2,500,000	$ 9,694,881

Changes in the endowment assets were as follows for the years ended June 30, 2021 and 2020:

	Without Donor Restrictions	With Donor Restrictions	
	Board-Appropriated Endowment	Term Endowment	Total
Endowment Assets - July 1, 2019	$ 7,202,121	$ —	$ 7,202,121
Contributions	—	2,500,000	2,500,000
Investment return			
Interest and dividends	167,393	—	167,393
Net realized and unrealized losses on investments	(174,633)	—	(174,633)
Net investment return	(7,240)	—	(7,240)
Endowment Assets - June 30, 2020	7,194,881	2,500,000	9,694,881
Investment return			
Interest and dividends	141,261	25,267	166,528
Net realized and unrealized losses on investments	1,949,093	289,984	2,239,077
Net investment return	2,090,354	315,251	2,405,605
Endowment Assets - June 30, 2021	$ 9,285,235	$ 2,815,251	$ 12,100,486

Board-Appropriated Endowment

The purpose of the board-appropriated endowment is to further the mission of the Organization, with a primary focus of generating funds for programs, services, building and capital improvements and to enhance the development of the Organization. As the board-appropriated endowment grows and as determined by the Executive Board of Directors, it may be subdivided into specific purpose funds or may remain as a general board-appropriated endowment fund.

The goal of the board-appropriated endowment is to exist in perpetuity and has an objective to maintain purchasing power after spending, as well as to grow the aggregate portfolio value in excess of inflation over the Organization's ten-year investment horizon. The goal of the aggregate fund is to meet or exceed an 8% rate of return on an annualized basis.

Access to these funds should be limited and require both management and board approval before any funds are withdrawn. As a guiding principal, the Organization has established a discretionary spending target equal to 3% of the portfolio value, defined as the average market value of the fund over the preceding twelve quarters ending on the most recent December 31st. The 3% guideline is based on a discretionary policy as determined by the Organization's Investment Committee and may be forgone in years where the annual budget and fundraising activities of the Organization are sufficient to meet the operating needs of the Organization.

Donor Restricted Endowment

The Organization is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Executive Board of Directors appropriates such amounts for expenditure. The net assets also are subject to time and purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Executive Board of Directors of the Organization has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. The donor-restricted endowment fund does not require the original value of the gift to be maintained in perpetuity; the gift is to be invested for at least a term of 20 years.

Additionally, 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 fund,
2) The purposes of the Organization 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 Organization, and
7) The investment policies of the Organization.

The purpose of the donor-restricted endowment is to provide an annual stream of revenue to maintain financial stability to the Organization for a minimum of 20 years. Beginning in year three, distributions from the endowment are to be added to the annual operating budget.

The goal of the donor-restricted endowment is to achieve between 6 and 7% growth, which will allow for $250,000 of annual distributions beginning in year three over a twenty year investment horizon.

12. Deferred Compensation Plan

The Organization provides a tax-deferred annuity plan under Internal Revenue Code Section 403(b), which allows eligible employees to make tax-deferred contributions. The plan provides for discretionary contributions by the Organization. The Organization's contribution to the plan for the years ending June 30, 2021 and 2020 was 5% and 4%, respectively, of eligible employees' salaries and amounted to $86,000 and $62,272, respectively.

13. Liquidity And Availability Of Resources

At June 30, 2021 and 2020, the Organization has the following financial assets available to meet general expenditures over the next twelve months:

	2021	2020
Financial assets available to meet general expenditures over the next twelve months:		
Cash and cash equivalents	$ 2,951,917	$ 2,083,037
Investments	1,575,325	1,433,978
Accounts receivable	78,398	65,379
Promises to give	—	3,561
Employee retention credit receivable	354,037	—
Available appropriation from endowment	233,636	218,183
	$ 5,193,313	$ 3,804,138

The Organization manages liquidity on annual and quarterly basis via executive meetings where financial statements, investment performance and expected expenditures are reviewed. Liquidity risk is minimal due to free cash balance and overall Organization budget. The Organization also has a $300,000 line of credit available as described in Note 10 to meet cash flow needs. The board-appropriated endowment described in Note 11 is intended by the Executive Board of Directors to be held in perpetuity but could be undesignated if needed to provide further liquidity to the Organization.