

ST. ANN PLACE OUTREACH CENTER, INC.

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

**For the Year Ended June 30, 2025
(with comparable totals for June 30, 2024)**

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1-3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Activities	5
Statement of Cash Flows	6
Statement of Functional Expenses	7
NOTES TO FINANCIAL STATEMENTS	8-18
SUPPLEMENTARY INFORMATION	
Schedule of Program Expenses	19

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
St. Ann Place Outreach Center, Inc.
West Palm Beach, Florida

Opinion

We have audited the accompanying financial statements of St. Ann Place Outreach Center, Inc. (a Florida non-for-profit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, cash flows, and functional expenses 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. Ann Place Outreach Center, Inc., as of June 30, 2025, and the changes in its 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. Ann Place Outreach Center, Inc. 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; this includes 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. Ann Place Outreach Center, Inc.'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. Ann Place Outreach Center, 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 St. Ann Place Outreach Center, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of program expenses is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the St. Ann Place Outreach Center, Inc.'s June 30, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 30, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Holyfield & Thomas, LLC

West Palm Beach, Florida
October 29, 2025

As of June 30, 2025(with comparable totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Totals	2024 Totals
ASSETS				
Current Assets:				
Cash and cash equivalents:				
Operations	\$ 71,755	\$ 85,228	\$ 156,983	\$ 283,091
Savings	-	-	-	997,340
Investments	3,771,842	-	3,771,842	2,616,214
Employee receivable	3,318	-	3,318	-
Prepaid expenses	4,009	-	4,009	-
Other assets	26,147	-	26,147	30,000
Total current assets	<u>3,877,071</u>	<u>85,228</u>	<u>3,962,299</u>	<u>3,926,645</u>
Non-Current Assets:				
Investments, restricted	-	85,945	85,945	-
Property and equipment, net	89,816	-	89,816	92,225
Finance right-of-use lease, net	18,066	-	18,066	24,862
Total non-current assets	<u>107,882</u>	<u>85,945</u>	<u>193,827</u>	<u>117,087</u>
Total assets	<u><u>\$ 3,984,953</u></u>	<u><u>\$ 171,173</u></u>	<u><u>\$ 4,156,126</u></u>	<u><u>\$ 4,043,732</u></u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable and accrued expenses	\$ 33,780	\$ -	\$ 33,780	\$ 16,683
Finance lease obligation, current portion	<u>7,038</u>	<u>-</u>	<u>7,038</u>	<u>6,795</u>
Total current liabilities	<u>40,818</u>	<u>-</u>	<u>40,818</u>	<u>23,478</u>
Long-term Liabilities:				
Finance lease obligation	<u>11,028</u>	<u>-</u>	<u>11,028</u>	<u>18,067</u>
Total liabilities	<u>51,846</u>	<u>-</u>	<u>51,846</u>	<u>41,545</u>
Net assets:				
Without donor restrictions	3,933,107	-	3,933,107	3,830,522
With donor restrictions	-	171,173	171,173	171,665
Total net assets	<u>3,933,107</u>	<u>171,173</u>	<u>4,104,280</u>	<u>4,002,187</u>
Total liabilities and net assets	<u><u>\$ 3,984,953</u></u>	<u><u>\$ 171,173</u></u>	<u><u>\$ 4,156,126</u></u>	<u><u>\$ 4,043,732</u></u>

See accompanying notes to financial statements.

For the Year Ended June 30, 2025

(with comparable totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Totals	2024 Totals
Revenue and Support:				
Contributions and grants	\$ 288,424	\$ 282,382	\$ 570,806	\$ 3,170,958
Special events	557,854	-	557,854	350,146
Investment income, net	111,021	-	111,021	88,340
Realized and change in unrealized gain on investments	161,497	-	161,497	38,015
Donated goods and services:				
Property and equipment	-	-	-	57,793
Food, clothing, and supplies	150,310	-	150,310	-
Facility usage	140,516	-	140,516	157,263
Other income	89	-	89	919
Total revenue and support	1,409,711	282,382	1,692,093	3,863,434
Net assets released from restrictions	282,874	(282,874)	-	-
Expenses:				
Program services	1,200,298	-	1,200,298	916,846
Management and general	181,797	-	181,797	131,983
Fundraising	207,905	-	207,905	171,311
Total expenses	1,590,000	-	1,590,000	1,220,140
Change in net assets	102,585	(492)	102,093	2,643,294
Net assets, beginning of year	3,830,522	171,665	4,002,187	1,358,893
Net assets, end of year	\$ 3,933,107	\$ 171,173	\$ 4,104,280	\$ 4,002,187

See accompanying notes to financial statements.

For The Year Ended June 30, 2025

(with comparable totals for 2024)

	2025	2024
Cash flows from operating activities:		
Cash received from contributions and grants	\$ 567,577	\$ 3,171,877
Cash received from special events	557,854	350,146
Investment income, net	111,021	88,340
Cash paid to vendors and employees	(608,637)	(472,073)
Cash paid for salaries and benefits	(635,541)	(516,859)
Cash paid on financing lease	(11,522)	(11,829)
Net cash provided by (used in) operating activities	<u>(19,248)</u>	<u>2,609,602</u>
Cash flows from investing activities:		
Proceeds from sale of investments	2,752,342	1,750,000
Purchase of investments	(3,832,418)	(4,328,199)
Purchase of property and equipment	(17,328)	(92,707)
Net cash used in investing activities	<u>(1,097,404)</u>	<u>(2,670,906)</u>
Cash flows from financing activities:		
Finance lease obligation	<u>(6,796)</u>	<u>(7,536)</u>
Net cash used in financing activities	<u>(6,796)</u>	<u>(7,536)</u>
Net change in cash	(1,123,448)	(68,840)
Cash and cash equivalents, beginning of year	<u>1,280,431</u>	<u>1,349,271</u>
Cash and cash equivalents, end of year	<u>\$ 156,983</u>	<u>\$ 1,280,431</u>
Reconciliation of change in net assets to net cash provided by (used in) operating activities:		
Change in net assets	\$ 102,093	\$ 2,643,294
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	19,737	10,104
Lease expense	6,796	7,536
Realized and change in unrealized gain on investments	(161,497)	(38,015)
Increase in certain assets:		
Employee receivable	(3,318)	-
Prepaid expenses	(4,009)	-
Other assets	3,853	(30,000)
Increase in certain liabilities:		
Accounts payable and accrued expenses	<u>17,097</u>	<u>16,683</u>
Net cash provided by (used in) operating activities	<u>\$ (19,248)</u>	<u>\$ 2,609,602</u>

See accompanying notes to financial statements.

ST. ANN PLACE OUTREACH CENTER, INC.

STATEMENT OF
FUNCTIONAL EXPENSES

For The Year Ended June 30, 2025

(with comparable totals for 2024)

	Program	Management and General	Fundraising	2025 Totals	2024 Totals
Salaries	\$ 366,229	\$ 97,660	\$ 24,415	\$ 488,304	\$ 383,934
Payroll taxes	26,841	7,158	1,789	35,788	28,234
Health benefits	55,526	14,807	3,702	74,035	69,202
Other benefits	28,060	7,483	1,871	37,414	35,489
 Total salaries and related benefits	 476,656	 127,108	 31,777	 635,541	 516,859
Bank and merchant fees	3,763	908	7,842	12,513	4,489
Bus passes/ work related	2,413	-	-	2,413	510
Breakfast and lunch program	57,573	-	-	57,573	40,907
Casual labor	68,129	-	-	68,129	20,454
Clothing	5,248	-	-	5,248	12,778
Conference and meetings	1,823	651	130	2,604	-
Housing assistance	20,302	-	-	20,302	15,338
ID/BC program expense	4,013	-	-	4,013	1,356
 Donated goods and services:					
Food, clothing, and supplies	150,310	-	-	150,310	-
Facility usage	119,571	13,919	7,026	140,516	157,263
Insurance	15,831	4,523	2,262	22,616	18,555
IT services	16,777	883	-	17,660	9,375
Janitorial	18,267	6,524	1,305	26,096	30,267
Lease expense	6,547	2,338	468	9,353	11,829
Office expense	7,191	2,569	514	10,274	11,651
Other expense	4,355	524	-	4,879	-
Payroll fees	2,484	662	166	3,312	3,616
Postage and delivery	175	63	13	251	265
Professional fees	61,796	2,988	-	64,784	29,972
Public relations/development	-	-	10,766	10,766	30,641
Real estate tax	607	217	43	867	842
Repairs and maintenance	9,471	3,157	-	12,628	48,665
Security	73,077	-	-	73,077	89,894
Showers/laundry program expense	11,422	-	-	11,422	5,732
Special events expense	-	-	141,962	141,962	84,791
Telephone and internet	3,332	1,190	238	4,760	4,795
Travel	-	597	-	597	410
Utilities	35,830	6,011	2,202	44,043	44,394
Vehicle expense	-	1,009	-	1,009	3,084
Volunteer expense	6,658	-	-	6,658	5,639
Website expense	2,861	1,022	204	4,087	5,665
 Total expenses before depreciation	 1,186,482	 176,863	 206,918	 1,570,263	 1,210,036
Depreciation	13,816	4,934	987.00	19,737	10,104
 Total expenses	 \$ 1,200,298	 181,797	 \$ 207,905	 \$ 1,590,000	 \$ 1,220,140

See accompanying notes to financial statements.

For The Year Ended June 30, 2025

1. Organization and Summary of Significant Accounting Policies***Organization***

St. Ann Place Outreach Center, Inc. (the “Center”) is a Florida not-for-profit organization incorporated on June 28, 2022, as the successor of the not-for-profit Florida corporation known as St. Ann Place. The Center is a daytime outreach center that provides services to homeless women and men. Its mission is to witness Gospel values by providing a comfortable, clean, and safe place where clients receive services in a dignified and respectful manner regardless of race, religion, and gender.

The Center’s facilities are located in West Palm Beach, Florida and operate the following programs.

Food Program: The Feeding Program is a core component of the Center’s mission, operating five days per week. For fiscal year ending June 30, 2025, the Center served approximately 62,000 meals. Each day, the individuals receive a hot breakfast and lunch with an additional bagged meal for later consumption. The program addresses immediate nutritional needs while upholding the Center’s founding principles, demonstrating a sustained commitment to essential services that promote health and stability.

Client Service Program: The Client Service Program is structured to assist individuals in obtaining essential documentation and accessing supportive services. The Center provides comprehensive assistance, including access to an in-house attorney who facilitates the acquisition of identification cards (ID), birth certificates (BC), Social Security cards, Social Security Disability benefits, green cards, and other government-issued documents. In addition to document support, the program offers resources that promote personal and professional development, such as temporary respite motel stays and resume preparation. This integrated approach is designed to reduce barriers and equip clients with the tools necessary to achieve stability and long-term success. During the prior Fiscal Year, the Client Services program helped over 700 people get new identification cards and/or birth certificates and provided over \$20,000 in one-time rental assistance and respite housing.

Hygiene Program: The Hygiene Program supports client well-being and dignity through the provision of essential daily hygiene services. During the fiscal year ending June 30, 2025, the Center provided approximately 17,900 showers and 18,000 laundry services to an average of 74 individuals each day. In addition, the Center distributed over 17,000 pieces of donated and/or purchased clothing to those in need. Additional services include the provision of toiletries and other hygiene items, as well as access to haircuts. Collectively, these services promote health, self-esteem, and quality of life, reflecting the Center’s ongoing commitment to comprehensive client support.

Basis of Accounting

The financial statements of the Center have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when earned and expenses are recognized when incurred. Grants are recorded as support when performance occurs under the terms of the grant agreement.

For The Year Ended June 30, 2025

1. Organization and Summary of Significant Accounting Policies, continued

Financial Statement Presentation

The Center follows the disclosure and display requirements of the Financial Accounting Standards Board (FASB) as set forth under FASB Accounting Standards Codification (FASB ASC) 958-205, *Not-for-Profit Entities, Presentation of Financial Statements*. Under this standard, the Center is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restrictions.

- *Net Assets Without Donor Restrictions* – are those currently available for use in the current operations of the Center under the direction of the Board of Directors.
- *Net Assets With Donor Restrictions* – are those whose use by the Center has been limited by donor restriction as to the period of use or to specified purposes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the restricted amounts are reclassified to net assets without donor restrictions.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include amounts on deposit with financial institutions in checking and money market accounts. The Center considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, except for such similar investments and cash and money market account balances that are held and remain classified within the investment portfolio.

Investments

Investments are carried at fair value determined on the basis of closing market prices or bid quotations, as of the year-end. The Center contracts with investment managers to perform ongoing investment functions and performance monitoring, and to invest according to the guidelines established by the Center's management. In connection with the cash sweep program offered through the investment institution, cash deposits included with Investments are fully FDIC insured. All other balances are uninsured or subject to the insurance limitations of the Securities Investor Protection Corporation (SIPC), of which the investment manager is a member. Earnings, gains, and losses from investments are recorded as increases or decreases in net assets without donor restrictions, unless a donor stipulation with respect to a temporary or permanent restriction dictates otherwise. Investment income includes interest and dividends of \$120,529, less investment fees of \$9,508.

For The Year Ended June 30, 2025

1. Organization and Summary of Significant Accounting Policies, continued

Employee Receivable

The employee receivable represents amounts advanced by the Center to an employee who was formerly homeless. The advances provided assistance with rent and utility expenses as the employee transitioned to stable housing and full-time employment with the organization. The receivable is being repaid through payroll deductions each pay period until the balance is fully satisfied.

Prepaid Expenses

Prepaid expenses represent advance payments for items such as insurance and other operating costs that will benefit future periods. These amounts are initially recorded as assets and are amortized over the periods to which the expenses relate, typically within the next fiscal year.

Other Assets

Other assets consist of a deposit made toward the intended purchase of a property located in West Palm Beach. The purchase of the property did not occur, and the deposit, net of title company expenses, was refunded on September 12, 2025.

Property and Equipment

Property and equipment are recorded at cost, if purchased, and estimated fair value if donated. Additions and major improvements in excess of \$2,500 and with a useful life of one year or more have been capitalized. Depreciation is computed on the straight-line method over the related assets' estimated useful lives, which range from 3 to 7 years. Expenditures for repairs and maintenance are charged to expense as incurred. Property and equipment donations are reported as support without donor restrictions unless the donor has restricted the use of the assets for a specific purpose.

Lease

The Center recognizes a right of use (ROU) asset and a corresponding lease liability at the lease commencement date. The ROU asset is initially measured at cost, comprising the initial amount of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs, and an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset or site.

Subsequent to initial recognition, ROU assets are measured at cost less any accumulated depreciation and any accumulated impairment losses. ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset.

Lease liabilities are initially measured at the present value of lease payments at the commencement date, discounted using the Center's incremental borrowing rate when the rate implicit in the lease is not readily determinable. Lease liabilities are subsequently measured at amortized cost and reduced by lease payments made. The carrying amount of lease liabilities is remeasured when there is a change in lease terms, options, or payment amounts based on an index or rate.

For The Year Ended June 30, 2025

1. Organization and Summary of Significant Accounting Policies, continued

Lease, continued

The Center has elected not to recognize ROU assets or lease liabilities for leases with an initial term of 12 months or less. Payments associated with such short-term leases are recognized as expense on a straight-line basis over the lease term. In addition, the Center has elected the practical expedient to not separate lease and non-lease components for its leases.

Accrued Vacation

Employees may accumulate unused vacation based upon the length of service. Accumulated vacation is payable to eligible employees upon termination or retirement at the current rate of pay, if employed more than 90 days. Accumulated unpaid vacation is accrued as a liability and charged to expense as incurred.

Donated Goods and Services

Donated goods and services are reflected as support and expenses in the accompanying financial statements and are recorded at their estimated fair value. These amounts primarily include food, supplies, clothing, and facilities usage, and are recorded as donated goods and services on the statement of activities and statement of functional expenses. Donated food is valued at the price per pound determined with reference to value used in a national network of food banks. Donated supplies and clothing are valued based on a per-pound rate determined with reference to pricing used across a national network of nonprofit thrift outlet stores. Donated use of facilities is recorded at their estimated fair market rental value of similar property in the local market.

The value of the donated goods and services are as follows for the year ended June 30, 2025:

	<u>Amount</u>	<u>Valuation Souce</u>
Food	\$ 138,074	National food network
Clothing and supplies	12,236	National bins network
Facility Usage	<u>140,516</u>	Local area rents
 Total	 <u>\$ 290,826</u>	

In addition, many volunteers provide services throughout the year that are not recognized as contributions in the financial statements, because the recognition criteria under FASB ASC 958-605, *Not-for-Profit Entities, Revenue Recognition*, were not met. It is impracticable to determine the fair market value of all donated services by the volunteers of the Center beyond those required to be recognized as income, however the Center received approximately 11,000 volunteer hours in support of its program services and special events.

For The Year Ended June 30, 2025**1. *Organization and Summary of Significant Accounting Policies, continued******Accounting For Contributions***

The Center follows FASB ASC 958-605, *Not-for-Profit Entities, Revenue Recognition*. In accordance with ASC 958-905, contributions received are recorded as support without or with donor restrictions depending on the existence and/or nature of any such restrictions. Under ASC 958-605, contributions that are initially restricted as to time or use are required to be reported as donor restricted income and are later reclassified to net assets without donor restriction upon expiration of the time restriction or compliance with the intended purpose.

Special Event Revenue and Expenses

Special event revenue and expenses cover a variety of activities, and include the direct revenue and direct expenses, and is recognized in the period earned.

Functional Allocation of Expenses

The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Indirect costs that benefit multiple functional areas are allocated among those functional areas benefited.

Prior Year Summarized Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended June 30, 2024, from which the summarized information was derived. Certain 2024 amounts may have been reclassified to conform to 2025 classifications. Such reclassifications would have no effect on the change in net assets as previously.

Income Taxes

The Center is a not-for-profit organization other than a private foundation under Internal Revenue Code Section 501(c)(3) since it is organized and operates for charitable purposes. Internal Revenue Code Section 501(a) exempts the Center from income taxes and Internal Revenue Code Section 170(b)(1)(A)(vi) allows donors a deduction for contributions to the Center.

For The Year Ended June 30, 2025

1. Organization and Summary of Significant Accounting Policies, continued

Income Taxes, continued

The Center evaluates its uncertain tax position in accordance with FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. This pronouncement seeks to reduce the diversity in practice associated with certain aspects of measurement and recognition in accounting for income taxes. It prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position that an entity takes or expects to take in a tax return. An entity may only recognize or continue to recognize tax positions that meet a “more likely than not” threshold. The Center assesses its income tax positions based on management’s evaluation of the facts, circumstances, and information available at the reporting date. The Center uses the prescribed more likely than not threshold when making its assessment. The Center has not accrued any interest expense or penalties related to tax positions. There are currently no open Federal or State tax years under audit.

2. Liquidity and Availability of Resources

The Center’s 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, are as follows:

Cash and cash equivalents	\$ 156,983
Employee receivable	3,318
Investments	<u>3,857,787</u>
Total financial assets	4,018,088
Less restricted funds for building	<u>85,945</u>
Total financial assets available to meet general expenditures within one year	<u>\$ 3,932,143</u>

The Center is substantially supported by contributions without donor and with donor restrictions. Because a donor’s restriction requires resources to be used in a particular manner or in a future period, the Center must maintain sufficient resources to meet those responsibilities to its donors.

The Center’s net assets with donor restrictions totaling \$85,228 are available for general expenditure within one year of June 30, 2025, because the restrictions on the net assets are expected to be met by conducting the normal program activities of the Center in the coming year. Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year.

3. Fair Value Measurements

FASB ASC Topic 820-10, *Fair Value Measurement and Disclosures*, establishes a framework for measuring fair value. This framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

For The Year Ended June 30, 2025

3. Fair Value Measurements, continued

The three levels of the fair value hierarchy under the framework are described below:

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

Level 2 – Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

The following methods and assumptions were used by the Center in estimating the fair value of assets that are measured at fair value on a recurring basis under FASB ASC Topic 820. There have been no changes in the methodologies used as of June 30, 2025.

Investments:

1. *Cash equivalents* – Valued according to the market quotation provided by the custodian as of the close of business as of June 30, 2025.
2. *Fixed income securities* – Funds are valued at Net Asset Value ("NAV") by the custodian, and exchange traded funds ("ETFs") are valued at quoted prices per share by the custodian as of the close of business as of June 30, 2025.
3. *Mutual Funds* – Mutual funds are valued at the quoted market prices or net asset value ("NAV") by the custodian as of the close of business as of June 30, 2025.
4. *Domestic Equities* – Domestic equity securities are measured at fair value on a recurring basis using quoted market prices in active markets as of the close of business as of June 30, 2025.

For The Year Ended June 30, 2025

3. Fair Value Measurements, continued

The following table sets forth by level, within the fair value hierarchy, the Center's assets at fair value as of June 30, 2025:

Assets at Fair Value as of June 30, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Cash equivalents	\$ 173,995	\$ -	\$ -	\$ 173,995
Fixed income securities	1,567,024	-	-	1567,024
Mutual funds	502,881	-	-	502,881
Domestic equities	<u>1,613,888</u>	<u>-</u>	<u>-</u>	<u>1,613,888</u>
Total assets at fair value	<u>\$ 3,857,787</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,857,787</u>

4. Investments

As of June 30, 2025, major categories of investments were comprised of the following:

	<u>%</u>	<u>Market Value</u>	<u>Historical Cost</u>	<u>Unrealized Gain/(Loss)</u>
Investments, to include:				
Cash equivalents	5%	\$ 173,995	\$ 173,995	\$ -
Fixed income securities	44%	1,567,024	1,686,279	(119,255)
Mutual funds	13%	502,881	500,655	2,225
Domestic equities	38%	<u>1,613,888</u>	<u>1,455,477</u>	<u>158,411</u>
Total investments	<u>100%</u>	<u>\$ 3,857,787</u>	<u>\$ 3,816,406</u>	<u>\$ 41,381</u>

Investment income consists of dividends and interest, and is shown net of fees in the consolidated statement of activities. Investment management fees are paid quarterly based upon a percentage of assets under management and amounted to approximately \$9,508 for the year ended June 30, 2025.

5. Prepaid Expenses

Prepaid expenses consisted of prepaid insurance and other miscellaneous expenses. As of June 30, 2025, the prepaid expenses were \$4,009.

For The Year Ended June 30, 2025

6. Property and Equipment

The Center's property and equipment as of June 30, 2025, consisted of the following:

Furniture, fixtures, and equipment	\$ 68,093
Building improvements	43,308
Computer and equipment	<u>8,934</u>
	120,335
Less accumulated depreciation	<u>30,519</u>
Property and equipment, net	<u>\$ 89,816</u>

Depreciation expense for the year ended June 30, 2025, was \$19,737.

7. Accounts Payable and Accrued Expenses

As of June 30, 2025, accounts payable and accrued expenses totaled \$33,780. This balance includes amounts due to vendors for general operating expenses, as well as accrued salaries and vacation liabilities.

8. Lease

Finance Lease

The Center leases office equipment (including service), under a non-cancelable financing lease arrangement that extends through December 2027. The lease requires minimum payments of \$628 per month.

Finance right-of-use asset as of June 30, 2025, consisted of the following:

Office equipment	\$ 31,425
Less accumulated amortization	<u>13,359</u>
Total finance right-of-use assets	<u>\$ 18,066</u>

Finance lease obligation as of June 30, 2025, consisted of the following:

Office equipment	\$ 18,066
Less current portion	<u>7,038</u>
Non-current portion	<u>\$ 11,028</u>

Finance lease expense for the year ended June 30, 2025 consisted of the following:

	<u>Amortization</u>	<u>Finance Charges</u>	<u>Total</u>
Lease expense - office equipment	<u>\$ 6,796</u>	<u>\$ 740</u>	<u>\$ 7,536</u>

For The Year Ended June 30, 2025

8. Lease, continued

Undiscounted future lease payments under financing leases as of June 30, 2025 for each of the next three years include:

2026	\$ 7,536
2027	7,536
2028	<u>3,767</u>
	18,839
Less discount to present value	<u>773</u>
	18,066
Present value of future lease payments	18,066
Less current portion	<u>7,038</u>
	11,028
Non-current portion	<u>\$ 11,028</u>

Discount has been calculated using an interest of 3.5% for the office equipment, which approximates the incremental borrowing rate of the Organization for the acquisition of the related asset at the time the lease was signed.

9. Net Assets with Donor Restrictions

Net assets with donor restrictions as of June 30, 2025, were subject to expenditure for the following specific purposes:

Building	\$ 85,945
Hygiene	53,408
Food	28,300
Client services	<u>3,520</u>
Total net assets with donor restrictions	<u>\$ 171,173</u>

10. Employee Benefit Plans

Effective January 1, 2025, the Center established a 403(b) retirement savings plan (the "Plan") for the benefit of its employees. Employees are eligible to make elective deferrals to the Plan immediately upon their hire date. Beginning January 3, 2025, the Center began making matching contributions equal to 100% of the employee's elective deferrals, up to a maximum of 4% of eligible compensation. The Center's contributions to this plan for 2025 were approximately \$19,400.

For The Year Ended June 30, 2025

11. Financial Concentration of Credit Risk

Financial instruments that potentially subject the Center to concentrations of credit risk consist principally of cash and cash equivalents held in financial institutions. Deposits located at banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of June 30, 2025, the Center had no cash deposits that exceeded FDIC limits. Balances at brokerage accounts are guaranteed by the Securities Investor Protection Corporation (SIPC) up to \$500,000, which includes a \$250,000 limit for cash. As of June 30, 2025, the security balances exceeded the SIPC insurance limit.

The Center has not experienced any loss on such accounts and management believes it is not exposed to any significant credit risk arising from such balances.

12. Subsequent Events

Management has evaluated subsequent events through October 29, 2025, the date on which the financial statements were available to be issued, and determined there were no further disclosures required to be presented in these financial statements.

SUPPLEMENTARY INFORMATION

ST. ANN PLACE OUTREACH CENTER, INC.

SCHEDULE OF
PROGRAM EXPENSES

For the Years Ended June 30, 2025

(with comparable totals for 2024)

	Food Program	Hygiene Program	Client Service Program	2025 Totals	2024 Totals
Salaries	\$ 183,115	\$ 146,492	\$ 36,622	\$ 366,229	\$ 268,754
Payroll taxes	13,421	10,736	2,684	26,841	19,764
Health benefits	27,763	22,210	5,553	55,526	48,442
Other benefits	14,030	11,224	2,806	28,060	17,744
Total salaries and related benefits	238,329	190,662	47,665	476,656	354,704
Bank and merchant fees	1,881	1,505	377	3,763	2,245
Bus passes/ work related	-	-	2,413	2,413	510
Breakfast and lunch program	57,573	-	-	57,573	40,907
Casual labor	34,065	27,252	6,813	68,130	20,454
Clothing	-	5,248	-	5,248	12,778
Conference and meetings	-	-	1,823	1,823	-
Housing assistance	10,151	8,121	2,030	20,302	8,502
ID/BC program expense	-	-	4,013	4,013	1,356
Donated goods and services:					
Food, clothing, and supplies	75,155	15,031	60,124	150,310	-
Facility usage	59,786	47,828	11,957	119,571	152,267
Insurance	7,916	6,332	1,583	15,831	17,966
IT services	8,388	6,711	1,678	16,777	6,562
Janitorial	9,133	7,307	1,827	18,267	29,305
Lease expense	3,274	2,618	655	6,547	11,453
Office expense	2,663	3,623	905	7,191	11,352
Other expense	2,177	1,742	436	4,355	-
Payroll fees	1,242	994	248	2,484	2,009
Postage and delivery	87	70	18	175	185
Professional fees	30,898	24,718	6,180	61,796	31,535
Recovery assistance	-	-	-	-	6,836
Real estate tax	303	243	61	607	605
Repairs and maintenance	4,736	3,788	946	9,470	47,722
Security	36,538	29,231	7,308	73,077	89,894
Showers/laundry program expense	-	11,422	-	11,422	5,732
Telephone and internet	1,666	1,333	333	3,332	4,643
Travel	-	-	-	-	205
Utilities	17,915	14,332	3,583	35,830	42,984
Vehicle expense	-	-	-	-	3,011
Volunteer expense	3,329	2,663	666	6,658	5,639
Website expense	2,363	398	100	2,861	5,485
Total expenses before depreciation	609,568	413,172	163,742	\$ 1,186,482	916,846
Depreciation	6,908	5,526	1,382.00	13,816	-
Total expenses	\$ 616,476	\$ 418,698	\$ 165,124	\$ 1,200,298	\$ 916,846

See independent auditor's report.