GREENLEAF FAMILY CENTER

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Greenleaf Family Center
Akron, Ohio

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Greenleaf Family Center (an Ohio nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greenleaf Family Center as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Greenleaf Family Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Greenleaf Family Center's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Greenleaf Family Center's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Greenleaf Family Center's ability to continue as a going concern for a reasonable period of time.

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

Board of Trustees
Greenleaf Family Center

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2022, on our consideration of Greenleaf Family Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Greenleaf Family Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Greenleaf Family Center's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Akron, Ohio
June 22, 2022

GREENLEAF FAMILY CENTER
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash	$ 690,885	$ 562,683
Accounts Receivable, Net	198,898	192,304
Prepaid Expenses	28,464	16,949
Funds Held for Others	43,185	27,627
Investments	258,585	480,511
Total Current Assets	1,220,017	1,280,074
NONCURRENT ASSETS		
Property and Equipment, Net	1,147,361	1,152,427
Endowment Investments	72,000	254,086
Total Noncurrent Assets	1,219,361	1,406,513
Total Assets	$ 2,439,378	$ 2,686,587
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current Portion of Long-Term Debt	$ -	$ 39,564
Accounts Payable and Accrued Expenses	171,583	131,021
Funds Held for Others	43,185	27,627
Deferred Contract Fees	66,251	105,380
Total Current Liabilities	281,019	303,592
NONCURRENT LIABILITIES		
Interest Rate Swap Liability	-	54,360
Long-Term Portion of Notes Payable	-	796,675
Total Noncurrent Liabilities	-	851,035
Total Liabilities	281,019	1,154,627
NET ASSETS		
Without Donor Restrictions:		
Undesignated	2,001,227	1,169,190
Designated by the Board	-	182,086
Total Without Donor Restrictions	2,001,227	1,351,276
With Donor Restrictions:		
Subject to Expenditure for Specified Purpose	85,132	108,684
Subject to be Held in Perpetuity	72,000	72,000
Total With Donor Restrictions	157,132	180,684
Total Net Assets	2,158,359	1,531,960
Total Liabilities and Net Assets	$ 2,439,378	$ 2,686,587

See accompanying Notes to Financial Statements.

GREENLEAF FAMILY CENTER
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Government and Contract Agency Fees	$ 1,809,959	$ -	$ 1,809,959
Government Grants	930,771	-	930,771
Contributions	600,680	20,519	621,199
Special Events, Net of Cost of Direct Benefit to Donors of $1,834	215,508	-	215,508
Other Revenue	49,725	-	49,725
Net Assets Released from Restrictions	44,071	(44,071)	-
Total Public Support and Revenue	3,650,714	(23,552)	3,627,162
EXPENSES			
Program Services	2,761,152	-	2,761,152
Management and General	242,031	-	242,031
Fundraising	92,262	-	92,262
Total Expenses	3,095,445	-	3,095,445
CHANGE IN NET ASSETS BEFORE INVESTMENT AND OTHER INCOME (EXPENSE)	555,269	(23,552)	531,717
OTHER INCOME (EXPENSE)			
Net Appreciation on Investments	66,333	-	66,333
Investment Income, Net	6,248	-	6,248
Gain on Interest Rate Swap	22,101	-	22,101
Total Other Income	94,682	-	94,682
CHANGE IN NET ASSETS	649,951	(23,552)	626,399
Net Assets - Beginning of Year	1,351,276	180,684	1,531,960
NET ASSETS - END OF YEAR	$ 2,001,227	$ 157,132	$ 2,158,359

See accompanying Notes to Financial Statements.

GREENLEAF FAMILY CENTER
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Government and Contract Agency Fees	$ 1,349,385	$ -	$ 1,349,385
Government Grants	735,941	-	735,941
Contributions	645,241	47,014	692,255
Special Events, Net of Cost of Direct Benefit to Donors of $5,775	107,147	-	107,147
Other Revenue	215,414	-	215,414
Net Assets Released from Restrictions	9,500	(9,500)	-
Total Public Support and Revenue	3,062,628	37,514	3,100,142
EXPENSES			
Program Services	2,499,227	-	2,499,227
Management and General	201,859	-	201,859
Fundraising	77,140	-	77,140
Total Expenses	2,778,226	-	2,778,226
CHANGE IN NET ASSETS BEFORE INVESTMENT AND OTHER INCOME (EXPENSE)	284,402	37,514	321,916
OTHER INCOME (EXPENSE)			
Net Appreciation on Investments	85,315	-	85,315
Investment Income, Net	18,057	-	18,057
Loss on Interest Rate Swap	(29,800)	-	(29,800)
Total Other Expense	73,572	-	73,572
CHANGE IN NET ASSETS	357,974	37,514	395,488
Net Assets - Beginning of Year	993,302	143,170	1,136,472
NET ASSETS - END OF YEAR	$ 1,351,276	$ 180,684	$ 1,531,960

See accompanying Notes to Financial Statements.

GREENLEAF FAMILY CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program Services						
	Behavioral Health Services	Special Services for Families	Community Services for Families	Program Services Total	Management and General	Fundraising	2021 Total
Salaries, Benefits, and Related Expenses:							
Salaries	$ 752,418	$ 522,549	$ 749,625	$ 2,024,592	$ 137,500	$ 43,038	$ 2,205,130
Employee Benefits	52,163	22,519	42,448	117,130	4,905	-	122,035
Payroll Taxes	56,814	40,400	57,342	154,556	10,356	3,122	168,034
Total Salaries, Benefits, and Related Expenses	861,395	585,468	849,415	2,296,278	152,761	46,160	2,495,199
Professional Fees and Contract Services	85,817	25,281	36,135	147,233	77,083	1,713	226,029
Utilities	7,367	5,116	7,339	19,822	1,421	445	21,688
Supplies	21,013	5,259	79,892	106,164	985	656	107,805
Specific Assistance to Individuals	-	-	300	300	-	-	300
Total	975,592	621,124	973,081	2,569,797	232,250	48,974	2,851,021
Other Expenses:							
Transportation	877	12,017	3,270	16,164	2	13	16,179
Conferences and Meetings	3,252	1,324	2,374	6,950	216	1,386	8,552
Telephone	3,816	5,859	11,539	21,214	736	230	22,180
Postage and Shipping	1,477	513	529	2,519	24	234	2,777
Repairs and Maintenance	7,656	4,674	9,499	21,829	1,099	359	23,287
Printing and Publications	2,947	150	596	3,693	33	651	4,377
Organization Dues	7,975	955	1,370	10,300	265	153	10,718
Interest Expense	9,123	6,336	9,090	24,549	1,760	551	26,860
Insurance	7,920	5,501	7,891	21,312	1,528	478	23,318
Supplies for Special Event	-	-	-	-	-	1,221	1,221
Bad Debt Expense	-	398	-	398	-	-	398
Miscellaneous	4,570	3,173	4,628	12,371	923	38,012	51,306
Total Other Expenses	49,613	40,900	50,786	141,299	6,586	43,288	191,173
Total Expenses Before Depreciation	1,025,205	662,024	1,023,867	2,711,096	238,836	92,262	3,042,194
Depreciation	34,613	5,325	10,118	50,056	3,195	-	53,251
Total Expenses	1,059,818	667,349	1,033,985	2,761,152	242,031	92,262	3,095,445
Additional Costs:							
Cost of Direct Benefit to Donors	-	-	-	-		1,834	1,834
Total Functional Expenses	$ 1,059,818	$ 667,349	$ 1,033,985	$ 2,761,152	$ 242,031	$ 94,096	$ 3,097,279

See accompanying Notes to Financial Statements.

GREENLEAF FAMILY CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program Services						
	Behavioral Health Services	Special Services for Families	Community Services for Families	Program Services Total	Management and General	Fundraising	2020 Total
Salaries, Benefits, and Related Expenses:							
Salaries	$ 745,497	$ 543,803	$ 564,487	$ 1,853,787	$ 111,335	$ 38,249	$ 2,003,371
Employee Benefits	62,390	30,528	41,648	134,566	3,534	-	138,100
Payroll Taxes	44,547	33,858	34,269	112,674	8,278	2,895	123,847
Total Salaries, Benefits, and Related Expenses	852,434	608,189	640,404	2,101,027	123,147	41,144	2,265,318
Professional Fees and Contract Services	88,757	21,942	28,923	139,622	68,114	1,473	209,209
Utilities	6,611	4,822	5,006	16,439	1,077	370	17,886
Supplies	11,676	4,783	46,731	63,190	983	384	64,557
Specific Assistance to Individuals	-	372	325	697	-	-	697
Total	959,478	640,108	721,389	2,320,975	193,321	43,371	2,557,667
Other Expenses:							
Transportation	1,494	10,332	3,622	15,448	22	27	15,497
Conferences and Meetings	1,234	624	3,838	5,696	126	264	6,086
Telephone	2,181	4,139	5,279	11,599	277	95	11,971
Postage and Shipping	1,832	615	453	2,900	46	93	3,039
Repairs and Maintenance	5,284	3,126	5,760	14,170	559	244	14,973
Printing and Publications	2,574	476	1,051	4,101	33	998	5,132
Organization Dues	8,938	1,845	1,915	12,698	412	142	13,252
Interest Expense	13,174	9,610	9,976	32,760	2,146	737	35,643
Insurance	7,821	5,705	5,922	19,448	1,274	438	21,160
Supplies for Special Event	-	-	-	-	-	124	124
Bad Debt Expense	-	2,140	-	2,140	-	-	2,140
Miscellaneous	3,553	2,942	2,791	9,286	579	30,607	40,472
Total Other Expenses	48,085	41,554	40,607	130,246	5,474	33,769	169,489
Total Expenses Before Depreciation	1,007,563	681,662	761,996	2,451,221	198,795	77,140	2,727,156
Depreciation	33,196	5,107	9,703	48,006	3,064	-	51,070
Total Expenses	1,040,759	686,769	771,699	2,499,227	201,859	77,140	2,778,226
Additional Costs:							
Cost of Direct Benefit to Donors	-	-	-	-	-	5,775	5,775
Total Functional Expenses	$ 1,040,759	$ 686,769	$ 771,699	$ 2,499,227	$ 201,859	$ 82,915	$ 2,784,001

See accompanying Notes to Financial Statements.

GREENLEAF FAMILY CENTER
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 626,399	$ 395,488
Adjustments to Reconcile Change in Net Assets to Net Cash From Operating Activities:		
Depreciation	53,251	51,070
Change in Interest Rate Swap Asset/Liability	(54,360)	29,757
Provision for Bad Debts on Accounts Receivable	398	2,140
Net Appreciation on Investments	(66,333)	(85,315)
Increase (Decrease) in Assets:		
Accounts Receivable	(6,992)	293,381
Prepaid Expenses	(11,515)	7,307
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	40,562	4,713
Deferred Contract Fees	(39,129)	(39,341)
Net Cash Provided by Operating Activities	542,281	659,200
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(48,185)	(49,241)
Proceeds from Sale of Investments	931,252	212,465
Purchases of Investments	(460,907)	(230,522)
Net Cash Provided (Used) by Investing Activities	422,160	(67,298)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Short-Term Borrowings (Payments)	-	(33,000)
Payments on Notes Payable	(836,239)	(71,900)
Net Cash Used by Financing Activities	(836,239)	(104,900)
NET INCREASE IN CASH	128,202	487,002
Cash - Beginning of Year	562,683	75,681
CASH - END OF YEAR	$ 690,885	$ 562,683
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	$ 26,860	$ 35,643

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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

Behavioral Health Services

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

Special Services for Families

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

Community Services for Families

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

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

Basis of Accounting

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

Net Assets

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

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

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

Revenue Recognition

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

When the Agency receives funds in advance of the recognition of revenue, a contract liability is recognized. Contract liabilities represent services which have not yet been rendered. The contract liability as of January 1, 2020, was $144,721. The contract receivable as of January 1, 2020, was $180,311. The following is a summary of the Agency's contract liabilities and receivables as of December 31:

	2021	2020
Deferred Revenue	$ 66,251	$ 105,380
Accounts Receivable	$ 144,932	$ 128,823

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

Clients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Agency also provides services to uninsured clients, and offers those uninsured clients a discount, either by policy or law, from standard charges. The Agency estimates the transaction price for clients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to Government and contract agency fee revenue in the period of the change. Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments were not considered material for the years ended December 31, 2021 and 2020. Subsequent changes that are determined to be the result of an adverse change in the client's ability to pay are recorded as bad debt expense.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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

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

Emergency Grant Revenue

Due to the Coronavirus pandemic, the U.S. Department of Health and Human Services (HHS) made available emergency relief grant funds to health care providers through the CARES Act Provider Relief Fund (PRF). Total PRF grant funds approved and received by the Agency approximated $153,000 and at December 31, 2020, the Agency recognized these funds within Other Revenue in the Statement of Activities. The PRF's are subject to certain restrictions on eligible expenses or uses, reporting requirements, and will be subject to audit.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Receivables are considered past due based on various contractual terms. It is the policy of management to review the outstanding receivables at year-end and based on current and historical bad debt write-offs, establish an allowance of doubtful accounts for uncollectible accounts. The Agency has recorded an allowance for uncollectible accounts of $9,543 and $13,917 at December 31, 2021 and 2020, respectively. Account write-offs, net of recoveries, were $398 in 2021 and $2,140 in 2020.

Investments

Investments are reported at their fair values in the statements of financial position. Realized and unrealized gains and losses on investments are recognized as changes in net assets in the periods in which they occur and investment income is recognized as revenue in the period earned. Investment income and gains restricted by a donor are reported as increases in net assets without donor restriction if the restrictions are met (either by passage of time or by use) in the reporting period in which the income or gains are recognized. Investment expenses are netted against investment income on the statement of activities. Investment expenses totaled $6,652 in 2021 and $5,769 in 2020.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment with a cost of $1,000 or more and that have an estimated useful life greater than one year, are capitalized at cost, or as to contributions in kind at the market value prevailing at the date of donation. Major additions and betterments are capitalized while maintenance and repairs, which do not improve or extend the lives of the respective assets are expensed currently. When property is retired or otherwise disposed of, the cost of the property is removed from the asset account, accumulated depreciation is charged with an amount equivalent to the depreciation provided, and the difference is charged or credited to operations. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets ranging from 3 to 40 years. Depreciation expense totaled $53,251 and $51,070 for the years ended December 31, 2021 and 2020, respectively.

Use of Estimates

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

Cash

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

Concentration of Credit Risk

The Agency maintains its cash in deposit accounts, which, at times, may exceed federally insured limits. There were no uninsured deposits at December 31, 2021 and 2020. The Agency has not experienced any significant losses in such accounts. Management of the Agency believes it is not exposed to any significant credit risk on their cash.

Functional Expenses

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

Income Taxes

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risks and Uncertainty

In 2020, the World Health Organization declared the spread of the Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on the global market, supply chains, businesses, and communities. Specific to the Agency, COVID-19 impacted various parts of its operations and financial results including but not limited to additional costs for emergency preparedness, disease control and containment, potential shortages in personnel, or loss of revenue due to reductions in certain revenue streams. Management believes the Agency is taking appropriate actions to mitigate negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of December 31, 2021.

NOTE 2 ACCOUNTS RECEIVABLE

Accounts receivable as of December 31 are summarized as follows:

	2021	2020
Medicaid	$ 34,031	$ 40,223
Medicare	2,280	5,312
Third Party, Net Allowance of $7,803 and $12,437 in 2021 and 2020, Respectively	7,803	12,437
Self Pay, Net Allowance of $1,740 and $1,480 in 2021 and 2020, Respectively	1,740	1,480
Program Receivables	144,932	128,823
Other	8,112	4,029
Total	$ 198,898	$ 192,304

NOTE 3 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2021	2020
Land	$ 88,600	$ 88,600
Buildings and Improvements	1,276,270	1,263,216
Equipment	413,187	378,057
Total	1,778,057	1,729,873
Less: Accumulated Depreciation and Amortization	630,696	577,446
Total Property and Equipment	$ 1,147,361	$ 1,152,427

NOTE 4 SHORT-TERM BORROWINGS

The Agency has a $200,000 line of credit with their principal bank. This agreement is subject to annual renewal in June and provides for interest at prime plus 0.25 percentage points (3.50% at December 31, 2021). The line of credit is collateralized by substantially all assets of the Agency. This is considered a demand line of credit and there was no outstanding balance under this agreement at December 31, 2021.

The line of credit contains certain covenants common to such agreements. The covenants require the Agency, among other things, to maintain a debt service coverage ratio effective December 31, 2021. As of December 31, 2021, the Agency's management is not aware of any violations of covenants related to this line.

NOTE 5 PAYCHECK PROTECTION PROGRAM

On February 12, 2021, the Agency received proceeds in the amount of $451,637 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The PPP loan may be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance barriers, as outlined in the loan agreement and the CARES Act. Therefore, the Organization has classified this loan as a conditional contribution for accounting purposes.

On November 9, 2021, the SBA formally approved forgiveness in the full amount of the Agency's obligation under this PPP loan. The Agency recognized $451,637 of contribution income related to this agreement during the year ended December 31, 2021, which represents the portion of the PPP loan funds for which the performance barriers have been met. The SBA may review funding eligibility and usage of funds in compliance with the program based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Agency's financial position.

NOTE 6 NOTES PAYABLE

Notes payable consist of the following at December 31:

Description	2021	2020
Mortgage note payable, bank, due in 119 monthly installments ranging from $2,628 to $3,931 through November 2025, plus interest at a rate of LIBOR plus 2.00% (LIBOR was 2.14% at December 31, 2020) with a balloon payment totaling $614,207 in December 2025. Collateralized by office building and land and other assets of the Agency, note fully paid off in October 2021.	$ -	$ 836,239
Total Notes Payable	-	836,239
Less: Current Maturities	-	39,564
Total	$ -	$ 796,675

Interest expense totaled $26,860 in 2021 and $35,643 in 2020.

Effective December 23, 2015, the Agency entered into an interest rate swap agreement with a commercial bank to reduce the impact of changes in interest rates on its long-term debt. This agreement had been designated as a cash flow hedge of the underlying debt. The hedge is considered completely effective as all of the critical terms of the hedge and the related hedge items (long-term debt) match. On October 29, 2021, the swap agreement was terminated, with a settlement payment made by the Agency in the amount of $32,259.

At December 31, 2020, the Agency recorded a net liability for the fair value of the interest rate swap on the statement of financial position in the amount of $54,360. There was no such liability recorded in 2021 due to the termination of the swap agreement.

The effective portion of the gain or loss on the interest rate swap was reported as revenues and expenses in the statements of activities in the same period or periods during which the hedged transaction affected the statement of activities.

NOTE 7 LEASES

The Agency leases equipment under an operating lease expiring in 2024. Total rental expense was $7,390 in 2021 and $5,230 in 2020.

Future minimum payments under leases with initial terms of one year or more as of December 31, are as follows:

Year Ending December 31,	Amount
2022	$ 6,202
2023	6,202
2024	4,652
Total	$ 17,056

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

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

	2021	2020
Subject to Expenditure for Specified Purpose:		
Family Loan Program	$ 52,978	$ 52,978
Adolescent Suicide Prevention	9,500	7,000
Various Other Donor Specified Purposed	22,654	48,706
Subtotal	85,132	108,684
Subject to Be Held in Perpetuity	72,000	72,000
Total	$ 157,132	$ 180,684

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

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

	2021	2020
Specified Purpose Restrictions Accomplished:		
Adolescent Suicide Prevention	$ 500	$ 8,000
School Counseling Services	-	1,500
Various Other Donor Specified Purposed	43,571	-
Total Net Assets Released from Restriction	$ 44,071	$ 9,500

NOTE 9 ENDOWMENT

Interpretation of Relevant Law

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

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

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

Endowment Net Asset Classification by Type of Fund

	2021		
	Without Donor Restriction	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	$ -	$ 72,000	$ 72,000
Total Funds	$ -	$ 72,000	$ 72,000

	2020		
	Without Donor Restriction	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	$ -	$ 72,000	$ 72,000
Board-Designated Funds Functioning as Endowment	182,086	-	182,086
Total Funds	$ 182,086	$ 72,000	$ 254,086

NOTE 9 ENDOWMENT (CONTINUED)

Changes in Endowment Net Assets

	Without Donor Restriction	With Donor Restrictions	Total
Endowment Net Assets - December 31, 2019	$ 150,620	$ 72,000	$ 222,620
Endowment Investment Return:			
Endowment Investment Income	5,472	-	5,472
Net Appreciation	25,994	-	25,994
Total Endowment Investment Return	31,466	-	31,466
Endowment Net Assets - December 31, 2020	182,086	72,000	254,086
Endowment Investment Return:			
Endowment Investment Income	4,803	-	4,803
Net Appreciation	50,983	-	50,983
Withdrawals	(237,872)		(237,872)
Total Endowment Investment Return	(182,086)	-	(182,086)
Endowment Net Assets - December 31, 2021	$ -	$ 72,000	$ 72,000

Return Objectives and Risk Parameters

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

Strategies Employed for Achieving Objectives

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

Spending Policy and How the Investment Objectives Relate to Spending Policy

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

NOTE 10 FAIR VALUE MEASUREMENTS

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

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

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

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

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

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

Valuation Techniques

Following is a description of the valuation techniques used for assets measured at fair value on a recurring basis. There have been no changes to the techniques used during the years ended December 31, 2021 and 2020.

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

Interest Rate Swap Agreement - The fair value is estimated using forward-looking interest rate curves and discounted cash flows that are observable or that can be corroborated by observable market data. The interest rate swap agreement was terminated during 2021.

NOTE 10 FAIR VALUE MEASUREMENTS (CONTINUED)

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

	2021			
	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 319,954	$ -	$ -	$ 319,954
Total Assets at Fair Value	319,954	-	-	319,954
Cash and Deposit Accounts (a)				10,631
Total Investments				$ 330,585

(a) The amount presented is at cost.

	2020			
	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 709,178	$ -	$ -	$ 709,178
Total Assets at Fair Value	709,178	-		709,178
Cash and Deposit Accounts (a)				25,419
Total Investments				$ 734,597
Interest Rate Swap Liability	$ -	$ (54,360)	$ -	$ (54,360)

(a) The amount presented is at cost.

NOTE 11 FUNDING

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

NOTE 12 FUNDS HELD FOR OTHERS

The Agency is holding funds in a joint account for an unrelated entity. These funds totaled $43,185 at December 31, 2021 and $27,627 at December 31, 2020 and are shown as an asset and offsetting liability on the statements of financial position.

NOTE 13 LIQUIDITY

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

	2021	2020
Total Current Assets	$ 1,220,017	$ 1,280,074
Less Funds Held for Others	(43,185)	(27,627)
Less Prepaids	(28,464)	(16,949)
Less Restricted Net Assets	(157,132)	(180,684)
Less Refundable Advances	(66,251)	(105,380)
Total	$ 924,985	$ 949,434

As part of the Agency's liquidity management plan, they maintain a $200,000 line of credit, as discussed in more detail in Note 4. Management could draw upon this resource in the event of unanticipated liquidity need. Additionally, as of December 31 2020, $182,086 of board-designated funds could be made available as needed. There were no such board-designated funds as of December 31, 2021.

NOTE 14 SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 22, 2022, which is the date the financial statements were available to be issued.

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

Board of Trustees
Greenleaf Family Center
Akron, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Greenleaf Family Center (an Ohio nonprofit organization) (the Agency), which comprise the statement of financial position as of December 31, 2021, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 22, 2022.

Internal Control Over Financial Reporting

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

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

Internal Control Over Financial Reporting (Continued)

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

Compliance and Other Matters

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

Purpose of this Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Akron, Ohio
June 22, 2022