RANDLE & ASSOCIATES, LLC
Certified Public Accountants

FATHERS SUPPORT CENTER, ST. LOUIS d/b/a FATHERS AND FAMILIES SUPPORT CENTER

Financial Statements

December 31, 2023 and 2022

www.randlecpa.com

Fathers Support Center, St. Louis

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RANDLE & ASSOCIATES, LLC, CPA
Certified Public Accountant
(314) 731-8085
www.randlecpa.com

70 Black Jack Ct.
Florissant, MO 63033

INDEPENDENT AUDITORS' REPORT

Board of Directors
Fathers Support Center, St. Louis

Opinion

We have audited the accompanying financial statements of Fathers Support Center, St. Louis (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, 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 Fathers Support Center, St. Louis as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 Fathers Support Center, St. Louis and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Fathers Support Center, St. Louis'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, including omissions, 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 Fathers Support Center, St. Louis'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 Fathers Support Center, St. Louis'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2024, on our consideration of Fathers Support Center, St. Louis'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Fathers' Support Center, St. Louis'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 Fathers Support Center, St. Louis's internal control over financial reporting and compliance.

Randle & associates, LLC, CPAs

Florissant, Missouri

June 24, 2024

FATHERS SUPPORT CENTER, ST. LOUIS
STATEMENTS OF FINANCIAL POSITION
December 31, 2023 and 2022

	2023	2022
ASSETS		
Current Assets:		
Cash and equivalents	$ **1,977,463**	$ 1,438,777
Receivables:		
Accounts and other receivables	**1,933**	29,394
Grants receivable	**386,628**	346,998
Promises to give	**167,037**	172,248
Prepaid and other assets	**27,983**	23,481
Total current assets	**2,561,044**	2,010,898
Cash and cash equivalents - board designated for future reserves	**326,932**	293,911
Cash and cash equivalents - restricted	**155,101**	382,968
Promises to give - restricted (net of allowance for doubtful account of $24,750 and $0)	**9,500**	61,353
Property and equipment:		
Land	**144,993**	144,993
Building and improvements	**3,399,293**	3,399,293
Office furniture and equipment	**16,377**	16,377
Operating lease right of use asset	**47,645**	73,620
Finance lease right of use asset	**25,798**	25,798
Accumulated depreciation and amortization	**(417,768)**	(308,177)
Total assets	$ **6,268,915**	$ 6,101,034
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$ **80,764**	$ 52,751
Accrued expenses	**79,931**	83,675
Operating lease liability - current	**24,253**	25,976
Finance lease liability - current	**2,828**	5,289
Total current liabilities	**187,776**	167,691
Notes payable		
Operating lease liability - long term	**23,392**	47,644
Finance lease - long term	**5,159**	7,858
Total liabilities	**216,327**	223,193
Net Assets:		
Without donor restrictions		
Undesignated	**5,147,322**	4,596,719
Board designated for funding reserves	**326,932**	293,911
With donor restrictions	**578,334**	987,211
Total net assets	**6,052,588**	5,877,841
Total liabilities and net assets	$ **6,268,915**	$ 6,101,034

The accompanying notes are an integral part of the financial statements.

FATHERS SUPPORT CENTER, ST. LOUIS
STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2023 and 2022

	2023			2022		
	Net Assets Without Donor Restrictions	**Net Assets With Donor Restrictions**	**Total**	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE						
Public support:						
Contributions	**$ 548,704**	**$ 388,347**	**$ 937,051**	$ 70,814	$ 828,201	$ 899,015
Special events (net expenses of $106,329 and $96,176 for 2023 and 2022, respectively)	**312,532**	**3,238**	**315,770**	247,882	3,298	251,180
Capital campaign contributions	**-**	**6,155**	**6,155**	-	21,625	21,625
Grants and contracts	**3,217,028**	**-**	**3,217,028**	2,869,446	-	2,869,446
United Way	**-**	**166,212**	**166,212**	-	172,278	172,278
Revenue:						
Program service revenue	**7,500**	**-**	**7,500**	5,500	-	5,500
Interest and miscellaneous	**50,861**	**615**	**51,476**	4,712	615	5,327
Total	**4,136,625**	**564,567**	**4,701,192**	3,198,354	1,026,017	4,224,371
Net assets released from restrictions	**973,444**	**(973,444)**	**-**	1,110,729	(1,110,729)	-
Total public support and revenue	**5,110,069**	**(408,877)**	**4,701,192**	4,309,083	(84,712)	4,224,371
EXPENSES						
Program services	**3,471,599**	**-**	**3,471,599**	3,089,193	-	3,089,193
Supporting services:						
Management and general	**774,061**	**-**	**774,061**	718,488	-	718,488
Capital campaign	**24,981**	**-**	**24,981**	2,563		2,563
Fundraising	**255,804**	**-**	**255,804**	244,544	-	244,544
Total expenses	**4,526,445**	-	**4,526,445**	4,054,788	-	4,054,788
Change in net assets	**583,624**	**(408,877)**	**174,747**	254,295	(84,712)	169,583
Net Assets, Beginning of Year	**4,890,630**	**987,211**	**5,877,841**	4,636,335	1,071,923	5,708,258
Net Assets, End of Year	**$ 5,474,254**	**$ 578,334**	**$ 6,052,588**	$ 4,890,630	$ 987,211	$ 5,877,841

The accompanying notes are an integral part of the financial statements.

FATHERS SUPPORT CENTER, ST. LOUIS
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	**$ 174,747**	$ 169,583
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	**109,591**	110,032
Increase in accounts and other receivable	**27,461**	3,113
Increased in grants receivable	**(39,630)**	(50,933)
Increase in promises to give	**57,064**	460,342
(Increase)/Decrease in prepaid expenses	**(4,502)**	(5,734)
Decrease in accounts payable and accrued expenses	**24,269**	(8,073)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**349,000**	678,330
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on notes payable	**-**	(84,638)
Principal payments made under capital lease	**(5,160)**	(4,916)
NET CASH USED BY FINANCING ACTIVITIES	**(5,160)**	(89,554)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**343,840**	588,776
CASH AND CASH EQUIVALENTS: Undesignated, Designated, and Restricted, Beginning of year	**2,115,656**	1,526,880
CASH AND CASH EQUIVALENTS: Undesignated, Designated, and Restricted, End of year	**$ 2,459,496**	$ 2,115,656
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the years for interest	**$ 800**	$ 1,019
Non-cash investing and financing activities:		
Addition of right-of-use assest-operating	**$ -**	$ 73,260
Addition of lease liability-operating	**-**	73,260

The accompanying notes are an integral part of the financial statements.

FATHERS SUPPORT CENTER, ST. LOUIS
STATEMENTS OF FUNCTIONAL EXPENSES
Year Ended December 31, 2023 and 2022

	2023					2022				
	Program Services	Management and General	Fundraising	Capital Campaign	Total	Program Services	Management and General	Fundraising	Capital Campaign	Total
Salaries	$ 1,712,510	$ 403,068	$ 168,875	$ -	$ 2,284,453	$ 1,708,090	$ 372,507	$ 164,159	$ -	$ 2,244,756
Employee benefits	343,697	76,625	32,839	-	453,161	351,000	76,530	33,722	-	461,252
Payroll taxes	135,139	36,276	15,200	-	186,615	139,480	30,477	13,361	-	183,318
	2,191,346	515,969	216,914	-	2,924,229	2,198,570	479,514	211,242	-	2,889,326
Advertising expense	110,320	12,981	531	-	123,832	76,138	6,365	789	-	83,292
Assistance to individuals	96,502	-	-	-	96,502	86,940	-	-	-	86,940
Automobile and travel expense	37,309	1,628	471	-	39,408	40,944	1,038	345	-	42,327
Bad debt expense	-	-	-	24,750	24,750	-	-		-	-
Conferences, conventions and meetings	11,159	11,543	1,283	-	23,985	11,403	13,626	3,407	-	28,436
Depreciation	3,767	104,766	1,058	-	109,591	4,486	105,546	-	-	110,032
Maintenance and repairs	50,478	11,778	5,048	-	67,304	51,912	9,159	3,738	-	64,809
Graduation cost	9,621	-	-	-	9,621	5,257	-	-	-	5,257
Other event cost	70	-	-	-	70	51	-	-	-	51
Interest expense	556	244	-	-	800	322	697	-	-	1,019
Insurance - other	16,545	6,000	628	-	23,173	19,296	3,278	778	-	23,352
In-kind goods and services	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	1,741	-	231	1,972	-	6,846		2,563	9,409
Occupancy	32,581	6,027	670	-	39,278	35,210	3,432	1,471	-	40,113
Professional memberships	5,774	1,734	193	-	7,701	5,530	1,829	800	-	8,159
Postage	1,082	633	567	-	2,282	1,073	2,500	1,256	-	4,829
Printing and publications	5,198	966	1,574	-	7,738	2,924	3,372	-	-	6,296
Professional fees and consultants	135,529	66,979	22,275	-	224,783	132,326	64,694	16,174	-	213,194
Program expenses	208,222	-	-	-	208,222	119,728	-	-	-	119,728
Supplies and equipment	116,357	7,709	4,032	-	128,098	76,923	10,244	4,144	-	91,311
Training and development cost	262,410	19,213	265	-	281,888	59,370	3,863	-	-	63,233
Telephone	24,476	4,150	295	-	28,921	27,930	2,485	400	-	30,815
Partnership grants	152,297	-	-	-	152,297	132,860	-	-	-	132,860
Total	$ 3,471,599	$ 774,061	$ 255,804	$ 24,981	$ 4,526,445	$ 3,089,193	$ 718,488	$ 244,544	$ 2,563	$ 4,054,788

The accompanying notes are an integral part of the financial statements.

NOTE 1 – Summary of Significant Accounting Policies

Nature of Activities

Fathers Support Center, St. Louis (the Organization) is a Missouri not-for-profit corporation, providing non-custodial fathers a comprehensive program that prepares fathers to take financial and emotional responsibility for parenting their children. Services provided by the program include employment preparation, job placement, education, counseling, mentoring, life skills training, and child development. The Organization is supported primarily through donor contributions, governmental grants and private organizations. The Organization's primary objective is to assist fathers with developing the skills and behaviors necessary to cooperate in the care and rearing of their children as a strategy to improve outcomes for the children.

Change in Accounting Principles

For the year ended December 31, 2022, the Organization implemented FASB, *ASU 2016-02*, *Leases (Topic 842)*. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset. These changes were incorporated in the Organization's December 31, 2022 financial statements, but did not have an effect on the beginning net assets.

Basis of Accounting

The Organization maintains its accounting records on the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when the obligation is incurred.

Basis of Presentation

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

> Net Assets without Donor Restrictions: Net assets that are not subject to or are no longer subject to donor-imposed stipulations.
>
> Net Assets with Donor Restrictions: Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Basis of Presentation (continued)

Revenues are reported as increases in net assets without donor restriction unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations or donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization currently is developing a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

The Organization maintains cash deposits in bank accounts which at times may exceed the federally insured limits. Bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 at each financial institution. The Organization has not experienced any losses in any accounts and believes it is not exposed to any significant credit risk on cash.

Right to Use Leased Asset

The Organization has recorded right to use lease assets as a result of implementing ASU 2016-02, Leases (Topic 842). The right to use assets are initially measured at an amount to the initial measurement of the related lease liability. The right to use assets are amortized on a straight-line basis over the life of the related lease.

Contributions and Promises to Give

Contributions received are recorded as increases without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any restrictions. When restrictions expire (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 statement of activities as net assets released from restrictions. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Contributions and Promises to Give (continued)

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Furniture and Equipment

Furniture and equipment are recorded at cost, if purchased, or fair value at the time of donation, if donated. Furniture and equipment purchase over $4,000 are capitalized and depreciated using the straight-line method over the estimated useful life of the asset ranging from 3 to 5 years. Routine repairs of furniture and equipment are expensed in the year which the repairs are performed or committed.

Income Tax Status

The Organization is tax-exempt under Section 501(c)(3) of the Internal Revenue Service Code. As such, the Organization can only be taxed on income from any activities unrelated to its charitable purpose. There was no unrelated business income for 2023 or 2022; therefore, the statements do not include any provision for income taxes.

The Organization has adopted the standards for accounting for uncertainty in income taxes and management is not aware of any uncertain tax provisions of the Organization related to the tax filings.

The Organization continually evaluates the effects of all tax positions taken including expiring statues of limitations, tax examinations, unrelated business income and new authoritative rulings. The Organization files federal informational returns (Form 990). The statutes of limitations for informational returns filed for the years ended December 31, 2021 through 2023 have not expired and therefore are subject to examination.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Functional Expenses

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases.

The expenses that are allocated include the following:

Expenses	Method of Allocation
Salaries and payroll taxes	Estimated time and effort
Employee benefits	Estimated time and effort
Professional fees	FTE/Square footage
Supplies	FTE/Square Footage
Equipment expenses, technology, and phone	FTE/Square Footage
Occupancy	Square Footage
All other operating expenses	FTE/Square Footage

New Accounting Standards Implemented

The Financial Accounting Standards Board issued Accounting Standards Update ASU *2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, to improve transparency of contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. The ASU is applicable for the Organization's fiscal year 2022, but the organization elected to early adopt the standard. The new standards require that contributed nonfinancial assets are presented separately in the statement of activities. New disclosures are also required to disaggregate contributed nonfinancial assets by category type and other qualitative information about utilization, policies, and valuation techniques.

NOTE 1 – Summary of Significant Accounting Policies (Continued)

New Accounting Standards Implemented (continued)

In February 2016, the FASB issued *ASU 2016-02*, *Leases (Topic 842),* which require a lessee to recognize assets and liabilities for leases with terms of more than twelve months. Consistent with current GAAP, the recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a financing or operating lease. However, unlike current GAAP-which requires only capital leases to be recognized on the statement of financial position- the new ASU will require both financing and operating leases to be recognized on the statement of financial position. Various subsequent accounting standards have been issued by the FASB that clarify, modify, or expand the guidance for Topic 842. For the year ended December 31, 2022, the Organization implemented FASB, *ASU 2016-02, Leases (Topic 842)*.

Reclassifications

Certain amounts in the prior year statement of activities and functional expenses presented have been reclassified to conform to the current year financial statement presentation. These reclassifications have no effect on previously reported net assets.

Evaluation of Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition through June 24, 2024, the date the financial statements were available to be issued.

NOTE 2 – Cash and Cash Equivalents

Cash and cash equivalents represent the Organization's funds in several accounts, some of which are interest bearing. The Organization had earnings of $949 and $827 on certain accounts for the years ended December 31, 2023 and 2022, respectively.

	2023	2022
Unrestricted:		
Cash and cash equivalents	**$ 1,977,463**	$ 1,438,777
Board designated cash and cash equivalents	**326,932**	293,911
Total Unrestricted cash and cash equivalents	**2,304,395**	1,732,688
Restricted cash and cash equivalents -capital campaign	**155,101**	382,968
Total Cash and Cash Equivalents	**$ 2,459,496**	$ 2,115,656

NOTE 3 – Concentration of Credit Risk

The Organization generates receivables and revenues from governmental and other grant agencies in the normal course of business. The Organization does not require collateral to secure these receivables and is under the belief they are fully collectible.

NOTE 4 – Concentration of Revenue

The Organization received significant grants passed through from U.S. Department of Health and Human Services. The amounts of the grants are included in fiscal years 2023 and 2022 statement of activities and represents 20% and 23% of unrestricted revenues, respectively. A significant reduction in the level of this support, if this were to occur, could have a major impact on programs and activities.

NOTE 5 –Grants and Accounts Receivable

At December 31, 2023 and 2022, the Organization had \$388,561 and \$376,392 in accounts and grants receivables, respectively. It is management's estimate the balances are fully collectible; therefore, no allowance has been established against the receivable balances at December 31, 2023 and 2022.

NOTE 6 – Promises to Give

Promises to give at December 31, 2023 and 2022 consisted of the followings:

		2023		2022
United Way	**$**	**167,037**	$	172,248
Other unconditional promises to give		**34,250**		62,552
		201,287		234,800
Less:				
Unamortized discount (1.5%)		**-**		(1,199)
Allowance for doubtful accounts		**(24,750)**		-
Net unconditional promises to give	**$**	**176,537**	$	233,601
Amounts due in:				
Less than one year	**$**	**176,537**	$	227,601
One to five years		**-**		6,000
	$	**176,537**	$	233,601

NOTE 7 – Property, Furniture, and Equipment

Fixed assets consist of the following as of December 31:

		2023		2022
Depreciable fixed assets:				
Land	**$**	**144,993**	$	144,993
Building		**3,399,293**		3,399,293
Office furniture and equipment		**42,175**		42,175
		3,586,461		3,586,461
Less: Accumulated depreciation		**(417,768)**		(308,177)
Furniture & equipment – net	**$**	**3,168,693**	$	3,278,284

Depreciation and amortization charged against revenues amounted to $109,591 and $110,032 during the years ended December 31, 2023 and 2022, respectively.

NOTE 8 – Lease Commitments

The Organization entered into a financing lease for office equipment under an agreement that is classified as a capital lease. The equipment under the capital leases are included in the statement of financial position with payments for 60 months. Amortization of assets under capital leases is included in depreciation expense.

On June 12, 2020, the Organization leased space from Comprehensive Behavioral Health Center located at 505 South 8th Street, East St. Louis at a monthly fee of $1,300 through June 30, 2023. The Organization have the right to renew the lease for 1 renewal period with each term being 3 years.

In November 2020, the Organization entered into a lease for a van with Ford Credit Commercial Lending Services for $898 for 48 months.

The components of lease expense were as follows:

	For the Year Ending December 31,			
		2023		2022
Short term lease cost	**$**	**7,800**	$	-
Operating lease cost		**19,737**		27,122
Total operating cost	**$**	**27,537**	$	27,122
Finance lease cost:				
Amortization of right of use assets	**$**	**5,160**	$	5,160
Interest on lease liabilities		**800**		933
Total finance lease cost	**$**	**5,960**	$	6,093

NOTE 8 – Lease Commitments (continued)

Supplemental cash flow information related to the lease is as follows:

	For the Year Ending December 31, **2023**	2022
Cash paid for amounts included in the measurement of lease liabilities:		
Financing cash flows from finance leases	**$ (5,160)**	$ (4,916)
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	**-**	134,302

Supplemental statement of financial position related to leases are as follows:

	For the Year Ending December 31, **2023**	2022
Operating lease:		
Operating leases right-of-use asset	**$ 47,645**	$ 73,620
Other current liabilities	**$ 24,253**	$ 25,976
Operating leases liabilities	**23,392**	47,644
Total operating lease liabilities	**$ 47,645**	$ 73,620

NOTE 8 – Lease Commitments (continued)

	For the Year Ending December 31, **2023**	2022
Finance leases:		
Property and equipment, gross	**$ 25,798**	$ 25,798
Accumulated depreciation	**(18,489)**	(13,329)
Property and equipment, net	**$ 7,309**	$ 12,469
Other current liabilities	**$ 2,828**	$ 5,289
Other long-term liabilities	**5,159**	7,858
Total finance lease liabilities	**$ 7,987**	$ 13,147
Weighted Average Remaining Lease Term		
Operating lease	**2.05 years**	3.05 years
Finance lease	**1.50 years**	2.50 years
Weighted Average Discount Rate		
Operating lease	**3.5%**	3.5%
Finance lease	**5.64%**	5.64%

Maturities of lease liabilities are as follows:

Year Ending December 31,	Operating Lease	Finance Lease
2024	$ 24,582	$ 5,932
2025	15,600	2,966
2026	7,800	-
Total lease payments	47,982	8,898
Less imputed interest	(337)	(911)
Total	$ 47,645	$ 7,987

NOTE 10 – Retirement Plan

Effective January 1, 2017, the Organization established a 401(k) defined contribution retirement plan for the benefit of regular full-time and part-time employees who are a minimum of twenty-one years of age. Participating employees may elect to contribute, on a tax deferred basis, a portion of their compensation, in accordance with Section 401(k) of the Internal Revenue Code. Additional contributions may be made to the plan at the discretion of the Board of Director, subject to the guidelines of the Internal Revenue Code. The Organization elected to contribute 6% of all eligible participants' compensation for the years ended December 31, 2023 and 2022. The Organization's contribution to the plan for the year ended December 31, 2023 and 2022 was $81,539 and $81,420, respectively.

NOTE 11 – Net Assets

Net assets consist of:

	December 31, 2023	2022
Net Assets Without Donor Restrictions:		
Undesignated	**$ 5,147,322**	$ 4,596,719
Designated – reserves	**326,932**	293,911
Total net assets without donor restrictions	**5,474,254**	4,890,630
Net Assets With Donor Restrictions:		
Purpose -restrictions		
Programs and support	**568,834**	542,890
Capital campaign	**9,500**	444,321
Total net assets with donor restrictions	**578,334**	987,211
Total Net Assets	**$ 6,052,588**	$ 5,877,841

NOTE 12 – Donated Services, Materials, and Facilities

Significant other contributions of goods and services have been made to the Organization by unpaid volunteers to assist in the ongoing activities and programs. The values of these contributions are not reflected in these financial statements due to it not being susceptible to objective measurement of valuation.

NOTE 13 – Liquidity and Availability of Financial Assets

The Organization intends to implement a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization's primary sources of support are contributions and grants. Most of the support is required to be used in accordance with the purpose restrictions imposed by the donor or funding agency.

NOTE 13 – Liquidity and Availability of Financial Assets (continued)

As of December 31, 2023 and 2022, financial assets available for general expenditures within one year consist of the following:

	2023	2022
Cash and cash equivalents	**$ 2,459,496**	$ 2,115,506
Accounts, grants, and other receivables	**388,561**	376,392
Promises to give	**176,537**	233,601
Total financial assets	**3,024,594**	2,725,499
Less:		
Cash and cash equivalents - restricted	**(155,101)**	(382,968)
Board designated funds for future reserves	**(326,932)**	(293,911)
Donor restricted promises to give	**(9,500)**	(61,353)
Financial assets available to meet cash needs for general expenditures within one year	**$ 2,533,061**	$ 1,987,267

NOTE 14 – Commitments and Contingencies

Financial awards from governmental entities in the form of grants are subject to special oversights and audits. The results of such audits could result in the claims against the Organization for disallowed cost. No claims exist against the Organization at December 31, 2023 and 2022; therefore, no provisions have been made for any liabilities that may result from such audits.

NOTE 15 – Subsequent Events

The Organization's management has evaluated subsequent events through June 24, 2024, the date the financial statements were available for distribution.

In March 2024, the Organization extended a lease agreement through December 2024 with a monthly payment of $1,502.

COMPLIANCE REPORT

RANDLE & ASSOCIATES, LLC, CPA
Certified Public Accountant
(314) 731-8085
www.randlecpa.com

70 Black Jack Ct.
Florissant, MO 63033

INDEPENDENT AUDITOR'S 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*

To the Board of Directors of
Fathers Support Center, St. Louis

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 Fathers Support Center, St. Louis (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 24, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fathers Support Center, St. Louis 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 Fathers Support Center, St. Louis's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fathers Support Center, St. Louis'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.

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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fathers Support Center, St. Louis's financial statements are free from 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 determination of financial statement amounts. 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Randle & associates, LLC, CPAs

Florissant, Missouri
June 24, 2024

RANDLE & ASSOCIATES, LLC, CPA
Certified Public Accountant
(314) 731-8085
www.randlecpa.com

70 Black Jack Ct.
Florissant, MO 63033

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Fathers Support Center, St. Louis

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Fathers Support Center, St. Louis's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Fathers Support Center, St. Louis's major federal programs for the year ended December 31, 2023. Fathers Support Center, St. Louis's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Fathers Support Center, St. Louis complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Fathers Support Center, St. Louis and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Fathers Support Center, St. Louis's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Fathers Support Center, St. Louis's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Fathers Support Center, St. Louis's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Fathers Support Center, St. Louis's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

- Identify and assess the risks of material noncompliance, 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 Fathers Support Center, St. Louis's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Fathers Support Center, St. Louis's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Fathers Support Center, St. Louis's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Rawlk & associates, LLC, CPAs
Florissant, Missouri
June 24, 2024

FATHERS SUPPORT CENTER, ST. LOUIS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass Through/ Entity Identifying Number	Federal Expenditures	Passed through to Sub recipients	Type	Major Program
Depart of Justice/ Direct Programs/ Second Chance Act Reentry Initiative	16.812	2020-CY-BX-0043; 15PBJA-23-GG-05294-SCAX	$ 248,325	N/A	B	
Department of Health and Human Services/ Direct Programs/ Healthy Marriage Promotion & Responsible Fatherhood Grant	93.086	90ZJ000301 90ZJ000303	957,632	N/A	A	x
Total expenditures of federal awards			$ 1,205,957			

1. Basis of Presentation

The accompanying schedule of federal awards (the "Schedule") includes the federal grant activity of Fathers Support Center, St. Louis under programs of the federal government for the year ended December 31, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Fathers Support Center, St. Louis it is not intended to and does not present the financial position, changes in net assets or cash flows of Fathers Support Center, St. Louis.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

3. Indirect Cost Rate

Fathers Support Center, St. Louis used the indirect cost rate per the indirect cost agreement. The rates that were used for December 31, 2023 was 28.74%.

FATHERS SUPPORT CENTER, ST. LOUIS
Schedule of Findings and Questioned Cost
December 31, 2023

PART I: SUMMARY OF AUDITORS' RESULTS

Financial Statements:

1. Type of auditor's report issued. Unmodified

2. Internal control over financial reporting:
   a. Material weakness identified? NO
   b. Significant deficiency identified? NO

3. Noncompliance material to the financial statements noted? NO

Federal Awards:

4. Internal control over major programs:
   a. Material weakness identified? NO
   b. Significant deficiency identified? NO

5. Type of auditor's report issued on compliance for major programs. Unmodified

6. Audit findings disclosed that are required to be reported in accordance with Uniform Guidance? NO

7. For the year ended December 31, 2023, Fathers Support Center, St. Louis had the following major program:

CFDA Number	Name of Federal Program or Cluster
93.086	Healthy Marriage Promotion & Responsible Fatherhood Grant

8. The dollar threshold used to distinguish between Type A and B programs: $750,000.

9. Fathers Support Center, St. Louis qualified as a low-risk auditee? YES

PART II: FINANCIAL STATEMENTS FINDINGS REQUIRED TO BE REPORTED UNDER GOVERNMENT AUDITING STADARDS

NONE

PART III: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

FATHERS SUPPORT CENTER, ST. LOUIS
Status of Prior Years Findings
December 31, 2023

No prior year findings reported