THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION

COMBINED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2019 AND 2018

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CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Guardian Angel Settlement Association
St. Louis, Missouri

Report on the Financial Statements

We have audited the accompanying combined financial statements of The Guardian Angel Settlement Association (a nonprofit organization), which comprise the combined statements of financial position as of December 31, 2019 and 2018, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of The Guardian Angel Settlement Association as of December 31, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Other Information-Combining Statements and Schedule of Expenditures of Federal Awards

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining statement of financial position as of December 31, 2019, combining statement of activities for the year ended December 31, 2019, and the 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*, are presented for purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined 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 23, 2020, on our consideration of The Guardian Angel Settlement Association'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 results of that testing, and not to provide an opinion on the effectiveness of The Guardian Angel Settlement Association'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 The Guardian Angel Settlement Association's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Louis, Missouri
June 23, 2020

THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
COMBINED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 520,419	$ 825,748
Restricted Cash and Cash Equivalents	157,500	2,626,538
Contributions Receivable	588,760	653,094
Grants Receivable	363,712	180,784
Inventory	11,564	14,853
Prepaid Expenses	56,522	46,567
Total Current Assets	1,698,477	4,347,584
INVESTMENTS, AT FAIR VALUE	1,448,488	1,221,391
CONTRIBUTIONS RECEIVABLE	242,266	367,564
PROPERTY AND EQUIPMENT	6,273,409	4,176,449
NOTE RECEIVABLE	2,046,000	2,046,000
OTHER ASSETS	10,000	10,000
Total Assets	$ 11,718,640	$ 12,168,988
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$ 51,518	$ 26,133
Accrued Expenses and Other Liabilities	108,209	87,067
Construction Cost Payable	-	269,820
Total Current Liabilities	159,727	383,020
NOTE PAYABLE, Net	3,478,683	3,816,663
Total Liabilities	3,638,410	4,199,683
NET ASSETS		
Net Assets Without Donor Restriction:		
Available for General Activities	624,549	(8,560)
Board-Designated	625,000	625,000
Investments in Property, Plant, and Equipment	6,273,409	4,176,449
Total Without Donor Restriction	7,522,958	4,792,889
Net Assets With Donor Restriction	557,272	3,176,416
Total Net Assets	8,080,230	7,969,305
Total Liabilities and Net Assets	$ 11,718,640	$ 12,168,988

See accompanying Notes to Combined Financial Statements.

THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
COMBINED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

	Without Donor Restriction	With Donor Restriction	Total
REVENUE, GAINS, AND OTHER SUPPORT			
Contributions	$ 212,359	$ 171,985	$ 384,344
Fees and Grants	1,617,645	463,656	2,081,301
Gain on Investments	256,889	14,441	271,330
Program Fees	440	-	440
In-Kind Contributions	302,067	-	302,067
Match for Childcare Funds	4,010	-	4,010
Special Events, Net of Expenses	300,347	-	300,347
Miscellaneous	25,287	-	25,287
Resale Shop Sales	46,255	-	46,255
Total	2,765,299	650,082	3,415,381
Net Assets Released from Restrictions:			
Satisfaction of Time and Usage Restrictions	3,269,226	(3,269,226)	-
Total Revenues, Gains, and Other Support	6,034,525	(2,619,144)	3,415,381
EXPENSES			
Program Services	2,747,338	-	2,747,338
Supporting Activities:			
Management and General	462,308	-	462,308
Fundraising	94,810	-	94,810
Total Supporting Activities	557,118	-	557,118
Total Expenses	3,304,456	-	3,304,456
CHANGE IN NET ASSETS	2,730,069	(2,619,144)	110,925
Net Assets - Beginning of Year	4,792,889	3,176,416	7,969,305
NET ASSETS - END OF YEAR	$ 7,522,958	$ 557,272	$ 8,080,230

See accompanying Notes to Combined Financial Statements.

THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
COMBINED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018

	Without Donor Restriction	With Donor Restriction	Total
REVENUE, GAINS, AND OTHER SUPPORT			
Contributions	$ 242,168	$ 2,261,612	$ 2,503,780
Fees and Grants	1,935,672	349,208	2,284,880
Loss on Investments	(57,891)	(3,914)	(61,805)
Program Fees	4,260	-	4,260
In-Kind Contributions	285,854	-	285,854
Match for Childcare Funds	9,191	-	9,191
Special Events, Net of Expenses	359,318	-	359,318
Miscellaneous	26,703	-	26,703
Resale Shop Sales	59,414	-	59,414
Total	2,864,689	2,606,906	5,471,595
Net Assets Released from Restrictions:			
Satisfaction of Time and Usage Restrictions	358,303	(358,303)	-
Total Revenues, Gains, and Other Support	3,222,992	2,248,603	5,471,595
EXPENSES			
Program Services	2,819,598	-	2,819,598
Supporting Activities:			
Management and General	416,615	-	416,615
Fundraising	92,734	-	92,734
Total Supporting Activities	509,349	-	509,349
Total Expenses	3,328,947	-	3,328,947
CHANGE IN NET ASSETS	(105,955)	2,248,603	2,142,648
Net Assets - Beginning of Year	4,898,844	927,813	5,826,657
NET ASSETS - END OF YEAR	$ 4,792,889	$ 3,176,416	$ 7,969,305

See accompanying Notes to Combined Financial Statements.

THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

	Program Services			Supporting Activities			
	Childcare Center	Social Services	Total	Management and General	Fundraising	Total	Total
Salaries and Related Expenses	$ 1,245,197	351,731	$ 1,596,928	$ 227,320	$ 94,810	$ 322,130	$ 1,919,058
Other Expenses:							
Food and Supplies	138,001	6,285	144,286	4,506	-	4,506	148,792
Occupancy	131,665	190,413	322,078	17,036	-	17,036	339,114
In-Kind Assistance	-	305,356	305,356	-	-	-	305,356
Specific Assistance	-	49,014	49,014	-	-	-	49,014
Professional Fees	103,105	51,005	154,110	45,530	-	45,530	199,640
Maintenance	5,823	24,329	30,152	14,082	-	14,082	44,234
Special Event Expenses	-	-	-	-	75,988	75,988	75,988
Insurance	16,955	1,905	18,860	8,152	-	8,152	27,012
Interest	-	69,777	69,777	-	-	-	69,777
Miscellaneous	4,331	17,883	22,214	12,056	-	12,056	34,270
Communication	5,828	4,569	10,397	1,763	-	1,763	12,160
Vehicle	89	2,325	2,414	205	-	205	2,619
Conferences and Meetings	4,570	1,460	6,030	2,758	-	2,758	8,788
Postage	222	600	822	2,396	-	2,396	3,218
Dues	755	-	755	1,355	-	1,355	2,110
Printing and Publications	367	571	938	2,896	-	2,896	3,834
Total Other Expenses	411,711	725,492	1,137,203	112,735	75,988	188,723	1,325,926
Total Expenses Before Depreciation and Amortization	1,656,908	1,077,223	2,734,131	340,055	170,798	510,853	3,244,984
Depreciation and Amortization	-	13,207	13,207	122,253	-	122,253	135,460
Total Expenses	1,656,908	1,090,430	2,747,338	462,308	170,798	633,106	3,380,444
Less: Expenses Netted Against Revenues on the Statement of Activities:							
Special Event Expenses	-	-	-	-	(75,988)	(75,988)	(75,988)
Total Expenses Included in the Expense Section on the Statement of Activities	$ 1,656,908	$ 1,090,430	$ 2,747,338	$ 462,308	$ 94,810	$ 557,118	$ 3,304,456

See accompanying Notes to Combined Financial Statements.

THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018

	Program Services			Supporting Activities			
	Childcare Center	Social Services	Total	Management and General	Fundraising	Total	Total
Salaries and Related Expenses	$ 1,419,044	333,530	$ 1,752,574	$ 235,147	$ 92,734	$ 327,881	$ 2,080,455
Other Expenses:							
Food and Supplies	174,742	5,660	180,402	2,819	-	2,819	183,221
Occupancy	83,234	183,550	266,784	13,906	-	13,906	280,690
In-Kind Assistance	-	271,000	271,000	-	-	-	271,000
Specific Assistance	-	70,280	70,280	-	-	-	70,280
Professional Fees	33,403	128,498	161,901	25,742	-	25,742	187,643
Maintenance	9,095	24,606	33,701	13,862	-	13,862	47,563
Special Event Expenses	-	-	-	-	64,649	64,649	64,649
Insurance	10,972	9,694	20,666	5,775	-	5,775	26,441
Interest	-	17,363	17,363	249	-	249	17,612
Miscellaneous	768	15,317	16,085	2,770	-	2,770	18,855
Communication	6,166	5,206	11,372	1,893	-	1,893	13,265
Vehicle	62	4,299	4,361	37	-	37	4,398
Conferences and Meetings	2,926	474	3,400	2,514	-	2,514	5,914
Postage	127	1,440	1,567	3,890	-	3,890	5,457
Dues	1,190	-	1,190	325	-	325	1,515
Printing and Publications	403	401	804	1,130	-	1,130	1,934
Total Other Expenses	323,088	737,788	1,060,876	74,912	64,649	139,561	1,200,437
Total Expenses Before Depreciation and amortization	1,742,132	1,071,318	2,813,450	310,059	157,383	467,442	3,280,892
Depreciation and Amortization	-	6,148	6,148	106,556	-	106,556	112,704
Total Expenses	1,742,132	1,077,466	2,819,598	416,615	157,383	573,998	3,393,596
Less: Expenses Netted Against Revenues on the Statement of Activities:							
Special Event Expenses	-	-	-	-	(64,649)	(64,649)	(64,649)
Total Expenses Included in the Expense Section on the Statement of Activities	$ 1,742,132	$ 1,077,466	$ 2,819,598	$ 416,615	$ 92,734	$ 509,349	$ 3,328,947

See accompanying Notes to Combined Financial Statements.

THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 110,925	$ 2,142,648
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	127,660	112,704
Realized Gains From Sales of Investments	(3,038)	(1,416)
Unrealized (Gain) Loss on Investments	(215,851)	95,857
Deferred Loan Cost Amortization	7,799	1,300
Contributions Restricted for Long-Term Purpose	(1,065)	(1,045)
(Increase) Decrease in Assets:		
Contributions Receivable	189,632	(662,442)
Grants Receivable	(182,928)	36,060
Prepaid Expenses	(9,955)	(15,044)
Inventory	3,289	(14,853)
Increase (Decrease) in Liabilities:		
Accounts Payable	25,385	6,701
Accrued Expenses and Other Current Liabilities	21,142	(8,585)
Total Cash Provided by Operating Activities	72,995	1,691,885
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(198,023)	(173,887)
Issuance of Note Receivable	-	(2,046,000)
Proceeds from Sales of Investments	189,815	191,685
Purchase of Property and Equipment	(2,494,440)	(109,129)
Net Cash Used by Investing Activities	(2,502,648)	(2,137,331)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issuance of Long-Term Debt	-	4,304,059
Payments on Long-Term Debt	(345,779)	(1,003,696)
Proceeds from Contributions Restricted for Long-Term Purpose	1,065	1,045
Net Cash Provided (Used) by Financing Activities	(344,714)	3,301,408
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,774,367)	2,855,962
Cash and Cash Equivalents - Beginning of Year	3,452,286	596,324
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 677,919	$ 3,452,286
CASH AND CASH EQUIVALENTS	$ 520,419	$ 825,748
RESTRICTED CASH AND CASH EQUIVALENTS	157,500	2,626,538
Total	$ 677,919	$ 3,452,286
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for Interest	$ 104,097	$ 17,612
Noncash Information:		
Construction Costs Incurred and Accrued but Not Paid	$ -	$ 269,820

See accompanying Notes to Combined Financial Statements.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Guardian Angel Settlement Association (the Association) is a nonprofit Missouri corporation whose mission is to serve people living in poverty by helping them improve the quality of their lives and achieve economic independence. The Association offers services in two core areas: early childhood education and comprehensive social services. Programs include infant and toddler care, preschool education, a food pantry, rent/utility/prescription assistance, self-sufficiency counseling, a youth character-building program, and a resale shop.

During the year ended December 31, 2018, the Association established a single purpose nonprofit entity, Guardian Angel Support Corp. (the Corporation), to facilitate New Market Tax Credit (NMTC) transactions. The Corporation's sole purpose is to provide financial support for the construction of the social services center to further the mission of the Association to build power to advance well-being in the St. Louis region.

Principles of Combination

The accompanying combined financial statements for the year ended December 31, 2019 include the accounts of The Guardian Angel Settlement Association and Guardian Angel Support Corp. (collectively, the Organization). Guardian Angel Support Corp. is a nonprofit entity established as the leveraged lender for New Market Tax Credit transactions. All significant inter-organizational transactions and balances have been eliminated in combination.

Restricted Cash and Cash Equivalents

The Association's New Market Tax Credit funds are held under the control of the investor bank to the NMTC financing transaction and are restricted for use toward construction of the Association's social services center.

Contributions Receivable

The Association determines the allowance for uncollectible contributions receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions receivable are written off when deemed uncollectable. At December 31, 2019 and 2018, an allowance of $40,000 and $20,000, respectively, was recorded. Promises to give that are expected to be collected within one year are recorded at their net realizable value. Promises that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. The discounts on these amounts are computed using an imputed interest rate applicable to the year in which the pledge is received.

Grants Receivable

Grants receivable include amounts due from various funding sources under binding contracts with the Association for services rendered prior to year-end.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the combined statements of financial position. Net investment return/(loss) is reported in the combined statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

Deferred Financing Costs

The Association incurred costs associated with its NMTC transactions of $233,970 during the year ended December 31, 2018. This amount is being amortized on the straight line method over the life of the related notes payable and is included as an offset to notes payable on the accompanying combined statements of financial position.

Property and Equipment

Property and equipment acquisitions with a life of three years or greater and a cost in excess of $5,000 are capitalized and recorded at cost, while maintenance and repairs are expensed as incurred. Donated assets are recorded at fair value at the date of donation. Such donations are reported as increases in net assets without donor restriction unless the donor has restricted the donated asset to a specific purpose or period of time. When assets are sold or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts. Any gain or loss arising from such disposition is included as income or expense in the year of disposition. Assets under construction are capitalized as construction in progress and reported at cost.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the life of the related asset or the term of the lease. Assets under construction are not depreciated. The estimated lives for computing depreciation and amortization on property and equipment are:

Building and Improvements	5 to 39 Years
Vehicles	5 Years
Furniture and Fixtures	5 to 7 Years

The Association reviews the carrying value of property and equipment whenever events or circumstances indicate the carrying amount may not be recoverable. If property and equipment is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended December 31, 2019 and 2018.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets and Contributions

Unconditional promises to give cash and other assets are accrued at estimated fair value at the date each promise is received. Net assets and contributions are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions. Board-designated funds are established by the board of directors and represent net assets without donor restrictions that have been set aside for a particular purpose.

Net Assets With Donor Restrictions

Net assets subject to donor-imposed restrictions that may or will be met, either by actions of the Association and/or the passage of time and certain income earned on net assets with donor restriction that has not yet been appropriated for expenditure by our board of directors.

Contributions are reported as net assets with donor restrictions if they are received with donor restrictions that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the combined statements of activities as net assets released from restrictions. In certain cases, net assets with donor restriction carry stipulations extending into perpetuity. The restrictions stipulate that resources be maintained permanently but permit us to expend the income generated in accordance with the provisions of the agreements.

Support and Revenue

A portion of the Association's revenue is derived from cost reimbursable federal contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Association has incurred expenditures in compliance with specific contract or grant provisions. The Association received cost reimbursable grants of $5,858 that have not been recognized at December 31, 2019, because qualifying expenditures have not yet been incurred. Contributions, including unconditional promises to give, are recorded as received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Donor restricted contributions for which the restrictions are met within the same year as received are reported as contributions without restrictions in the accompanying combined financial statements.

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the combined financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Primarily, these items consist of donated merchandise for the resale shop, food bank donations, and items donated for the auction. Items that do not fall over the capitalization policy limit are expensed within in-kind assistance.

Functional Expense Allocation

The Association allocates expenses on a functional basis among various programs and supporting services. Major expenses include payroll and payroll-related expenses such as payroll tax and employee benefits. Expenses that can be identified with a specific program and supporting service are allocated directly according to their natural expenditure classifications. Salaries are allocated by department for lower level employees. Upper level employee salaries are allocated based on actual time spent on specific activities. Other expenses that are common to several functions are allocated by various statistical bases such as the square footage used by each department.

Income Taxes

Guardian Angel Settlement Association and Guardian Angel Support Corp are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), except on net income derived from unrelated business activities as defined in the Code. The Organization currently has no unrelated business income. Accordingly, no provision has been made for income taxes in the accompanying combined financial statements.

Based on evaluation of the Organization’s tax positions for the open tax years, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended December 31, 2019 and 2018.

Use of Estimates

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

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Event

The Organization has evaluated subsequent events through June 23, 2020, the date the combined financial statements were available to be issued. Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID19 may impact various parts of its 2020 operations and financial results, including investment market values and revenue streams. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

Subsequent to year-end, the Organization received a Paycheck Protection Program (PPP) loan in the amount of $311,300 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the federal Paycheck Protection Program. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program.

Change in Accounting Principle

In May 2014, FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Subsequent to May 2014, the FASB has issued six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The updates address the complexity and understandability of revenue recognition and provide sufficient information to enable financial statements users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. FASB issued ASU 2020-05 on June 3, 2020, to delay the effective date of implementation of ASU 2014-09 for one year. The Association has decided to early implement ASU 2014-09 for the year ended December 31, 2019.

No cumulative-effect adjustment in net assets was recorded as the adoption of ASU 2014-09 did not significantly impact the Organization’s reported historical revenue.

Additionally in June 2018, FASB issued Accounting Standards (ASU) 2018-08, *Accounting Guidance for Contributions Received and Made.* This ASU was issued to clarify accounting guidance for contributions received and contributions made. The amendments to this ASU assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as an exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional.

NOTE 2 COMMITMENTS AND CONTINGENCIES

In 2018, the Association entered into an agreement with Chiodini Architects to construct a new social services building on Jefferson Avenue, St. Louis, Missouri. The construction was funded in draws with proceeds from the New Market Tax Credit Deal. During 2018, the Association incurred $269,820 of the total $2,046,000 of costs budgeted for the project. The remaining $1,776,180 of the costs budgeted for the project were incurred and the project was completed in 2019.

NOTE 3 FAIR VALUE MEASUREMENTS

The Association reports certain assets at fair value in the combined financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

Following is a description of the valuation methodologies used for assets measured at fair value:

Mutual Funds, Exchange Traded Funds, and Equity Securities – Valued at the closing price reported on the active market on which the individual funds are traded.

Pooled Separate Accounts – Valued at the quoted market prices for those or similar investments.

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents assets measured at fair value on a recurring basis at December 31:

	2019		
	Total	Level 1	Level 2
Investments:			
Mutual Funds	$ 432,875	$ 432,875	$ -
Exchange Traded Funds	856,670	856,670	-
Pooled Separate Accounts	93,617	-	93,617
Money Market Funds	61,585	61,585	-
Equities	3,741	3,741	-
Total Investments	$ 1,448,488	$ 1,354,871	$ 93,617

	2018		
	Total	Level 1	Level 2
Investments:			
Mutual Funds	$ 405,965	$ 405,965	$ -
Exchange Traded Funds	681,520	681,520	-
Pooled Separate Accounts	78,111	-	78,111
Money Market Funds	29,746	29,746	-
Equities	26,049	26,049	-
Total Investments	$ 1,221,391	$ 1,143,280	$ 78,111

NOTE 4 INVESTMENTS

A summary of the cost and fair value of the Association's investments is as follows at December 31:

	2019		
	Cost	Unrealized Gains	Fair Value
Mutual Funds	$ 421,276	$ 11,599	$ 432,875
Exchange Traded Funds	682,613	174,057	856,670
Pooled Separate Accounts	82,616	11,001	93,617
Money Market Funds	61,585	-	61,585
Equities	3,671	70	3,741
Total	$ 1,251,761	$ 196,727	$ 1,448,488

	2018		
	Cost	Unrealized Gains (Losses)	Fair Value
Mutual Funds	$ 421,276	$ (15,311)	$ 405,965
Exchange Traded Funds	682,613	(1,093)	681,520
Pooled Separate Accounts	82,024	(3,913)	78,111
Money Markets	29,746	-	29,746
Equities	771	25,278	26,049
Total	$ 1,216,430	$ 4,961	$ 1,221,391

NOTE 4 INVESTMENTS (CONTINUED)

Investment income (loss) is summarized as follows for the years ended December 31:

	2019	2018
Interest and Dividend Income	$ 52,441	$ 29,169
Net Realized and Unrealized Gains (Losses) on Investments Reported at Fair Value	218,889	(94,441)
Total Investment Income (Loss)	$ 271,330	$ (65,272)

NOTE 5 CONTRIBUTIONS RECEIVABLE

Contributions receivable are stated at their net realizable value. Contributions receivable consist of unconditional promises to give at December 31, 2019 and 2018 as follows:

	2019	2018
Receivables Due in Less than a Year	$ 588,760	$ 653,094
Receivables Due in One to Five Years	291,283	403,334
Less: Amount to Reduce to Present Value (Discount Rate of 2%)	(9,017)	(15,770)
Contributions Receivable	871,026	1,040,658
Less: Allowance for Doubtful Accounts	(40,000)	(20,000)
Contributions Receivable, Net	$ 831,026	$ 1,020,658

NOTE 6 LIQUIDITY AND AVAILABILITY

The following illustrates the financial assets of the Association available within one year of the balance sheet date to meet cash needs for general expenditures in the next year. These assets have been reduced by donor restrictions and internal board designations. All board-designated funds can be made available to meet operating needs per board decision. During the year ended December 31, 2019 and 2018, the Organization was able to meet its cash needs.

	2019	2018
Cash and Cash Equivalents	$ 520,419	$ 825,748
Current Grants and Contributions Receivables	952,472	833,878
Investments	1,448,488	1,221,391
Available Financial Assets at December 31	2,921,379	2,881,017
Less: Board-Designated Net Assets	(625,000)	(625,000)
Less: Net Assets with Donor Restrictions, Reduced by United Way and Long Term Contribution Receivables	(93,616)	(2,435,730)
Total	$ 2,202,763	$ (179,713)

The Association receives significant contributions, program fees, special event revenue, and grants each year, which are available to meet annual cash needs for general expenditures.

NOTE 7 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2019	2018
Land	$ 344,254	$ 344,254
Buildings	6,780,069	4,229,158
Leasehold Improvements	56,869	41,807
Furniture and Fixtures	73,687	59,575
Construction in Process	-	355,465
Automobiles and Trucks	32,447	32,447
Total	7,287,326	5,062,706
Less: Accumulated Depreciation	1,013,917	886,257
Total Property and Equipment	$ 6,273,409	$ 4,176,449

Depreciation expense totaled $127,660 and $112,704 for the years ended December 31, 2019 and 2018, respectively.

NOTE 8 LINE OF CREDIT

The Association has a $250,000 revolving line of credit with a bank, secured by real estate. Borrowings under the line bear interest at *The Wall Street Journal* prime rate (5.50% at December 31, 2019 and 2018). Accrued interest and principal are due at maturity (August 1, 2020). There were no outstanding borrowings under the line of credit at December 31, 2019 and 2018.

NOTE 9 NOTES PAYABLE

Notes payable consist of the following:

Description	2019	2018
Note payable to bank, due in one principal payment at maturity on October 19, 2023. Interest is paid quarterly at 5.15%. Secured by the Association's property on Jefferson Avenue, St. Louis, Missouri.	$ 823,554	$ 1,169,333
Note payable (QLICI A Loan), due in one principal payment plus interest at October 28, 2048. Interest is paid monthly at 1.43%. See Note 17.	2,046,000	2,046,000
Note payable (QLICI B Loan), due in one principal payment plus interest at October 28, 2048. Interest is paid monthly at 1.43%. See Note 17.	834,000	834,000
Long-Term Portion	3,703,554	4,049,333
Less Unamortized Portion of Deferred Loan Costs	224,871	232,670
Long-Term Notes Payable	$ 3,478,683	$ 3,816,663

NOTE 9 NOTES PAYABLE (CONTINUED)

Future maturities of the notes payable are as follows:

Year Ending December 31,	Amount
2023	$ 823,554
Thereafter	2,880,000
Total	$ 3,703,554

The Association's obligations under these notes payable contain certain covenants. Management believes the Association was in compliance with all covenants at December 31, 2019.

Interest expense was $69,777 and $17,612 , net of capitalized interest, for the years ended December 31, 2019 and 2018, respectively. Capitalized interest was $34,320 and $22,641 for the years ended December 31, 2019 and 2018, respectively.

NOTE 10 BOARD-DESIGNATED FUNDS

The Association's board of directors has designated net assets without restrictions as follows:

	2019	2018
Designated for Operating Reserves	$ 625,000	$ 625,000

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with Donor Restrictions at December 31, 2019 and 2018 consist of:

	2019	2018
Purpose Restrictions	$ -	$ 2,749,098
Income from Net Assets Held in Perpetuity	17,717	3,276
Time Restrictions	463,656	349,208
Investments in Perpetuity, the Income of Which is Expendable to Support Program Services	75,899	74,834
Total	$ 557,272	$ 3,176,416

Assets released from restrictions for the years ended December 31 are as follows:

	2019	2018
Expiration of Time Restrictions	$ 349,208	358,303
Satisfaction of Purpose Restrictions	2,920,018	-
Total	$ 3,269,226	$ 358,303

NOTE 12 ENDOWMENT FUNDS

The Association's endowment funds were established for a variety of purposes. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of directors has interpreted the Missouri Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As a result of this interpretation, the Association classifies as net assets with donor restrictions into perpetuity (a) the original value of gifts donated to the Endowment, (b) the original value of subsequent gifts donated 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. The remaining portion of the donor-restricted endowment is classified as net assets with donor restrictions-temporary until those amounts are appropriated for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA. We consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Association and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Association
- The investment policies of the Association

The endowment net asset composition by type of fund is as follows at December 31:

	Without Donor Restriction	With Donor Restrictions	With Donor Restrictions in Perpetuity	Total Endowment Assets
2019				
Donor-Restricted	$ -	$ 17,717	$ 75,899	$ 93,616
2018				
Donor-Restricted	$ -	$ 3,276	$ 74,834	$ 78,110

As of December 31, 2019 and 2018 there were no underwater funds.

NOTE 12 ENDOWMENT FUNDS (CONTINUED)

Changes in endowment net assets for the years ended December 31, 2019 and 2018 are as follows:

	Without Donor Restriction	With Donor Restrictions	With Donor Restrictions in Perpetuity	Total Endowment Assets
Endowment Net Assets - January 1, 2018	$ -	$ 7,190	$ 73,789	$ 80,979
Contributions	-	-	1,045	1,045
Investment Loss	-	(3,914)	-	(3,914)
Endowment Net Assets - December 31, 2018	-	3,276	74,834	78,110
Contributions	-	-	1,065	1,065
Investment Income	-	14,441	-	14,441
Endowment Net Assets - December 31, 2019	$ -	$ 17,717	$ 75,899	$ 93,616

NOTE 13 EMPLOYEE BENEFITS

The Association sponsors a contributory retirement savings plan under Section 401(k) of the Internal Revenue Code covering substantially all employees who meet certain eligibility requirements. Employer contributions to the plan totaled $28,731 and $42,364 for the years ended December 31, 2019 and 2018, respectively.

NOTE 14 RISKS AND UNCERTAINTIES

Concentration of Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash, contributions, and grants receivable. The Organization maintains its cash primarily with two financial institutions. At times, these cash balances may exceed federally insured limits.

The Association performs ongoing credit evaluations of its customers and donors and maintains allowances, as needed, for potential credit losses. Although the Association is directly affected by the financial stability of its customer and donor base, management does not believe significant credit risk exists at December 31, 2019 and 2018.

A concentration of revenue exists as a significant amount of the Association's 2019 and 2018 revenue came from grant revenue originating from the U.S. Department of Health and Human Services.

NOTE 15 LEASES

The Association leases building space and equipment under noncancellable operating leases expiring at various dates through 2023. Future minimum lease payments are as follows:

Years Ending December 31,	Amount
2020	$ 13,053
2021	13,053
2022	13,053
2023	11,965
Total	$ 51,124

Rent expense related to operating leases for the years ended December 31, 2019 and 2018 totaled $165,003 and $153,268, respectively.

NOTE 16 SPECIAL EVENTS

During the years ended December 31, 2019 and 2018, the Association engaged in several fundraising activities, which included the following:

	2019	2018
Golf Tournament:		
Gross Revenues	$ 101,107	$ 104,888
Gross Expenses	(29,398)	(25,112)
Net Income from Golf Tournament	71,709	79,776
Dinner/Auction:		
Gross Revenues	254,285	284,903
Gross Expenses	(44,089)	(35,219)
Net Income from Dinner/Auction	210,196	249,684
Miscellaneous:		
Gross Revenues	20,943	34,176
Gross Expenses	(2,501)	(4,318)
Net Income from Miscellaneous	18,442	29,858
Total Support from Fundraising Events, Net	$ 300,347	$ 359,318

NOTE 17 NEW MARKET TAX CREDIT FINANCING

During the year ended December 31, 2018, the Organization entered into several debt transactions to access funds through the New Market Tax Credit (NMTC) Program. As part of these transactions, the Organization created a new nonprofit entity, Guardian Angel Support Corp. These funds are being used to construct a new social services center on Jefferson Avenue in St. Louis, Missouri. The NMTC Program permits taxpayers to claim federal tax credits for making Qualified Equity Investments (QEI) in designated Community Development Entities (CDE). These CDEs must use substantially all of the proceeds (87%) to make Qualified Low-Income Community Investments (QLICIs). The investor is provided with a tax credit, which is claimed over a seven-year period. The Organization partnered with an investor, U.S. Bancorp, to utilize the NMTC Program.

U.S. Bancorp established a special-purpose entity, USBCDC Investment Fund 265, LLC, to raise capital for the transaction. USBCDC Investment Fund 265, LLC was funded with a $3,000,000 contribution from U.S. Bancorp Community Development Corporation (USBCDC).

The capital raised by USBCDC Investment Fund 265, LLC was used to make a $3,000,000 QEI in the CDE, St. Louis New Markets Tax Credit Fund 53, LLC. These proceeds were used by the CDEs to make loans in aggregate of $2,880,000 to the Guardian Angel Settlement Association. These loans bear interest of 1.43% and require interest only payments through October 1, 2025, at which time accrued and unpaid interest and principal through the last day of each calendar quarter in the amount $26,057 on the QLICI A loan and $10,621 on QLICI B loan shall be paid in part in arrears and in part in advance on each payment date through and including the maturity date, October 28, 2048. The Association is using the loan proceeds to fund the construction of the Association's new social services center. The capital asset serves as collateral to the financing agreement. The loans are classified as notes payable on the accompanying combined statement of financial position, net of unamortized deferred financing costs, at $2,655,129 and $2,647,330 as of December 31, 2019 and 2018, respectively.

Interest expense related to the NMTC financing for the year ended December 31, 2019 and 2018 was $41,184 and $22,641, respectively. The amounts incurred during the construction phase of the Association's social services building has been capitalized. In 2019 and 2018, $34,320 and $22,641, respectively, was incurred during the construction phase and was capitalized in the accompanying combined statement of financial position.

NOTE 17 NEW MARKET TAX CREDIT FINANCING (CONTINUED)

The seven-year compliance period for the NMTC financing will end in October 2025, at which time US Bancorp may exit the transaction through the exercise of a call/put agreement which it has entered into with the Association. Under the agreement, U.S. Bancorp may "put" its interest in USBCDC Investment Fund 265, LLC to the Association for a purchase price of $1,000. In the event that US Bancorp has not exercised this put option, the Association has 180 days to exercise its call option to purchase U.S. Bancorp's entire interest in USBCDC Investment Fund 265, LLC for a purchase price equal to the greater of the appraised value of U.S. Bancorp's interest and the $1,000 put price of USBCDC. To exercise the call option, the Association must be current on all payments under the notes payable. The Association will realize its savings from the NMTC transactions through the exercise of this put or call option, at which time it will control USBCDC Investment Fund 265, LLC and can effectively forgive the remaining QLICI loans. No amounts have been recorded in the accompanying combined financial statements related to these put and call options.

THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
COMBINING 2019 STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

	Guardian Angel Settlement Association			Guardian Angel Support Corp.		
	Operations	GASA Portion of Business	GASA Total	Total	Eliminations	Combined
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	$ 510,162	$ -	$ 510,162	$ 10,257	$ -	$ 520,419
Restricted Cash and Cash Equivalents	-	157,500	157,500	-	-	157,500
Contributions Receivable	588,760	-	588,760	-	-	588,760
Grants Receivable	363,712	-	363,712	-	-	363,712
Inventory	11,564	-	11,564	-	-	11,564
Prepaid Expenses	56,522	-	56,522	-	-	56,522
Due From Affiliate	2,102	-	2,102	13,670	(15,772)	-
Total Current Assets	1,532,822	157,500	1,690,322	23,927	(15,772)	1,698,477
INVESTMENTS, AT FAIR VALUE	1,448,488	-	1,448,488	-	-	1,448,488
CONTRIBUTIONS RECEIVABLE	242,266	-	242,266	-	-	242,266
PROPERTY AND EQUIPMENT	3,208,764	3,064,645	6,273,409	-	-	6,273,409
NOTE RECEIVABLE	-	-	-	2,046,000	-	2,046,000
OTHER ASSETS	10,000	-	10,000	-	-	10,000
Total Assets	$ 6,442,340	$ 3,222,145	$ 9,664,485	$ 2,069,927	$ (15,772)	$ 11,718,640
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts Payable	$ 51,518	$ -	$ 51,518	$ -	$ -	$ 51,518
Accrued Expenses and Other Liabilities	99,564	8,645	108,209	-	-	108,209
Construction Cost Payable	-	-	-	-	-	-
Due To Affiliate	-	15,772	15,772	-	(15,772)	-
Total Current Liabilities	151,082	24,417	175,499	-	(15,772)	159,727
NOTE PAYABLE						
Busey Source Loan	823,554	-	823,554	-	-	823,554
QLICI Loan A	-	2,046,000	2,046,000	-	-	2,046,000
QLICI Loan B	-	834,000	834,000	-	-	834,000
Total Notes Payable	823,554	2,880,000	3,703,554	-	-	3,703,554
Less Deferred Loan Costs	-	224,871	224,871	-	-	224,871
Notes Payable, Net	823,554	2,655,129	3,478,683	-	-	3,478,683
Total Liabilities	974,636	2,679,546	3,654,182	-	(15,772)	3,638,410
NET ASSETS						
Total Net Assets	5,467,704	542,599	6,010,303	2,069,927	-	8,080,230
Total Liabilities and Net Assets	$ 6,442,340	$ 3,222,145	$ 9,664,485	$ 2,069,927	$ (15,772)	$ 11,718,640

THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
COMBINING 2019 STATEMENT OF ACTIVITIES
DECEMBER 31, 2019

	Guardian Angel Settlement Association			Guardian Angel Support Corp.		
	Operations	GASA Portion of Business	GASA Total	Total	Eliminations	Combined
REVENUE, GAINS, AND OTHER SUPPORT						
Contributions	$ 169,983	$ 214,361	$ 384,344	$ -	$ -	$ 384,344
Fees and Grants	2,052,376	28,925	2,081,301	-	-	2,081,301
Investments Income	250,846	24	250,870	20,460	-	271,330
Program Fees	440	-	440	-	-	440
In-Kind Contributions	243,131	58,936	302,067	-	-	302,067
Match for Childcare Funds	4,010	-	4,010	-	-	4,010
Special Events, Net of Expenses	280,959	19,388	300,347	-	-	300,347
Miscellaneous	20,787	4,500	25,287	-	-	25,287
Resale Shop Sales	46,255	-	46,255	-	-	46,255
Total	3,068,787	326,134	3,394,921	20,460	-	3,415,381
EXPENSES						
Salaries and Related Expenses	1,874,562	44,496	1,919,058	-	-	1,919,058
Food and Supplies	147,027	1,765	148,792	-	-	148,792
Occupancy	319,011	20,103	339,114	-	-	339,114
In-Kind Assistance	246,420	58,936	305,356	-	-	305,356
Specific Assistance	41,882	7,132	49,014	-	-	49,014
Professional Fees	171,379	28,261	199,640	-	-	199,640
Maintenance	40,617	3,617	44,234	-	-	44,234
Insurance	28,842	(1,830)	27,012	-	-	27,012
Interest	-	69,777	69,777	-	-	69,777
Miscellaneous	24,889	9,381	34,270	-	-	34,270
Communication	11,685	475	12,160	-	-	12,160
Vehicle	2,244	375	2,619	-	-	2,619
Conferences and Meetings	8,780	8	8,788	-	-	8,788
Postage	2,618	600	3,218	-	-	3,218
Dues	2,110	-	2,110	-	-	2,110
Printing and Publications	3,494	340	3,834	-	-	3,834
Depreciation and amortization	122,253	13,207	135,460	-	-	135,460
Total Expenses	3,047,813	256,643	3,304,456	-	-	3,304,456
CHANGE IN NET ASSETS	20,974	69,491	90,465	20,460	-	110,925
Net Assets - Beginning of Year	5,446,730	473,108	5,919,838	2,049,467	-	7,969,305
NET ASSETS - END OF YEAR	$ 5,467,704	$ 542,599	$ 6,010,303	$ 2,069,927	$ -	$ 8,080,230

THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2019

Federal Grantor/Pass-Through Grantor/ Program	Federal CFDA Number	Agency Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services/YWCA:				
Head Start and Early Head Start	93.600	07CH0423	$ -	$ 1,169,780
U.S. Department of Agriculture/Missouri Department of Health of Senior Services:				
Emergency Food Assistance Program	10.569		-	32,699
Subtotal Food Distribution Cluster			-	32,699
Child and Adult Care Food Program	10.558	ERS46110014	-	151,708
Subtotal U.S. Department of Agriculture/Missouri Department of Health of Senior Services			-	184,407
U.S. Department of Housing and Urban Development/ City of St. Louis:				
Community Development Block Grant	14.218	19-11-35	-	44,965
Community Development Block Grant	14.218	19-12-85	-	49,177
Subtotal CDBG - Entitlement Grants Cluster			-	94,142
Total Expenditures of Federal Awards			$ -	$ 1,448,329

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of The Guardian Angel Settlement Association (the Association) under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations (CFR)* 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 the Association, it is not intended to and does not present the combined financial position, changes in net assets, or cash flows of the Association.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in 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. Pass-through entity identifying numbers are presented where available.

NOTE 3 INDIRECT COST RATE

The Association has not elected to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

NOTE 4 SUBRECIPIENTS

The Association does not have any subrecipients of grants which it receives.

CliftonLarsonAllen LLP
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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 Directors
The Guardian Angel Settlement Association
St. Louis, Missouri

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 The Guardian Angel Settlement Association (the Association), which comprise the statement of financial position as of December 31, 2019, 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 23, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association's internal control over financial reporting (internal control) to determine the 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 the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association'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 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.

A member of Nexia International

Board of Directors
The Guardian Angel Settlement Association

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association'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 Association'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 Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Louis, Missouri
June 23, 2020

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

Board of Directors
The Guardian Angel Settlement Association
St. Louis, Missouri

Report on Compliance for Each Major Federal Program

We have audited The Guardian Angel Settlement Association's (the Association), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Association's major federal programs for the year ended December 31, 2019. The Association's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Association's major federal programs based on our audit of the types of compliance requirements referred to above. 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).* Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Association's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Association's compliance.

Board of Directors
The Guardian Angel Settlement Association

Opinion on Each Major Federal Program

In our opinion, the Association 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, 2019.

Report on Internal Control Over Compliance

Management of the Association is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Association's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Association's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Louis, Missouri
June 23, 2020

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
   - Material weakness(es) identified? ______ yes __x__ no
   - Significant deficiency(ies) identified? ______ yes __x__ none reported
3. Noncompliance material to financial statements noted? ______ yes __x__ no

Federal Awards

1. Internal control over major federal programs:
   - Material weakness(es) identified? ______ yes __x__ no
   - Significant deficiency(ies) identified? ______ yes __x__ none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ______ yes __x__ no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
93.600	U.S. Department of Health and Human Services/YWCA — Head Start and Early Head Start

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee? __x__ yes ______ no

Section II – Financial Statement Findings

None Noted

Section III – Findings and Questioned Costs – Major Federal Programs

None Noted