

THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION

**COMBINED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2020 AND 2019

**THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
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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, 2020 and 2019, 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, 2020 and 2019, 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, 2020, combining statement of activities for the year ended December 31, 2020, 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 18, 2021, 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

St. Louis, Missouri
June 18, 2021

**THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
COMBINED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019**

ASSETS	2020	2019
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,252,089	\$ 520,419
Restricted Cash and Cash Equivalents	136,250	157,500
Contributions Receivable	146,833	250,133
Grants Receivable	654,169	702,339
Inventory	4,289	11,564
Prepaid Expenses	28,389	56,522
Total Current Assets	2,222,019	1,698,477
INVESTMENTS, AT FAIR VALUE	1,629,506	1,448,488
CONTRIBUTIONS RECEIVABLE	138,361	242,266
PROPERTY AND EQUIPMENT	6,297,025	6,273,409
NOTE RECEIVABLE	2,046,000	2,046,000
OTHER ASSETS	-	10,000
Total Assets	\$ 12,332,911	\$ 11,718,640
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 46,258	\$ 51,518
Accrued Expenses and Other Liabilities	117,288	108,209
Total Current Liabilities	163,546	159,727
NOTE PAYABLE, Net	3,324,268	3,478,683
Total Liabilities	3,487,814	3,638,410
NET ASSETS		
Net Assets Without Donor Restriction:		
Available for General Activities	1,378,247	624,549
Board-Designated	625,000	625,000
Investments in Property, Plant, and Equipment	6,297,025	6,273,409
Total Without Donor Restriction	8,300,272	7,522,958
Net Assets With Donor Restriction	544,825	557,272
Total Net Assets	8,845,097	8,080,230
Total Liabilities and Net Assets	\$ 12,332,911	\$ 11,718,640

See accompanying Notes to Combined Financial Statements.

**THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
COMBINED STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
REVENUE, GAINS, AND OTHER SUPPORT			
Contributions	\$ 454,865	\$ -	\$ 454,865
Fees and Grants	2,329,079	443,420	2,772,499
Gain on Investments	187,871	12,587	200,458
Program Fees	2,453	-	2,453
In-Kind Contributions	273,854	-	273,854
Gain on Extinguishment of PPP Loan	311,300	-	311,300
Special Events, Net of Expenses	163,037	-	163,037
Miscellaneous	6,678	-	6,678
Resale Shop Sales	17,156	-	17,156
Total	<u>3,746,293</u>	<u>456,007</u>	<u>4,202,300</u>
 Net Assets Released from Restrictions:			
Satisfaction of Time and Usage Restrictions	<u>468,454</u>	<u>(468,454)</u>	<u>-</u>
Total Revenues, Gains, and Other Support	4,214,747	(12,447)	4,202,300
 EXPENSES			
Program Services	3,015,062	-	3,015,062
Supporting Activities:			
Management and General	343,689	-	343,689
Fundraising	78,682	-	78,682
Total Supporting Activities	<u>422,371</u>	<u>-</u>	<u>422,371</u>
Total Expenses	<u>3,437,433</u>	<u>-</u>	<u>3,437,433</u>
 CHANGE IN NET ASSETS	777,314	(12,447)	764,867
Net Assets - Beginning of Year	<u>7,522,958</u>	<u>557,272</u>	<u>8,080,230</u>
 NET ASSETS - END OF YEAR	<u>\$ 8,300,272</u>	<u>\$ 544,825</u>	<u>\$ 8,845,097</u>

See accompanying Notes to Combined Financial Statements.

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

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
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	<u>2,765,299</u>	<u>650,082</u>	<u>3,415,381</u>
 Net Assets Released from Restrictions:			
Satisfaction of Time and Usage Restrictions	<u>3,269,226</u>	<u>(3,269,226)</u>	<u>-</u>
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	<u>557,118</u>	<u>-</u>	<u>557,118</u>
Total Expenses	<u>3,304,456</u>	<u>-</u>	<u>3,304,456</u>
 CHANGE IN NET ASSETS	2,730,069	(2,619,144)	110,925
Net Assets - Beginning of Year	<u>4,792,889</u>	<u>3,176,416</u>	<u>7,969,305</u>
 NET ASSETS - END OF YEAR	<u>\$ 7,522,958</u>	<u>\$ 557,272</u>	<u>\$ 8,080,230</u>

See accompanying Notes to Combined Financial Statements.

**THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020**

	Program Services				Supporting Activities			Total
	Childcare Center	Social Services	Angel Boutique	Total	Management and General	Fundraising	Total	
Salaries and Related Expenses	\$ 1,187,955	\$ 303,689	\$ 26,258	\$ 1,517,902	\$ 201,668	\$ 60,035	\$ 261,703	\$ 1,779,605
Other Expenses:								
Food and Supplies	107,384	3,687	335	111,406	3,409	88	3,497	114,903
Occupancy	149,641	37,580	29,232	216,453	10,400	-	10,400	226,853
In-Kind Assistance	-	273,854	7,275	281,129	-	-	-	281,129
Direct Assistance	-	467,394	-	467,394	-	-	-	467,394
Professional Fees	55,420	9,442	736	65,598	42,278	12,050	54,328	119,926
Maintenance	7,902	26,812	-	34,714	16,268	-	16,268	50,982
Special Event Expenses	-	-	-	-	-	32,200	32,200	32,200
Insurance	12,738	11,437	8,974	33,149	9,981	-	9,981	43,130
Interest	-	88,607	-	88,607	6,546	-	6,546	95,153
Miscellaneous	8,862	5,890	1,055	15,807	18,885	17	18,902	34,709
Communication	5,092	2,287	1,642	9,021	1,744	-	1,744	10,765
Vehicle	-	2,284	-	2,284	-	-	-	2,284
Conferences and Meetings	3,295	-	-	3,295	1,585	-	1,585	4,880
Postage	167	682	-	849	1,333	-	1,333	2,182
Dues	2,171	-	-	2,171	2,005	-	2,005	4,176
Printing and Publications	-	462	-	462	6,140	-	6,140	6,602
Total Other Expenses	<u>352,672</u>	<u>930,418</u>	<u>49,249</u>	<u>1,332,339</u>	<u>120,574</u>	<u>44,355</u>	<u>164,929</u>	<u>1,497,268</u>
Total Expenses Before Depreciation	1,540,627	1,234,107	75,507	2,850,241	322,242	104,390	426,632	3,276,873
Depreciation	<u>128,890</u>	<u>32,964</u>	<u>2,967</u>	<u>164,821</u>	<u>21,447</u>	<u>6,492</u>	<u>27,939</u>	<u>192,760</u>
Total Expenses	<u>1,669,517</u>	<u>1,267,071</u>	<u>78,474</u>	<u>3,015,062</u>	<u>343,689</u>	<u>110,882</u>	<u>454,571</u>	<u>3,469,633</u>
Less: Expenses Netted Against Revenues on the Statement of Activities:								
Special Event Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(32,200)</u>	<u>(32,200)</u>	<u>(32,200)</u>
Total Expenses Included in the Expense Section on the Statement of Activities	<u>\$ 1,669,517</u>	<u>\$ 1,267,071</u>	<u>\$ 78,474</u>	<u>\$ 3,015,062</u>	<u>\$ 343,689</u>	<u>\$ 78,682</u>	<u>\$ 422,371</u>	<u>\$ 3,437,433</u>

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			Total
	Childcare Center	Social Services	Total	Management and General	Fundraising	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
Direct 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	-	77,576	77,576	-	-	-	77,576
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	<u>411,711</u>	<u>733,291</u>	<u>1,145,002</u>	<u>112,735</u>	<u>75,988</u>	<u>188,723</u>	<u>1,333,725</u>
Total Expenses Before Depreciation	1,656,908	1,085,022	2,741,930	340,055	170,798	510,853	3,252,783
Depreciation	-	5,408	5,408	122,253	-	122,253	127,661
Total Expenses	<u>1,656,908</u>	<u>1,090,430</u>	<u>2,747,338</u>	<u>462,308</u>	<u>170,798</u>	<u>633,106</u>	<u>3,380,444</u>
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	<u>\$ 1,656,908</u>	<u>\$ 1,090,430</u>	<u>\$ 2,747,338</u>	<u>\$ 462,308</u>	<u>\$ 94,810</u>	<u>\$ 557,118</u>	<u>\$ 3,304,456</u>

See accompanying Notes to Combined Financial Statements.

**THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 764,867	\$ 110,925
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	192,760	127,660
Realized Gains From Sales of Investments	(11,168)	(3,038)
Unrealized Gain on Investments	(139,935)	(215,851)
Deferred Loan Cost Amortization as Interest Expense	7,799	7,799
Contributions Restricted for Long-Term Purpose	-	(1,065)
Gain on Extinguishment of PPP Loan	(311,300)	-
(Increase) Decrease in Assets:		
Contributions Receivable	207,205	189,632
Grants Receivable	48,170	(182,928)
Prepaid Expenses	28,133	(9,955)
Inventory	7,275	3,289
Other Assets	10,000	-
Increase (Decrease) in Liabilities:		
Accounts Payable	(5,260)	25,385
Accrued Expenses and Other Current Liabilities	9,079	21,142
Total Cash Provided by Operating Activities	807,625	72,995
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(150,642)	(198,023)
Issuance of Note Receivable	-	-
Proceeds from Sales of Investments	120,727	189,815
Purchase of Property and Equipment	(216,376)	(2,494,440)
Net Cash Used by Investing Activities	(246,291)	(2,502,648)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issuance of PPP Loan	311,300	-
Payments on Long-Term Debt	(162,214)	(345,779)
Proceeds from Contributions Restricted for Long-Term Purpose	-	1,065
Net Cash Provided (Used) by Financing Activities	149,086	(344,714)
NET CHANGE IN CASH AND CASH EQUIVALENTS	710,420	(2,774,367)
Cash and Cash Equivalents - Beginning of Year	677,919	3,452,286
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,388,339	\$ 677,919
CASH AND CASH EQUIVALENTS	\$ 1,252,089	\$ 520,419
RESTRICTED CASH AND CASH EQUIVALENTS	136,250	157,500
Total	\$ 1,388,339	\$ 677,919
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for Interest	\$ 93,502	\$ 111,896

See accompanying Notes to Combined Financial Statements.

THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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 assistance, self-sufficiency counseling, 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, 2020 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, 2020 and 2019, an allowance of \$-0- and \$40,000, 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.

**THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

**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 in interest expense 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, 2020 and 2019.

**THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

**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 \$74,765 that have not been recognized at December 31, 2020, 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.

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

**THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

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

Donated Services and In-Kind Contributions (Continued)

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.

Paycheck Protection Program Loan

In April 2020, the Association obtained a Paycheck Protection Program Loan (the "PPP" loan) in the amount of \$311,300 to fund payroll, rent and utilities. The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over twenty-four months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations superseded the loan agreement. The PPP Loan bore interest at a fixed rate of 1.0% per annum, had a term of two years and was unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest was deferred. The Association classified this as a loan in accordance with the term of the law. The Association applied for forgiveness, and in December 2020, the principal amount of \$311,300 and accrued interest was forgiven. A gain on extinguishment of PPP Loan was recorded as revenue within the December 31, 2020 statement of activities.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Association's financial position.

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 December 31, 2020 and 2019.

**THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

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

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.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying combined financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Event

The Organization has evaluated subsequent events through June 18, 2021, the date the combined financial statements were available to be issued. No events have occurred subsequent to the financial statement date that would require adjustments to, or disclosure in, the financial statements.

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.

THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

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.

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

	2020		
	Total	Level 1	Level 2
Investments:			
Mutual Funds	\$ 451,635	\$ 451,635	\$ -
Exchange Traded Funds	977,593	977,593	-
Pooled Separate Accounts	106,203	-	106,203
Money Market Funds	94,075	94,075	-
Total Investments	<u>\$ 1,629,506</u>	<u>\$ 1,523,303</u>	<u>\$ 106,203</u>
	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	<u>\$ 1,448,488</u>	<u>\$ 1,354,871</u>	<u>\$ 93,617</u>

THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 4 INVESTMENTS

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

	2020		
	Cost	Unrealized Gains	Fair Value
Mutual Funds	\$ 421,276	\$ 30,359	\$ 451,635
Exchange-Traded Funds	682,613	294,980	977,593
Pooled Separate Accounts	102,210	3,993	106,203
Money Market Funds	94,075	-	94,075
Total	<u>\$ 1,300,174</u>	<u>\$ 329,332</u>	<u>\$ 1,629,506</u>

	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 Markets	61,585	-	61,585
Equities	3,671	70	3,741
Total	<u>\$ 1,251,761</u>	<u>\$ 196,727</u>	<u>\$ 1,448,488</u>

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

	2020	2019
Interest and Dividend Income	\$ 49,355	\$ 52,441
Net Realized and Unrealized Gains on Investments Reported at Fair Value	151,103	218,889
Total Investment Income	<u>\$ 200,458</u>	<u>\$ 271,330</u>

NOTE 5 CONTRIBUTIONS RECEIVABLE

Contributions receivable are stated at their net realizable value. Contributions receivable consist of unconditional promises to give at December 31, 2020 and 2019 as follows:

	2020	2019
Receivables Due in Less than a Year	\$ 146,833	\$ 250,133
Receivables Due in One to Five Years	142,000	291,283
Less: Amount to Reduce to Present Value (Discount Rate of 2%)	(3,639)	(9,017)
Contributions Receivable	285,194	532,399
Less: Allowance for Doubtful Accounts	-	(40,000)
Contributions Receivable, Net	<u>\$ 285,194</u>	<u>\$ 492,399</u>

THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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, 2020 and 2019, the Organization was able to meet its cash needs.

	2020	2019
Cash and Cash Equivalents	\$ 1,252,089	\$ 520,419
Current Grants and Contributions Receivables	801,002	952,472
Investments	1,629,506	1,448,488
Available Financial Assets at December 31	3,682,597	2,921,379
Less: Board-Designated Net Assets	(625,000)	(625,000)
Less: Net Assets with Donor Restrictions, Reduced by United Way and Long Term Contribution Receivables	(106,203)	(93,616)
Total	<u>\$ 2,951,394</u>	<u>\$ 2,202,763</u>

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:

	2020	2019
Land	\$ 344,254	\$ 344,254
Buildings	6,785,348	6,780,069
Leasehold Improvements	243,681	56,869
Furniture and Fixtures	97,972	73,687
Automobiles and Trucks	32,447	32,447
Total	7,503,702	7,287,326
Less: Accumulated Depreciation	1,206,677	1,013,917
Total Property and Equipment	<u>\$ 6,297,025</u>	<u>\$ 6,273,409</u>

Depreciation expense totaled \$192,760 and \$127,660 for the years ended December 31, 2020 and 2019, 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 with an established minimum rate (4.25% and 5.50% at December 31, 2020 and 2019, respectively). Accrued interest and principal are due at maturity (August 1, 2022). There were no outstanding borrowings under the line of credit at December 31, 2020 and 2019.

THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 9 NOTES PAYABLE

Notes payable consist of the following:

<u>Description</u>	<u>2020</u>	<u>2019</u>
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.	\$ 661,340	\$ 823,554
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.	<u>834,000</u>	<u>834,000</u>
Long-Term Portion	3,541,340	3,703,554
Less Unamortized Portion of Deferred Loan Costs	<u>217,072</u>	<u>224,871</u>
Long-Term Notes Payable	<u>\$ 3,324,268</u>	<u>\$ 3,478,683</u>

Future maturities of the notes payable are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ 661,340
Thereafter	<u>2,880,000</u>
Total	<u>\$ 3,541,340</u>

The Association's obligations under these notes payable contain certain covenants. Management believes the Association was in compliance with all covenants at December 31, 2020.

Interest expense was \$95,153 and \$77,576, net of capitalized interest, for the years ended December 31, 2020 and 2019, respectively. Capitalized interest was \$-0- and \$34,320 for the years ended December 31, 2020 and 2019, respectively.

NOTE 10 BOARD-DESIGNATED FUNDS

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

	<u>2020</u>	<u>2019</u>
Designated for Operating Reserves	<u>\$ 625,000</u>	<u>\$ 625,000</u>

THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with Donor Restrictions at December 31, 2020 and 2019 consist of:

	<u>2020</u>	<u>2019</u>
Income from Net Assets Held in Perpetuity	\$ 30,304	\$ 17,717
Time Restrictions	438,622	463,656
Investments in Perpetuity, the Income of Which is Expendable to Support Program Services	<u>75,899</u>	<u>75,899</u>
Total	<u>\$ 544,825</u>	<u>\$ 557,272</u>

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

	<u>2020</u>	<u>2019</u>
Expiration of Time Restrictions	\$ 468,454	\$ 349,208
Satisfaction of Purpose Restrictions	-	2,920,018
Total	<u>\$ 468,454</u>	<u>\$ 3,269,226</u>

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 GUARDIAN ANGEL SETTLEMENT ASSOCIATION
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 12 ENDOWMENT FUNDS (CONTINUED)

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

	<u>Without Donor Restriction</u>	<u>With Donor Restrictions</u>	<u>With Donor Restrictions in Perpetuity</u>	<u>Total Endowment Assets</u>
<u>2020</u>				
Donor Restricted	<u>\$ -</u>	<u>\$ 30,304</u>	<u>\$ 75,899</u>	<u>\$ 106,203</u>
<u>2019</u>				
Donor Restricted	<u>\$ -</u>	<u>\$ 17,717</u>	<u>\$ 75,899</u>	<u>\$ 93,616</u>

As of December 31, 2020 and 2019 there were no underwater funds.

Changes in endowment net assets for the years ended December 31, 2020 and 2019 are as follows:

	<u>Without Donor Restriction</u>	<u>With Donor Restrictions</u>	<u>With Donor Restrictions in Perpetuity</u>	<u>Total Endowment Assets</u>
Endowment Net Assets - January 1, 2019	\$ -	\$ 3,276	\$ 74,834	\$ 78,110
Contributions	-	-	1,065	1,065
Investment Loss	-	14,441	-	14,441
Endowment Net Assets - December 31, 2019	-	17,717	75,899	93,616
Contributions	-	-	-	-
Investment Income	-	12,587	-	12,587
Endowment Net Assets - December 31, 2020	<u>\$ -</u>	<u>\$ 30,304</u>	<u>\$ 75,899</u>	<u>\$ 106,203</u>

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 \$33,529 and \$28,731 for the years ended December 31, 2020 and 2019, 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 GUARDIAN ANGEL SETTLEMENT ASSOCIATION
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 14 RISKS AND UNCERTAINTIES (CONTINUED)

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, 2020 and 2019.

A concentration of revenue exists as a significant amount of the Association's 2020 and 2019 revenue came from grant revenue originating from the U.S. Department of Health and Human Services.

During 2020, 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, COVID-19 impacted various parts of its 2020 operations and financial results, including investment market values and revenue streams. Management continues to monitor and evaluate the effects on operations.

NOTE 15 LEASES

The Association leases building space and equipment under noncancellable operating leases expiring at various dates through 2024. Future minimum lease payments are as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2021	\$ 13,053
2022	13,053
2023	13,053
2024	11,965
Total	<u>\$ 51,124</u>

Rent expense related to operating leases for the years ended December 31, 2020 and 2019 totaled \$15,503 and \$165,003, respectively.

THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 16 SPECIAL EVENTS

During the years ended December 31, 2020 and 2019, the Association engaged in several fundraising activities, which included the following:

	<u>2020</u>	<u>2019</u>
Golf Tournament:		
Gross Revenues	\$ 80,203	\$ 101,107
Gross Expenses	<u>(23,140)</u>	<u>(29,398)</u>
Net Income from Golf Tournament	57,063	71,709
Dinner/Auction (in-person event did not occur in 2020):		
Gross Revenues	76,632	254,285
Gross Expenses	<u>(8,279)</u>	<u>(44,089)</u>
Net Income from Dinner/Auction	68,353	210,196
Miscellaneous:		
Gross Revenues	38,402	20,943
Gross Expenses	<u>(781)</u>	<u>(2,501)</u>
Net Income from Miscellaneous	<u>37,621</u>	<u>18,442</u>
 Total Support from Fundraising Events, Net	 <u><u>\$ 163,037</u></u>	 <u><u>\$ 300,347</u></u>

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 GUARDIAN ANGEL SETTLEMENT ASSOCIATION
NOTES TO COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 17 NEW MARKET TAX CREDIT FINANCING (CONTINUED)

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 \$2,662,928 and \$2,655,129 as of December 31, 2020 and 2019, respectively.

Interest expense related to the NMTC financing for the year ended December 31, 2020 and 2019 was \$41,184. The amounts incurred during the construction phase of the Association's social services building has been capitalized. In 2020 and 2019, \$-0- and \$34,320, respectively, was incurred during the construction phase and was capitalized in the accompanying combined statement of financial position.

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 2020 STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	Guardian Angel Settlement Association			Guardian Angel Support Corp.	Eliminations	Combined
	Operations	GASA Portion of Business	GASA Total	Total		
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 1,241,217	\$ -	\$ 1,241,217	\$ 10,872	\$ -	\$ 1,252,089
Restricted Cash and Cash Equivalents	-	136,250	136,250	-	-	136,250
Contributions Receivable	146,833	-	146,833	-	-	146,833
Grants Receivable	654,169	-	654,169	-	-	654,169
Inventory	4,289	-	4,289	-	-	4,289
Prepaid Expenses	28,389	-	28,389	-	-	28,389
Due From Affiliate	-	24,749	24,749	33,515	(58,264)	-
Total Current Assets	2,074,897	160,999	2,235,896	44,387	(58,264)	2,222,019
INVESTMENTS, AT FAIR VALUE	1,629,506	-	1,629,506	-	-	1,629,506
CONTRIBUTIONS RECEIVABLE	138,361	-	138,361	-	-	138,361
PROPERTY AND EQUIPMENT	3,350,703	2,946,322	6,297,025	-	-	6,297,025
NOTE RECEIVABLE	-	-	-	2,046,000	-	2,046,000
Total Assets	<u>\$ 7,193,467</u>	<u>\$ 3,107,321</u>	<u>\$ 10,300,788</u>	<u>\$ 2,090,387</u>	<u>\$ (58,264)</u>	<u>\$ 12,332,911</u>
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts Payable	\$ 46,258	\$ -	\$ 46,258	\$ -	\$ -	\$ 46,258
Accrued Expenses and Other Liabilities	117,288	-	117,288	-	-	117,288
Due To Affiliate	58,264	-	58,264	-	(58,264)	-
Total Current Liabilities	221,810	-	221,810	-	(58,264)	163,546
NOTE PAYABLE						
Busey Source Loan	661,340	-	661,340	-	-	661,340
QLICI Loan A	-	2,046,000	2,046,000	-	-	2,046,000
QLICI Loan B	-	834,000	834,000	-	-	834,000
Total Notes Payable	661,340	2,880,000	3,541,340	-	-	3,541,340
Less Deferred Loan Costs	-	217,072	217,072	-	-	217,072
Notes Payable, Net	661,340	2,662,928	3,324,268	-	-	3,324,268
Total Liabilities	883,150	2,662,928	3,546,078	-	(58,264)	3,487,814
NET ASSETS						
Total Net Assets	6,310,317	444,393	6,754,710	2,090,387	-	8,845,097
Total Liabilities and Net Assets	<u>\$ 7,193,467</u>	<u>\$ 3,107,321</u>	<u>\$ 10,300,788</u>	<u>\$ 2,090,387</u>	<u>\$ (58,264)</u>	<u>\$ 12,332,911</u>

**THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
COMBINING 2020 STATEMENT OF ACTIVITIES
DECEMBER 31, 2020
(SEE INDEPENDENT AUDITORS' REPORT)**

	Guardian Angel Settlement Association			Guardian Angel Support Corp.	Eliminations	Combined
	Operations	GASA Portion of Business	GASA Total	Total		
REVENUE, GAINS, AND OTHER SUPPORT						
Contributions	\$ 325,600	\$ 129,265	\$ 454,865	\$ -	\$ -	\$ 454,865
Fees and Grants	2,036,892	735,607	2,772,499	-	-	2,772,499
Investments Income	174,883	5,115	179,998	20,460	-	200,458
Program Fees	2,453	-	2,453	-	-	2,453
In-Kind Contributions	-	273,854	273,854	-	-	273,854
Gain on Extinguishment of PPP Loan	311,300	-	311,300	-	-	311,300
Special Events, Net of Expenses	125,083	37,954	163,037	-	-	163,037
Miscellaneous	178	6,500	6,678	-	-	6,678
Resale Shop Sales	17,156	-	17,156	-	-	17,156
Total	2,993,545	1,188,295	4,181,840	20,460	-	4,202,300
EXPENSES						
Salaries and Related Expenses	1,475,913	303,689	1,779,605	-	-	1,779,605
Food and Supplies	111,128	3,775	114,903	-	-	114,903
Occupancy	189,273	37,580	226,853	-	-	226,853
In-Kind Assistance	-	281,129	281,129	-	-	281,129
Specific Assistance	-	467,394	467,394	-	-	467,394
Professional Fees	98,434	21,492	119,926	-	-	119,926
Maintenance	24,171	26,812	50,982	-	-	50,982
Insurance	31,693	11,437	43,130	-	-	43,130
Interest	14,345	80,808	95,153	-	-	95,153
Miscellaneous	28,803	5,907	34,709	-	-	34,709
Communication	8,478	2,287	10,765	-	-	10,765
Vehicle	-	2,284	2,284	-	-	2,284
Conferences and Meetings	4,880	-	4,880	-	-	4,880
Postage	1,501	682	2,182	-	-	2,182
Dues	4,176	-	4,176	-	-	4,176
Printing and Publications	6,140	462	6,602	-	-	6,602
Depreciation and amortization	151,997	40,763	192,760	-	-	192,760
Total Expenses	2,150,932	1,286,501	3,437,433	-	-	3,437,433
CHANGE IN NET ASSETS	842,613	(98,206)	744,407	20,460	-	764,867
Net Assets - Beginning of Year	5,467,704	542,599	6,010,303	2,069,927	-	8,080,230
NET ASSETS - END OF YEAR	\$ 6,310,317	\$ 444,393	\$ 6,754,710	\$ 2,090,387	\$ -	\$ 8,845,097

**THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2020**

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	\$ -	\$ 1,230,260
U.S. Department of Agriculture/Missouri Department of Health of Senior Services: Emergency Food Assistance Program	10.569	N/A	-	122,780
Subtotal Food Distribution Cluster			-	122,780
Child and Adult Care Food Program	10.558	ERS46110014	-	88,067
Subtotal U.S. Department of Agriculture/Missouri Department of Health of Senior Services			-	210,847
U.S. Department of Housing and Urban Development/ City of St. Louis: Community Development Block Grant	14.218	20-11-35	-	25,366
Community Development Block Grant	14.218	20-12-85	-	48,681
Community Development Block Grant	14.218	CDBG-CV-11-35	-	37,715
Community Development Block Grant	14.218	20-CA-12-85	-	74,000
Subtotal CDBG - Entitlement Grants Cluster			-	185,762
U.S. Department of the Treasury/City of St. Louis: Coronavirus Aid, Relief, and Economic Security Act (CARES Act)	21.019	75505	-	372,693
U.S. Department of the Treasury/Missouri Department of Economic Development: Coronavirus Aid, Relief, and Economic Security Act (CARES Act)	21.019	722a1764-6a97-4d47- ac77-45d6194b0a00	-	130,841
Subtotal U.S. Department of Treasury			-	503,534
Total Expenditures of Federal Awards			\$ -	\$ 2,130,403

See Notes to Schedule of Expenditures of Federal Awards.

**THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2020**

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, 2020. 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.



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, 2020, 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 18, 2021.

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) 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 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.

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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

St. Louis, Missouri
June 18, 2021



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, 2020. 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.

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, 2020.

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

St. Louis, Missouri
June 18, 2021

**THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 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)

93.600

Name of Federal Program or Cluster

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

THE GUARDIAN ANGEL SETTLEMENT ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Section II – Financial Statement Findings

None Noted

Section III – Findings and Questioned Costs – Major Federal Programs

None Noted