

# **Saint Francis Ministries, Inc. and Subsidiaries**

**Salina, Kansas**

CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY  
INFORMATION WITH INDEPENDENT AUDITORS' REPORTS

**June 30, 2021 and 2020**



K C O E  
I S O M

# Saint Francis Ministries, Inc. and Subsidiaries

## TABLE OF CONTENTS

June 30, 2021 and 2020

---

	<b><u>Page Number</u></b>
Independent Auditors' Report	1
 <b>FINANCIAL SECTION</b>	
Consolidated Statements of Financial Position	6
Consolidated Statements of Activities	8
Consolidated Statements of Functional Expenses	10
Consolidated Statements of Cash Flows	12
Notes to the Consolidated Financial Statements	14
 <b>SUPPLEMENTARY INFORMATION SECTION</b>	
<i>Saint Francis Ministries, Inc.</i>	
Statements of Financial Position	41
Statements of Activities	42
 <i>Saint Francis Community and Family Services, Inc.</i>	
Statements of Financial Position	44
Statements of Activities	45
 <i>Saint Francis Community and Residential Services, Inc.</i>	
Statements of Financial Position	47
Statements of Activities	48
 <i>Saint Francis Community Services in Mississippi,</i>	
Statements of Financial Position	50
Statements of Activities	51
 <i>Saint Francis Community Outreach Services, Inc.</i>	
Statements of Financial Position	53
Statements of Activities	54
 <i>Bridgeway Apartments, Inc.</i>	
Statements of Financial Position	56
Statements of Activities	57

---

# Saint Francis Ministries, Inc. and Subsidiaries

## TABLE OF CONTENTS

June 30, 2021 and 2020

---

	<b><u>Page Number</u></b>
<i>Saint Francis Community Services in Oklahoma, Inc.</i>	
Statements of Financial Position	59
Statements of Activities	60
<i>Saint Francis Community Services in Nebraska, Inc.</i>	
Statements of Financial Position	62
Statements of Activities	63
<i>Saint Francis Foundation, Inc.</i>	
Statements of Financial Position	65
Statements of Activities	66
<i>Saint Francis Community Services in Arkansas,</i>	
Statements of Financial Position	68
Statements of Activities	69
<i>Saint Francis Community Services in Texas, Inc.</i>	
Statements of Financial Position	71
Statements of Activities	72
<i>Saint Francis Ministries in Nebraska, Inc</i>	
Statements of Financial Position	74
Statements of Activities	75
<i>Saint Francis Ministries and School, Inc.</i>	
Statements of Financial Position	77
Statements of Activities	78

---

# Saint Francis Ministries, Inc. and Subsidiaries

## TABLE OF CONTENTS

June 30, 2021 and 2020

---

### **Page Number**

#### **SUPPLEMENTARY INFORMATION FOR FEDERAL AND STATE AGENCIES**

Saint Francis Community and Family Services, Inc. – Statement of Activities Reintegration/Foster Care/Adoption Services for the West (Catchment Area 1 and 2) and Wichita Region, and Foster Care Homes <i>For the Period of July 1, 2020, through June 30, 2021</i>	81
Saint Francis Community and Family Services, Inc. – Statement of Kansas Department for Children and Families Grants <i>For the Year Ended June 30, 2021</i>	82
Saint Francis Community Services in Oklahoma, Inc. – Statement of Activities <i>Bridge Resource Family Services (Contract 16015154)</i>	83
Saint Francis Community Services in Oklahoma, Inc. – Statement of Functional Expenses <i>Bridge Resource Family Services (Contract 16015154)</i>	84
Schedule of Expenditures of Federal Awards	85
Notes to the Schedule of Expenditures of Federal Awards	89

#### **OTHER REPORTS SECTION**

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 <i>Government Auditing Standards</i>	91
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	93

#### **FINDINGS AND QUESTIONED COSTS SECTION**

Schedule of Findings and Questioned Costs	97
Corrective Action Plan	101
Summary Schedule of Prior-Year Audit Findings	102

---

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Saint Francis Ministries, Inc. and Subsidiaries  
Salina, Kansas

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Saint Francis Ministries, Inc., a Kansas not-for-profit organization, and its wholly-owned subsidiaries (collectively, Saint Francis), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020; the related consolidated statements of activities, functional expenses, and cash flows for the years then ended; and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of consolidated 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 consolidated financial statements based on our audits. We did not audit the financial statements of HUD Projects No. 065-HD015-CA and No. 065-HD025-CA of Bridgeway Apartments, Inc., a wholly-owned subsidiary, whose statements reflect total assets of \$888,385 and \$938,529 as of June 30, 2021 and 2020, respectively, and revenues of \$204,838 and \$198,163, respectively, for the years then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Bridgeway Apartments, Inc., is based solely on the reports of the other auditors. We conducted our audits 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 perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

## **INDEPENDENT AUDITORS' REPORT**

(Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Saint Francis' preparation and presentation of the consolidated 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 Saint Francis' 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 consolidated 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, based on our audits and the reports of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Saint Francis as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **INDEPENDENT AUDITORS' REPORT**

(Continued)

### ***Other Matters***

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information, as listed on the table of contents, is presented for purposes of additional analysis and is not a required part of consolidated financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is a required part of the consolidated 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 consolidated financial statements. The information, with the exception of the Bridgeway Apartments Inc. HUD Projects No. 065-HD015-CA and No. 065-HD025-CA information, has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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, which, insofar as it relates to Bridgeway Apartments Inc. HUD Projects No. 065-HD015-CA and No. 065-HD025-CA, is based on the reports of other auditors, is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

### ***Emphasis of Matter***

As discussed in note 23 to the consolidated financial statements, Saint Francis has had recurring losses from operations over the last four preceding years. Management's evaluation of the events and conditions, and management's plans regarding those matters are described in note 23. Our opinion is not modified with respect to this matter.

## **INDEPENDENT AUDITORS' REPORT**

(Continued)

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2022, on our consideration of Saint Francis' 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 Saint Francis' internal control over financial reporting or on compliance. That report is an integral part of our audit performance with *Government Auditing Standards* in considering Saint Francis' internal control over financial reporting and compliance.

KCae Team, LLP

June 17, 2022  
Salina, Kansas



## **FINANCIAL SECTION**

**Saint Francis Ministries, Inc. and Subsidiaries**  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (note 2)	\$ 3,258,149	\$ 548,166
Accounts and contracts receivable - net (note 3)	10,803,637	17,910,389
Notes receivable - current (note 4)	126,507	161,680
Prepaid expenses	668,498	1,092,601
Other current assets (note 2)	165,943	1,257,969
<b>Total Current Assets</b>	<b>15,022,734</b>	<b>20,970,805</b>
<b>Property, Plant, and Equipment - Net (note 7)</b>	<b>11,884,584</b>	<b>13,854,443</b>
<b>Other Assets</b>		
Investments (notes 5 and 6)	16,033,769	12,673,044
Beneficial interest in split-interest agreements and perpetual trusts (note 6)	285,283	233,853
Land - life estate (note 16)	489,400	489,400
Other assets	33,973	33,973
<b>Total Other Assets</b>	<b>16,842,425</b>	<b>13,430,270</b>
<b>TOTAL ASSETS</b>	<b>\$ 43,749,743</b>	<b>\$ 48,255,518</b>

*The accompanying notes are an integral part of these consolidated financial statements.*

# Saint Francis Ministries, Inc. and Subsidiaries

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Continued)

June 30	2021	2020
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 11,551,978	\$ 9,413,333
Line of credit (note 9)	871,070	-
Paycheck Protection Program loan (note 9)	10,000,000	-
Current maturities of notes payable	-	19,368
Current maturities of gift annuities payable	4,088	4,066
Current maturities of refundable advances	2,205,238	5,043,648
Accrued salaries, fringe benefits, and security deposits	6,276,147	5,879,530
<b>Total Current Liabilities</b>	<b>30,905,211</b>	<b>20,359,945</b>
<b>Long-Term Obligations - Less Current Maturities</b>		
Line of credit (note 9)	-	89,110
Paycheck Protection Program loan (note 9)	-	10,000,000
Refundable advances (note 21)	-	6,023,598
Deferred operating revenue (note 19)	-	108
Life estate liability (notes 6 and 16)	41,955	44,466
<b>Total Long-Term Obligations</b>	<b>41,955</b>	<b>16,157,282</b>
<b>Total Liabilities</b>	<b>30,950,476</b>	<b>36,517,227</b>
<b>Net Assets</b>		
Without donor restrictions (note 10)	3,291,482	3,249,042
With donor restrictions (note 11)	9,507,785	8,489,249
<b>Total Net Assets</b>	<b>12,799,267</b>	<b>11,738,291</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 43,749,743</b>	<b>\$ 48,255,518</b>

The accompanying notes are an integral part of these consolidated financial statements.

**Saint Francis Ministries, Inc. and Subsidiaries**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**

Year Ended June 30, 2021	Without Donor Restrictions	With Donor Restrictions Specific Purpose	Perpetuity	Total
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>				
<b>Operating Revenues</b>				
Net maintenance revenue (note 12)	\$ 202,641,671	-	-	\$ 202,641,671
Grant income	3,978,972	-	-	3,978,972
<b>Total Operating Revenues</b>	206,620,643	-	-	206,620,643
<b>Operating Expenses</b>				
Program services	183,288,273	-	-	183,288,273
Fundraising	500,412	-	-	500,412
Management and general	26,194,644	-	-	26,194,644
<b>Total Operating Expenses</b>	209,983,329	-	-	209,983,329
<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	(3,362,686)	-	-	(3,362,686)
<b>NONOPERATING CHANGES</b>				
<b>Gifts and Bequests</b>				
Contributions	820,071	260,829	(8,026)	1,072,874
Legacies and bequests	359,835	-	-	359,835
Net assets released from restrictions	211,580	(211,580)	-	-
<b>Total Gifts and Bequests</b>	1,391,486	49,249	(8,026)	1,432,709
<b>Other Income (Expense)</b>				
Investment income - net	237,910	23,454	-	261,364
Gain on sale of assets - net	862,831	467,657	85,473	1,415,961
Change in value of investments - split-interest agreements and life estate (note 5)	751,220	431,250	(30,521)	1,151,949
Other income - net	161,679	-	-	161,679
<b>Total Other Income (Expense)</b>	2,013,640	922,361	54,952	2,990,953
<b>TOTAL NONOPERATING CHANGES - NET</b>	4,405,126	971,610	46,926	4,423,662
<b>Total Change in Net Assets</b>	42,440	971,610	46,926	1,060,976
<b>Net Assets - Beginning of Year</b>	3,249,042	5,244,219	3,245,030	11,738,291
<b>Net Assets - End of Year</b>	\$ 3,291,482	\$ 6,215,829	\$ 3,291,956	\$ 12,799,267

The accompanying notes are an integral part of these consolidated financial statements.

# Saint Francis Ministries, Inc. and Subsidiaries

## CONSOLIDATED STATEMENTS OF ACTIVITIES

(Continued)

Year Ended June 30, 2020	Without Donor Restrictions	With Donor Restrictions Specific Purpose	Perpetuity	Total
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>				
<b>Operating Revenues</b>				
Net maintenance revenue (note 12)	\$ 156,235,000	-	-	\$ 156,235,000
Grant income	1,789,091	-	-	1,789,091
<b>Total Operating Revenues</b>	<b>158,024,091</b>	<b>-</b>	<b>-</b>	<b>158,024,091</b>
<b>Operating Expenses</b>				
Program services	137,314,647	-	-	137,314,647
Fundraising	1,151,327	-	-	1,151,327
Management and general	28,305,864	-	-	28,305,864
<b>Total Operating Expenses</b>	<b>166,771,838</b>	<b>-</b>	<b>-</b>	<b>166,771,838</b>
<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	<b>(8,747,747)</b>	<b>-</b>	<b>-</b>	<b>(8,747,747)</b>
<b>NONOPERATING CHANGES</b>				
<b>Gifts and Bequests</b>				
Contributions	739,598	324,978	-	1,064,576
In-kind contribution - property	1,650,000	-	-	1,650,000
Legacies and bequests	355,208	-	-	355,208
Net assets released from restrictions	54,704	(54,704)	-	-
<b>Total Gifts and Bequests</b>	<b>2,799,510</b>	<b>270,274</b>	<b>-</b>	<b>3,069,784</b>
<b>Other Income (Expense)</b>				
Investment income - net of fees	301,093	-	41	301,134
Gain on sale of assets - net	(63,187)	131,865	-	68,678
Change in value of investments - split-interest agreements and life estate (note 5)	(11,169)	29,417	(14,847)	3,401
Other income - net	357,783	-	-	357,783
<b>Total Other Income (Expense)</b>	<b>584,520</b>	<b>161,282</b>	<b>(14,806)</b>	<b>730,996</b>
<b>TOTAL NONOPERATING CHANGES - NET</b>	<b>384,030</b>	<b>431,556</b>	<b>(14,806)</b>	<b>3,800,780</b>
<b>Total Change in Net Assets</b>	<b>(5,363,717)</b>	<b>431,556</b>	<b>(14,806)</b>	<b>(4,946,967)</b>
<b>Net Assets - Beginning of Year</b>	<b>8,612,759</b>	<b>4,812,663</b>	<b>3,259,836</b>	<b>16,685,258</b>
<b>Net Assets - End of Year</b>	<b>\$ 3,249,042</b>	<b>\$ 5,244,219</b>	<b>\$ 3,245,030</b>	<b>\$ 11,738,291</b>

The accompanying notes are an integral part of these consolidated financial statements.

**Saint Francis Ministries, Inc. and Subsidiaries**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2021	<b>Program Services</b>	<b>Fund- raising</b>	<b>Management and General</b>	<b>Total</b>
<b>EXPENSES</b>				
<b>Salaries and Related Expenses</b>				
Salaries and wages	\$ 54,343,775	\$ 325,566	\$ 11,339,609	\$ 66,008,950
Employee health and retirement benefits	8,274,919	83,323	1,674,237	10,032,479
Payroll taxes and unemployment compensation	4,455,062	(44,782)	944,236	5,354,516
<b>Total Salaries and Related Expenses</b>	<b>67,073,756</b>	<b>364,107</b>	<b>13,958,082</b>	<b>81,395,945</b>
<b>Other Expenses</b>				
Patient services	11,072,899	-	69,457	11,142,356
Program expenses	159,941	-	669	160,610
Office and communication expense	2,077,326	57,160	2,906,375	5,040,861
Advertising and direct mail	51,597	30	22,706	74,333
Transportation and vehicle expense	2,174,736	9,802	78,875	2,263,413
Staff development expense	245,149	5,553	149,473	400,175
Consultants	267,924	13,017	3,446,940	3,727,881
Contract services	94,246,742	1,944	639,568	94,888,254
Travel and public relations	668,340	19,544	511,026	1,198,910
Bad debts	92	-	-	92
Board of Directors	-	-	16,743	16,743
Accreditation fees	-	-	5,320	5,320
Occupancy	2,332,690	6,850	1,378,830	3,718,370
Insurance	2,620,446	11,184	1,401,770	4,033,400
Depreciation (note 7)	116,015	4,073	731,070	851,158
Interest	-	-	283,690	283,690
Miscellaneous	180,620	7,148	594,050	781,818
<b>Total Other Expenses</b>	<b>116,214,517</b>	<b>136,305</b>	<b>12,236,562</b>	<b>128,587,384</b>
<b>TOTAL EXPENSES</b>	<b>\$ 183,288,273</b>	<b>\$ 500,412</b>	<b>\$ 26,194,644</b>	<b>\$ 209,983,329</b>

*The accompanying notes are an integral part of these consolidated financial statements.*

# Saint Francis Ministries, Inc. and Subsidiaries

## CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

(Continued)

Year Ended June 30, 2020	Program Services	Fund- raising	Management and General	Total
<b>EXPENSES</b>				
<b>Salaries and Related Expenses</b>				
Salaries and wages	\$ 49,136,954	\$ 625,171	\$ 11,512,168	\$ 61,274,293
Employee health and retirement benefits	6,523,440	125,577	1,610,055	8,259,072
Payroll taxes and unemployment compensation	3,642,530	69,859	798,852	4,511,241
<b>Total Salaries and Related Expenses</b>	<b>59,302,924</b>	<b>820,607</b>	<b>13,921,075</b>	<b>74,044,606</b>
<b>Other Expenses</b>				
Patient services	6,485,678	-	14,210	6,499,888
Program expenses	245,335	-	10,755	256,090
Office and communication expense	2,243,186	85,938	2,822,353	5,151,477
Advertising and direct mail	61,144	45	19,169	80,358
Transportation and vehicle expense	1,909,641	15,608	223,583	2,148,832
Staff development expense	257,100	9,945	227,994	495,039
Consultants	128,800	66,835	5,124,225	5,319,860
Contract services	62,152,698	8,701	585,658	62,747,057
Travel and public relations	1,142,491	109,896	1,357,587	2,609,974
Bad debts	230,269	-	593,500	823,771
Board of Directors	-	-	72,287	72,287
Accreditation fees	-	-	5,320	5,320
Occupancy	2,023,610	3,876	1,387,246	3,414,732
Insurance	808,270	4,685	517,945	1,330,900
Depreciation (note 7)	142,889	8,596	637,583	789,068
Interest	-	-	293,621	293,621
Miscellaneous	180,612	16,595	491,751	688,958
<b>Total Other Expenses</b>	<b>78,011,723</b>	<b>330,720</b>	<b>14,384,789</b>	<b>92,727,232</b>
<b>TOTAL EXPENSES</b>	<b>\$ 137,314,647</b>	<b>\$ 1,151,327</b>	<b>\$ 28,305,864</b>	<b>\$ 166,771,838</b>

The accompanying notes are an integral part of these consolidated financial statements.

**Saint Francis Ministries, Inc. and Subsidiaries**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Years Ended June 30	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from patients and third-party payors	\$ 200,886,307	\$ 162,728,799
Cash received from grants	4,695,697	1,531,013
Receipts of gifts and bequests	899,634	996,331
Interest and dividends received	261,364	299,347
Miscellaneous receipts (disbursements)	574,900	(98,812)
Cash paid to employees and suppliers	(204,189,314)	(163,044,646)
Interest paid	(283,690)	(293,621)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>2,844,898</b>	<b>2,118,411</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(490,212)	(997,573)
Proceeds from sale of property and equipment	397,690	699,104
Purchase of investments	(10,631,839)	(7,652,172)
Proceeds from sales and maturities of investments	9,991,787	7,024,710
Repayments on notes receivable	35,173	-
Advances on notes receivable	-	(429,231)
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>(697,401)</b>	<b>(1,355,162)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of annuity obligations	-	(392)
Payment on accounts payable for property and equipment	(200,000)	(1,230,899)
Payments on long-term obligations	(19,367)	(5,272)
Proceeds from long-term obligations	-	10,019,367
Net proceeds (payments) on line of credit	781,959	(9,011,879)
<b>NET CASH PROVIDED BY (USED) IN FINANCING ACTIVITIES</b>	<b>562,592</b>	<b>(229,075)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>2,710,089</b>	<b>534,174</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>614,567</b>	<b>80,393</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 3,324,656</b>	<b>\$ 614,567</b>
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>		
<b>Reconciliation of Cash Flow to the Consolidated Statements Financial Position</b>		
Cash and cash equivalents	\$ 3,258,149	\$ 548,166
Restricted cash included in other current assets	66,507	66,401
<b>TOTAL CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	<b>\$ 3,324,656</b>	<b>\$ 614,567</b>

*The accompanying notes are an integral part of these consolidated financial statements.*



# Saint Francis Ministries, Inc. and Subsidiaries

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(Continued)

Years Ended June 30	2021	2020
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,060,976	\$ (4,946,967)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Annuity interest reinvested	-	(1,787)
Depreciation	851,158	789,068
Loan forgiveness	-	442,049
RFCA/CMP settlement	(3,818,360)	-
Write-off of prior year costs in progress	966,705	-
(Gain) Loss on disposition of investments	(1,660,479)	(169,205)
(Gain) Loss on disposition of property and equipment	244,518	100,527
Property contributions	-	(1,650,000)
Changes in fair market value of:		
Investments	(1,060,194)	34,350
Split-interest agreements and perpetual trusts	(51,430)	14,847
Contributions receivable - gift annuities	-	(2,846)
Life estate liability	(2,511)	(29,991)
Changes in assets and liabilities:		
Accounts and contracts receivable	7,729,652	(3,235,137)
Unconditional promises receivable	-	122,191
Prepaid expenses	424,103	(451,984)
Other current assets	1,092,132	(703,661)
Other assets	-	(33,223)
Accounts payable	1,715,745	590,655
Annuities payable	22	-
Accrued salaries, fringe benefits, and security deposits	396,617	1,518,137
Deferred operating revenue and refundable advances	(5,043,756)	9,731,388
<b>Total Adjustments</b>	<b>1,783,922</b>	<b>7,065,378</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 2,844,898</b>	<b>\$ 2,118,411</b>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Purchase of property, plant, and equipment financed with accounts payable	\$ -	\$ 200,000

The accompanying notes are an integral part of these consolidated financial statements.

# Saint Francis Ministries, Inc. and Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

---

### 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

**Nature of Activities** Saint Francis Ministries, Inc. and its wholly-owned subsidiaries (collectively, Saint Francis) are not-for-profit child welfare organizations, with a mission of providing healing and support to children and families. Saint Francis currently operates in the states of Kansas, Oklahoma, Mississippi, Texas, and Arkansas. Under the bylaws and the operating agreements established by the parent and subsidiary corporations, the parent corporation, as sole member of the subsidiary corporations, elects the Board of Directors of each subsidiary corporation. Saint Francis Community Services Inc. changed their name to Saint Francis Ministries, Inc. on February 26,

2019. Saint Francis Foundation, Inc. (the Foundation) was organized on September 27, 2017. The Foundation is a public charity, was organized and is operated for the benefit of, and to support and carry out the purposes of, Saint Francis Ministries, Inc. The initial directors of the Foundation were appointed by Saint Francis Ministries, Inc. There will be no fewer than three and no more than five directors on the Foundation's Board of Directors. At all times, at least three of the directors shall be individuals who are not directors on Saint Francis' Board of Directors. Because of the economic interest and control, the Foundation is included with Saint Francis Ministries, Inc. and its wholly-owned subsidiaries in the consolidated financial statements referring to Saint Francis.

**Principles of Consolidation** The accompanying consolidated financial statements include the accounts of Saint Francis Ministries, Inc. and its wholly-owned subsidiaries: Saint Francis Community Services, Inc.; Saint Francis Community Residential Services, Inc.; Saint Francis Community Services in Mississippi, Inc.; Saint Francis Community Outreach Services, Inc.; Bridgeway Apartments, Inc.; Saint Francis Community Services in Oklahoma, Inc.; Saint Francis Community Services in Nebraska, Inc.; Saint Francis Community Services in Arkansas, Inc.; Saint Francis Community Services in Tennessee, Inc.; Saint Francis Ministries in Nebraska, Inc.; and Saint Francis Ministries and School, Inc.; and the accounts of Saint Francis Foundation, Inc. (collectively, Saint Francis). All significant intercompany transactions have been eliminated in the consolidation.

Saint Francis Ministries in Illinois, Inc. was incorporated as of June 30, 2019, but there was no activity in this corporation. Saint Francis Data Corporation was organized on October 7, 2019. Activities related to these entities, if any, were conducted in subsidiaries noted in the previous paragraph.

During the year ended June 30, 2020, Saint Francis Community Services in Iowa, Inc. and Saint Francis Ministries in Kentucky, Inc. were established with Saint Francis, Inc. as the sole member. Subsequent to June 30, 2020, the corporations in Illinois, Iowa, and Kentucky, have been dissolved and will be dissolved.

**Income Tax Exemption** Saint Francis is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The entities are not private foundations. Saint Francis files a federal exempt organization income tax return. Tax returns of Saint Francis are subject to U.S. federal income tax examinations by tax authorities, generally for a period of three years after the date of the tax returns.

The Foundation is a supporting organization within Section 509(a)(3) of the IRC and is supervised and controlled in connection with Saint Francis.

# Saint Francis Ministries, Inc. and Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

---

**Consolidated Financial Statement Presentation** Saint Francis reports information regarding position and activities according to the following net asset classifications:

*Net Assets Without Donor Restrictions:* Net assets in this category are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. Net assets may be used at the discretion of management and the Board of Directors.

*Net Assets With Donor Restrictions:* Net assets in this category are subject to donor-imposed restrictions. Some donor restrictions are temporary in nature; those restrictions will be met by passage of time. Other donor restrictions are perpetual in nature, whereby the donors have stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported in the consolidated statements of activities as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without restrictions in the statements of activities.

**Basis of Accounting** The records are maintained, and consolidated financial statements prepared on the accrual basis of accounting.

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

**Cash and Cash Equivalents** For purposes of the consolidated statements of cash flows, Saint Francis generally considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

**Accounts and Contracts Receivable** Accounts and contracts receivable are stated at unpaid balances, net of allowances for uncollectible accounts and contractual adjustments. The allowance for uncollectible accounts is established through provisions charged against revenue and is maintained at a level believed adequate by management to absorb estimated bad debts based on historical experience and current economic conditions. Accounts and contracts receivable are considered past due based upon payment terms set forth at the date of the related service provided.

**Notes Receivable** Notes receivable are presented at the outstanding unpaid principal balances, net of allowance for credit losses. The allowance for credit losses on the notes receivable is established through provisions for losses charged against revenue. The allowance for credit losses on notes receivable is maintained at a level believed adequate by management to absorb estimated probable credit losses. Management believes that the notes receivable are fully collectible; therefore, no allowance for credit losses is recorded.

# Saint Francis Ministries, Inc. and Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

---

**Property, Plant, Equipment, and Depreciation** Property, plant, and equipment are recorded at cost, if purchased, or at fair market value on the date of the gift, if donated. Saint Francis capitalizes property and equipment with a useful life greater than one year and cost in excess of \$5,000. Depreciation expense is determined using the straight-line method over the estimated useful life of each depreciable asset.

**Software Development Costs** Software development costs include costs to develop software to meet internal needs and cloud-based applications used to deliver services. Saint Francis capitalizes development costs related to these software applications once the preliminary project stage is complete, it is probable that the project will be completed, and the software will be used to perform the function intended.

**Investments** Investments in equities and mutual funds with readily determinable fair values are reported at their fair values in the consolidated statements of financial position. Unrealized gains and losses are reported in the consolidated statements of activities as increases or decreases in net assets.

The unrealized gains and losses are allocated to net assets without donor restrictions unless the asset is restricted by the donor. Short-term investments are stated at cost, which approximates fair value.

**Beneficial Interest in Split-Interest Agreements and Perpetual Trusts** Split-interest agreements and assets of trusts that are irrevocable by the grantor, are included in the consolidated statements of financial position. The assets are recorded at the present value of the expected future cash receipts from the trusts' assets.

Donors have established charitable gift annuities with a third party and named Saint Francis as the beneficiary. The present value of the expected future cash receipts from these annuities is recorded as an asset.

**Gift Annuities Payable** Certain donors have entered into charitable gift annuities directly with Saint Francis. These annuities are accounted for using the actuarial method. Assets are recorded at fair market value at the date of the receipt. Liabilities for future annuity payments are recorded at their present value, based upon Internal Revenue Service (IRS) life expectancy tables.

# Saint Francis Ministries, Inc. and Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

---

**Fair Value Measurement** Saint Francis determines the fair value of investments using three levels of input as defined by related accounting standards. The accounting standards define a fair value as the price that would be received for an asset, or paid to transfer a liability, in an orderly transaction between market participants on the measurement date. The fair value hierarchy established by the standards prioritizes the inputs used in valuation techniques into three levels as follows:

*Level 1:* Inputs to the valuation methodology are unadjusted, quoted prices for identical assets or liabilities in active markets that Saint Francis has the ability to access.

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

If the asset or liability has a specified (contractual) term, the level 2 input must be based on an observable market for substantially the full term of the asset or liability.

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

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value.

**Greater Salina Community Foundation:** The account held at Greater Salina Community Foundation (the Community Foundation) is valued based upon information provided by the Community Foundation. Saint Francis considers the measure of this account to be a level 2 measurement within the fair value measurement hierarchy because the significant inputs are unobservable. (See note 8.)

**Beneficial Interest in Perpetual Trusts:** Saint Francis has beneficial income interests in perpetual trusts administered by third parties. The income earned from these trusts is available for organizational purposes as determined by donor restrictions. Beneficial interests are recognized in the consolidated financial statements at the fair market value of net assets held in the trusts, which approximates the present value of the future cash flows of the trusts, using a discount rate of 2%. Saint Francis considers the measurement of its beneficial interest in the perpetual trusts to be a level 3 measurement within the fair value measurement hierarchy because, even though the measurement is based on the unadjusted fair value of trust assets reported by the trustee, Saint Francis will never receive these assets and does not have the ability to direct the trustee to redeem them.

# Saint Francis Ministries, Inc. and Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

---

*Beneficial Interest in Split-Interest Agreements:* Saint Francis has a beneficial interest in charitable remainder trusts and charitable gift annuities administered by third parties. Charitable remainder trusts and gift annuities are valued using an income approach based on calculating the present value of the projected future distributions expected to be received. Saint Francis re-measures the fair value of these investments annually and adjusts the measurement inputs based on statements received from the trustee, market conditions, and other relevant data, including donor life expectancy and a discount rate of 3.4%.

*Land - Life Estate:* The fair value for the life estate is determined by using information for similar property.

*Exchange Traded Funds:* These assets are valued at the net asset value (NAV) reported on the active market on which the securities are traded. The valuation occurs throughout the day on the market value of the underlying securities as well as the market supply and demand for the particular exchange trade fund.

*Mutual Funds:* Assets are valued at the daily closing price as reported by the fund. Mutual funds held by Saint Francis are open-ended mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by Saint Francis are deemed to be actively traded.

*Debt Securities:* Assets are valued using pricing models maximizing the use of observable market data for similar securities.

*Life Estate Liability:* Saint Francis has a liability associated with a life estate. The value of the life estate is estimated based on donor life expectancy and a discount rate of 3.4%. (See note 10)

**Operating Revenues, Other Income, and Expenses** All non-contribution revenue/income is recognized when earned/entitled and all expenses are recorded when incurred in accordance with the accrual basis of accounting.

**Financial Aid (Charity Care)** Saint Francis provides care to youth and families who meet its criteria under its financial aid policy without charge or at amounts less than its established rates. Benefits provided by Saint Francis does not pursue collection of amounts determined to qualify as financial aid, they are reported as revenue and written off as financial aid in the same period.

**Revenue Recognition** Net maintenance revenues are reported at the estimated net realizable value from patients, third-party payors, and others for services rendered. Revenues from contracts with third parties are considered exchange transactions and recognized as Saint Francis performs the contracted services or incurs expenditures eligible for reimbursement under the contract and grant agreements. Revenues from contracts and grant activities can be subject to audit and acceptance by the granting agency, and as a result of such audit, adjustments could be required.

**Contributions and Other Financial Support** Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor-restricted contributions whose restrictions are met in the reporting period are reported as net assets without donor restrictions.

# Saint Francis Ministries, Inc. and Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

---

Contributions received and unconditional promises receivable are measured at their fair value and reported as an increase in net assets in the year in which there is sufficient evidence, in the form of verifiable documentation, that a promise was made and received, and when the amount of the contribution is ascertainable. Financial support includes legacies, bequests, and contributions from donors. Saint Francis reports gifts of cash and other assets as restricted financial support if they are received in accordance with donor stipulations that limit the use of the donated assets, or if they are designated as financial support for future periods. When a donor restricts contributions, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restriction and are reported in the consolidated statements of activities as net assets released from restrictions.

Saint Francis reports gifts of goods and equipment net assets without donor restriction unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with donor restrictions that specify how the assets are to be used, and gifts of cash or other assets that are used to acquire long-lived assets, are reported as net assets with donor restrictions. Saint Francis reports the expirations of donor restrictions when the donated or acquired long-lived assets are placed in service, unless the donor has stipulated how long those assets must be maintained.

**Donated Services, Goods, and Facilities** Donated professional services are reflected in the consolidated statements of activities at their fair value. Professional services donated for the years ended June 30, 2021 and 2020, were \$50,750 and \$58,812, respectively. Materials and other assets donated are recorded and reflected in the accompanying consolidated financial statements at their fair values at the date of receipt.

**Net Board-Directed and Endowment Income** The net endowment income and that income earned by the board directed/quasi-endowment net assets without donor restrictions are recorded as non-operating gains when the income is unrestricted. Income earned by the Endowment Fund for Provisions investments is recorded as an addition to net assets with donor restrictions. Investment revenues are reported net of related expenses, such as custodial fees and investment advisor fees. Investment expenses totaled \$59,672 and \$67,630 for the years ended June 30, 2021 and 2020, respectively.

**Functional Allocation of Expenses** The costs of providing various program and supporting services have been summarized on a functional basis in the consolidated statements of activities. The presentation of expenses by function and nature is included in the consolidated statements of activities. Functional expenses. Saint Francis charges direct expenses incurred for a specific function directly to that program or supporting service category. These costs can be specifically identified as being incurred for the activities of that program or supporting service. Other costs that are incurred by Saint Francis for more than one program or supporting service and are allocated on a reasonable basis that is consistently applied. Payroll and related costs are allocated on estimates of time and effort; other costs including depreciation, listener servicing, certain occupancy and office costs, program development, marketing, engineering, and computers and software are allocated based on estimates of the benefit received by each function. Saint Francis re-evaluates its allocation method each year to determine if there are adjustments that are necessary to the allocation method, based on the activities conducted during the year.

# Saint Francis Ministries, Inc. and Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

---

**Expenses** The subsidiary corporations have contracted with Saint Francis for the procurement of supporting services. These contract service fees paid by each corporation to the parent are eliminated in the consolidation.

**Self-Insurance** Saint Francis is self-insured with respect to group health insurance for eligible employees, subject to guidelines, with a specific maximum per participant. Saint Francis estimates and accrues its liability for the risks covered by the program.

**Advertising Costs** Saint Francis expenses advertising costs as the costs are incurred. Advertising expenses for the years ended June 30, 2021 and 2020, were \$74,332 and \$80,358, respectively.

**New Accounting Pronouncement** In 2019, Saint Francis adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities - Clarifying the Accounting Guidance for Contributions Received and Contributions Made*. This ASU provides clarification on the determination of whether a resource provider is participating in a transaction and provides a framework for determining whether a resource recipient should account for a transaction, as a contribution or as an exchange transaction. Saint Francis has determined that there are no significant changes affecting the timing of revenue recognition from the adoption. All contracts and grants are classified and reported as exchange transactions.

On July 1, 2020, Saint Francis adopted the FASB ASU No. 2014-09, *Revenue from Contracts with Customers*, which superseded the revenue recognition requirements in Accounting Standard Codification (ASC) 605, *Revenue Recognition*. The ASU is based on the principle that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. The five-step model is used to determine the amount and timing of revenue. The ASU also requires expanded disclosures to include disaggregated revenue by geographic regions and product lines. Saint Francis has elected to not apply the quantitative disaggregation disclosure requirements. There were no significant changes affecting the timing of revenue recognition from the adoption. See additional disclosures are included in note 12.

**Reclassifications** Certain reclassifications have been made to the prior-year consolidated financial statements to conform to the current-year consolidated financial statements.

**Evaluation of Subsequent Events** Saint Francis has evaluated subsequent events through the date the consolidated financial statements were available to be issued.



## Saint Francis Ministries, Inc. and Subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

---

#### 2. RESTRICTED CASH, CASH EQUIVALENTS, AND OTHER CURRENT ASSETS

At June 30, 2021 and 2020, Saint Francis held cash and cash equivalents of \$892,169 and \$5,000, respectively, consisting of board-designated and temporarily donor-restricted funds, respectively.

Under regulatory agreements with the U.S. Department of Housing and Urban Development, Saint Francis is required to set aside specified amounts for the Bridgeway Apartments, Inc. project for the replacement of property and other project expenditures approved by HUD. HUD-restricted funds are held in separate accounts and generally are not available for operating purposes. As of June 30, 2021 and 2020, HUD-restricted deposits of \$66,507 and \$64,447, respectively, were included in other current assets.

#### 3. ACCOUNTS AND CONTRACTS RECEIVABLE

Accounts and contracts receivable at June 30, 2021 and 2020, are net of the allowance for uncollectible accounts of \$474,243 and \$671,358, respectively.

#### 4. NOTES RECEIVABLE

On June 16, 2014, Saint Francis loaned \$59,000 to a former member of management who is now employed by Saint Francis. The note is forgivable after the third year of employment at a rate of 1% per year amount each year for the subsequent five years thereafter. Full forgiveness of the note would be achieved on year eight of employment. If employment ends at any time before year eight of employment, the remaining balance of the note will be due in five equal annual installments beginning on the date of termination or cessation of employment and on the same date each year thereafter. Interest will be applied to the outstanding amount not yet repaid at the prime rate as published by the *Wall Street Journal* at the time of termination. The balance of the loan was \$42,480 and \$47,000 as of June 30, 2021 and 2020, respectively. The note immediately became due upon termination of the employee during the year ended June 30, 2021. Therefore, the entire balance is included in current assets as of June 30, 2021 and 2020.

On November 18, 2015, Saint Francis loaned \$50,000 to a member of management. The note is forgivable after the first year of employment at a rate of 1% per year amount each year for the subsequent seven years thereafter. Full forgiveness of the note would be achieved on year eight of employment. If employment ends at any time before year eight of employment, the remaining balance of the note will be due at the date of termination or cessation of employment. Interest will be applied to the outstanding amount not yet repaid at the *Wall Street Journal* prime rate at the time of signing. The balance of the loan was \$35,714 as of June 30, 2021 and 2020. The note immediately became due upon termination of the employee during the year ended June 30, 2021. Therefore, the entire balance is included in current assets as of June 30, 2021 and 2020.

# Saint Francis Ministries, Inc. and Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

On April 11, 2019, Saint Francis entered into a line of credit with Saint Francis El Salvador, S. (El Salvador) with a maximum amount of \$300,000 to be advanced. There is no guarantee or The term of the loan was for one year ended December 31, 2019, with automatic renewal ea Interest has not been accrued on this loan. The balance at June 30, 2021 and 2020, was \$32, \$62,876, respectively. Advances were made in excess of the original maximum amount auth Francis is winding down the El Salvador operations and wrote off ~~\$16,432,049~~ and advances during the years ended June 30, 2021 and 2020, respectively.

Saint Francis has also provided various members of its staff loans for education and training no guarantee or collateral, and do not accrue interest. The balance of these loans was \$15,8 June 30 2021 and 2020.

### 5. INVESTMENTS

The schedule below summarizes the investments of Saint Francis:

June 30	2021	2020
Exchange traded funds	\$ 6,185,385	\$ 4,697,802
Mutual funds - index	3,584,663	2,796,823
Mutual fund - cash equivalent	184,894	185,478
Debt securities	6,018,672	4,933,187
Interest in net assets of recipient organization (note 8)	40,960	30,831
Other investments	19,195	28,923
<b>Total Investments</b>	<b>\$ 16,033,769</b>	<b>\$ 12,673,044</b>

The change in value of investments, split-interest agreements, and life estate is comp following:

Years Ended June 30	2021	2020
Investments	\$ 1,098,008	\$ (14,589)
Beneficial interest in split-interest agreements and perpetual trust	51,430	(12,001)
Life estate liability	2,511	29,991
<b>Total Change in Value</b>	<b>\$ 1,151,949</b>	<b>\$ 3,401</b>

Saint Francis invests in various investment securities. Investment securities are exposed to v such as interest rate, market, and credit risks. Due to the level of risk associated with certain securities, it is at least reasonably possible that changes in the values of investment securiti in the near term.

# Saint Francis Ministries, Inc. and Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

### 6. FAIR VALUE MEASUREMENTS

The following table sets forth by level, within the fair value hierarchy, Saint Francis' assets and liabilities measured at fair value:

June 30, 2021	Level 1	Level 2	Level 3	Total
<b>ASSETS</b>				
<b>Other Holdings</b>				
Exchange traded funds	\$ 6,185,385	\$ -	\$ -	\$ 6,185,385
Mutual funds	3,769,557	-	-	3,769,557
Debt securities	-	6,018,672	-	6,018,672
Interest in net assets of recipient organization	-	-	40,960	40,960
Beneficial interest in perpetual trusts	-	-	250,794	250,794
Beneficial interest in split-interest agreements	-	-	34,489	34,489
Land - life estate	-	489,400	-	489,400
<b>Total Other Holdings</b>	<b>9,954,942</b>	<b>6,508,072</b>	<b>326,243</b>	<b>16,789,257</b>
<b>TOTAL ASSETS</b>	<b>\$ 9,954,942</b>	<b>\$ 6,508,072</b>	<b>\$ 326,243</b>	<b>\$ 16,789,257</b>
<b>LIABILITIES</b>				
Life estate liability	\$ -	\$ -	\$ 41,955	\$ 41,955
<b>June 30, 2020</b>				
<b>ASSETS</b>				
<b>Other Holdings</b>				
Exchange traded funds	\$ 4,697,802	\$ -	\$ -	\$ 4,697,802
Mutual funds	2,982,301	-	-	2,982,301
Debt securities	-	4,933,187	-	4,933,187
Interest in net assets of recipient organization	-	-	30,831	30,831
Beneficial interest in perpetual trusts	-	-	203,992	203,992
Beneficial interest in split-interest agreements	-	-	29,861	29,861
Land - life estate	-	489,400	-	489,400
<b>Total Other Holdings</b>	<b>7,680,103</b>	<b>5,422,587</b>	<b>264,684</b>	<b>13,367,374</b>
<b>TOTAL ASSETS</b>	<b>\$ 7,680,103</b>	<b>\$ 5,422,587</b>	<b>\$ 264,684</b>	<b>\$ 13,367,374</b>
<b>LIABILITIES</b>				
Life estate liability	\$ -	\$ -	\$ 44,466	\$ 44,466

## Saint Francis Ministries, Inc. and Subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

The change in fair value of level 3 assets was as follows:

June 30		2021	2020
<b>Balance - Beginning of Year</b>	\$	264,684	266,640
Total gains (losses) - realized and unrealized		61,559	(1,956)
<b>Balance - End of Year</b>	\$	326,243	264,684

## 7. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment were comprised of the following:

June 30		2021	2020
Buildings and leasehold improvements	\$	14,411,787	14,563,216
Land improvements		690,538	582,151
Furniture and equipment		3,005,551	3,647,681
Transportation equipment		4,144,478	4,772,300
Livestock and equipment		52,638	52,638
<b>Subtotals</b>		22,304,992	23,617,986
Less: Accumulated depreciation		11,188,335	13,702,179
<b>Subtotals</b>		11,116,657	9,915,807
Land		763,623	1,022,576
Software development costs in progress		-	2,759,742
Construction in progress		4,304	156,318
<b>Property, Plant, and Equipment - Net</b>	\$	11,884,584	13,854,443

Depreciation expense for the years ended June 30, 2021 and 2020, totaled \$851,158 and \$7 respectively.

# Saint Francis Ministries, Inc. and Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

---

### 8. ASSETS TRANSFERRED TO A RECIPIENT ORGANIZATION

During the year ended May 31, 2001, Saint Francis permanently transferred \$10,000 to the Community Foundation for the establishment of a fund now known as the Saint Francis Community Services Fund. The Community Foundation may make annual distributions to Saint Francis of an amount up to, but not to exceed, 5% of the fund's net fair market value. The Community Foundation has variance power over the funds as required by the IRS. At June 30, 2021 and 2020, the fair value of this asset was \$30,831, respectively. (See note 5).

### 9. LINE OF CREDIT AND LONG-TERM OBLIGATIONS

Saint Francis Ministries, Inc. entered into a business loan agreement with a financial institution that provides for a line of credit in the amount of \$10,000,000, of which \$871,070 and \$89,110 were outstanding at June 30, 2021 and 2020, respectively. Payments of all accrued unpaid interest on advances of credit are due monthly and bear an interest rate of 3.50% and 3.25% as of June 30, 2021 and 2020, respectively. The line of credit is secured by substantially all Saint Francis assets, including interests held by Saint Francis Foundation, Inc. and a \$5,000,000 real estate mortgage in the name of Saint Francis Community Services, Inc. The line of credit matures on June 29, 2022. As such, the balance of the line of credit will be presented as a current liability on the consolidated statements of financial position. As of June 17, 2022, there are no borrowings on the line of credit.

Saint Francis entered into note agreements for the purchase of vehicles. As of June 30, 2021, the balance of the notes was \$19,368. Saint Francis has pledged the vehicles as collateral on the notes. The notes matured during the year ended June 30, 2021.

On April 20, 2020, Saint Francis qualified for and received a loan pursuant to the Paycheck Protection Program (PPP), a program implemented by the U.S. Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), from a qualified lender for an aggregate principal amount of \$10,000,000. The PPP loan bore an interest rate of 1.0% per annum, had the first 16 months of interest deferred, had a term of five years, was unsecured, and was guaranteed by the SBA.

Saint Francis incurred over \$10,000,000 in permitted payroll costs in the PPP covered period under the CARES Act and maintained its normal operating and compensation levels. Saint Francis applied for PPP loan forgiveness in August 2021 and received forgiveness from the SBA in October 2021. As a result, Saint Francis will recognize \$10,000,000 as PPP loan forgiveness in income for the year ending June 30, 2022.

PPP loan forgiveness is subject to audit by the SBA. The disallowances of expenses or other conditions for forgiveness by the SBA cannot be determined until such time as an audit occurs, if any. Therefore, a provision for potential disallowances that may result from such an audit has been made in the accompanying consolidated financial statements. Management's estimate of the disallowances, if any, will not be material to the accompanying consolidated financial statements.

Interest expenses on the line of credit and long-term obligations for the years ended June 30, 2021 and 2020, were \$283,690 and \$293,621, respectively.

## Saint Francis Ministries, Inc. and Subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

---

#### 10. NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions included the following:

Years Ended June 30	2021	2020
<b>Board-Directed</b>		
Balance - beginning of year	\$ 8,486,804	7,767,077
Quasi-Endowment:		
Investment income	149,079	161,239
Transfer in per board authorization	83,926	99,625
Gain on sale of securities	1,123,677	113,277
Change in value of securities	743,042	(9,622)
Contributions - trusts	359,835	355,208
<b>Total Board-Directed</b>	10,946,363	8,486,804
<b>Unrestricted</b>	(7,654,881)	(5,237,762)
<b>Total Net Assets Without Donor Restrictions</b>	<b>\$ 3,291,482</b>	<b>3,249,042</b>

# Saint Francis Ministries, Inc. and Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

### 11. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions included the following:

Year Ended June 30, 2021	Net Assets With Donor Restrictions		
	Specific Purpose In Perpetuity		Total
<b>Net Assets With Donor Restrictions</b>			
Restricted for a specific use:			
Program items	\$ 4,274,594	- \$	4,274,594
Special provisions endowment	-	475,703	475,703
Regular endowment	-	2,816,253	2,816,253
<b>Total Restricted for a Specific Use</b>	<b>4,274,594</b>	<b>3,291,956</b>	<b>7,566,550</b>
Restricted by the passage of time:			
Split-interest agreements	34,489	-	34,489
Land with life estate	447,446	-	447,446
HUD capital advance	1,459,300	-	1,459,300
<b>Total Restricted by the Passage of Time</b>	<b>1,941,235</b>	<b>-</b>	<b>1,941,235</b>
<b>Total Net Assets With Donor Restrictions</b>	<b>\$ 6,215,829</b>	<b>\$ 3,291,956</b>	<b>\$ 9,507,785</b>

Year Ended June 30, 2020	Net Assets With Donor Restrictions		
	Specific Purpose In Perpetuity		Total
<b>Net Assets With Donor Restrictions</b>			
Restricted for a specific use:			
Program items	\$ 3,310,124	- \$	3,310,124
Special provisions endowment	-	475,578	475,578
Regular endowment	-	2,769,452	2,769,452
<b>Total Restricted for a Specific Use</b>	<b>3,310,124</b>	<b>3,245,030</b>	<b>6,555,154</b>
Restricted by the passage of time:			
Split-interest agreements	29,861	-	29,861
Land with life estate	444,934	-	444,934
HUD capital advance	1,459,300	-	1,459,300
<b>Total Restricted by the Passage of Time</b>	<b>1,934,095</b>	<b>-</b>	<b>1,934,095</b>
<b>Total Net Assets With Donor Restrictions</b>	<b>\$ 5,244,219</b>	<b>\$ 3,245,030</b>	<b>\$ 8,489,249</b>

# Saint Francis Ministries, Inc. and Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

Bridgeway Apartments, Inc. has agreements with HUD whereby HUD made capital advances to Bridgeway Apartments, Inc. for Project I and Project II in the amounts of \$689,000 and \$1,311,000, respectively. The capital advances were used to finance the construction of an independent living complex for the developmentally disabled. Saint Francis is the sponsor organization. The capital advances bear no interest and are not required to be repaid so long as the housing remains available for very low-income persons with disabilities for at least 40 years in accordance with Section 8 of the National Housing Act. The capital advances are secured by real estate in Waltham County, Mississippi. These advances are included in temporarily restricted net assets. If either of the projects were to discontinue maintenance of the projects for the specified resident category, a mortgage would be required and monthly payments would be required.

Changes in the components of net assets with permanent donor restrictions included the following:

	<b>Special Provisions Endowment</b>	<b>Regular Endowment</b>	<b>Total</b>
<b>Balance - June 30, 2019</b>	\$ 475,537	\$ 2,784,299	3,259,836
Change in value of perpetual trusts	-	(14,847)	(14,847)
Restricted income transferred to special provisions	41	-	41
<b>Balance - June 30, 2020</b>	475,578	2,769,452	3,245,030
Change in value of perpetual trusts	-	46,801	46,801
Restricted income transferred to special provisions	125	-	125
<b>Balance - June 30, 2021</b>	\$ 475,703	\$ 2,816,253	3,291,956



# Saint Francis Ministries, Inc. and Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

### 12. FINANCIAL AID AND NET MAINTENANCE REVENUE

Saint Francis has agreements with third-party payors that provide for payments to Saint Francis at amounts different from its established rates. In addition, Saint Francis maintains records to monitor the level of financial aid it provides. The following information measures the financial aid provided to clients and discounts and contractual adjustments related to third-party payor agreements.

Years Ended June 30	2021	2020
<b>Maintenance Revenue</b>	\$ 202,015,490	\$ 163,304,395
Less:		
Discounts and contractual adjustments	3,192,179	3,271,300
Financial aid (charity care)	-	300
Cost settlement reserve (recovery)	(3,818,360)	-
Intercompany maintenance revenue	-	3,797,795
<b>Subtotals</b>	(626,181)	7,069,395
<b>Net Maintenance Revenue</b>	\$ 202,641,671	\$ 156,235,000

The subsidiary corporations operate residential facilities in Salina, Kansas, and Picayune, Mississippi. Family Preservation, Reintegration/Foster Care/Adoption, and Family Foster Care services are provided in Kansas. Therapeutic and Bridge Foster Care services are also provided in Oklahoma. Supported Foster Care, Intensive Family Preservation, Family Support, and Visitation Supervision services are provided in Nebraska. Community-based care is provided in Texas. Intensive in-home services are provided in Arkansas. An adult daycare program is provided in Cheshire, Mississippi. Substantially all of the net maintenance fees are from governmental agencies (third-party payors).

Saint Francis recognizes patient revenue associated with services provided to patients with third-party, or other health insurance coverage on the basis of contractual rates for the services provided. For uninsured patients who do not qualify for charity care, Saint Francis recognizes revenue at its standard rates for services provided. A portion of Saint Francis' uninsured patients will be provided charity care for the services provided, and Saint Francis provides charity care to those patients who meet the requirements. The cost of providing this charity care was \$-0- and \$-0- for the years ended June 30, 2021 and 2020, respectively.

### 13. ENDOWMENT ASSETS

Saint Francis' endowment consists of various individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with the endowment are classified and reported based on the existence or absence of donor-imposed restrictions.

# Saint Francis Ministries, Inc. and Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

Saint Francis, over the long term, expects the current spending policy to allow the endowment to grow. This is consistent with Saint Francis' objective to maintain the purchasing power of the endowment assets, as well as to provide additional real growth through investment return. To meet that objective, Saint Francis has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Actual returns in any given year may vary from expectations. Investment risk is measured in terms of the total endowment fund, investment and allocation between asset classes. Strategies are managed to avoid the fund to unacceptable levels of risk.

The Board of Directors of Saint Francis has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, Saint Francis classifies as permanently restricted net assets: (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment; and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as donor-restricted net assets in perpetuity is classified as other donor-restricted net assets available for expenditure by Saint Francis in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, Saint Francis considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

The endowment net assets composition by type was as follows:

	Net Assets Without Donor Restrictions		Net Assets With Donor Restrictions Specific Purpose In Perpetuity		Total
June 30, 2021:					
Donor-restricted	\$	-	\$	2,148,614	\$ 5,440,570
Board-directed quasi		10,946,363		-	10,946,363
<b>Total Endowments</b>	<b>\$</b>	<b>10,946,363</b>	<b>\$</b>	<b>2,148,614</b>	<b>16,386,933</b>
June 30, 2020:					
Donor-restricted	\$	-	\$	1,552,339	\$ 4,797,369
Board-directed quasi		8,486,804		-	8,486,804
<b>Total Endowments</b>	<b>\$</b>	<b>8,486,804</b>	<b>\$</b>	<b>1,552,339</b>	<b>13,284,173</b>

# Saint Francis Ministries, Inc. and Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

Changes in endowment net assets were as follows:

	<b>Net Assets Without Donor Restrictions</b>	<b>Specific Purpose In Perpetuity</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total</b>
<b>Endowment Net Assets - June 30, 2019</b>	\$ 7,767,077	\$ 1,518,052	\$ 3,259,836	12,544,965
Investment income	161,239	30,102	63,856	255,197
Contributions	355,208	-	-	355,208
Transfer in per board authorization	99,625	-	(63,856)	35,769
Net appreciation (depreciation) - realized and unrealized	103,655	34,287	(14,847)	123,095
Restricted income transferred to special provisions	-	-	41	41
Appropriation of endowment assets for expenditure	-	(30,102)	-	(30,102)
<b>Endowment Net Assets - June 30, 2020</b>	8,486,804	1,552,339	3,245,030	13,284,173
Investment income	149,079	23,454	54,033	226,566
Contributions	359,835	-	-	359,835
Transfer in per board authorization	83,926	-	(54,033)	29,893
Net appreciation - realized and unrealized	1,866,719	596,275	46,802	2,509,796
Restricted income transferred to special provisions	-	-	124	124
Appropriation of endowment assets for expenditure	-	(23,454)	-	(23,454)
<b>Endowment Net Assets - June 30, 2021</b>	\$ 10,946,363	\$ 2,148,614	\$ 3,291,956	16,386,933

# Saint Francis Ministries, Inc. and Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

### 14. LEASES

Leases for building space have been entered into by Saint Francis. These leases have a provision that Saint Francis can terminate the leases under certain situations. Rent expenses on these leases totaled \$2,073,083 and \$1,920,550 for the years ended June 30, 2021 and 2020, respectively.

During the year ended June 30, 2019, Saint Francis entered into a master-lease agreement with Enterprise Holdings, which was classified as an operating lease. As a result of this lease agreement, Enterprise Holdings now maintains all of Saint Francis' vehicles, including vehicles that are owned by Saint Francis. Total lease expense for this lease agreement was \$1,809,962 for the years ended June 30, 2021 and 2020, respectively.

The future minimum lease payments required under these leases with original terms in excess of one year are as follows:

Years Ending June 30	
2022	\$ 2,730,983
2023	2,187,190
2024	893,955
2025	14,817
<b>Total</b>	<b>\$ 5,826,945</b>

Saint Francis has also entered into leases for certain office equipment. All of these agreements are classified as operating leases and have terms expiring annually. Rent expense on these equipment leases totaled \$515,334 and \$131,703 for the years ended June 30, 2021 and 2020, respectively.

### 15. PENSION PLANS

Saint Francis has the following retirement plans:

*Clergy Plan:* Four employees who are Episcopal clergy are covered under a multi-employer pension plan with the Church Pension Fund that was established by the General Convention of the Episcopal Church. Under this defined benefit plan, the clergy accrue benefits that are determined by formula at the time of retirement, disability, or death. These benefits do not fluctuate due to market performance. Saint Francis contributed 8% of clergy's total assessable compensation. The plan also provides both life and disability benefit coverage. Financial reports are available upon request from the Church Pension Group. The total amounts contributed by Saint Francis for the years ended June 30, 2021 and 2020, were \$55,998 and \$78,565, respectively.

*401(k) Plan:* Effective January 1, 2010, Saint Francis established the Saint Francis Community Services, Inc. 401(k) Plan. On October 10, 2019, the name of the plan was changed to Saint Francis Ministries, Inc. 401(k) Plan. Under the 401(k) plan, Saint Francis makes contributions both matching and discretionary, for employees who meet age and length of service requirements. The total amounts expensed by Saint Francis for the years ended June 30, 2021 and 2020, were \$1,283,343 and \$1,366,250, respectively.

# Saint Francis Ministries, Inc. and Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

---

### 16. CONTINGENCIES

#### Life Estate

During the fiscal year ended June 30, 2009, a donor established a life estate agreement naming Saint Francis as the beneficiary of the donor's farm land. Under the terms of the agreement, the donor continues to use the land as long as the donor is living. At the time of the donor's death, the land becomes unrestricted. The asset's market value of \$489,400 for the years ended June 30, 2021 and 2020, and a corresponding liability of \$41,955 and \$44,466 for the years ended June 30, 2021 and 2020, respectively, have been recorded. The liability represents the donor's obligation for the property over the donor's life.

#### COVID-19

The ongoing COVID-19 pandemic has caused an economic downturn on a global scale, disrupted supply chains, and created significant uncertainty, volatility, and disruption across economic markets.

The COVID-19 pandemic remains an evolving situation. The extent of the impact of COVID-19 on Saint Francis' business and financial results will depend on future developments, including the duration and spread of the outbreak within the markets in which Saint Francis operates and the related impact on consumer confidence and spending, all of which are highly uncertain.

#### Legal

Saint Francis is involved in litigation and other possible claims arising in the ordinary course of business. While the ultimate outcome of these matters is not presently determinable, it is the management's opinion that the resolution of these matters will not have a material adverse effect on Saint Francis' consolidated financial position or the results of its consolidated operations.

### 17. CONCENTRATION OF BUSINESS RISK

Total maintenance revenue for the years ended June 30, 2021 and 2020, was \$196,800,000 and \$155,922,647, respectively, from state agencies. Referrals and fees for services are received from social service agencies.

## Saint Francis Ministries, Inc. and Subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

---

#### 18. CONCENTRATIONS OF CREDIT RISK

Saint Francis has demand deposits, repurchase agreements, and money market funds on deposit with various financial institutions. Balances with certain financial institutions were in excess of the insurance limitation during the years ended June 30, 2021 and 2020.

#### 19. CERTAIN SIGNIFICANT ESTIMATES

Significant estimates used in preparing these consolidated financial statements are described below.

*Allocation of Functional Expenses:* Functional expenses are charged to the specific purpose for which they are incurred when readily determinable and allocated proportionately to a multi-purpose function.

*Deferred Operating Revenue:* Saint Francis receives payments in the first 90 days for each referral under the Family Preservation contracts. Saint Francis is generally responsible for providing 12 months of services for each referral. Saint Francis estimates the time that services will be provided, and the revenue is recognized over this time period and is reported as deferred operating revenue in the consolidated statements of financial position. The Family Preservation contracts ended in the year ended June 30, 2020.

*Allowance for Uncollectible Accounts:* The allowance for uncollectible accounts is determined by information available to management and past history. It is at least reasonably possible that the significant estimates used will change within the next year.

#### 20. BRIDGEWAY APARTMENTS, INC.

Bridgeway Apartments, Inc., located in Picayune, Mississippi, operates a 13-unit apartment project (Phase I) and a 12-unit apartment project (Phase II), collectively known as the Projects, for people who are intellectually and developmentally disabled. The Projects are operated under Section 811 of the National Housing Act and regulated by the HUD with respect to rental and operating methods. Under the regulatory agreement, the Projects may not increase rents charged to tenants without HUD approval. Use of the residual receipts account is contingent upon HUD's prior written approval.

The Projects' operations are concentrated in the multi-family real estate market. In addition, the Projects operate in a heavily regulated environment. The operations of the Projects are subject to administrative directives, rules, and regulations of federal, state, and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules, and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

## Saint Francis Ministries, Inc. and Subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

---

#### 21. COST SETTLEMENTS AND REFUNDABLE ADVANCES

In January 2021, renegotiations took place with the Nebraska Department of Health and Senior Services (the NDHHS) regarding the case management services contract in the Eastern Service Area. A new agreement was signed with the NDHHS, which included \$10,563,174 of recoupment of unspent funds for the year ended June 30, 2020. These were included in the consolidated statements of activities for the year ended June 30, 2020.

In February and March 2021, Saint Francis provided Kansas Department for Children and Families (the DCF) with a three-year business plan, and repaid \$9,429,529 related to unspent funds for all case management services grants in Kansas.

A significant portion of Saint Francis revenue is derived from cost reimbursement agreements with various state agencies. Amounts received are recognized as revenue when Saint Francis has provided the services in compliance with specific contract provisions. Amounts received prior to the start of services are reported as refundable advances in the consolidated statements of financial position. Refundable advances at June 30, 2020, included \$5,043,648, which was returned to the DCF in February 2021. In addition, \$6,023,598 represents unspent funds attributable to Kansas agreements for the year ended June 30, 2020. Effective June 1, 2022, the DCF and Saint Francis entered an amendment to these unspent funds. A total of \$2,205,238 shall be returned to the DCF or reinvested per an approved investment plan and is included as a refundable advance at June 30, 2021, in the consolidated statement of financial position. Saint Francis is able to keep \$3,818,360 as it relates to unreimbursed losses incurred by Saint Francis in the year ended June 30, 2019, on contracts with the DCF and is included in net maintenance revenue in the consolidated statement of activities for the year ended June 30, 2021.

# Saint Francis Ministries, Inc. and Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

---

### 22. LIQUIDITY AND AVAILABILITY OF ASSETS

The following represents the financial assets of Saint Francis as of June 30, 2021, reduced by amounts not available for general use due to donor-imposed restrictions within one year of the statement of financial position date.

Year Ended June 30, 2021

---

#### Financial Assets - End of Year

Cash and cash equivalents	\$	3,258,149
Accounts and contracts receivable - net		10,803,637
Notes receivable		126,507
Other current assets		165,943
Investments		16,033,769
Beneficial interest in split-interest agreements and perpetual trusts		285,283

---

<b>Total Financial Assets - End of Year</b>		<b>30,673,288</b>
---	--	-------------------

#### Amounts Not Available to Be Used for General Purposes Within One Year

Investments		(16,033,769)
Beneficial interest in split-interest agreements and perpetual trusts		(285,283)

---

<b>Total Amounts Not Available to Be Used Within One Year</b>		<b>(16,319,052)</b>
---	--	---------------------

#### Financial Assets Available to Meet Cash Needs For General Expenditures Within One Year

---

	\$	14,354,236
--	----	------------

---

Saint Francis manages liquidity and reserves following three guiding principles: operating with a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund operating needs, and maintaining sufficient reserves to provide reasonable assurance of financial stability. The financial assets available to meet general expenditures over the next 12 months are approximately one month of expected expenditures. In addition, Saint Francis has a balance of credit. See note 23 for going concern and subsequent events information.



# Saint Francis Ministries, Inc. and Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

---

### 23. GOING CONCERN AND SUBSEQUENT EVENTS

Saint Francis has sustained recurring losses and negative cash flows from operations in the preceding years. However, during the year ended June 30, 2021, there was a significant turn of events in management, including four key positions: Chief Executive Officer, Chief Financial Officer, Operating Officer, and the General Counsel. New management developed a comprehensive action plan to alleviate substantial doubt of a going concern and began taking steps towards stabilization in December 2020.

The goal of the comprehensive action plan is to protect the service pillars of Saint Francis: Personal Care, Out-of-Home Services, and Residential Services. The plan consists of three phases, and the expected completion dates are as follows:

	<b>Expected Completion Date</b>
Phase I - Stabilization	June 2022
Phase II - Internal Investment	June 2024
Phase III - Moderated Growth	June 2026

As of the date of this report, management considers Phase I complete. Saint Francis has increased cash flow, stabilized operations, and improved its overall financial position. The turnaround was achieved during the fiscal year ended June 30, 2021, as new management took significant and intentional actions.

In November 2020, management had non-program personnel changes and staff reductions; implemented spending controls; evaluated all vendor relationships, terminating numerous; pursued program opportunities; and eliminated programs that were not supported by funding or did not align with core services. Key financial policies were reviewed and changes made as deemed necessary to strengthen the overall financial position of Saint Francis. Education to all employees regarding the importance of controls and documentation was also completed.

In January 2021, renegotiations were finalized with the NDHHS and resulted in recouping \$10,563,174 of losses. These funds were included as revenue in the consolidated statement of operations for the year ended June 30, 2020.

In March 2021, Saint Francis provided the DCF with a three-year business plan, and repaid \$500,000 related to unspent funds for all three case management services grants. Plans were put in place to reevaluate the monthly cost reports, rework discrepancies, and keep the DCF well informed of all change and updates. Quarterly meetings continue to occur.

In May 2021, key management staff participated in budget training and development. They worked alongside the financial services department to create detailed budget workbooks, staffing plans, and revenue models. Thirty-nine program budgets and one organization-wide operating budget were presented to the finance committee and then the Board of Directors for review and approval in May 2021. The same process was repeated in 2022 for the fiscal year 2023 budget.

# Saint Francis Ministries, Inc. and Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

---

In June 2021, significant changes were made in the Information Technology (IT) department. Inc. contract was terminated and all IT services were brought back in-house. Additionally, in June 2021, the \$10,000,000 business line of credit was renewed for a 12-month term. The line is expected to be renewed again in June 2022.

In July 2021, a new accounting system was implemented. The new accounting system provides advancements in financial visibility, monthly reporting, paperless workflows, and streamlined data entry, and is cloud-based. All organizational leaders can access the accounting system at any time to view financial results against budget and approve purchasing transactions.

In October 2021, the \$10,000,000 PPP loan was forgiven by the SBA.

In December 2021, Saint Francis Community Services in Nebraska, Inc. announced that it will mutually terminate its full service case management contract with the state of Nebraska. As a result, Saint Francis will recoup \$1,825,759 of retainage that had previously been withheld by the state, of which \$763,558 has already been repaid. Operations were systematically closed over a six-month period from January 1, 2022, to June 30, 2022.

In March 2022, Saint Francis Community Services in Texas, Inc. received its certification of readiness from the Texas Department of Family and Protective Services (DFPS) to commence operation under its Stage II Texas case management contract to provide Community-Based Care from July 1, 2022, to June 30, 2024. The annual funding increase from Stage I to Stage II is approximately \$30,430,000. The contract can be renewed for one additional sixty-month term. The contract contains various performance categories.

In June 2022, Saint Francis Community and Family Services, Inc. amended its case management contracts with the DCF to net prior-year losses against current-year reinvestment amounts, creating a total cost savings of \$3,818,360.

Finally, with the publication of this audit report, the new management team has caught up on and completed delinquent financial audits.

January 2021: published the FY19 Consolidated Financial Statements and Independent Auditors' Report

November 2021: published the FY20 Consolidated Financial Statements and Independent Auditors' Report

June 2022: plans to publish the FY21 Consolidated Financial Statements and Independent Auditors' Report

Beginning in July 2022, Phase II, the Internal Investment phase, will commence. It includes monitoring favorable cash flow, continuing with budgets and budget versus actual reporting, evaluating program delivery, and monitoring internal investment opportunities.

Phase III includes the same steps as Phase II, as well as evaluating growth opportunities that would be in the best interest of Saint Francis and its mission.

# Saint Francis Ministries, Inc. and Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

---

Based upon the above plans, management believes that these actions will enable Saint Francis Ministries, Inc. to continue as a going concern through June 2023.

### 24. ACQUISITION

On September 26, 2019, Saint Francis entered into an agreement with St. John's Military School, Inc., a not-for-profit organization in Salina, Kansas. The name of the corporation was restated to Saint Francis Ministries and School, Inc., a not-for-profit organization. Saint Francis Ministries, Inc. became the sole member of this corporation. In accordance with FASB ASC 805-10-25-1, the transaction has been accounted for as an asset acquisition. Net assets totaling \$1,850,000, the majority being real estate in Salina, Kansas, recorded at fair value as of the acquisition date are the significant assets held in the corporation. The upkeep for this property since acquisition is reflected in the statements of activities of Saint Francis Ministries and School, Inc. for the years ended June 30, 2021 and 2020.

### 25. NEW ACCOUNTING PRONOUNCEMENTS

In February 2016, FASB issued ASU 2016-02, *Leases*. This ASU intends to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the consolidated statement of financial position and disclosing key information about leasing arrangements. Prior to the adoption of this ASU, entities were allowed to exclude from the consolidated statement of financial position leases classified as operating leases. This ASU required lessees to recognize the assets and liabilities from leases on the consolidated statement of financial position. Under the new guidance, lessees are now required to recognize lease assets and lease liabilities on the consolidated statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statement of activities. In July 2018, FASB issued ASU 2018-11, *Leases: Targeted Improvements*, which amended ASU 2016-02 to provide an entity with a transition method for implementing the standard. Under this transition method, an entity initially applies the new leases standard at the adoption date and then recognizes a cumulative-effect adjustment to the opening balance of net assets in the consolidated statement of financial position at the adoption date. The new standard is effective for Saint Francis Ministries and School, Inc. beginning on June 30, 2023. Saint Francis Ministries and School, Inc. management has not yet determined the impact, if any, that implementation of this amendment will have on the consolidated financial statements.

## **SUPPLEMENTARY INFORMATION SECTION**

# Saint Francis Ministries, Inc. and Subsidiaries

## SAINT FRANCIS MINISTRIES, INC. - STATEMENTS OF FINANCIAL POSITION

June 30	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 180,074	\$ (169,753)
Accounts and contracts receivable	26,313	(34,620)
Notes receivable - current	106,235	110,954
Prepaid expenses	546,562	922,025
Due from other funds and/or subsidiaries	26,167,052	31,581,368(1)
Other current assets	37,757	9,067
<b>Total Current Assets</b>	<b>27,063,993</b>	<b>32,419,041</b>
<b>Property, Plant, and Equipment - Net</b>	<b>8,175,163</b>	<b>10,372,753</b>
<b>Other Assets</b>		
Investments	60,150	59,749
Beneficial interest in split-interest agreements and perpetual trusts	234,716	191,969
Land - life estate	489,400	489,400
<b>Total Other Assets</b>	<b>784,266</b>	<b>741,118</b>
<b>TOTAL ASSETS</b>	<b>\$ 36,023,422</b>	<b>\$ 43,532,912</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 896,074	\$ 1,200,591
Line of credit	871,070	-
Paycheck Protection Program loan	10,000,000	-
Current maturities of notes payable	440,409	447,374(2)
Current maturities of gift annuities payable	4,088	4,066
Due to other funds and/or subsidiaries	10,140,859	17,361,195(1)
Accrued salaries and fringe benefits	122,351	99,510
<b>Total Current Liabilities</b>	<b>22,474,851</b>	<b>19,112,736</b>
<b>Deferred Operating Revenue</b>	<b>-</b>	<b>-</b>
<b>Long-Term Obligations - Less Current Maturities</b>		
Line of credit	-	89,110
Note payable	1,521,401	1,961,810(2)
Paycheck Protection Program loan	-	10,000,000
Life estate liability	41,954	44,466
<b>Total Long-Term Obligations</b>	<b>1,563,355</b>	<b>12,095,386</b>
<b>Net Assets</b>		
Without donor restrictions	9,625,613	10,314,090
With donor restrictions	2,359,603	2,010,700
<b>Total Net Assets</b>	<b>11,985,216</b>	<b>12,324,790</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 36,023,422</b>	<b>\$ 43,532,912</b>

(1) Eliminated upon consolidation.

(2) Note payable to Saint Francis Community and Family Services, Inc. is eliminated upon consolidation. The note is a construction loan on the amount of undesignated and restricted donations for the construction of the PRTF facility.

**Saint Francis Ministries, Inc. and Subsidiaries**  
**SAINT FRANCIS MINISTRIES, INC. – STATEMENTS OF ACTIVITIES**

Year Ended June 30, 2021	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions Specific Purpose</b>	<b>Perpetuity</b>	<b>Total</b>
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>				
<b>Operating Revenues</b>				
Operating service fees	\$ 15,578,460	-	-	\$ 15,578,460 <sup>(1)</sup>
Grant income	20,410	-	-	\$ 20,410
<b>Total Operating Revenues</b>	<b>15,598,870</b>	<b>-</b>	<b>-</b>	<b>15,598,870</b>
<b>Operating Expenses</b>				
Program services	138,628	-	-	138,628
Fundraising	-	-	-	-
Management and general	17,233,377	-	-	17,233,377 <sup>(3)</sup>
Operating service fees	-	-	-	-
<b>Total Operating Expenses</b>	<b>17,372,005</b>	<b>-</b>	<b>-</b>	<b>17,372,005</b>
<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	<b>(1,773,135)</b>	<b>-</b>	<b>-</b>	<b>(1,773,135)</b>
<b>NONOPERATING CHANGES</b>				
<b>Gifts and Bequests</b>				
Contributions	322,686	8,026	(8,026)	322,686
<b>Total Gifts and Bequests</b>	<b>322,686</b>	<b>8,026</b>	<b>(8,026)</b>	<b>322,686</b>
<b>Other Income (Expense)</b>				
Investment income - net of fees	17,762	-	-	17,762
Gain (Loss) on sale of assets - net	(531,916)	114,129	85,473	(332,314)
Change in value of investments, split-interest agreements, perpetual trust, and life estate	(102,495)	188,504	(39,203)	46,806
Other income - net	967,293	-	-	967,293 <sup>(2)</sup>
<b>Total Other Income (Expense)</b>	<b>350,644</b>	<b>302,633</b>	<b>46,270</b>	<b>699,547</b>
<b>Transfers and Contributions</b>				
Transfers from other corporations	411,328	-	-	411,328 <sup>(1)</sup>
<b>TOTAL NONOPERATING CHANGES - NET</b>	<b>1,084,658</b>	<b>310,659</b>	<b>38,244</b>	<b>1,433,561</b>
<b>Total Change in Net Assets</b>	<b>(688,477)</b>	<b>310,659</b>	<b>38,244</b>	<b>(339,574)</b>
<b>Net Assets - Beginning of Year</b>	<b>10,314,090</b>	<b>1,373,014</b>	<b>637,686</b>	<b>12,324,790</b>
<b>Net Assets - End of Year</b>	<b>\$ 9,625,613</b>	<b>\$ 1,683,673</b>	<b>\$ 675,930</b>	<b>\$ 11,985,216</b>

(1) Eliminated upon consolidation.

(2) Intercompany other income - net is eliminated upon consolidation.

(3) Intercompany management and general expense is eliminated upon consolidation.

**Saint Francis Ministries, Inc. and Subsidiaries**  
**SAINT FRANCIS MINISTRIES, INC. - STATEMENTS OF ACTIVITIES**  
(Continued)

Year Ended June 30, 2020	<b>Net Assets Without Donor Restrictions</b>	<b>Specific Purpose</b>	<b>Net Assets With Donor Restrictions</b>	<b>Perpetuity Total</b>
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>				
<b>Operating Revenues</b>				
Operating service fees	\$ 15,118,949	-	-	\$15,118,949 <sup>(1)</sup>
<b>Total Operating Revenues</b>	<b>15,118,949</b>	<b>-</b>	<b>-</b>	<b>15,118,949</b>
<b>Operating Expenses</b>				
Program services	97,932	-	-	97,932
Fundraising	360	-	-	360
Management and general	19,455,019	-	-	19,455,019 <sup>(3)</sup>
Operating service fees	1,972	-	-	1,972 <sup>(1)</sup>
<b>Total Operating Expenses</b>	<b>19,555,283</b>	<b>-</b>	<b>-</b>	<b>19,555,283</b>
<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	<b>(4,436,334)</b>	<b>-</b>	<b>-</b>	<b>(4,436,334)</b>
<b>NONOPERATING CHANGES</b>				
<b>Gifts and Bequests</b>				
Contributions	(9,526)	8,354	-	(1,172)
<b>Total Gifts and Bequests</b>	<b>(9,526)</b>	<b>8,354</b>	<b>-</b>	<b>(1,172)</b>
<b>Other Income (Expense)</b>				
Investment income - net of fees	1,740	-	41	1,781
Gain (Loss) on sale of assets - net	(602,384)	94,157	-	(508,227)
Change in value of investment split-interest agreements, perpetual trust, and life estate	(7,093)	32,837	(14,113)	11,631
Other income - net	1,264,844	-	-	1,264,844 <sup>(2)</sup>
<b>Total Other Income (Expense)</b>	<b>657,107</b>	<b>126,994</b>	<b>(14,072)</b>	<b>770,029</b>
<b>Transfers and Contributions</b>				
Transfers from other corporations	(127,757)	-	-	(127,757) <sup>(1)</sup>
<b>TOTAL NONOPERATING CHANGES - NET</b>	<b>519,824</b>	<b>135,348</b>	<b>(14,072)</b>	<b>641,100</b>
<b>Total Change in Net Assets</b>	<b>(3,916,510)</b>	<b>135,348</b>	<b>(14,072)</b>	<b>(3,795,234)</b>
<b>Net Assets - Beginning of Year</b>	<b>14,230,600</b>	<b>1,237,666</b>	<b>651,758</b>	<b>16,120,024</b>
<b>Net Assets - End of Year</b>	<b>\$ 10,314,090</b>	<b>\$ 1,373,014</b>	<b>\$ 637,686</b>	<b>\$12,324,790</b>

(1) Eliminated upon consolidation.

(2) Intercompany other income - net is eliminated upon consolidation.

(3) Intercompany management and general expense is eliminated upon consolidation.

# Saint Francis Ministries, Inc. and Subsidiaries

## SAINT FRANCIS COMMUNITY AND FAMILY SERVICES, INC. - STATEMENTS OF FINANCIAL POSITION

June 30	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 575,228	\$ 109,898
Accounts and contracts receivable	3,267,927	231,583
Note receivable - current	440,409	428,006 <sup>(2)</sup>
Prepaid expenses	55,876	51,881
Due from other funds and/or parent	9,012,939	15,698,628 <sup>(1)</sup>
Other current assets	(6,512)	1,775,629
<b>Total Current Assets</b>	<b>13,345,867</b>	<b>18,295,625</b>
<b>Property, Plant, and Equipment - Net</b>	<b>67,144</b>	<b>166,051</b>
<b>Note Receivable - Net of Current Portion</b>	<b>1,521,401</b>	<b>1,961,810<sup>(2)</sup></b>
<b>TOTAL ASSETS</b>	<b>\$ 14,934,412</b>	<b>\$ 20,423,486</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 744,433	\$ 738,328
Due to other funds and/or parent	708,571	759,130 <sup>(1)</sup>
Current maturities of refundable advances	2,205,238	5,043,648
Accrued salaries and fringe benefits	913,438	801,175
<b>Total Current Liabilities</b>	<b>4,571,680</b>	<b>7,342,281</b>
<b>Refundable Advances</b>	<b>-</b>	<b>6,023,597</b>
<b>Net Assets</b>		
Without donor restrictions	10,362,732	7,057,508
With donor restrictions	-	100
<b>Total Net Assets</b>	<b>10,362,732</b>	<b>7,057,608</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 14,934,412</b>	<b>\$ 20,423,486</b>

(1) Eliminated upon consolidation.

(2) Note receivable from Saint Francis Ministries, Inc., is eliminated upon consolidation. The note is a construction loan on the cash and above the amount of undesignated and restricted donations for the construction of the PRTF facility.



# Saint Francis Ministries, Inc. and Subsidiaries

## SAINT FRANCIS COMMUNITY AND FAMILY SERVICES, INC. - STATEMENTS OF ACTIVITIES

Year Ended June 30, 2021	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions Specific Purpose	Perpetuity	Total
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>				
<b>Operating Revenues</b>				
Net maintenance revenue	\$ 72,292,656	-	-	\$ 72,292,656
Grant income	2,876,751	-	-	2,876,751
<b>Total Operating Revenues</b>	<b>75,169,407</b>	<b>-</b>	<b>-</b>	<b>75,169,407</b>
<b>Operating Expenses</b>				
Program services	64,889,813	-	-	64,889,813
Management and general	1,914,033	-	-	1,914,033
Operating service fees paid to parent	5,391,832	-	-	5,391,832
<b>Total Operating Expenses</b>	<b>72,195,678</b>	<b>-</b>	<b>-</b>	<b>72,195,678</b>
<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	<b>2,973,729</b>	<b>-</b>	<b>-</b>	<b>2,973,729</b>
<b>NONOPERATING CHANGES</b>				
<b>Gifts and Bequests</b>				
Contributions	-	-	-	-
<b>Total Gifts and Bequests</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Income</b>				
Investment income - net of fees	62,871	-	-	62,871
Gain on sale of assets - net	68,798	-	-	68,798
Other Income-net	150	-	-	150
<b>Total Other Income</b>	<b>131,819</b>	<b>-</b>	<b>-</b>	<b>131,819</b>
<b>Transfers and Contributions</b>				
Transfers from other corporations	199,676	(100)	-	199,576
<b>TOTAL NONOPERATING CHANGES - NET</b>	<b>331,495</b>	<b>(100)</b>	<b>-</b>	<b>331,395</b>
<b>Total Change in Net Assets</b>	<b>3,305,224</b>	<b>(100)</b>	<b>-</b>	<b>3,305,124</b>
<b>Net Assets - Beginning of Year</b>	<b>7,057,508</b>	<b>100</b>	<b>-</b>	<b>7,057,608</b>
<b>Net Assets - End of Year</b>	<b>\$ 10,362,732</b>	<b>-</b>	<b>-</b>	<b>\$ 10,362,732</b>

(1) Eliminated upon consolidation.

(2) Intercompany program services expense is eliminated upon consolidation.

(3) Intercompany management and general expense is eliminated upon consolidation.

(4) Interest income from Saint Francis Ministries, Inc. is eliminated upon consolidation. The note is a construction loan on the outlay over and above the amount of undesignated and restricted donations for the construction of the PRTF facility.

# Saint Francis Ministries, Inc. and Subsidiaries

## SAINT FRANCIS COMMUNITY AND FAMILY SERVICES, INC. - STATEMENTS OF ACTIVITIES (Continued)

Year Ended June 30, 2020	Net Assets Without Donor Restrictions	Specific Purpose	Net Assets With Donor Restrictions Perpetuity	Total
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>				
<b>Operating Revenues</b>				
Net maintenance revenue	\$ 84,444,463	-	-	\$ 84,444,463
Grant income	1,055,832	-	-	1,055,832
<b>Total Operating Revenues</b>	<b>85,500,295</b>	<b>-</b>	<b>-</b>	<b>85,500,295</b>
<b>Operating Expenses</b>				
Program services	75,611,918	-	-	75,611,918
Management and general	2,213,660	-	-	2,213,660
Operating service fees paid to parent	8,070,206	-	-	8,070,206
<b>Total Operating Expenses</b>	<b>85,895,784</b>	<b>-</b>	<b>-</b>	<b>85,895,784</b>
<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	<b>(395,489)</b>	<b>-</b>	<b>-</b>	<b>(395,489)</b>
<b>NONOPERATING CHANGES</b>				
<b>Gifts and Bequests</b>				
Contributions	1,250	100	-	1,350
<b>Total Gifts and Bequests</b>	<b>1,250</b>	<b>100</b>	<b>-</b>	<b>1,350</b>
<b>Other Income</b>				
Investment income - net of fees	74,851	-	-	74,851
Gain on sale of assets - net	141,526	-	-	141,526
<b>Total Other Income</b>	<b>216,377</b>	<b>-</b>	<b>-</b>	<b>216,377</b>
<b>Transfers and Contributions</b>				
Transfers from other corporations	87,331	-	-	87,331
<b>TOTAL NONOPERATING CHANGES - NET</b>	<b>304,958</b>	<b>100</b>	<b>-</b>	<b>305,058</b>
<b>Total Change in Net Assets</b>	<b>(90,531)</b>	<b>100</b>	<b>-</b>	<b>(90,431)</b>
<b>Net Assets - Beginning of Year</b>	<b>7,148,039</b>	<b>-</b>	<b>-</b>	<b>7,148,039</b>
<b>Net Assets - End of Year</b>	<b>\$ 7,057,508</b>	<b>100</b>	<b>-</b>	<b>\$ 7,057,608</b>

(1) Eliminated upon consolidation.

(2) Intercompany program services expense is eliminated upon consolidation.

(3) Intercompany management and general expense is eliminated upon consolidation.

(4) Interest income from Saint Francis Ministries, Inc. is eliminated upon consolidation. The note is a construction loan on the outlay over and above the amount of undesignated and restricted donations for the construction of the PRTF facility.

**Saint Francis Ministries, Inc. and Subsidiaries**  
**SAINT FRANCIS COMMUNITY AND RESIDENTIAL SERVICES, INC. -**  
**STATEMENTS OF FINANCIAL POSITION**

June 30	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 4,812	\$ 73,413
Accounts and contracts receivable	1,109,978	1,884,849
Prepaid expenses	40,443	91,165
Due from other funds and/or parent	540,129	563,409 <sup>(1)</sup>
Other current assets	41,166	57,826
<b>Total Current Assets</b>	<b>1,736,528</b>	<b>2,670,662</b>
<b>Property, Plant, and Equipment - Net</b>	<b>181,602</b>	<b>180,634</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,918,130</b>	<b>\$ 2,851,296</b>
<b>LIABILITIES AND NET DEFICIT</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 1,078,299	\$ 925,685
Due to other funds and/or parent	7,193,280	8,317,132 <sup>(1)</sup>
Accrued salaries and fringe benefits	4,861,577	4,596,100
<b>Total Current Liabilities</b>	<b>13,133,156</b>	<b>13,838,917</b>
<b>Net Deficit</b>		
Without donor restrictions	(11,215,026)	(10,987,621)
With donor restrictions	-	-
<b>Total Net Deficit</b>	<b>(11,215,026)</b>	<b>(10,987,621)</b>
<b>TOTAL LIABILITIES AND NET DEFICIT</b>	<b>\$ 1,918,130</b>	<b>\$ 2,851,296</b>

*(1) Eliminated upon consolidation.*

**Saint Francis Ministries, Inc. and Subsidiaries**  
**SAINT FRANCIS COMMUNITY AND RESIDENTIAL SERVICES, INC. -**  
**STATEMENTS OF ACTIVITIES**

Year Ended June 30, 2021	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions Specific Purpose	Perpetuity	Total
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>				
<b>Operating Revenues</b>				
Net maintenance revenue	\$ 10,704,953	-	-	\$ 10,704,953
Grant income	702,385	-	-	702,385
<b>Total Operating Revenues</b>	<b>11,407,338</b>	<b>-</b>	<b>-</b>	<b>11,407,338</b>
<b>Operating Expenses</b>				
Program services	9,603,354	-	-	9,603,354
Management and general	1,230,966	-	-	1,230,966
Operating service fees paid to parent	888,672	-	-	888,672
<b>Total Operating Expenses</b>	<b>11,722,992</b>	<b>-</b>	<b>-</b>	<b>11,722,992</b>
<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	<b>(315,654)</b>	<b>-</b>	<b>-</b>	<b>(315,654)</b>
<b>NONOPERATING CHANGES</b>				
<b>Gifts and Bequests</b>				
Contributions	17,835	-	-	17,835
<b>Other Income</b>				
Investment income - net of fees	8,818	-	-	8,818
Gain on sale of assets - net	66	-	-	66
Other income - net	2,060	-	-	2,060
<b>Total Other Income</b>	<b>28,779</b>	<b>-</b>	<b>-</b>	<b>28,779</b>
<b>Transfers and Contributions</b>				
Transfers from other corporations	59,470	-	-	59,470
<b>TOTAL NONOPERATING CHANGES - NET</b>	<b>88,249</b>	<b>-</b>	<b>-</b>	<b>88,249</b>
<b>Total Change in Net Assets</b>	<b>(227,405)</b>	<b>-</b>	<b>-</b>	<b>(227,405)</b>
<b>Net Deficit - Beginning of Year</b>	<b>(10,987,621)</b>	<b>-</b>	<b>-</b>	<b>(10,987,621)</b>
<b>Net Deficit - End of Year</b>	<b>\$ (11,215,026)</b>	<b>-</b>	<b>-</b>	<b>\$ (11,215,026)</b>

(1) Eliminated upon consolidation.

(2) Intercompany net maintenance revenue is eliminated upon consolidation.

(3) Intercompany program services expense is eliminated upon consolidation.

(4) Intercompany management and general expense is eliminated upon consolidation.

**Saint Francis Ministries, Inc. and Subsidiaries**  
**SAINT FRANCIS COMMUNITY AND RESIDENTIAL SERVICES, INC. -**  
**STATEMENTS OF ACTIVITIES**  
(Continued)

Year Ended June 30, 2020	Net Assets Without Donor Restrictions	Specific Purpose	Net Assets With Donor Restrictions Perpetuity	Total
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>				
<b>Operating Revenues</b>				
Net maintenance revenue	\$ 10,484,558	-	-	\$ 10,484,558
Grant income	378,218	-	-	378,218
<b>Total Operating Revenues</b>	10,862,776	-	-	10,862,776
<b>Operating Expenses</b>				
Program services	10,162,008	-	-	10,162,008
Management and general	1,227,405	-	-	1,227,405
Operating service fees paid to parent	1,135,097	-	-	1,135,097
<b>Total Operating Expenses</b>	12,524,510	-	-	12,524,510
<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	(1,661,734)	-	-	(1,661,734)
<b>NONOPERATING CHANGES</b>				
<b>Other Income</b>				
Investment income - net of fees	19,027	-	-	19,027
Gain on sale of assets - net	8,536	-	-	8,536
Other income - net	6,400	-	-	6,400
<b>Total Other Income</b>	33,963	-	-	33,963
<b>Transfers and Contributions</b>				
Transfers from other corporations	121,435	-	-	121,435
<b>TOTAL NONOPERATING CHANGES - NET</b>	155,398	-	-	155,398
<b>Total Change in Net Assets</b>	(1,506,336)	-	-	(1,506,336)
<b>Net Deficit - Beginning of Year</b>	(9,481,285)	-	-	(9,481,285)
<b>Net Deficit - End of Year</b>	\$ (10,987,621)	-	-	\$ (10,987,621)

(1) Eliminated upon consolidation.

(2) Intercompany net maintenance revenue is eliminated upon consolidation.

(3) Intercompany program services expense is eliminated upon consolidation.

(4) Intercompany management and general expense is eliminated upon consolidation.

# Saint Francis Ministries, Inc. and Subsidiaries

SAINT FRANCIS COMMUNITY SERVICES IN MISSISSIPPI, INC. - STATEMENTS OF FINANCIAL

June 30	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 157,227	\$ 154,137
Accounts and contracts receivable	262,359	219,817
Due from other funds and/or parent	6,351	6,308 <sup>(1)</sup>
Other current assets	(898)	9,403
<b>Total Current Assets</b>	<b>425,039</b>	<b>389,665</b>
<b>Property, Plant, and Equipment - Net</b>	<b>11,391</b>	<b>14,232</b>
<b>Other Assets</b>		
Beneficial interest in split-interest agreements	50,567	41,884
Other assets	5	5
<b>Total Other Assets</b>	<b>50,572</b>	<b>41,889</b>
<b>TOTAL ASSETS</b>	<b>\$ 487,002</b>	<b>\$ 445,786</b>
<b>LIABILITIES AND NET ASSETS (DEFICIT)</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 11,445	\$ 6,198
Due to other funds and/or parent	771,848	948,356 <sup>(1)</sup>
Accrued salaries and fringe benefits	31,404	26,856
<b>Total Current Liabilities</b>	<b>814,697</b>	<b>981,410</b>
<b>Net Assets (Deficit)</b>		
Without donor restrictions	(380,074)	(579,320)
With donor restrictions	52,379	43,696
<b>Total Net Assets (Deficit)</b>	<b>(327,695)</b>	<b>(535,624)</b>
<b>TOTAL LIABILITIES AND NET ASSETS (DEFICIT)</b>	<b>\$ 487,002</b>	<b>\$ 445,786</b>

<sup>(1)</sup> Eliminated upon consolidation.

# Saint Francis Ministries, Inc. and Subsidiaries

## SAINT FRANCIS COMMUNITY SERVICES IN MISSISSIPPI, INC. - STATEMENTS OF ACTIVITIES

Year Ended June 30, 2021	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions Specific Purpose	Perpetuity	Total
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>				
<b>Operating Revenues</b>				
Net maintenance revenue	\$ 2,497,562	-	-	\$ 2,497,562
<b>Total Operating Revenues</b>	2,497,562	-	-	2,497,562
<b>Operating Expenses</b>				
Program services	1,810,448	-	-	1,810,448
Management and general	322,486	-	-	322,486
Operating service fees paid to parent	171,516	-	-	171,516 <sup>(1)</sup>
<b>Total Operating Expenses</b>	2,304,450	-	-	2,304,450
<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	193,112	-	-	193,112
<b>NONOPERATING CHANGES</b>				
<b>Other Income (Expense)</b>				
Investment income - net of fees	2,180	-	-	2,180
Gain on sale of assets - net	700	-	-	700
Change in value of securities and split-interest agreements	-	-	8,683	8,683
<b>Total Other Income (Expense)</b>	2,880	-	8,683	11,563
<b>Transfers and Contributions</b>				
Transfers from other corporations	3,254	-	-	3,254 <sup>(1)</sup>
<b>TOTAL NONOPERATING CHANGES - NET</b>	6,134	-	8,683	14,817
<b>Total Change in Net Assets</b>	199,246	-	8,683	207,929
<b>Net Assets (Deficit) - Beginning of Year</b>	(579,320)	-	43,696	(535,624)
<b>Net Assets (Deficit) - End of Year</b>	\$ (380,074)	-	\$ 52,379	\$ (327,695)

(1) Eliminated upon consolidation.

# Saint Francis Ministries, Inc. and Subsidiaries

## SAINT FRANCIS COMMUNITY SERVICES IN MISSISSIPPI, INC. - STATEMENTS OF ACTIVITIES (Continued)

Year Ended June 30, 2020	Net Assets Without Donor Restrictions	Specific Purpose	Net Assets With Donor Restrictions Perpetuity	Total
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>				
<b>Operating Revenues</b>				
Net maintenance revenue	\$ 2,344,265	-	-	\$ 2,344,265
Grant income	-	-	-	-
<b>Total Operating Revenues</b>	2,344,265	-	-	2,344,265
<b>Operating Expenses</b>				
Program services	1,701,712	-	-	1,701,712
Management and general	291,832	-	-	291,832
Operating service fees paid in part	199,354	-	-	199,354 <sup>(1)</sup>
<b>Total Operating Expenses</b>	2,192,898	-	-	2,192,898
<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	151,367	-	-	151,367
<b>NONOPERATING CHANGES</b>				
<b>Other Income (Expense)</b>				
Investment income - net of fees	2,060	-	-	2,060
Gain on sale of assets - net	800	-	-	800
Change in value of securities and split-interest agreements	-	-	(734)	(734)
<b>Total Other Income (Expense)</b>	2,860	-	(734)	2,126
<b>Transfers and Contributions</b>				
Transfer from other corporations	4,878	-	-	4,878 <sup>(1)</sup>
<b>TOTAL NONOPERATING CHANGES - NET</b>	7,738	-	(734)	7,004
<b>Total Change in Net Assets</b>	159,105	-	(734)	158,371
<b>Net Assets (Deficit) - Beginning of Year</b>	(738,425)	-	44,430	(693,995)
<b>Net Assets (Deficit) - End of Year</b>	\$ (579,320)	-	\$ 43,696	\$ (535,624)

(1) Eliminated upon consolidation.



# Saint Francis Ministries, Inc. and Subsidiaries

## SAINT FRANCIS COMMUNITY OUTREACH SERVICES, INC. - STATEMENTS OF FINANCIAL POS

June 30	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,000	\$ 120,306
Accounts and contracts receivable	4,513	20,013
Note receivable	20,272	50,725
Prepaid expenses	1,436	1,436
Due from other funds and/or parent	34,802	13,927 <sup>(1)</sup>
Other current assets	-	75,727
<b>TOTAL ASSETS</b>	<b>\$ 63,023</b>	<b>\$ 282,134</b>
<b>LIABILITIES AND NET DEFICIT</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 7,909	\$ 11,848
Due to other funds and/or parent	2,175,056	2,003,275 <sup>(1)</sup>
Accrued salaries and fringe benefits	527	4,153
<b>Total Current Liabilities</b>	<b>2,183,492</b>	<b>2,019,276</b>
<b>Net Deficit</b>		
Without donor restrictions	(2,120,469)	(1,737,142)
With donor restrictions	-	-
<b>Total Net Deficit</b>	<b>(2,120,469)</b>	<b>(1,737,142)</b>
<b>TOTAL LIABILITIES AND NET DEFICIT</b>	<b>\$ 63,023</b>	<b>\$ 282,134</b>

(1) Eliminated upon consolidation.

# Saint Francis Ministries, Inc. and Subsidiaries

## SAINT FRANCIS COMMUNITY OUTREACH SERVICES, INC. - STATEMENTS OF ACTIVITIES

Year Ended June 30, 2021	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions Specific Purpose	Perpetuity	Total
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>				
<b>Operating Revenues</b>				
Net maintenance revenue	\$ 363,569	-	-	\$ 363,569
Grant income	173,605	-	-	173,605
<b>Total Operating Revenues</b>	537,174	-	-	537,174
<b>Operating Expenses</b>				
Program services	656,754	-	-	656,754
Management and general	233,690	-	-	233,690
Operating service fee paid to par	56,641	-	-	56,641(1)
<b>Total Operating Expenses</b>	947,085	-	-	947,085
<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	(409,911)	-	-	(409,911)
<b>NONOPERATING CHANGES</b>				
<b>Transfers and Contributions</b>				
Transfers from other corporations	26,584	-	-	26,584(1)
<b>TOTAL NONOPERATING CHANGES - NET</b>	26,584	-	-	26,584
<b>Total Change in Net Assets</b>	(383,327)	-	-	(383,327)
<b>Net Deficit - Beginning of Year</b>	(1,737,142)	-	-	(1,737,142)
<b>Net Deficit - End of Year</b>	\$ (2,120,469)	-	-	\$ (2,120,469)

(1) Eliminated upon consolidation.

# Saint Francis Ministries, Inc. and Subsidiaries

## SAINT FRANCIS COMMUNITY OUTREACH SERVICES, INC. - STATEMENTS OF ACTIVITIES (Continued)

Year Ended June 30, 2020	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions Specific Purpose	Perpetuity	Total
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>				
<b>Operating Revenues</b>				
Net maintenance revenue	\$ 369,685	-	-	\$ 369,685
Grant income	355,041	-	-	355,041
<b>Total Operating Revenues</b>	724,726	-	-	724,726
<b>Operating Expenses</b>				
Program services	645,374	-	-	645,374
Management and general	680,170	-	-	680,170
Operating service fee paid to parent	132,479	-	-	132,479 <sup>(1)</sup>
<b>Total Operating Expenses</b>	1,458,023	-	-	1,458,023
<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	(733,297)	-	-	(733,297)
<b>NONOPERATING CHANGES</b>				
<b>Transfers and Contributions</b>				
Transfers from other corporations	10,951	-	-	10,951 <sup>(1)</sup>
<b>TOTAL NONOPERATING CHANGES - NET</b>	10,951	-	-	10,951
<b>Total Change in Net Assets</b>	(722,346)	-	-	(722,346)
<b>Net Deficit - Beginning of Year</b>	(1,014,796)	-	-	(1,014,796)
<b>Net Deficit - End of Year</b>	\$ (1,737,142)	-	-	\$ (1,737,142)

<sup>(1)</sup> Eliminated upon consolidation.

# Saint Francis Ministries, Inc. and Subsidiaries

## BRIDGEWAY APARTMENTS, INC. - STATEMENTS OF FINANCIAL POSITION

June 30	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,408	\$ 3,913
Prepaid expenses	4,688	6,368
Other current assets	71,701	67,313
<b>Total Current Assets</b>	<b>77,797</b>	<b>77,594</b>
<b>Property, Plant, and Equipment - Net</b>	<b>809,838</b>	<b>860,185</b>
<b>Other Assets</b>		
Deposits	750	750
<b>TOTAL ASSETS</b>	<b>\$ 888,385</b>	<b>\$ 938,529</b>
<b>LIABILITIES AND NET ASSETS (DEFICIT)</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 33,968	\$ 33,540
Accrued expenses and security deposits	4,116	4,116
<b>Total Current Liabilities</b>	<b>38,084</b>	<b>37,656</b>
<b>Deferred Operating Revenue</b>	<b>-</b>	<b>108</b>
<b>Net Assets (Deficit)</b>		
Without donor restrictions	(608,999)	(558,535)
With donor restrictions	1,459,300	1,459,300
<b>Total Net Assets (Deficit)</b>	<b>850,301</b>	<b>900,765</b>
<b>TOTAL LIABILITIES AND NET ASSETS (DEFICIT)</b>	<b>\$ 888,385</b>	<b>\$ 938,529</b>

**Saint Francis Ministries, Inc. and Subsidiaries**  
**BRIDGEWAY APARTMENTS, INC. - STATEMENTS OF ACTIVITIES**

Year Ended June 30, 2021	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions Specific Purpose</b>	<b>Perpetuity</b>	<b>Total</b>
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>				
<b>Operating Revenues</b>				
Net maintenance revenue	\$ 204,047	\$ -	\$ -	\$ 204,047
<b>Operating Expenses</b>				
Management and general	255,302	-	-	255,302
<b>Total Operating Expenses</b>	255,302	-	-	255,302
<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	(51,255)	-	-	(51,255)
<b>NONOPERATING CHANGES</b>				
<b>Other Income</b>				
Investment income - net of fees	63	-	-	63
Other income - net	728	-	-	728
<b>Total Other Income</b>	791	-	-	791
<b>TOTAL NONOPERATING CHANGES</b>	791	-	-	791
<b>Total Change in Net Assets</b>	(50,464)	-	-	(50,464)
<b>Net Assets (Deficit) - Beginning of Year</b>	(558,535)	1,459,300	-	900,765
<b>Net Assets (Deficit) - End of Year</b>	\$ (608,999)	\$ 1,459,300	\$ -	\$ 850,301

**Saint Francis Ministries, Inc. and Subsidiaries**  
**BRIDGEWAY APARTMENTS, INC. - STATEMENTS OF ACTIVITIES**  
(Continued)

Year Ended June 30, 2020	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions Specific Purpose</b>	<b>Perpetuity</b>	<b>Total</b>
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>				
<b>Operating Revenues</b>				
Net maintenance revenue	\$ 198,098	\$ -	\$ -	\$ 198,098
<b>Operating Expenses</b>				
Management and general	223,619	-	-	223,619
<b>Total Operating Expenses</b>	<b>223,619</b>	<b>-</b>	<b>-</b>	<b>223,619</b>
<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	<b>(25,521)</b>	<b>-</b>	<b>-</b>	<b>(25,521)</b>
<b>NONOPERATING CHANGES</b>				
<b>Other Income</b>				
Investment income - net of fees	65	-	-	65
<b>Total Other Income</b>	<b>65</b>	<b>-</b>	<b>-</b>	<b>65</b>
<b>TOTAL NONOPERATING CHANGES - NET</b>	<b>65</b>	<b>-</b>	<b>-</b>	<b>65</b>
<b>Total Change in Net Assets</b>	<b>(25,456)</b>	<b>-</b>	<b>-</b>	<b>(25,456)</b>
<b>Net Assets (Deficit) - Beginning of Year</b>	<b>(533,079)</b>	<b>1,459,300</b>	<b>-</b>	<b>926,221</b>
<b>Net Assets (Deficit) - End of Year</b>	<b>\$ (558,535)</b>	<b>\$ 1,459,300</b>	<b>\$ -</b>	<b>\$ 900,765</b>

**Saint Francis Ministries, Inc. and Subsidiaries**  
**SAINT FRANCIS COMMUNITY SERVICES IN OKLAHOMA, INC. -**  
**STATEMENTS OF FINANCIAL POSITION**

June 30	<b>2021</b>		<b>2020</b>	
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$	2,000	\$	6,434
Accounts and contracts receivable		75,999		77,495
Prepaid expenses		58		292
Due from other funds and/or parent		5,026		2,505 <sup>(1)</sup>
Other current assets		6,866		6,866
<b>Total Current Assets</b>		<b>89,949</b>		<b>93,592</b>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>89,949</b>	<b>\$</b>	<b>93,592</b>
<b>LIABILITIES AND NET DEFICIT</b>				
<b>Current Liabilities</b>				
Accounts payable	\$	3,904	\$	1,688
Due to other funds and/or parent		1,703,518		1,847,052 <sup>(1)</sup>
Accrued salaries and fringe benefits		16,199		14,682
<b>Total Current Liabilities</b>		<b>1,723,621</b>		<b>1,863,422</b>
<b>Net Deficit</b>				
Without donor restrictions		(1,633,672)		(1,769,830)
With donor restrictions		-		-
<b>Total Net Deficit</b>		<b>(1,633,672)</b>		<b>(1,769,830)</b>
<b>TOTAL LIABILITIES AND NET DEFICIT</b>	<b>\$</b>	<b>89,949</b>	<b>\$</b>	<b>93,592</b>

<sup>(1)</sup> Eliminated upon consolidation.

# Saint Francis Ministries, Inc. and Subsidiaries

## SAINT FRANCIS COMMUNITY SERVICES IN OKLAHOMA, INC. - STATEMENTS OF ACTIVITIES

Year Ended June 30, 2021	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions Specific Purpose	Perpetuity	Total
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>				
<b>Operating Revenues</b>				
Net maintenance revenue	\$ 1,092,828	-	-	\$ 1,092,828
Grant income	205,821	-	-	205,821
<b>Total Operating Revenues</b>	1,298,649	-	-	1,298,649
<b>Operating Expenses</b>				
Program services	944,901	-	-	944,901
Management and general	134,356	-	-	134,356
Operating service fee paid to parent	86,846	-	-	86,846 <sup>(1)</sup>
<b>Total Operating Expenses</b>	1,166,103	-	-	1,166,103
<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	132,546	-	-	132,546
<b>NONOPERATING CHANGES</b>				
<b>Transfers and Contributions</b>				
Transfers from other corporations	3,612	-	-	3,612 <sup>(1)</sup>
<b>TOTAL NONOPERATING CHANGES</b>	3,612	-	-	3,612
<b>Total Change in Net Assets</b>	136,158	-	-	136,158
<b>Net Deficit - Beginning of Year</b>	(1,769,830)	-	-	(1,769,830)
<b>Net Deficit - End of Year</b>	\$ (1,633,672)	-	-	\$ (1,633,672)

(1) Eliminated upon consolidation.



# Saint Francis Ministries, Inc. and Subsidiaries

SAINT FRANCIS COMMUNITY SERVICES IN OKLAHOMA, INC. - STATEMENTS OF ACTIVITIES  
(Continued)

Year Ended June 30, 2020	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions Specific Purpose	Perpetuity	Total
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>				
<b>Operating Revenues</b>				
Net maintenance revenue	\$ 1,042,734	-	-	\$ 1,042,734
<b>Operating Expenses</b>				
Program services	872,679	-	-	872,679
Management and general	129,455	-	-	129,455
Operating service fee paid to parent	100,042	-	-	100,042 <sup>(1)</sup>
<b>Total Operating Expenses</b>	<b>1,102,176</b>	<b>-</b>	<b>-</b>	<b>1,102,176</b>
<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	<b>(59,442)</b>	<b>-</b>	<b>-</b>	<b>(59,442)</b>
<b>NONOPERATING CHANGES</b>				
<b>Transfers and Contributions</b>				
Transfers from other corporations	2,549	-	-	2,549 <sup>(1)</sup>
<b>TOTAL NONOPERATING CHANGES</b>	<b>2,549</b>	<b>-</b>	<b>-</b>	<b>2,549</b>
<b>Total Change in Net Assets</b>	<b>(56,893)</b>	<b>-</b>	<b>-</b>	<b>(56,893)</b>
<b>Net Deficit - Beginning of Year</b>	<b>(1,712,937)</b>	<b>-</b>	<b>-</b>	<b>(1,712,937)</b>
<b>Net Deficit - End of Year</b>	<b>\$ (1,769,830)</b>	<b>-</b>	<b>-</b>	<b>\$ (1,769,830)</b>

(1) Eliminated upon consolidation.

# Saint Francis Ministries, Inc. and Subsidiaries

SAINT FRANCIS COMMUNITY SERVICES IN NEBRASKA, INC. - STATEMENTS OF FINANCIAL P

June 30	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,472	\$ (59,689)
Accounts and contracts receivable	448,727	362,502
Prepaid expenses	54	54
Due from other funds and/or parent	10,061	10,061(1)
Other current assets	1,416	1,635
<b>Total Current Assets</b>	<b>462,730</b>	<b>314,563</b>
<b>Property, Plant, and Equipment - Net</b>	<b>10,550</b>	<b>13,894</b>
<b>TOTAL ASSETS</b>	<b>\$ 473,280</b>	<b>\$ 328,457</b>
<b>LIABILITIES AND NET DEFICIT</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 92,061	\$ 143,353
Due to other funds and/or parent	325,981	434,441(1)
Accrued salaries and fringe benefits	14,552	10,680
<b>Total Current Liabilities</b>	<b>432,594</b>	<b>588,474</b>
<b>Net Assets (Deficit)</b>		
Without donor restrictions	40,686	(260,017)
With donor restrictions	-	-
<b>Total Net Assets (Deficit)</b>	<b>40,686</b>	<b>(260,017)</b>
<b>TOTAL LIABILITIES AND NET ASSETS (DEFICIT)</b>	<b>\$ 473,280</b>	<b>\$ 328,457</b>

(1) Eliminated upon consolidation.

# Saint Francis Ministries, Inc. and Subsidiaries

## SAINT FRANCIS COMMUNITY SERVICES IN NEBRASKA, INC. - STATEMENTS OF ACTIVITIES

Year Ended June 30, 2021	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions Specific Purpose	Perpetuity	Total
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>				
<b>Operating Revenues</b>				
Net maintenance revenue	\$ 2,991,426	-	-	\$ 2,991,426
<b>Operating Expenses</b>				
Program services	2,206,034	-	-	2,206,034
Management and general	284,996	-	-	284,996
Operating service fee paid to parent	200,394	-	-	200,394 <sup>(1)</sup>
<b>Total Operating Expenses</b>	<b>2,691,424</b>	<b>-</b>	<b>-</b>	<b>2,691,424</b>
<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	<b>300,002</b>	<b>-</b>	<b>-</b>	<b>300,002</b>
<b>NONOPERATING CHANGES</b>				
<b>Other Income</b>				
Investment income - net of fees	1	-	-	1
<b>Transfers and Contributions</b>				
Transfers from other corporations	700	-	-	700
<b>TOTAL NONOPERATING CHANGES - NET</b>	<b>701</b>	<b>-</b>	<b>-</b>	<b>701</b>
<b>Total Change in Net Assets</b>	<b>300,703</b>	<b>-</b>	<b>-</b>	<b>300,703</b>
<b>Net Deficit - Beginning of Year</b>	<b>(260,017)</b>	<b>-</b>	<b>-</b>	<b>(260,017)</b>
<b>Net Assets - End of Year</b>	<b>\$ 40,686</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 40,686</b>

(1) Eliminated upon consolidation.

# Saint Francis Ministries, Inc. and Subsidiaries

## SAINT FRANCIS COMMUNITY SERVICES IN NEBRASKA, INC. - STATEMENTS OF ACTIVITIES (Continued)

Year Ended June 30, 2020	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions Specific Purpose Perpetuity	Total
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>			
<b>Operating Revenues</b>			
Net maintenance revenue	\$ 2,788,970	-	\$ 2,788,970
<b>Operating Expenses</b>			
Program services	2,066,207	-	2,066,207
Management and general	375,932	-	375,932
Operating service fee paid to parent	244,214	-	244,214 <sup>(1)</sup>
<b>Total Operating Expenses</b>	<b>2,686,353</b>	<b>-</b>	<b>2,686,353</b>
<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	<b>102,617</b>	<b>-</b>	<b>102,617</b>
<b>NONOPERATING CHANGES</b>			
<b>Other Income - Net</b>	<b>28,902</b>	<b>-</b>	<b>28,902</b>
<b>Transfers and Contributions</b>			
Transfers from other corporations	-	-	-
<b>TOTAL NONOPERATING CHANGES - NET</b>	<b>28,902</b>	<b>-</b>	<b>28,902</b>
<b>Total Change in Net Assets</b>	<b>131,519</b>	<b>-</b>	<b>131,519</b>
<b>Net Deficit - Beginning of Year</b>	<b>(391,536)</b>	<b>-</b>	<b>(391,536)</b>
<b>Net Deficit - End of Year</b>	<b>\$ (260,017)</b>	<b>- \$</b>	<b>\$ (260,017)</b>

(1) Eliminated upon consolidation.

# Saint Francis Ministries, Inc. and Subsidiaries

## SAINT FRANCIS FOUNDATION, INC. - STATEMENTS OF FINANCIAL POSITION

June 30	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 592,492	\$ 88,587
Prepaid expenses	19,381	20,281
Due from other funds and/or parent	2,463,682	1,417,615(1)
Other current assets	535	-
<b>Total Current Assets</b>	<b>3,076,090</b>	<b>1,526,483</b>
<b>Property, Plant, and Equipment - Net</b>	<b>15,946</b>	<b>25,010</b>
<b>Investments</b>	<b>15,973,614</b>	<b>12,613,290</b>
<b>TOTAL ASSETS</b>	<b>\$ 19,065,650</b>	<b>\$ 14,164,783</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ (7,606)	\$ 5,554
Due to other funds and/or parent	10,475,555	8,151,341(1)
Accrued salaries and fringe benefits	4,125	68,732
<b>Total Current Liabilities</b>	<b>10,472,074</b>	<b>8,225,627</b>
<b>Net Assets</b>		
Without donor restrictions	2,957,073	963,704
With donor restrictions	5,636,503	4,975,452
<b>Total Net Assets</b>	<b>8,593,576</b>	<b>5,939,156</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 19,065,650</b>	<b>\$ 14,164,783</b>

(1) Eliminated upon consolidation.

**Saint Francis Ministries, Inc. and Subsidiaries**  
**SAINT FRANCIS FOUNDATION, INC. - STATEMENTS OF ACTIVITIES**

Year Ended June 30, 2021	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions Specific Purpose</b>	<b>Perpetuity</b>	<b>Total</b>
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>				
<b>Operating Revenues</b>				
Net maintenance revenue	\$ -	\$ -	\$ -	-
<b>Operating Expenses</b>				
Program services	-	-	-	-
Fundraising	528,378	-	-	528,378 <sup>(2)</sup>
Management and general	140,688	-	-	140,688 <sup>(3)</sup>
Operating service fee paid to parent	49,611	-	-	49,611 <sup>(1)</sup>
<b>Total Operating Expenses</b>	<b>718,677</b>	<b>-</b>	<b>-</b>	<b>718,677</b>
<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	<b>(718,677)</b>	<b>-</b>	<b>-</b>	<b>(718,677)</b>
<b>NONOPERATING CHANGES</b>				
<b>Gifts and Bequests</b>				
Contributions	479,385	252,803	-	732,188
Legacies and bequest	359,835	-	-	359,835
Net assets released from restrictions	211,580	(211,580)	-	-
<b>Total Gifts and Bequests</b>	<b>1,050,800</b>	<b>41,223</b>	<b>-</b>	<b>1,092,023</b>
<b>Other Income (Expenses)</b>				
Investment income - net fees	208,982	23,454	-	232,436
Gain on sale of assets - net	1,325,178	353,528	-	1,678,706
Change in value of investments	853,714	242,746	-	1,096,460
Other income - net	400	-	-	400
<b>Total Other Income (Expenses)</b>	<b>2,388,274</b>	<b>619,728</b>	<b>-</b>	<b>3,008,002</b>
<b>TOTAL NONOPERATING CHANGES - NET</b>	<b>3,439,074</b>	<b>660,951</b>	<b>-</b>	<b>4,100,025</b>
<b>Transfers and Contributions</b>				
Contributions to other corporations	(727,028)	100	-	(726,928) <sup>(1)</sup>
<b>Total Change in Net Assets</b>	<b>1,993,369</b>	<b>661,051</b>	<b>-</b>	<b>2,654,420</b>
<b>Net Assets - Beginning of Year</b>	<b>963,704</b>	<b>2,411,805</b>	<b>2,563,647</b>	<b>5,939,156</b>
<b>Net Assets - End of Year</b>	<b>\$ 2,957,073</b>	<b>\$ 3,072,856</b>	<b>\$ 2,563,647</b>	<b>\$ 8,593,576</b>

(1) Eliminated upon consolidation.

(2) Intercompany fundraising expense is eliminated upon consolidation.

(3) Intercompany management and general expense is eliminated upon consolidation.

**Saint Francis Ministries, Inc. and Subsidiaries**  
**SAINT FRANCIS FOUNDATION, INC. - STATEMENTS OF ACTIVITIES**  
(Continued)

Year Ended June 30, 2020	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions Specific Purpose	Perpetuity	Total
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>				
<b>Operating Revenues</b>				
Net maintenance revenue	\$ -	\$ -	\$ -	-
<b>Operating Expenses</b>				
Program services	1,008	-	-	1,008
Fundraising	1,192,916	-	-	1,192,916
Management and general	490,118	-	-	490,118
Operating service fee paid to parent	162,465	-	-	162,465
<b>Total Operating Expenses</b>	<b>1,846,507</b>	<b>-</b>	<b>-</b>	<b>1,846,507</b>
<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	<b>(1,846,507)</b>	<b>-</b>	<b>-</b>	<b>(1,846,507)</b>
<b>NONOPERATING CHANGES</b>				
<b>Gifts and Bequests</b>				
Contributions	747,874	316,524	-	1,064,398
Legacies and bequest	355,208	-	-	355,208
Net assets released from restrictions	54,704	(54,704)	-	-
<b>Total Gifts and Bequests</b>	<b>1,157,786</b>	<b>261,820</b>	<b>-</b>	<b>1,419,606</b>
<b>Other Income (Expense)</b>				
Investment income	278,171	-	-	278,171
Gain (Loss) on sale of assets - net	388,335	37,708	-	426,043
Change in value of securities	(4,076)	(3,420)	-	(7,496)
Other income - net	(16,001)	-	-	(16,001)
<b>Total Other Income (Expense)</b>	<b>646,429</b>	<b>34,288</b>	<b>-</b>	<b>680,717</b>
<b>TOTAL NONOPERATING CHANGES - NET</b>	<b>1,804,215</b>	<b>296,108</b>	<b>-</b>	<b>2,100,323</b>
<b>Transfers and Contributions</b>				
Contributions to other corporations	(107,086)	-	-	(107,086)
<b>Total Change in Net Assets</b>	<b>(149,378)</b>	<b>296,108</b>	<b>-</b>	<b>146,730</b>
<b>Net Assets - Beginning of Year</b>	<b>1,113,082</b>	<b>2,115,697</b>	<b>2,563,647</b>	<b>5,792,426</b>
<b>Net Assets - End of Year</b>	<b>\$ 963,704</b>	<b>\$ 2,411,805</b>	<b>\$ 2,563,647</b>	<b>\$ 5,939,156</b>

(1) Eliminated upon consolidation.

(2) Intercompany fundraising expense is eliminated upon consolidation.

(3) Intercompany management and general expense is eliminated upon consolidation.

# Saint Francis Ministries, Inc. and Subsidiaries

SAINT FRANCIS COMMUNITY SERVICES IN ARKANSAS, INC. - STATEMENTS OF FINANCIAL P

June 30	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,000	\$ 1,000
Accounts and contracts receivable	44,998	277,114
Due from other funds and/or parent	480,192	138,057 (1)
<b>TOTAL ASSETS</b>	<b>\$ 526,190</b>	<b>\$ 416,171</b>
<b>LIABILITIES AND NET ASSETS (DEFICIT)</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 915	\$ 5,925
Due to other funds and/or parent	-	505 (1)
Accrued salaries and fringe benefits	15,700	21,302
<b>Total Current Liabilities</b>	<b>16,615</b>	<b>27,732</b>
<b>Net Assets (Deficit)</b>		
Without donor restrictions	509,575	388,439
With donor restrictions	-	-
<b>Total Net Assets (Deficit)</b>	<b>509,575</b>	<b>388,439</b>
<b>TOTAL LIABILITIES AND NET ASSETS (DEFICIT)</b>	<b>\$ 526,190</b>	<b>\$ 416,171</b>

(1) Eliminated upon consolidation.



# Saint Francis Ministries, Inc. and Subsidiaries

## SAINT FRANCIS COMMUNITY SERVICES IN ARKANSAS, INC. - STATEMENTS OF ACTIVITIES

Year Ended June 30, 2021	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions Specific Purpose	Perpetuity	Total
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>				
<b>Operating Revenues</b>				
Net maintenance revenue	\$ 1,237,032	-	-	\$ 1,237,032
<b>Operating Expenses</b>				
Program services	727,909	-	-	727,909
Management and general	304,130	-	-	304,130
Operating service fee paid to parent	83,857	-	-	83,857 <sup>(1)</sup>
<b>Total Operating Expenses</b>	<b>1,115,896</b>	<b>-</b>	<b>-</b>	<b>1,115,896</b>
<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	<b>121,136</b>	<b>-</b>	<b>-</b>	<b>121,136</b>
<b>Total Change in Net Assets</b>	<b>121,136</b>	<b>-</b>	<b>-</b>	<b>121,136</b>
<b>Net Deficit - Beginning of Year</b>	<b>388,439</b>	<b>-</b>	<b>-</b>	<b>388,439</b>
<b>Net Assets - End of Year</b>	<b>\$ 509,575</b>	<b>-</b>	<b>-</b>	<b>\$ 509,575</b>

(1) Eliminated upon consolidation.

# Saint Francis Ministries, Inc. and Subsidiaries

SAINT FRANCIS COMMUNITY SERVICES IN ARKANSAS, INC. - STATEMENTS OF ACTIVITIES  
(Continued)

Year Ended June 30, 2020	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions Specific Purpose	Perpetuity	Total
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>				
<b>Operating Revenues</b>				
Net maintenance revenue	\$ 1,480,280	-	-	\$ 1,480,280
<b>Operating Expenses</b>				
Program services	735,975	-	-	735,975
Management and general	250,332	-	-	250,332
Operating service fee paid to parent	98,631	-	-	98,631 <sup>(1)</sup>
<b>Total Operating Expenses</b>	<b>1,084,938</b>	<b>-</b>	<b>-</b>	<b>1,084,938</b>
<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	<b>395,342</b>	<b>-</b>	<b>-</b>	<b>395,342</b>
<b>Total Change in Net Assets</b>	<b>395,342</b>	<b>-</b>	<b>-</b>	<b>395,342</b>
<b>Net Assets - Beginning of Year</b>	<b>(6,903)</b>	<b>-</b>	<b>-</b>	<b>(6,903)</b>
<b>Net Deficit - End of Year</b>	<b>\$ 388,439</b>	<b>-</b>	<b>-</b>	<b>\$ 388,439</b>

(1) Eliminated upon consolidation.

# Saint Francis Ministries, Inc. and Subsidiaries

## SAINT FRANCIS COMMUNITY SERVICES IN TEXAS, INC. - STATEMENTS OF FINANCIAL POSITION

June 30	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,000	\$ 2,000
Accounts and contracts receivable	3,724,533	3,390,258
Other current asset	(2,699)	194,969
<b>Total Current Assets</b>	<b>3,723,834</b>	<b>3,587,227</b>
<b>Property, Plant, and Equipment - Net</b>	<b>178,836</b>	<b>193,681</b>
<b>TOTAL ASSETS</b>	<b>\$ 3,902,670</b>	<b>\$ 3,780,908</b>
<b>LIABILITIES AND NET DEFICIT</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 4,046,154	\$ 2,547,881
Due to other funds and/or parent	3,835,194	1,477,743 <sup>(1)</sup>
Accrued salaries and fringe benefits	75,788	39,223
<b>Total Current Liabilities</b>	<b>7,957,136</b>	<b>4,064,847</b>
<b>Net Deficit</b>		
Without donor restrictions	(4,054,466)	(283,939)
With donor restrictions	-	-
<b>Total Net Deficit</b>	<b>(4,054,466)</b>	<b>(283,939)</b>
<b>TOTAL LIABILITIES AND NET DEFICIT</b>	<b>\$ 3,902,670</b>	<b>\$ 3,780,908</b>

(1) Eliminated upon consolidation.

# Saint Francis Ministries, Inc. and Subsidiaries

## SAINT FRANCIS COMMUNITY SERVICES IN TEXAS, INC. - STATEMENTS OF ACTIVITIES

Year Ended June 30, 2021	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions Specific Purpose	Perpetuity	Total
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>				
<b>Operating Revenues</b>				
Net maintenance revenue	\$ 42,393,079	-	-	\$ 42,393,079
<b>Total Operating Revenues</b>	42,393,079	-	-	42,393,079
<b>Operating Expenses</b>				
Program services	42,026,185	-	-	42,026,185
Management and general	688,650	-	-	688,650
Operating service fees paid to parent	3,470,750	-	-	3,470,750 <sup>(1)</sup>
<b>Total Operating Expenses</b>	46,185,585	-	-	46,185,585
<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	(3,792,506)	-	-	(3,792,506)
<b>NONOPERATING CHANGES</b>				
<b>Transfers and Contributions</b>				
Transfers from other corporations	21,979	-	-	21,979 <sup>(1)</sup>
<b>Total Change in Net Assets</b>	(3,770,527)	-	-	(3,770,527)
<b>Net Assets - Beginning of Year</b>	(283,939)	-	-	(283,939)
<b>Net Deficit - End of Year</b>	\$ (4,054,466)	-	-	\$ (4,054,466)

(1) Eliminated upon consolidation.

# Saint Francis Ministries, Inc. and Subsidiaries

## SAINT FRANCIS COMMUNITY SERVICES IN TEXAS, INC. - STATEMENTS OF ACTIVITIES (Continued)

Year Ended June 30, 2020	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions Specific Purpose Perpetuity	Total
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>			
<b>Operating Revenues</b>			
Net maintenance revenue	\$ 12,907,356	-	\$ 12,907,356
Grant income	-	-	-
<b>Total Operating Revenues</b>	12,907,356	-	12,907,356
<b>Operating Expenses</b>			
Program services	12,381,346	-	12,381,346
Management and general	517,123	-	517,123
Operating service fees paid on behalf of	1,289,847	-	1,289,847 <sup>(1)</sup>
<b>Total Operating Expenses</b>	14,188,316	-	14,188,316
<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	(1,280,960)	-	(1,280,960)
<b>NONOPERATING CHANGES</b>			
<b>Other Income (Expense)</b>			
Other income - net	997,000	-	997,000
<b>Transfers and Contributions</b>			
Transfer from other corporations	21	-	21 <sup>(1)</sup>
<b>TOTAL NONOPERATING CHANGES - NET</b>	997,021	-	997,021
<b>Total Change in Net Assets</b>	(283,939)	-	(283,939)
<b>Net Assets (Deficit) - Beginning of Year</b>	-	-	-
<b>Net Assets (Deficit) - End of Year</b>	\$ (283,939)	-	\$ (283,939)

<sup>(1)</sup> Eliminated upon consolidation.

# Saint Francis Ministries, Inc. and Subsidiaries

## SAINT FRANCIS MINISTRIES IN NEBRASKA, INC. - STATEMENTS OF FINANCIAL POSITION

June 30	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,629,762	\$ 153,032
Due from other funds and/or parent	100	- (1)
Accounts and contracts receivable	1,838,290	10,523,403
Other current assets	16,611	16,611
<b>Total Current Assets</b>	<b>3,484,763</b>	<b>10,693,046</b>
<b>Property, Plant, and Equipment - Net</b>	<b>126,880</b>	<b>169,813</b>
<b>Other Assets</b>	<b>33,223</b>	<b>33,223</b>
<b>TOTAL ASSETS</b>	<b>\$ 3,644,866</b>	<b>\$ 10,896,082</b>
<b>LIABILITIES AND NET DEFICIT</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 4,644,304	\$ 3,588,759
Due to other funds and/or parent	436,754	7,978,537(1)
Accrued salaries and fringe benefits	216,370	163,003
<b>Total Current Liabilities</b>	<b>5,297,428</b>	<b>11,730,299</b>
<b>Net Deficit</b>		
Without donor restrictions	(1,652,562)	(834,217)
With donor restrictions	-	-
<b>Total Net Deficit</b>	<b>(1,652,562)</b>	<b>(834,217)</b>
<b>TOTAL LIABILITIES AND NET DEFICIT</b>	<b>\$ 3,644,866</b>	<b>\$ 10,896,082</b>

(1) Eliminated upon consolidation.

# Saint Francis Ministries, Inc. and Subsidiaries

## SAINT FRANCIS MINISTRIES IN NEBRASKA, INC. - STATEMENTS OF ACTIVITIES

Year Ended June 30, 2021	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions Specific Purpose	Perpetuity	Total
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>				
<b>Operating Revenues</b>				
Net maintenance revenue	\$ 68,647,744	-	-	\$ 68,647,744
<b>Total Operating Revenues</b>	68,647,744	-	-	68,647,744
<b>Operating Expenses</b>				
Program services	60,901,698	-	-	60,901,698
Management and general	3,386,479	-	-	3,386,479
Operating service fees paid to parent	5,178,341	-	-	5,178,341 <sup>(1)</sup>
<b>Total Operating Expenses</b>	69,466,518	-	-	69,466,518
<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	(818,774)	-	-	(818,774)
<b>NONOPERATING CHANGES</b>				
<b>Other Income</b>				
Gain (Loss) on sale of assets - net	5	-	-	5
<b>Total Other Income</b>	5	-	-	5
<b>Transfers and Contributions</b>				
Transfers from other corporations	425	-	-	425 <sup>(1)</sup>
<b>TOTAL NONOPERATING CHANGES - NET</b>	425	-	-	425
<b>Total Change in Net Assets</b>	(818,344)	-	-	(818,344)
<b>Net Assets - Beginning of Year</b>	(834,218)	-	-	(834,218)
<b>Net Deficit - End of Year</b>	\$ (1,652,562)	-	-	\$ (1,652,562)

<sup>(1)</sup> Eliminated upon consolidation.

# Saint Francis Ministries, Inc. and Subsidiaries

## SAINT FRANCIS MINISTRIES IN NEBRASKA, INC. - STATEMENTS OF ACTIVITIES

(Continued)

Year Ended June 30, 2020	Net Assets Without Donor Restrictions	Specific Purpose	Net Assets With Donor Restrictions Perpetuity	Total
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>				
<b>Operating Revenues</b>				
Net maintenance revenue	\$ 39,775,117	-	-	\$ 39,775,117
Grant income	-	-	-	-
<b>Total Operating Revenues</b>	39,775,117	-	-	39,775,117
<b>Operating Expenses</b>				
Program services	34,357,379	-	-	34,357,379
Management and general	2,574,990	-	-	2,574,990
Operating service fees to parent	3,684,643	-	-	3,684,643 <sup>(1)</sup>
<b>Total Operating Expenses</b>	40,617,012	-	-	40,617,012
<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	(841,895)	-	-	(841,895)
<b>NONOPERATING CHANGES</b>				
<b>Other Income (Expense)</b>				
Other income - net	-	-	-	-
<b>Total Other Income (Expense)</b>	-	-	-	-
<b>Transfers and Contributions</b>				
Transfer from other corporations	7,678	-	-	7,678 <sup>(1)</sup>
<b>Total Change in Net Assets</b>	(834,217)	-	-	(834,217)
<b>Net Assets (Deficit) - Beginning of Year</b>	-	-	-	-
<b>Net Assets (Deficit) - End of Year</b>	\$ (834,217)	-	-	\$ (834,217)

(1) Eliminated upon consolidation.



# Saint Francis Ministries, Inc. and Subsidiaries

## SAINT FRANCIS MINISTRIES AND SCHOOL, INC. - STATEMENTS OF FINANCIAL POSITION

June 30	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 107,673	\$ 64,888
<b>Total Current Assets</b>	107,673	64,888
<b>Property, Plant, and Equipment - Net</b>	2,307,234	1,858,190
<b>TOTAL ASSETS</b>	\$ 2,414,907	\$ 1,923,078
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 118	\$ 203,983
Due to other funds and/or parent	953,718	153,171 (1)
Accrued salaries and fringe benefits	-	30,000
<b>Total Current Liabilities</b>	953,836	387,154
<b>Net Assets</b>		
Without donor restrictions	1,461,071	1,535,924
With donor restrictions	-	-
<b>Total Net Assets</b>	1,461,071	1,535,924
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 2,414,907	\$ 1,923,078

(1) Eliminated upon consolidation.

# Saint Francis Ministries, Inc. and Subsidiaries

## SAINT FRANCIS MINISTRIES AND SCHOOL, INC. - STATEMENTS OF ACTIVITIES

Year Ended June 30, 2021	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions Specific Purpose	Perpetuity	Total
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>				
<b>Operating Revenues</b>				
Net maintenance revenue	\$ 216,775	-	-	\$ 216,775
<b>Total Operating Revenues</b>	216,775	-	-	216,775
<b>Operating Expenses</b>				
Program services	2,700	-	-	2,700
Management and general	313,427	-	-	313,427
<b>Total Operating Expenses</b>	316,127	-	-	316,127
<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	(99,352)	-	-	(99,352)
<b>NONOPERATING CHANGES</b>				
<b>Gifts and Bequests</b>				
Contributions	165	-	-	165
<b>Other Income - Net</b>	24,334	-	-	24,334
<b>TOTAL NONOPERATING CHANGES - NET</b>	24,499	-	-	24,499
<b>Total Change in Net Assets</b>	(74,853)	-	-	(74,853)
<b>Net Assets - Beginning of Year</b>	1,535,924	-	-	1,535,924
<b>Net Assets - End of Year</b>	\$ 1,461,071	-	-	\$ 1,461,071

# Saint Francis Ministries, Inc. and Subsidiaries

## SAINT FRANCIS MINISTRIES AND SCHOOL, INC. - STATEMENTS OF ACTIVITIES

(Continued)

Year Ended June 30, 2020	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions Specific Purpose	Perpetuity	Total
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>				
<b>Operating Revenues</b>				
Net maintenance revenue	\$ 2,450	\$ -	\$ -	\$ 2,450
<b>Total Operating Revenues</b>	2,450	-	-	2,450
<b>Operating Expenses</b>				
Program services	3,204	-	-	3,204
Management and general	150,922	-	-	150,922
<b>Total Operating Expenses</b>	154,126	-	-	154,126
<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	(151,676)	-	-	(151,676)
<b>NONOPERATING CHANGES</b>				
<b>Gifts and Bequests</b>				
In-kind contribution - property	1,650,000	-	-	1,650,000
<b>Other Income (Expense)</b>				
Other income - net	37,600	-	-	37,600
<b>TOTAL NONOPERATING CHANGES - NET</b>	1,687,600	-	-	1,687,600
<b>Total Change in Net Assets</b>	1,535,924	-	-	1,535,924
<b>Net Assets - Beginning of Year</b>	-	-	-	-
<b>Net Assets - End of Year</b>	\$ 1,535,924	\$ -	\$ -	\$ 1,535,924

**SUPPLEMENTARY INFORMATION  
FOR FEDERAL AND STATE AGENCIES**

# Saint Francis Ministries, Inc. and Subsidiaries

## SAINT FRANCIS COMMUNITY AND FAMILY SERVICES, INC. – STATEMENT OF ACTIVITIES

### Reintegration/Foster Care/Adoption Services for the West

### (Catchment Area 1 and 2) and Wichita Region, and Foster Care Homes

For the Period of July 1, 2020, through June 30, 2021

	<b>CASE MANAGEMENT SERVICES</b>				<b>Total</b>
	<b>Reintegration/ Foster Care/Adoption Services West Region Catchment Area</b>	<b>Reintegration/ Foster Care/Adoption Services West Region Catchment Area</b>	<b>Reintegration/ Foster Care/Adoption Services Wichita Region Catchment Area 7</b>	<b>Reintegration/ Foster Care/Adoption Services Foster Care Homes</b>	
	<b>For the Period of October 1, 2019, through June 30, 2020</b>	<b>For the Period of October 1, 2019, through June 30, 2020</b>	<b>For the Period of October 1, 2019, through June 30, 2020</b>	<b>For the Period of October 1, 2019, through June 30, 2020</b>	
	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	
<b>OPERATING REVENUE</b>					
Revenue - DCF	\$ 13,165,974	\$ 15,680,793	\$ 17,187,657	\$ 14,676,190	60,710,614
Revenue - other payers	-	-	-	43,470	43,470
Adoption Home Study fees	-	-	-	255,000	255,000
Respite services fees	-	-	-	10,249	10,249
DCF reimbursable costs	-	2,533,839	2,805,372	-	5,339,211
Contributions	433	519	-	862	1,814
Contributions - noncash	13,315	79,006	32,749	-	125,070
Grants	-	-	2,670	-	2,670
Other billable services	11,551	10,868	51,608	-	74,027
Other DCF reimbursable costs	1,883,132	-	-	76,472	1,959,604
Other miscellaneous	72,961	104,254	85,630	28,972	291,817
<b>Net Maintenance Revenue</b>	<b>15,147,366</b>	<b>18,409,279</b>	<b>20,165,686</b>	<b>15,091,215</b>	<b>68,813,546</b>
<b>OPERATING EXPENSES</b>					
<b>Direct Expenses</b>					
Administrative salaries and benefits	2,407,583	2,933,778	3,509,203	427,030	9,277,594
Case management, direct services salaries, and benefits	6,824,355	8,027,803	8,656,134	2,550,379	26,058,671
Operating expenses including property, plant, and equipment	1,660,282	2,011,092	2,026,660	-	5,698,034
Reimbursable placement and other client costs	1,883,132	2,533,839	2,805,372	-	7,222,343
Medical expenses (not reimbursed)	45,127	44,045	150	-	89,322
Independent living	17,912	17,863	26,831	-	62,606
Client transportation	973,756	1,170,862	1,145,309	-	3,289,927
Other - flex funds	185,655	221,388	456,221	-	863,264
Therapeutic services	-	-	-	156,621	156,621
FCH recruitment and training	-	-	-	503,633	503,633
Operating, property, and travel expense	-	-	-	515,351	515,351
Foster parent payments (Paid by DCF)	-	-	-	10,212,422	10,212,422
Foster parent payments (Other payers)	-	-	-	24,570	24,570
Other- unallowable costs	-	-	-	-	-
<b>Total Direct Expenses</b>	<b>13,997,802</b>	<b>16,960,670</b>	<b>18,625,880</b>	<b>14,390,006</b>	<b>63,974,358</b>
<b>Indirect Expenses</b>					
Indirect costs	1,136,250	1,369,603	1,507,057	1,138,622	5,151,532
Other- unallowable costs	25,366	87,184	46,369	4,012	162,931
<b>Total Indirect Expenses</b>	<b>1,161,616</b>	<b>1,456,787</b>	<b>1,553,426</b>	<b>1,142,634</b>	<b>5,314,463</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>15,159,418</b>	<b>18,417,457</b>	<b>20,179,306</b>	<b>15,532,640</b>	<b>69,288,821</b>
<b>Total Change in Net Assets per Cost Reports</b>	<b>(12,052)</b>	<b>(8,178)</b>	<b>(13,620)</b>	<b>(441,425)</b>	<b>(475,275)</b>
<b>Kansas Department for Children and Families</b>					
<b>#10 Settlement (FY19 RFCA Contract Losses) (A)</b>	<b>1,252,899</b>	<b>1,341,908</b>	<b>1,223,553</b>	<b>-</b>	<b>3,818,360</b>
<b>Total Change In Net Assets</b>	<b>\$ 1,240,847</b>	<b>\$ 1,333,730</b>	<b>\$ 1,209,933</b>	<b>(441,425)</b>	<b>3,343,085</b>

(A) Per the contract amendment noted above, this amount has been recognized as income on the Consolidated Statement of Activities for the year ended June 30, 2021, as net maintenance revenue.

# Saint Francis Ministries, Inc. and Subsidiaries

## SAINT FRANCIS COMMUNITY AND FAMILY SERVICES, INC. - STATEMENT OF ACTIVITIES

Kansas Department for Children and Families Grants

For the Year Ended June 30, 2021

	For the Period of July 1, 2020, through July 31, 2021 Months					Ended August 31, 2020
	Human Trafficking - CMF 2020-SFM-RTHT	Adoption Incentive Program 2019-SFM-Ado	Family Centered Treatment PPS-2019-FFM	Seeking Safety PPS-2019-FFSUD-3	Fatherhood Initiative CSS-2017-FI-05-G	
<b>OPERATING REVENUE</b>						
Grant income	\$ 212,962	\$ 128,877	\$ 2,005,320	\$ 433,205	\$ 304,585	
Outpatient fees	-	-	12,044	105,138	-	
<b>Net Maintenance Revenue</b>	<b>212,962</b>	<b>128,877</b>	<b>2,017,364</b>	<b>538,343</b>	<b>304,585</b>	
<b>OPERATING EXPENSES</b>						
<b>Direct Expenses</b>						
Personnel	157,729	97,685	1,403,769	379,374	171,741	
Fringe benefits	33,436	16,066	303,558	67,949	57,618	
Travel	-	-	44,044	10,973	9,808	
Equipment	-	-	(898)	2,357	-	
Supplies	-	-	11,327	10,079	6,904	
Contractual	-	-	37,422	4,674	7,500	
Building	-	-	23,735	5,249	19,010	
Training	-	-	1,981	6,870	-	
Other - insurance and postage	-	-	43,022	11,081	10,269	
Other - assessments	4,459	-	-	-	-	
Other operating expenses	17,338	15,126	-	-	2,846	
<b>Total Direct Expenses</b>	<b>212,962</b>	<b>128,877</b>	<b>1,867,960</b>	<b>498,606</b>	<b>285,696</b>	
<b>Indirect Expenses</b>						
Indirect expenses	-	-	149,404	39,737	18,889	
<b>TOTAL OPERATING EXPENSES</b>	<b>212,962</b>	<b>128,877</b>	<b>2,017,364</b>	<b>538,343</b>	<b>304,585</b>	
<b>Total Change in Net Assets</b>	<b>- \$</b>	<b>- \$</b>	<b>- \$</b>	<b>- \$</b>	<b>- \$</b>	

## **Saint Francis Ministries, Inc. and Subsidiaries**

SAINT FRANCIS COMMUNITY SERVICES IN OKLAHOMA, INC. – STATEMENT OF ACTIVITIES  
BRIDGE RESOURCE FAMILY SERVICES (Contract 16015154)

Year Ended June 30, 2021

---

### **CHANGES IN NET ASSETS FROM OPERATIONS**

<b>Total Operating Revenues</b>	\$ 1,302,260
---------------------------------	--------------

#### **Operating Expenses**

Program services	1,020,936
------------------	-----------

Management and general	145,167
------------------------	---------

---

<b>Total Operating Expenses</b>	<b>1,166,103</b>
---------------------------------	------------------

---

<b>TOTAL CHANGES IN NET ASSETS FROM OPERATIONS</b>	<b>136,157</b>
--	----------------

### **NONOPERATING CHANGES**

#### **Gifts and Bequests**

Contributions	-
---------------	---

Net assets release from restrictions	-
--------------------------------------	---

---

<b>Total Gifts and Bequests</b>	<b>-</b>
---------------------------------	----------

#### **Other Income**

Contribution from paren	-
-------------------------	---

---

<b>TOTAL NONOPERATING CHANGES - NET</b>	<b>-</b>
---	----------

---

<b>Total Change in Net Assets</b>	<b>\$ 136,157</b>
-----------------------------------	-------------------

---

**Saint Francis Ministries, Inc. and Subsidiaries**  
 SAINT FRANCIS COMMUNITY SERVICES IN OKLAHOMA, INC. -  
 STATEMENT OF FUNCTIONAL EXPENSES  
 BRIDGE RESOURCE FAMILY SERVICES (Contract 16015154)

Year Ended June 30, 2021	Program Services	Fund- Management raising and General	Total
Salaries and wages	\$ 586,887	- \$ 105,719	\$ 692,606
Employee health and retirement benefits	97,009	- 12,381	109,390
Payroll taxes and unemployment compensation	43,783	- 8,037	51,820
<b>Total Salaries and Related Expenses</b>	<b>727,679</b>	<b>- 126,137</b>	<b>853,816</b>
Patient services	1,974	- -	1,974
Program expenses	1,552	- -	1,552
Office and communication	47,478	- 3,266	50,744
Advertising and direct mail	17,288	- 10	17,298
Transportation and vehicle	2,905	- (44)	2,861
Staff development	370	- 1,433	1,803
Consultants	526	- 32	558
Contact services	9,438	- 125	9,563
Travel and public relations	7,046	- 170	7,216
Occupancy	93,106	- 177	93,283
Insurance	35,539	- 3,050	38,589
<b>Total Direct Expenses</b>	<b>944,901</b>	<b>- 134,356</b>	<b>1,079,257</b>
Operating service fee paid to parent	76,035	- 10,811	86,846
<b>Total Expenses</b>	<b>\$ 1,020,936</b>	<b>- \$ 145,167</b>	<b>\$ 1,166,103</b>



# Saint Francis Ministries, Inc. and Subsidiaries

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing (CFDA) Number	Pass-Through Entity Identifier (Contract Number)
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
<b>Passed Through Kansas State Board of Education</b>		
<b>Child Nutrition Cluster</b>		
School Breakfast Program	10.553	X0921
National School Lunch Program	10.555	X0921
<b>Total Child Nutrition Cluster</b>		
<b>U.S. DEPARTMENT OF THE TREASURY</b>		
<b>Passed through Kansas Department for Children and Families</b>		
COVID-19 Coronavirus Relief Fund	21.019	
<b>Passed through Saline County, Kansas</b>		
COVID 19 Coronavirus Relief Fund	21.019	
<b>Total 21.019 - Coronavirus Relief Fund</b>		
<b>U.S DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
<b>Passed through Family Assistance Discretionary Grant Office (ACF/OFA)</b>		
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	90ZJ0047
<b>Passed through the Texas Department of Family and Protective Services</b>		
Guardianship Assistance	93.090	HHS000298100002
<b>Passed through the Arkansas Department of Human Services</b>		
Title IV-E Prevention Program	93.472	Prevention Services Grant Program
<b>Passed through the Kansas Department for Children and Families</b>		
Title IV-E Prevention Program	93.472	PPS-2019-FFMH-3
<b>Total 93.472 - Title IV-E Prevention Program</b>		
<b>Passed through the Kansas Department for Children and Families</b>		
MaryLee Allen Promoting Safe and Stable Families Program	93.556	2019-SFCS-CM1, CM2, CM7
<b>Passed through the Texas Department of Family and Protective Services</b>		
MaryLee Allen Promoting Safe and Stable Families Program	93.556	HHS000298100001
<b>Total 93.556 - MaryLee Allen Promoting Safe and Stable Families Program</b>		
<b>Balance Forward - Department of Health and Human Services</b>		

See the accompanying notes to the schedule of expenditures of federal awards.

# Saint Francis Ministries, Inc. and Subsidiaries

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing (CFDA) Number	Pass-Through Entity Identifier Contract Number
<b>Balance Brought Forward - U.S. Department of Health and Human Services</b>		
<b>Passed through the Kansas Department for Children and Families</b>		
Temporary Assistance for Needy Families (TANF)	93.558	CSS-2017-FI-05-G
Temporary Assistance for Needy Families (TANF)	93.558	PPS-2019-CPAM5B
Temporary Assistance for Needy Families (TANF)	93.558	2019-SFCS-CM1, CM2, CM7
Temporary Assistance for Needy Families (TANF)	93.558	2019-SFCS-CM1, CM2, CM7
Temporary Assistance for Needy Families (TANF)	93.558	PPS-2019-CPA-SFM-3
Temporary Assistance for Needy Families (TANF)	93.558	PPS-2019-RF-SF-9
<b>Passed through the Texas Department of Protective Services</b>		
Temporary Assistance for Needy Families (TANF)	93.558	HHS000298100001
Temporary Assistance for Needy Families (TANF)	93.558	HHS000298100001
<b>Total 93.558 - Temporary Assistance for Needy Families (TANF)</b>		
<b>Passed through the Kansas Office for Refugees International Rescue Committee, Inc.</b>		
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs	93.566	1902KRSOC
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs	93.566	1905KRSOC
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs	93.566	1803KSRCMA
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs	93.566	1803KSRCMA
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs	93.566	1803KSRCMA
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs	93.566	1905KRSOC
Refugee and Entrant Assistance - State/Replacement Designee Administered Programs	93.566	1805KRSOC
<b>Total 93.566 - Refugee and Entrant Assistance Administered Programs</b>		
<b>Passed through the DHHHS/ACF Office of Refugee Resettlement (ORR)</b>		
Refugee and Entrant Assistance Voluntary Agency Programs	93.567	90RP0115-03-04
<b>Passed through the Kansas Office for Refugees International Rescue Committee, Inc.</b>		
Refugee and Entrant Assistance Discretionary Grants	93.576	90RX0291-03-00
Refugee and Entrant Assistance Discretionary Grants	93.576	1805KRSOC
<b>Total 93.576 - Refugee and Entrant Assistance Discretionary Grants</b>		
<b>Passed through the Kansas Department for Children and Families</b>		
Adoption and Legal Guardianship Incentive Payments	93.603	2019-SFM-ADOPT
<b>Balance Forward - U.S. Department of Health and Human Services</b>		

See the accompanying notes to the schedule of expenditures of federal awards.

# Saint Francis Ministries, Inc. and Subsidiaries

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing (CFDA) Number	Pass-Through Entity Identifier Contract Number
<b>Balance Brought Forward - U.S. Department of Health and Human Services</b>		
<b>Passed through the Kansas Department for Children and Families</b> Stephanie Tubbs Jones Child Welfare Services Program	93.645	HHS000298100001
<b>Passed through the University of Kansas Center for Research, Inc.</b> Adoption Opportunities	93.652	FY2019-045M2
<b>Passed through the Nebraska Department of Health and Human Services</b> Foster Care - Title IV-E Foster Care - Title IV-E Foster Care - Title IV-E	93.658	86793 O4 0G2001NEFOST 0G2101NEFOST
<b>Passed through the Texas Department of Family and Protective Services</b> Foster Care - Title IV-E Foster Care - Title IV-E	93.658	HHS000298100001 HHS000298100001
<b>Passed through the Kansas Department for Children and Families</b> Foster Care - Title IV-E Foster Care - Title IV-E Foster Care - Title IV-E Foster Care - Title IV-E Foster Care - Title IV-E Foster Care - Title IV-E Foster Care - Title IV-E	93.658	2019-SFM-RHTT PPS-2019-FFMH-3 PPS-2019-CPA-SFM-3 PPS-2019-CPA-SFM-3 2019-SFCS-CM1, CM2, CM7 PPS-2019-CPA-SFM-3 PPS-2019-RF-SF-9
<b>Passed through the Children's Alliance of Kansas</b> Foster Care - Title IV-E	93.658	45873
<b>Total 93.658 - Foster Care - Title IV-E</b>		
<b>Balance Forward - U.S. Department of Health and Human Services</b>		

See the accompanying notes to the schedule of expenditures of federal awards.

# Saint Francis Ministries, Inc. and Subsidiaries

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing (CFDA) Number	Pass-Through Entity Identifier Contract Number
<b>Balance Brought Forward - U.S. Department of Health and Human Services</b>		
<b>Passed through the Kansas Department for Children and Families</b>		
Adoption Assistance	93.659	2019-SFM-ADOPT
Adoption Assistance	93.659	PPS-2019-CPA-SFM-3
Adoption Assistance	93.659	2019-SFCS-CM1, CM2, CM7
<b>Passed through the Texas Department of Family and Protective Services</b>		
Adoption Assistance	93.659	HHS000298100001
<b>Total 93.659 - Adoption Assistance - Title IV-E</b>		
<b>Passed through the Texas Department of Family and Protective Services</b>		
Social Services Block Grant	93.667	HHS000298100001
<b>Passed through the Kansas Department for Children and Families</b>		
Social Services Block Grant	93.667	2019-SFCS-CM1, CM2, CM7
<b>Total 93.667 - Social Services Block Grant</b>		
<b>Passed through the Kansas Department for Children and Families</b>		
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	2019-SFCS-CM1, CM2, CM7
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
<b>TOTAL FEDERAL AWARDS</b>		

See the accompanying notes to the schedule of expenditures of federal awards.

# **Saint Francis Ministries, Inc. and Subsidiaries**

## **NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

---

### **1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes award activity of Saint Francis Ministries, Inc. (formerly known as Saint Francis Community Services, Inc.) and its wholly-owned subsidiaries as described in note 1 (collectively, Saint Francis). The information in the 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 Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic consolidated financial statements.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance. Certain types of expenditures are not allowable or are limited as to reimbursements. Saint Francis has not elected to use the 10-percent indirect cost rate allowable under the Uniform Guidance, although several state grants have a 10 percent indirect cost limitation.

### **3. ABBREVIATIONS**

For purposes of the Schedule, the following abbreviation was used:

CFDA - Catalog of Federal Domestic Assistance

### **4. MULTIPLE ENTITIES**

The Schedule includes the federal disbursements and expenses of the following entities:

- Saint Francis Community and Family Services, Inc.
- Saint Francis Community and Residential Services, Inc.
- Saint Francis Ministries, Inc. (formerly known as Saint Francis Community Services, Inc.)
- Saint Francis Community Services in Nebraska, Inc.
- Saint Francis Community Services in Texas, Inc.
- Saint Francis Ministries in Nebraska, Inc.
- Saint Francis Community Outreach Services, Inc.

The *Government Auditing Standards* and Uniform Guidance requirements for Bridgeway Apartments, Inc. were included in the report audited by other auditors, Maddox & Associates, APC, for the period ended June 30, 2021.

## **OTHER REPORTS SECTION**

## **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**

To the Board of Directors  
Saint Francis Ministries, Inc. and Subsidiaries  
Salina, Kansas

We have audited, 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, the consolidated financial statements of Saint Francis Ministries, Inc., a Kansas not-for-profit organization, and its owned subsidiaries (collectively, Saint Francis), which comprise the consolidated statements of financial position as of June 30, 2021; the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated DATE. Our report includes a reference to other auditors who audited the financial statements of Bridgeway Apartments, Inc., as described in our report on Saint Francis' consolidated financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting, compliance and other matters that are reported on separately by those auditors.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the consolidated financial statements, we considered Saint Francis' 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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Saint Francis' internal control. Accordingly, we do not express an opinion on the effectiveness of Saint Francis' 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 the performance of 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 Saint Francis' consolidated 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, and therefore material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

**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**

(Continued)

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Saint Francis' consolidated 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 consolidated 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*.

***Saint Francis' Response to Findings***

Saint Francis' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Saint Francis' response was not subjected to the audit procedures applied in the audit of the consolidated financial statements, and accordingly we express no opinion on it.

***Purpose of This Report***

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

*KCoe Team, LLP*

June 17, 2022  
Salina, Kansas



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

To the Board of Directors  
Saint Francis Ministries, Inc. and Subsidiaries  
Salina, Kansas

### **Report on Compliance for Each Major Federal Program**

We have audited Saint Francis Ministries, Inc., a Kansas not-for-profit organization, and its wholly owned subsidiaries (collectively, Saint Francis's), compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of Saint Francis' major federal programs for the year ended June 30, 2021. Saint Francis' 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Saint Francis' 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; 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) and the provisions of the Kansas Department of Children and Families *DCF Audit/Monitoring Policy and Requirements* approved March 29, 2017. 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, which could have a direct and material effect on a major federal program, occurred. An audit includes examining, on a test basis, evidence about Saint Francis' 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 Saint Francis' compliance.

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

(Continued)

## ***Opinion on Each Major Federal Program***

In our opinion, Saint Francis 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 June 30, 2021.

## **Report on Internal Control Over Compliance**

Management of Saint Francis 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 Saint Francis' 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 federal program and to test and report on internal control over compliance in accordance with 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 Saint Francis' 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 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 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 weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that have not been identified. We identified a certain deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

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

(Continued)

Saint Francis' response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Saint Francis' response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on that response.

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 requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*KCoe Team, LLP*

June 17, 2022  
Salina, Kansas

## **FINDINGS AND QUESTIONED COSTS SECTION**

# Saint Francis Ministries, Inc. and Subsidiaries

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2021

---

### SECTION I

#### SUMMARY OF AUDITORS' RESULTS

1. The opinion expressed in the independent auditors' report was:

Unmodified     Qualified     Adverse     Disclaimed

2. Internal control over financial reporting:

Are any material weakness(es) identified?

Yes     No

Are any significant deficiency(ies) identified?

Yes     No

3. Is any noncompliance material to the consolidated financial statements noted?

Yes     No

4. Internal control over major federal awards programs:

Are any material weakness(es) identified?

Yes     No

Are any significant deficiency(ies) identified?

Yes     No

5. The opinion expressed in the independent auditors' report on compliance with requirements to major federal programs was:

Unmodified     Qualified     Adverse     Disclaimed

6. Are any audit findings disclosed required to be reported in accordance with 2 CFR Section 200.518(b)(1), is \$2,504,922.

Yes     No

7. Identification of major federal programs:

#### **U.S. Department of Health and Human Services**

Temporary Assistance for Needy Families (TANF) Assistance Listing No. 93.558

Social Services Block Grant Assistance Listing No. 93.667

Foster Care - Title IV-E Assistance Listing No. 93.658

8. The dollar threshold used to distinguish between Type A and Type B programs as described in 2 CFR Section 200.518(b)(1), is \$2,504,922.

9. Saint Francis Ministries, Inc. and its wholly-owned subsidiaries do not qualify as low-risk auditees under 2 CFR Section 200.520.

# Saint Francis Ministries, Inc. and Subsidiaries

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2021

(Continued)

---

### SECTION II FINDINGS

#### FINANCIAL STATEMENT FINDINGS

##### Finding 2021-001 - Repeat Finding - 2020-002 and 2019-002

###### Material Weakness

**Criteria** Internal control procedures affect an organization's ability to process financial transactions that are authorized and accurate. Saint Francis must establish and maintain effective internal controls over financial reporting to provide reasonable assurance that financial reports are accurate and supported. Effective internal control includes limiting individuals', including management's, ability to create or modify financial transactions without review of the same financial transactions.

**Condition** Although a hierarchy of required approvals is maintained within the organization, for four months of the year, there were no procedures to substantiate and approve the highest level; therefore, the approval of the highest-ranking member of the organization was subject to a higher review. Expenditures (including travel, meals, lodging, entertainment, and other types of transactions) incurred by top management were approved by the same individual who incurred the expenses or by someone beneath that individual. In addition, accounting staff requested documentation, and many times did not receive any documents supporting the credit card charges and were asked to pay the credit card bill without supporting receipts.

**Cause** There was management override of controls.

**Potential Effect and Context** Expenses were not objectively reviewed and approved; subsequently, Saint Francis incurred and paid expenses which were not consistent with Saint Francis' objectives.

**Recommendations** We recommended that Saint Francis implement a policy that all expenditures incurred by top management, including their monthly credit card charges, are reviewed and approved by the Finance Committee, treasurer, or chairman of the board before the expenditures are paid. In addition, a policy should be developed to provide accounting staff with the process to follow when documentation for the expenses is not provided. Saint Francis should consider having an appropriate person perform the following procedures:

- Compare expense reports to budgeted amounts or historical records and investigate unusual patterns.
- Compare expense reports to expectations of expenses utilizing employee calendars, logs, and other records to confirm the incurred expenses.
- Examine supporting documentation for unusual items and unusual amounts.

We recommend that a policy be developed for obtaining the Board or the Finance Committee's approval before certain types of travel and entertainment type expenses are incurred. Approval should be noted in the Board of Directors or the Finance Committee meeting minutes and communicated to the appropriate accounting staff.

# Saint Francis Ministries, Inc. and Subsidiaries

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2021

(Continued)

---

These steps will enable Saint Francis to maintain better control over expenses and records, and identify the misuse of funds.

**View of Responsible Officials** Over the past three years, Saint Francis has strengthened financial controls and procedures and will continue to do so. The new accounting system offers greater controls over approvals and spending authority. Policy has been built into the accounting system and individual transactions are now routed to the appropriate manager for approval based on policy. Overrides by the Chief Executive Officer (CEO), or any member of leadership, is strictly prohibited, and each click within the system is timestamped and reportable, allowing for greater transactional transparency. In March 2021, per a new policy, the Board Finance Chair began to review and approve all CEO credit card charges, and all staff have received training on the policies regarding the documentation of credit card and travel expenses.

**Saint Francis Ministries, Inc. and Subsidiaries**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

June 30, 2021

(Continued)

---

**SECTION III FINDINGS**

**FEDERAL AWARDS AUDIT**

**INTERNAL CONTROL OVER COMPLIANCE**

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Assistance Listing No. 93.558 - Temporary Assistance for Needy Families (TANF)**

**Assistance Listing No. 93.667 - Social Services Block Grant**

**Assistance Listing No. 93.658 - Foster Care - Title IV-E**

**Material Weaknesses**

See Finding 2021-001 identified in: Section II Findings - Financial Statement Findings.



# **Saint Francis Ministries, Inc. and Subsidiaries**

## **CORRECTIVE ACTION PLAN**

Year Ended June 30, 2021

---

### **Finding 2021-001: (Repeat Finding 2020-002 and 2019-002)**

Saint Francis has implemented a policy that all expenditures incurred by top management, including their monthly credit card charges, are reviewed and approved by the Finance Committee, treasurer, and chairman of the board before the expenditures are paid. In addition, a policy has been developed to provide accounting staff with the process to follow when documentation for the expenditures is provided.

# Saint Francis Ministries, Inc. and Subsidiaries

## SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS

Year Ended June 30, 2021

---

### **Finding 2020-001 - Repeat Finding -2019-001** **Material Weakness in Internal Control**

**Condition** Saint Francis incurred significant lost data in October 2019. The data that was lost portion of May 2019 through October 2019 transactions that significantly affected the consolidated financial statements. Saint Francis has restored the data for the years affected by individually re-entering all of the lost data.

**Recommendations** The auditors recommended that Saint Francis review the backup policy to reduce the risk of lost or corrupted data. In addition, the auditors recommended that application data server recovery procedures be tested annually to ensure data integrity and recovery.

**Current Status** Saint Francis re-entered all of the lost data and reconciled the accounts as of 2020. In addition, Saint Francis placed applications in the Cloud, including the accounting application, and materially updated the backup policy to reduce the risk of loss of data from happening in the future. Saint Francis obtained an independent *IT General Control, SOC 2 and Data Governance Controls Independent Assessment* dated May 14, 2021, conducted during the months of April and May 2021. There were no exceptions noted in the report.

### **Finding 2020-003 - Repeat Finding - 2019-003** **Material Weakness**

**Condition** The Board of Directors and the Finance Committee were not aware of certain financial results, the reason for such results, or the deterioration of adequate cash flow.

**Recommendations** The auditors recommended that Saint Francis provide Board of Directors and Finance Committee members with supporting financial information that accurately reflects the current position of the organization in advance of each meeting so that the board and finance committee have enough time to review the data. In addition, the Board of Directors and the Finance Committee members should have financial knowledge and ability sufficient to approve budgets; review financial statements and operations reports; and authorize contractual, banking, and financial commitments. The Board of Directors and Finance Committee should have the skills in all the legal, accounting, financial, and personnel areas for which a board is responsible, even though any one member may not be an expert in every area. Additionally, Saint Francis should implement additional procedures to allow the finance committee to periodically review and approve expenses approved by the highest level of the organization.

**Current Status** The Saint Francis board worked with top management to identify the information that is required for them to fulfill their board oversight duties. As a result, additional relevant financial information is now provided to the Finance Committee and the Board of Directors as a matter of course. The Finance Committee, as well as the main Board of Directors, has been meeting more frequently. Education from an outside consultant has been provided to the Board of Directors and Finance Committee members. The corporate structure was revised, including a risk management/compliance/internal review officer, which allows more interaction directly with the board, if needed. This position is a direct point for whistleblower-type incidents and is responsible for periodic corporate risk management.

# Saint Francis Ministries, Inc. and Subsidiaries

## SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS

Year Ended June 30, 2021

---

### **Finding 2020-004**

#### **Material Weakness**

**Condition** Management was not exercising oversight over those in charge of the account reconciliation process to ensure that it was being completed timely and accurately.

**Recommendations** The auditors recommended that management reconcile accounts on a timely basis in order to ensure proper balances.

**Current Status** Saint Francis leadership is re-focused on financial accuracy and monthly financial statement review. Monthly statements are provided to all leaders for review. Under the new financial leadership, the finance team has been re-trained, and procedures have been put in place to ensure individuals charged with reconciling accounting on a timely basis to underlying documents, including aging reports, subsidiary ledgers, et al.

### **Finding 2020-005**

#### **Material Weakness**

**Condition** Accounting and reporting for the governmental grants and contracts did not comply with requirements of applicable grants and contracts.

**Recommendations** We recommended that Saint Francis appoint an employee or employees to manage the governmental grant accounting and reporting functions. Responsibilities should include reviewing all contract proposals, final contracts, and amendments to gain a clear understanding of the accounting and reporting requirements of each contract or grant. In addition, this employee should be responsible for monthly accounting and reporting relating to the contracts and agreements. We recommended Saint Francis review the submitted reports for the year ended June 30, 2021, and prepare and submit corrected reports as applicable.

**Current Status** Saint Francis has thoroughly evaluated processes and procedures surrounding the management of governmental grants and contracts, and has implemented changes to address the increased workload. Additional staff have been added in key areas to manage the increasing workload, including the oversight and reporting functions. The new accounting system provides significantly greater oversight into each individual grant. The new system also allows for one consolidated system, while in the old system, the grant and contracts accounting was managed separate from the accounting system. The new system is all in place, which streamlines monthly reconciliations and delivers monthly detailed reports. All grant reports were reviewed and accurate reports were submitted to state agencies.

The prior-year audit finding 2020-002 is repeated in the year ended June 30, 2021, generally because of the timing of the audit and identification of weaknesses. It is referred to as 2021-001. Resolution of this prior year finding is described in the Schedule of Findings and Questioned Costs for the year ended June 30, 2021.