



AND SUBSIDIARY

***CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT***

Year Ended June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Barnabas Center Inc. and Subsidiary

Opinion

We have audited the accompanying consolidated financial statements of Barnabas Center Inc. and Subsidiary (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statement.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Barnabas Center Inc. and Subsidiary as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Barnabas Center Inc. and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Barnabas Center Inc. and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Barnabas Center Inc. and Subsidiary's ability to continue as a going concern for a reasonable period of time.

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

Carr, Rigg & Ingram, L.L.C.

Jacksonville, Florida
October 23, 2024

BARNABAS CENTER, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

<i>June 30,</i>	2024
Assets	
Current assets	
Cash and cash equivalents	\$ 1,043,050
Accounts receivable	50,100
Prepaid expenses and other assets	60,718
Inventory	136,285
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Total current assets	1,290,153
Non-current assets	
Investments	1,828,671
Property and equipment, net	2,616,601
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Total non-current assets	4,445,272
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Total assets	\$ 5,735,425
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Liabilities and Net Assets	
Current liabilities	
Accounts payable and accrued expenses	\$ 275,544
Refundable advances	127,100
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Total liabilities	402,644
Net assets	
Without donor restrictions	5,246,598
With donor restrictions	86,183
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Total net assets	5,332,781
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Total liabilities and net assets	\$ 5,735,425
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The accompanying notes are an integral part of these consolidated financial statements.

BARNABAS CENTER, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

For the year ended June 30,

	Without Donor Restrictions	With Donor Restrictions	2024 Total
Revenue and Other Support			
Contributions	\$ 1,029,047	\$ 455,080	\$ 1,484,127
Grants	312,438	552,433	864,871
Thrift store sales	1,135,053	-	1,135,053
Patient fees	137,873	-	137,873
Dental services in-kind	64,000	-	64,000
Medical services in-kind	2,109,164	-	2,109,164
Goods and other services in-kind	1,896,973	-	1,896,973
Special events, net of direct expenses of \$31,272	628,115	-	628,115
Interest income	113,695	-	113,695
Net realized and unrealized gain on investments	35,556	-	35,556
Miscellaneous	57,474	-	57,474
Total revenue and other support	7,519,388	1,007,513	8,526,901
Net assets released from restriction	1,049,609	(1,049,609)	-
Expenses			
Program services	7,461,017	-	7,461,017
General and administrative	629,030	-	629,030
Fundraising	323,486	-	323,486
Total expenses	8,413,533	-	8,413,533
Change in net assets	155,464	(42,096)	113,368
Net assets at beginning of year	5,091,134	128,279	5,219,413
Net assets at end of year	\$ 5,246,598	\$ 86,183	\$ 5,332,781

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

BARNABAS CENTER, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Services					Supporting Services			
	Crisis Assistance	Food Pantry	New to You	Dental Program	Medical Program	Total Programs	Management and General	Fundraising	Total
Client assistance	\$ 161,166	\$ 181,462	\$ -	\$ 505	\$ 6,241	\$ 349,374	\$ -	\$ -	\$ 349,374
Client assistance - in-kind	260	835,328	1,136,320	71,412	2,101,752	4,145,072	-	-	4,145,072
Salaries and wages	193,996	191,916	509,383	402,116	454,383	1,751,794	237,887	161,359	2,151,040
Employee benefits	21,505	31,523	56,959	49,706	41,555	201,248	64,751	7,138	273,137
Payroll taxes	14,003	13,486	37,290	27,918	32,418	125,115	23,065	12,732	160,912
Fees for service	132	1,016	22,743	6,057	19,913	49,861	14,966	6,576	71,403
Professional fees	11,469	11,347	37,337	11,740	87,925	159,818	64,109	37,316	261,243
Advertising	1,181	1,072	6,069	1,576	6,181	16,079	2,830	10,424	29,333
Office expenses	7,517	17,585	38,883	6,064	19,231	89,280	11,741	45,174	146,195
Information technology	16,016	12,881	22,190	13,050	20,477	84,614	21,491	16,062	122,167
Travel	47	106	225	318	4,334	5,030	10,807	3,550	19,387
Depreciation	3,573	8,913	54,444	3,616	3,616	74,162	32,759	-	106,921
Insurance	5,189	8,334	29,857	5,874	27,733	76,987	23,332	4,210	104,529
Medical supplies	-	-	-	74,152	20,890	95,042	-	-	95,042
Operational expense	3,382	8,268	11,336	3,092	37,503	63,581	29,373	13,995	106,949
Repairs and maintenance	4,991	11,755	59,831	3,885	6,033	86,495	61,303	2,328	150,126
Taxes and licenses	-	-	53	1,064	1,884	3,001	2,418	350	5,769
Utilitites	5,157	10,511	59,785	3,903	5,108	84,464	28,198	2,272	114,934
Total expenses	\$ 449,584	\$ 1,345,503	\$ 2,082,705	\$ 686,048	\$ 2,897,177	\$ 7,461,017	\$ 629,030	\$ 323,486	\$ 8,413,533

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

BARNABAS CENTER, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024

<i>For the year ended June 30,</i>	2024
Operating Activities	
Change in net assets	\$ 113,368
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Depreciation	106,921
Net realized and unrealized gain on investments	(35,556)
Changes in operating assets and liabilities	
Accounts receivable	(10,593)
Prepaid expenses and other assets	(15,629)
Inventory	75,310
Accounts payable and accrued expenses	19,171
Refundable advances	29,158
Net cash provided by operating activities	282,150
Investing Activities	
Purchase of investments	(1,556,622)
Purchase of property and equipment	(261,152)
Net cash provided by (used in) investing activities	(1,817,774)
Net change in cash and cash equivalents	(1,535,624)
Cash and cash equivalents at beginning of year	2,578,674
Cash and cash equivalents at end of year	\$ 1,043,050

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

BARNABAS CENTER, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 ORGANIZATION

Barnabas Center, Inc., (“BCI”), a Florida not-for-profit organization, was established in 1986 to afford residents of Nassau County, Florida aid during crisis situations that arise due to unforeseen circumstances. The aid is temporary, and it is expected that the assistance will allow individuals and families to continue to be self-supporting or to provide interim help while they are waiting for referral support from other agencies. Recipients of Barnabas’ programming must live in Nassau County and, with the exception of certain food distributions, provide documentation of residence and income eligibility. The Organization is primarily supported by proceeds from its New to You resale store, local churches, individual contributors, foundations, corporate donors, grants, and fundraising events. Barnabas’ financial performance has been awarded a 4-star rating from Charity Navigator, a premier independent charity evaluator.

Barnabas Health Services, Inc. (“BHSI”), is a commonly controlled subsidiary of BCI. BHSI is a primary health clinic which offers low cost primary medical care for uninsured adults. BHSI also operates as a low cost dental clinic for low income adults. BCI is the sole equity member of BHSI.

BCI and BHSI are hereinafter collectively referred to as the “Organization”.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Principles of Consolidation

The consolidated financial statements include the accounts of BCI and its commonly controlled subsidiary, BHSI, after elimination of all significant inter-company balances and transactions.

Classification of Net Assets

The consolidated financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations” (the “Guide”). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

BARNABAS CENTER, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with an original maturity of 90 days or less. Certificates of deposit are readily convertible to cash and are stated at cost plus accrued earnings, which approximate fair value.

Accounts Receivable

Accounts receivable represent amounts owed to the Organization which are expected to be collected within twelve months and are presented in the consolidated statement of financial position, net of the allowance for credit losses.

Allowance for Credit Losses

Management evaluates its receivables on an ongoing basis by analyzing customer relationships and previous payment histories. The allowance for credit losses is management's best estimate of the amount of expected credit losses in the existing accounts based on current market conditions. Historically, losses on uncollectible accounts have been within management's expectations. The allowance for credit losses is reviewed on a periodic basis to ensure there is sufficient reserve to cover any potential credit losses. When receivables are considered uncollectible, they are charged against the allowance for credit losses. Collections on accounts previously written off are included in the change in net assets as received. As of June 30, 2024, management evaluated the expected credit losses in the existing accounts and concluded that no allowance was necessary.

Inventories

Inventories consist of donated clothing, furniture, miscellaneous household goods and food. Donated clothing, furniture and miscellaneous household goods are recorded at the lower of estimated fair market value as of the date of the donation or at estimated fair market value as of the consolidated financial statement date. Donated food inventory is valued at the approximate average wholesale value of one pound of donated product at the national level as outlined in the Product Valuation Survey Methodology prepared by Feeding America, at each calendar year end (December 31, 2023) which was \$1.92 per pound.

Property and Equipment

Land, buildings and equipment that are purchased are carried at cost, or, if donated, at the approximate fair value at the date of donation. Donated property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies donor restricted net assets to unrestricted net assets at that time. Expenditures for renewals or improvements that either materially add value or prolong the useful lives of assets are capitalized. Expenditures that are less than \$5,000 are expensed as incurred.

Building and improvements are depreciated using the straight-line method over their estimated useful lives, which range from 7 to 39 years. Furniture and fixtures, office, medical and store equipment, and vehicles are depreciable assets are depreciated using the straight-line method over their estimated useful lives, which range from 3 to 7 years. Land is not depreciated. Depreciation expense was \$106,921 for the year ended June 30, 2024.

BARNABAS CENTER, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

The Organization reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the consolidated statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statement of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Revenue Recognition

The Organization recognizes revenue in accordance with FASB ASC 606, Revenue from Contracts with Customers for patient fees and thrift store sales. Under ASC 606, revenue recognition for customer contract related services is required when promised goods or services are transferred to customers in an amount that reflects the consideration to which an organization expects to be entitled in exchange for those goods and services. Revenue received in advance is deferred and recognized over the period to which the dates and fees relate. These amounts are included in performance obligation liabilities within the consolidated statement of financial position.

The Organization recognizes revenue at a point in time for patient fees and for thrift store sales. As of June 30, 2024, there were no performance obligations to be satisfied.

Revenues for donated food as well as the related contributed food expense, are computed by valuing such items at a weighted average wholesale price per pound of \$1.92 as determined by the most recent information available from Feeding America.

Contributions

In accordance with FASB ASC 958, *Financial Statements of Not-for-Profit Entities*, contributions received are recorded as unrestricted, or restricted by the donor depending on the existence and/or nature of donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. Under FASB ASC 958, contributions that are required to be reported as donor-restricted support are then reclassified to unrestricted net assets upon expiration of time restrictions or satisfaction of donor restrictions.

Contributions, including unconditional promises to give, are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Unconditional promises to give (“pledges”) receivable are recorded when unconditional promises to pay are recorded. Unconditional promises to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Management uses the allowance method to determine uncollectable promises receivable. The allowance is based on prior years’ experience and management’s analysis of specific promises made.

BARNABAS CENTER, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Materials and Services

The Organization records the value of donated goods or services when there is an objective basis available to measure their value. Donated materials and equipment are reflected in the accompanying consolidated financial statements at their estimated value at date of receipt.

A substantial number of volunteers donate significant amounts of time to the Organization's program services. Only those amounts pertaining to the need assessment of clients have been reflected in the consolidated financial statements since the contributions of those services required specialized skills. The remaining volunteer hours are not reflected in the consolidated financial statements since the contribution of services did not create or enhance non-financial assets or require specialized skills. Additionally, when professional services (i.e. legal, dental and medical) were provided, in-kind values are recorded as contributions.

Income Taxes

The Organization is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code and Chapter 220.13 of the Florida Statutes, respectively.

Accounting for Income Taxes

The Organization has adopted FASB ASC 740-10, *Accounting for Income Taxes*, which clarifies the accounting for uncertainty in income taxes recognized in an entity's consolidated financial statements. The interpretation prescribes a recognition threshold and measurement attribute for the consolidated financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Based on analyses of various federal and state filing positions of the Organization, management believes that its income tax filing positions and deductions are well documented and supported.

As of June 30, 2024, the Organization had no temporary differences relating to the recognition of income and expenses for financial and tax reporting purposes. Accordingly, no deferred tax assets or liabilities are recorded. Additionally, as of June 30, 2024, the Organization had no uncertain tax positions that would qualify for either recognition or disclosure in the consolidated financial statements. Therefore, no reserves for uncertain income tax positions have been recorded pursuant to FASB ASC 740-10. In addition, no cumulative effect adjustment related to the adoption of FASB ASC 740-10 was recorded.

There have been no increases or decreases in unrecognized tax benefits for current or prior years since the date of adoption. Furthermore, no interest or penalties have been included since no reserves were recorded and no significant increases or decreases are expected to occur within the next 12 months. When applicable, such interest and penalties will be reported as income tax expense.

Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge. At June 30, 2024, the periods that remain open to examination under federal statute are for the fiscal years ended June 30, 2021 through 2023.

Advertising Costs

The Organization does not capitalize advertising costs, but rather expenses advertising production costs as they are incurred and advertising communication costs the first time the advertising takes place. Advertising expense was \$29,332 for the year ended June 30, 2024.

BARNABAS CENTER, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments

All financial instruments are carried at amounts that approximate estimated fair value.

Financial Accounting Standards Board ASC 820, *Fair Value Measurement* ("ASC 820"), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities that the Organization can access at the measurement date.

Level 2

Inputs to the valuation methodology are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly such as publicly available information about actual events or transactions, and that reflect the assumptions that market participants would use when pricing the asset or liability.

Level 3

Inputs to the valuation methodology are unobservable for the asset or liability. Unobservable inputs are defined as inputs for which market data are not available and that are developed using the best information available about the assumptions that market participants would use when pricing the asset or liability.

At June 30, 2024, all financial instruments except for certificates of deposit are considered to be Level 1 inputs in the fair value hierarchy. The Organization's certificates of deposit are measured using Level 2 inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Certificates of deposit: Certificates of deposit held for investment that are not debt securities are considered investments and are measured at cost rather than at fair value. Certificates of deposit with original maturities greater than three months are classified as investments on the consolidated statement of financial position.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

BARNABAS CENTER, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 certain reported amounts and disclosures. Such estimates primarily relate to unsettled transactions and events as of the date of the consolidated financial statements. Accordingly, actual results could differ from those estimated. The nature of these estimates, however, is such that variances from actual results are held to be immaterial.

Functional Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among programs and other supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Project cost	Direct or time and effort
Education and training	Time and effort
Sub-contractors	Time and effort
Occupancy	Square footage
Utilities	Square footage
Repairs and maintenance	Time and effort or direct cost
Professional services	Time and effort
Depreciation	Square footage or direct cost
Other	Time and effort

Compensated Absences

All employees working 40 hours per week accrue vacation pay at a rate based on their length of service according to the following schedule.

<u>Length of Service</u>	<u>Annual Hours</u>
0–5 years	120
5–9 years	160
9+ years	200

Annual vacation accruals are based on an employee working 2,080 paid hours per year (40 hours per week). Employees working less than 40 hours per week and at least 25 hours per week earn annual leave on a pro-rated basis, according to the accrual rate per hour. Full time employees may accrue a maximum of one year's worth of annual vacation and may carry over no more than 80 hours of the accrued vacation at the beginning of each calendar year. Any unused hours in excess of 80 hours will be forfeited by the employer. Accrued vacation totaled \$38,326 at June 30, 2024 and is included in salaries and wages on the consolidated statement of functional expenses and in accounts payable and accrued expenses on the consolidated statement of financial position.

Reclassifications

Certain reclassifications were made to prior year balance of net assets to conform with current year presentation.

BARNABAS CENTER, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, October 23, 2024 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which is often referred to as the CECL model, or current expected credit losses. Among other things, the amendments in this ASU require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration.

The Organization adopted ASU 2016-13 on July 1, 2023. The impact of the adoption was not considered material to the consolidated financial statements and primarily resulted in enhanced disclosures only. Please refer to accounts receivables policy.

NOTE 3 INVESTMENTS

Investments in marketable securities consist of the following:

<u>June 30, 2024</u>	<u>Market Value</u>
Common stocks	\$ 339,124
Mutual funds	740,393
Certificates of deposit	749,154
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Total investments	<hr/> \$ 1,828,671 <hr/>

NOTE 4 REFUNDABLE ADVANCES

Refundable advances at June 30, 2024 include sponsorships received by the Organization in anticipation of fundraising events in the following fiscal year totaling \$125,600 and a refundable tenant deposit of \$1,500.

BARNABAS CENTER, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2024:

<i>June 30,</i>	<u>Useful Lives</u>	2024
Buildings and improvements	5 - 39 years	\$ 3,007,198
Furniture and equipment	5 - 10 years	284,248
Vehicles	5 years	48,545
Total depreciable property and equipment		3,339,991
Less accumulated depreciation		(1,096,542)
Total depreciable property and equipment, net		2,243,449
Land		373,152
Total property and equipment, net		\$ 2,616,601

NOTE 6 DONATED GOODS AND SERVICES

Donated goods and services were all utilized by the Organization's program services and reported on the consolidated statement of functional expenses as client assistance – in kind. Donated goods and services consisted of the following for the year ended June 30, 2024:

<i>For the year ended June 30,</i>	2024
Food	\$ 835,048
Clothing, furniture, household goods, etc.	1,136,320
In-kind medical services and supplies	2,109,164
In-kind dental services and supplies	64,000
Other in-kind contributions	540
Total donated goods and services	\$ 4,145,072

NOTE 7 ENDOWMENT FUNDS AT COMMUNITY FOUNDATION

The Organization, or donors on behalf of the Organization, entered into agreements with the Community Foundation for Northeast Florida (the "Foundation") to establish and maintain various permanent Endowments (individually, the "Fund", or collectively, the "Funds"). The Funds are managed and controlled by the Foundation. All contributions received by the Foundation directly from grantors are irrevocable.

Distributions the Foundation makes from the Funds to the Organization are limited each year to a distributable amount determined pursuant to the Foundation's Spending Policy, as set and amended from time to time by the Foundation's Board of Trustees. The Spending Policy is designed to protect the economic value of the principal of the Funds, help the principal grow over time, give the Organization the benefit of a reasonably stable, consistent and predictable flow of funds, and smooth the effect of market volatility in earnings on the investment of Fund assets over a period of years.

The distributions received are included in contributions on the consolidated statement of activities. All amounts relating to Fund balances are excluded from the accompanying consolidated financial statements.

BARNABAS CENTER, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 ENDOWMENT FUNDS AT COMMUNITY FOUNDATION (CONTINUED)

The Funds include:

Barnabas Center Endowment

The purpose of the Barnabas Center Endowment is to aid and support the Organization in its effort to provide emergency assistance to the citizens of its community. During the fiscal year ended June 30, 2024, the Organization received a total distribution of \$47,569 from this Fund. At June 30, 2024, this Fund balance was \$1,384,675.

Barnabas Endowment Fund

The purpose of the Barnabas Center Endowment is for the benefit and support of the Organization's Weaver Center building maintenance. During the fiscal year ended June 30, 2024, the Organization received a total distribution of \$109,045 from this Fund. At June 30, 2024, this Fund balance was \$309,195.

Joe Vijuk Endowment Fund

The purpose of the Joe Vijuk Endowment Fund is to support the Organization's charitable initiatives. During the fiscal year ended June 30, 2024, the Organization received a total distribution of \$16,833 from Joe Vijuk Fund. At June 30, 2024, the balance in the Fund was \$535,047.

Wanda J. Lanier Endowment Fund

The purpose of the Wanda J. Lanier Endowment Fund is to support the Organization's charitable initiatives. During the fiscal year ended June 30, 2024, the Organization received a total distribution of \$5,326 from Wanda J. Lanier Endowment for the benefit of Barnabas Center Fund. At June 30, 2024, the balance in the Endowment was \$148,150.

NOTE 8 CONCENTRATIONS OF RISK

The Organization maintains its cash balance with a high-quality financial institution. The account at this institution currently is insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At times, such balance may be in excess of the FDIC insurance limits. At June 30, 2024, the Organization's uninsured cash balances totaled approximately \$15,771.

NOTE 9 NET ASSETS

A summary of net assets without donor restrictions consists of the following:

<u>June 30,</u>	<u>2024</u>
Board designated	
The David Berkman and Ken Owens Fund for Professional Excellence	\$ 1,079,517
Undesignated	4,167,081
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Total net assets without donor restrictions	\$ 5,246,598

BARNABAS CENTER, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 NET ASSETS (CONTINUED)

A summary of net assets with donor restrictions consists of the following:

<u>June 30,</u>	<u>2024</u>
Purpose restricted	
Lucy Gooding Foundation	\$ 14,069
Meal Pack Program	12,134
United Way	2,014
Baptist Health	44,434
Gerri's Corner	2,737
Rayonier Foundation	10,795
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Total net assets with donor restrictions	<hr/> <hr/> \$ 86,183

Donor restricted net assets are released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors. Donor restricted net assets released during the fiscal year ended June 30, 2024 were utilized for building improvements and program services, as follows:

<u>For the year ended June 30,</u>	<u>2024</u>
Lucy Gooding Foundation	\$ 62,270
Meal Pack Program	27,763
United Way	89,025
Baptist Health	63,352
Delta Dental Foundaiton	20,000
FAFCC	378,933
WGA Grant	97,500
Riverside Hospital Foundation	38,308
Community Foundation - building repairs	109,045
Dolores Barr Weaver Legacy Fund	100,000
Mayo Clininc	11,276
EFSP Grant	18,637
JC Foundation	7,500
Sunshine Health	3,000
Florida Dental	4,500
Rayonier Foundation	18,500
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Total net assets released from donor restrictions	<hr/> <hr/> \$ 1,049,609

NOTE 10 RETIREMENT PLAN

The employees of the Organization are covered under a SIMPLE IRA plan. All employees who are reasonably expected to receive at least \$5,000 in compensation for the calendar year and who have received at least \$5,000 in compensation during any one prior calendar years, are eligible to participate in the plan. Employees can elect to defer up to \$14,000 in the fiscal year ended June 30, 2024, which increases to \$17,000 if the employee's age is 50 or over. Under this plan, the Organization's match would be 100% of the first 3% of the employee's compensation. The matching contribution expense was \$23,381 for the fiscal year ended June 30, 2024 and is included in salaries and wages on the consolidated statement of functional expenses.

BARNABAS CENTER, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11 LIQUIDITY OF CURRENT ASSETS

The Organization is substantially supported by unrestricted and restricted funding. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. The Organization has a goal to maintain financial assets, which consist of cash on hand to meet 60 days of normal operating expenses. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following reflects the Organization's financial assets as of June 30, 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the financial position date:

<i>June 30,</i>	2024
Total assets at year end	\$ 5,735,425
Less non-financial assets	
Prepaid expenses and other assets	(60,718)
Property and equipment, net	(2,616,601)
Financial assets at year-end	3,058,106
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions	
Board designations	(1,079,517)
Restricted by donor with time or purpose restrictions	(86,183)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,892,406