

MOSAIC HEALTH  
AUDITED FINANCIAL STATEMENTS  
DECEMBER 31, 2023

# MOSAIC HEALTH

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
of Mosaic Health

### **Opinion**

We have audited the accompanying financial statements of Mosaic Health (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mosaic Health as of December 31, 2023, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mosaic Health and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

*F.E.W. CPAs*

F.E.W. CPAs  
Saint Louis, Missouri  
February 19, 2024

MOSAIC HEALTH  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2023

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	407,764
Investments		500,000
Prepaid insurance		1,273
Prepaid expenses		15,058

Total current assets		<u>924,095</u>
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NONCURRENT ASSETS

Property and equipment, net of depreciation		<u>672,862</u>
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Total noncurrent assets		<u>672,862</u>
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Total assets	\$	<u><u>1,596,957</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	1,331
Credit card payable		3,193
Accrued compensation and taxes		17,998
Compensated absences		6,404
Note payable, current portion		14,709

Total current liabilities		<u>43,635</u>
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NONCURRENT LIABILITIES

Note payable, less current portion		<u>335,071</u>
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Total noncurrent liabilities		<u>335,071</u>
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Total liabilities		<u>378,706</u>
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NET ASSETS

Without donor restriction		1,216,294
With donor restriction		1,957

Total net assets		<u>1,218,251</u>
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Total liabilities and net assets	\$	<u><u>1,596,957</u></u>
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See accompanying notes and independent auditors' report

MOSAIC HEALTH  
STATEMENT OF ACTIVITIES  
FOR YEAR ENDED DECEMBER 31, 2023

	Without Donor restriction	With Donor restriction	Total
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 374,869	\$ -	\$ 374,869
Fundraising	592,077	-	592,077
Non-cash contributions	25,932	-	25,932
Rent	15,600	-	15,600
Other	130	-	130
	<u>1,008,608</u>	<u>-</u>	<u>1,008,608</u>
Total support and revenue	1,008,608	-	1,008,608
Net assets released from restrictions			
Satisfaction of restrictions	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>1,008,608</u>	<u>-</u>	<u>1,008,608</u>
<b>EXPENSES</b>			
Program expenses			
Clients	666,684	-	666,684
	<u>666,684</u>	<u>-</u>	<u>666,684</u>
Total program expenses	666,684	-	666,684
Support expenses			
General and administration	149,366	-	149,366
Fundraising	111,113	-	111,113
	<u>260,479</u>	<u>-</u>	<u>260,479</u>
Total support expenses	260,479	-	260,479
Total expenses	<u>927,163</u>	<u>-</u>	<u>927,163</u>
Changes in net assets from operations	<u>81,445</u>	<u>-</u>	<u>81,445</u>
<b>INVESTMENT ACTIVITIES</b>			
Interest and dividend income	8,697	-	8,697
Gain/(loss) on disposal of assets	(1,047)	-	(1,047)
	<u>7,650</u>	<u>-</u>	<u>7,650</u>
Total investment activities	7,650	-	7,650
Changes in net assets	89,095	-	89,095
Net assets - beginning of year	<u>1,127,199</u>	<u>1,957</u>	<u>1,129,156</u>
Net assets - end of year	<u>\$ 1,216,294</u>	<u>\$ 1,957</u>	<u>\$ 1,218,251</u>

See accompanying notes and independent auditors' report

MOSAIC HEALTH  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER, 31 2023

	<u>Programs</u> <u>Clients</u>	<u>General and</u> <u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
Payroll and taxes	\$ 393,019	\$ 127,288	\$ 1,928	\$ 522,235
Advertising	46,493	-	-	46,493
Dues and subscriptions	1,985	-	-	1,985
Education	5,156	-	-	5,156
Fundraising	2,899	-	107,984	110,883
Automobile	7,577	-	-	7,577
Insurance	37,986	-	-	37,986
Office	17,898	120	1,201	19,219
Parenting donation	26,244	-	-	26,244
Postage	2,821	-	-	2,821
Printing	2,831	-	-	2,831
Professional fees	3,450	5,000	-	8,450
Repairs and maintenance	15,809	-	-	15,809
Supplies	20,222	-	-	20,222
Telecommunications	10,506	-	-	10,506
Utilities	13,239	-	-	13,239
Interest	-	16,958	-	16,958
Depreciation	58,399	-	-	58,399
Amortization	150	-	-	150
	<u>666,684</u>	<u>149,366</u>	<u>111,113</u>	<u>927,163</u>
Total	<u>\$ 666,684</u>	<u>\$ 149,366</u>	<u>\$ 111,113</u>	<u>\$ 927,163</u>

See accompanying notes and independent auditors' report

MOSAIC HEALTH  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2023

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Changes in net assets	\$ 89,095
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:	
Amortization	150
Depreciation	58,399
(Gain)/loss on disposal of assets	1,047
Changes in assets and liabilities:	
(Increase) decrease in prepaid expenses	21,970
Increase (decrease) in accounts payable	(6,779)
Increase (decrease) in credit card payable	<u>(1,682)</u>
Net cash provided by (used in) operating activities	<u>172,784</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of investments	(500,000)
Purchase of property and equipment	<u>(10,930)</u>
Net cash provided by (used in) investing activities	<u>(510,930)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Principal payments on notes payable	<u>(14,077)</u>
Net cash provided by (used in) financing activities	<u>(14,077)</u>
Net increase (decrease) in cash and cash equivalents	(352,223)
Cash and cash equivalents - beginning of year	<u>759,987</u>
Cash and cash equivalents - end of year	<u><u>\$ 407,764</u></u>
<b>SUPPLEMENTAL INFORMATION</b>	
Cash paid for interest	\$ 16,958

See accompanying notes and independent auditors' report



MOSAIC HEALTH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

Mosaic Health (the “Center”) is a nonprofit corporation headquartered in Granite City, Illinois. The Center’s exempt purpose is to provide assistance and counseling for women faced with unexpected pregnancies in the greater Granite City, Illinois area. Revenue is generated primarily through various fundraising campaigns throughout the year.

Basis of Accounting

The financial statements of the Center have been prepared on the accrual basis in accordance with auditing standards generally accepted in the United States of America. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation

The financial statements of the Center have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”), which require the Center to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restriction - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Center. These net assets may be used at the discretion of the Center’s management and the board of directors.

Net Assets With Donor Restriction - Net assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Center or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. The Center currently has no net assets with donor restrictions.

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

Investments

The Center has adopted “Accounting for Certain Investments Held by Non-Profit Organizations.” Under the standard investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

Property Taxes

The Center has been issued a certificate of exemption for property taxes by the State of Illinois.

MOSAIC HEALTH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Use of Estimates

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

Cash and Cash Equivalents

The Center considers all highly liquid investments with an original maturity of three months or less to be cash equivalents for the purposes of the statement of cash flows.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Center's program services and support services. Nonoperating activities are limited to resources that generate a return on investment and other activities considered to be of a more unusual or nonrecurring nature.

Contributions

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. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Intangible Assets

Intangible assets are amortized on a straight-line basis over a period of 5-10 years. Amortization expense for the year ended December 31, 2023 was \$150. The Center disposed of all intangible assets as of December 31, 2023.

Property and Equipment

The Center capitalizes all expenditures in excess of \$1,000 for property and equipment at cost. Contributed property and equipment are recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as net assets with restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as net assets without restrictions. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis ranging from 5-39 years. Routine repairs and maintenance are expensed as incurred. Depreciation expense for the year ended December 31, 2023 was \$58,399.

MOSAIC HEALTH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Income Taxes

The Center is exempt from income taxes pursuant to section 501(c)(3) of the Internal Revenue Service Code. Therefore, no provision is made for taxes on income.

The Center adopted the provisions of Accounting for Uncertainty in Income Taxes on January 1, 2011. The adoption of that guidance resulted in no change to the financial statements for prior periods. As of December 31, 2023, no amounts have been recognized for uncertain tax positions. Any returns that the Center would have prepared for 2020 and prior are closed.

Contributed Services

A number of volunteers contributed services to the Center. Only the contributed services that meet the reporting criteria for recognition have been reported at the fair market value for the services provided. Contributed services that do not meet the reporting criteria have not been included in the financial statements.

Revenue from Contracts with Customers

The Center recognizes revenue that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. No contracts with customers were in place during the current year.

Operating Leases

During 2022, the Center adopted ASU 2016-02 *Leases (Topic 842)*. The adoption of the guidance requires the recognition of the remaining value of operating leases as assets and liabilities on the statement of financial position as right-of-use assets and future minimum lease obligations, respectively. As of December 31, 2023, there were no leases in place.

**NOTE 2 - FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between fundraising, administration, or the appropriate program based on evaluations of the related benefits. Such allocations are determined by management on an equitable basis. Expenditures have been allocated based on time and effort or specific identification, when available.

**NOTE 3 - COMPENSATED ABSENCES**

Employees of the Center are entitled to paid vacation depending on the length of service. Vacation days are based on employee anniversary dates and are not carried forward. Upon separation, all accumulated time is paid out at the employee's current pay rate. Accrued compensated absences as of December 31, 2023 was \$6,404.

MOSAIC HEALTH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**NOTE 4 - PROPERTY AND EQUIPMENT**

A summary of property and equipment as of December 31, 2023 follows:

Building	\$ 668,275
Building improvements	59,284
Equipment	171,272
Vehicles	120,800
Furniture	2,188
Total depreciable assets	1,021,819
Accumulated depreciation	(368,957)
Total depreciable assets, net	652,862
Land	20,000
Property and equipment, net	\$ 672,862

**NOTE 5 - NOTE PAYABLE**

In January 2020, the Center entered into a mortgage agreement with PNC Bank. The note is secured by the property purchased with the loan proceeds and accrues interest at 4.68%. Monthly payments are \$2,586, and the agreement matures on February 5, 2025. As of December 31, 2023, the loan balance was \$349,780.

Future maturities of notes payable follows:

Year ending December 31,	
2024	\$ 14,709
2025	335,071
Total	\$ 349,780

**NOTE 6 - CONCENTRATION OF CREDIT RISK**

The Center maintains various deposit accounts at various banks. Each depositor is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2023, the Center's bank balance did not exceed the federally insured limit.

The Center maintains investments at one institution. Each depositor is insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000, including a maximum of \$250,000 for cash deposits. As of December 31, 2023, the Center's total investments were \$500,341, respectively. As of December 31, 2023, investments of \$341 were unsecured.

MOSAIC HEALTH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**NOTE 7 - FAIR VALUE MEASUREMENTS**

The Financial Accounting Standards Board 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 and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are described in the following paragraphs:

*Level 1* - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Center 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 similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

*Level 3* - Inputs to the valuation methodology are unobservable and significant to the fair value

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 December 31, 2023.

Mutual funds: Valued at the net asset value of shares held by the Center at year-end.

Certificates of deposit: Valued at an estimated fair market value, as calculated by the investment brokerage.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Center believes its valuation methods are appropriate and consistent, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Center's assets at fair value as of December 31, 2023:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ -	\$ 77,644	\$ -	\$ 77,644
Certificates of deposit	-	422,356	-	422,356
Total	\$ -	\$ 500,000	\$ -	\$ 500,000

MOSAIC HEALTH  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of December 31, 2023 are restricted as follows:

	Purpose	Periods
Lutheran Coalition MMU	\$ 1,957	\$ -
Total	\$ 1,957	\$ -

**NOTE 9 - AVAILABILITY AND LIQUIDITY**

The following represents the Center’s financial assets at December 31, 2023:

Financial assets at year-end:	
Cash and cash equivalents	\$ 407,764
Investments	500,000
Total financial assets at year-end	907,764
Less amounts not available for general expenditures within one year:	
Net assets with period restrictions in excess of one year	-
Net assets with purpose restrictions	1,957
Total amounts not available to meet general expenditures with one year	1,957
Financial assets available to meet general expenditures within one year	\$ 905,807

**NOTE 10 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through February 19, 2024, the date the financial statements were available to be issued, and noted no reportable events.