THE JESUIT PROGRAM FOR LIVING AND LEARNING OF NORTHEASTERN OHIO, INC. (dba BOYS HOPE GIRLS HOPE OF NORTHEASTERN OHIO) AND BOYS HOPE GIRLS HOPE ACADEMY PROGRAM

CONSOLIDATED FINANCIAL REPORT

JUNE 30, 2023 and 2022

MALONEY + NOVOTNY LLC

THE JESUIT PROGRAM FOR LIVING AND LEARNING OF NORTHEASTERN OHIO, INC.
(dba BOYS HOPE GIRLS HOPE OF NORTHEASTERN OHIO) AND BOYS HOPE
GIRLS HOPE ACADEMY PROGRAM

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Independent Auditors' Report

To the Board of Directors
The Jesuit Program for Living and Learning of Northeastern Ohio, Inc.
(dba Boys Hope Girls Hope of Northeastern Ohio) and Boys Hope
Girls Hope Academy Program
Cleveland, Ohio

Opinion

We have audited the consolidated financial statements of The Jesuit Program for Living and Learning of Northeastern Ohio, Inc. (dba Boys Hope Girls Hope of Northeastern Ohio) and Boys Hope Girls Hope Academy Program (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of The Jesuit Program for Living and Learning of Northeastern Ohio, Inc. (dba Boys Hope Girls Hope of Northeastern Ohio) and Boys Hope Girls Hope Academy Program as of June 30, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of The Jesuit Program for Living and Learning of Northeastern Ohio, Inc. (dba Boys Hope Girls Hope of Northeastern Ohio) and Boys Hope Girls Hope Academy Program and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 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 The Jesuit Program for Living and Learning of Northeastern Ohio, Inc. (dba Boys Hope Girls Hope of Northeastern Ohio) and Boys Hope Girls Hope Academy Program's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audits of the 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but it is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 GAAS, 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 The Jesuit Program for Living and Learning of Northeastern Ohio, Inc. (dba Boys Hope Girls Hope of Northeastern Ohio) and Boys Hope Girls Hope Academy Program'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 The Jesuit Program for Living and Learning of Northeastern Ohio, Inc. (dba Boys Hope Girls Hope of Northeastern Ohio) and Boys Hope Girls Hope Academy Program'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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Maloney + Novotny LLC

Cleveland, Ohio
September 28, 2023

THE JESUIT PROGRAM FOR LIVING AND LEARNING OF NORTHEASTERN OHIO, INC.
(dba BOYS HOPE GIRLS HOPE OF NORTHEASTERN OHIO) AND BOYS HOPE
GIRLS HOPE ACADEMY PROGRAM

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2023 and 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	$ 1,187,748	$ 1,178,948
Investments	5,463,095	5,362,241
Pledges receivable short-term, net	416,778	288,849
Total current assets	7,067,621	6,830,038
PROPERTY AND EQUIPMENT - NET	6,915,712	6,985,360
OTHER ASSETS		
Pledges receivable long-term, net	418,958	-
Note receivable	3,481,200	3,481,200
Right-of-use asset - operating	34,903	-
Other asset	54,263	54,385
	3,989,324	3,535,585
Total assets	$ 17,972,657	$ 17,350,983
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 88,209	$ 89,003
Accrued expenses	175,862	177,257
Deferred income	72,590	1,390
Current portion of operating lease liabilities	13,132	-
Total current liabilities	349,793	267,650
LONG-TERM DEBT, NET	5,637,500	5,635,000
OPERATING LEASE LIABILITIES, NET OF CURRENT PORTION	21,771	-
NET ASSETS		
Without donor restrictions		
Undesignated	5,224,533	5,436,011
Designated by Board of Directors	3,930,612	3,778,541
Total net assets without donor restrictions	9,155,145	9,214,552
With donor restrictions	2,808,448	2,233,781
Total net assets	11,963,593	11,448,333
Total liabilities and net assets	$ 17,972,657	$ 17,350,983

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

THE JESUIT PROGRAM FOR LIVING AND LEARNING OF NORTHEASTERN OHIO, INC.
(dba BOYS HOPE GIRLS HOPE OF NORTHEASTERN OHIO) AND BOYS HOPE GIRLS HOPE ACADEMY PROGRAM

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended June 30, 2023 and 2022

	2023	2022
NET ASSETS WITHOUT DONOR RESTRICTIONS		
SUPPORT AND REVENUES		
Support		
Contributions of cash and financial assets	$ 1,242,778	$ 1,111,459
Contributions of nonfinancial assets	81,885	88,308
Special events	314,815	485,482
	1,639,478	1,685,249
Revenues		
Investment income	113,965	82,363
Realized and unrealized gain (loss) on marketable securities	545,157	(1,241,649)
Net assets released from restrictions	761,848	621,822
	1,420,970	(537,464)
Total support and revenues	3,060,448	1,147,785
EXPENSES		
Program services	2,307,165	1,946,116
Supporting services		
Fundraising	501,944	531,047
Administrative and general	336,611	303,040
Total expenses	3,145,720	2,780,203
DECREASE IN NET ASSETS FROM OPERATIONS	(85,272)	(1,632,418)
OTHER INCOME (EXPENSES)		
Interest expense	(57,000)	(57,000)
Other income	82,865	66,464
Total other income (expenses)	25,865	9,464
	(59,407)	(1,622,954)
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	1,336,515	371,967
Net assets released from restrictions	(761,848)	(621,822)
	574,667	(249,855)
INCREASE (DECREASE) IN NET ASSETS	515,260	(1,872,809)
NET ASSETS – BEGINNING OF YEAR	11,448,333	13,321,142
NET ASSETS – END OF YEAR	$ 11,963,593	$ 11,448,333

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

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(dba BOYS HOPE GIRLS HOPE OF NORTHEASTERN OHIO) AND BOYS HOPE GIRLS HOPE ACADEMY PROGRAM

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30, 2023 and 2022

	2023			
		Supporting Services		
	Program Services	Fundraising	Administrative and General	Total
Salaries and wages	$ 840,804	189,353	$ 90,084	$ 1,120,241
Contract labor	273,942	59,716	25,244	358,902
Special events		137,956		137,956
Assistance to youths	247,809	159	286	248,254
Taxes and benefits	155,040	40,027	11,399	206,466
Building utilities	79,733		9,092	88,825
Insurance	78,967		4,569	83,536
Depreciation and amortization	237,655		126,395	364,050
Administrative	110,423	46,406	37,642	194,471
Transportation	57,255	52	500	57,807
Building maintenance	55,425	244	4,324	59,993
National assessment	24,901	8,300	8,300	41,501
Building furnishings	21,410		994	22,404
Professional fees	54,060	19,520	17,770	91,350
Special programs	54,379			54,379
Domestic supplies	15,362	211	12	15,585
Total expenses	$ 2,307,165	$ 501,944	$ 336,611	$ 3,145,720

	2022			
		Supporting Services		
	Program Services	Fundraising	Administrative and General	Total
Salaries and wages	$ 536,089	$ 156,000	$ 68,772	$ 760,861
Contract labor	386,510	71,223	44,722	502,455
Special events		212,242		212,242
Assistance to youths	238,318	32	1,007	239,357
Taxes and benefits	105,657	27,933	12,935	146,525
Building utilities	66,159		5,837	71,996
Insurance	64,315		5,161	69,476
Depreciation and amortization	229,524		118,505	348,029
Administrative	68,903	51,377	30,257	150,537
Transportation	72,828	343	809	73,980
Building maintenance	65,637		2,890	68,527
National assessment	24,106	8,035	8,035	40,176
Building furnishings	11,247		723	11,970
Professional fees	12,696	3,070	3,070	18,836
Special programs	54,757			54,757
Domestic supplies	9,370	792	317	10,479
Total expenses	$ 1,946,116	$ 531,047	$ 303,040	$ 2,780,203

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

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GIRLS HOPE ACADEMY PROGRAM

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended June 30, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	$ 515,260	$ (1,872,809)
Adjustments to reconcile (decrease) increase in net assets to net cash (used in) provided by operating activities:		
Change in discount on pledges receivable	23,042	-
Depreciation	361,550	345,529
Amortization of right-of-use asset	17,923	-
Amortization of debt issuance costs	2,500	2,500
Realized and unrealized (gains) losses on marketable securities	(545,157)	1,241,649
Changes in operating assets and liabilities:		
(Increase) decrease in pledges receivable	(569,929)	218,585
Decrease (increase) in other assets	122	(47,308)
(Decrease) increase in accounts payable	(794)	3,262
(Decrease) increase in accrued expenses	(1,395)	78,226
Increase in deferred income	71,200	1,390
(Decrease) in operating lease liabilities	(17,923)	-
Total adjustments	(658,861)	1,843,833
Net cash used in operating activities	(143,601)	(28,976)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments - marketable securities	444,303	-
Purchases of investments - marketable securities	-	(144,863)
Purchases of property and equipment	(291,902)	(118,733)
Net cash provided by (used in) investing activities	152,401	(263,596)
NET INCREASE (DECREASE) IN CASH	8,800	(292,572)
CASH – BEGINNING OF YEAR	1,178,948	1,471,520
CASH – END OF YEAR	$ 1,187,748	$ 1,178,948
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Interest	$ 57,000	$ 57,000

Noncash transaction during fiscal year 2023:

On July 1, 2022, and as described in Note 1.L., the Association implemented ASU No. 2016-02. As a result, right-of-use assets and liabilities in the amount of $11,739 were recorded in the consolidated statement of financial position to reflect the Association's lease arrangements.

	2023	2022
Lease liabilities arising from obtaining right-of-use assets	$ 41,087	$ -

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

Note 1. Summary of Significant Accounting Policies

A. Nature of Activities – The Jesuit Program for Living and Learning of Northeastern Ohio, Inc. (dba Boys Hope Girls Hope of Northeastern Ohio) (the "Organization") (an Ohio nonprofit organization) is located in Garfield Heights, Ohio. The Organization was organized as a not-for-profit corporation on November 7, 1986 and is a separately incorporated affiliate of Boys Hope Girls Hope (the "National Program"). The purpose of the Organization is to help academically capable and motivated children-in-need to meet their full potential and become men and women for others by providing value-centered, family-life home, opportunities, and education from middle school through college. The Organization places these boys and girls in a family environment that allows them to mature and succeed through guidance, education, financial support, and encouragement. Various activities are sponsored to secure support from the public for the needs and overall direction of the Organization.

Boys Hope Girls Hope Academy Program was formed on March 21, 2018 and was created for the purpose of purchasing a building for the sole benefit of Boys Hope Girls Hope of Northeastern Ohio. Boys Hope Girls Hope of Northeastern Ohio entered into a transaction with Boys Hope Girls Hope Academy Program to lease the building to Boys Hope Girls Hope of Northeastern Ohio.

B. Principles of Consolidation – Accounting principles generally accepted in the United States of America ("GAAP") require a not-for-profit entity to consolidate another not-for-profit entity when the reporting entity has control through a majority voting interest in its Board and has an economic interest in that other entity. The consolidated financial statements include the amounts of The Jesuit Program for Living and Learning of Northeastern Ohio, Inc. (dba Boys Hope Girls Hope of Northeastern Ohio) and its special purpose entity, Boys Hope Girls Hope Academy Program (collectively the "Association"). All significant intercompany transactions have been eliminated.

C. Basis of Presentation – The accompanying consolidated financial statements have been prepared on the accrual basis of accounting. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

Net assets without donor restrictions – This category includes net assets that are not subject to donor-imposed restrictions. Periodically, the Association's Board voluntarily transfers amounts from operating funds to the endowment fund, which is accounted for as a quasi-endowment. As this amount is a Board-designated endowment and not restricted by a donor, it is included in net assets without donor restrictions. Earnings from this endowment have been designated to be reinvested until such time that the Board determines to do otherwise. Earnings and losses are accounted for as increases and decreases, respectively, in net assets without donor restrictions.

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Net assets with donor restrictions – This category includes net assets subject to donor-imposed stipulations that may or will be met by actions of the Association and/or the passage of time. This category also includes net assets subject to restrictions of gift instruments which require that the principal be invested in perpetuity. The income or loss from investment of these assets is to be included in the investment income or loss of net assets with donor restrictions, as appropriate, in the consolidated statements of activities. Annual investment earnings of the endowments are to be used for the charitable objectives of the Association, with no specific donor-imposed restrictions, except the annual investment earnings of the GAR Foundation are to be used for the Hope Prep program. The Board of Directors has designated all income from these endowments, including capital gains, to be reinvested until such time that the Board determines to do otherwise.

D. Contributions and Pledges Receivable – Contributions received are recorded as support with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions. Unconditional pledges receivable are recognized as revenues with donor restrictions in the period the promise is received. Conditional pledges receivable are recognized when the conditions on which they depend are met. The pledges are stated at their estimated realizable value.

Pledges receivable are reflected in the consolidated statements of financial position net of an allowance for doubtful accounts of $-0- at June 30, 2023 and 2022. The Association determines its allowance by considering a number of factors, including the length of time pledges are past due and the donor's current ability to pay its pledges to the Association. The Association writes off pledges receivable when they are determined to be uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts.

Pledges that are to be received over a period of years are discounted to their present value assuming their respective payment terms and a discount rate of 5.50%. All long-term pledges are to be collected within the next five years. The discount is amortized into contribution revenue over the term of the respective pledge agreement. The discount at June 30, 2023 and 2022 was $23,042 and $-0-, respectively.

Conditional contributions are recognized as revenue when the conditions on which they depend on have been met. Contributions and grants are conditional upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Consequently, at June 30, 2023 and 2022, contributions approximating $613,615 and $1,084,564, respectively, of which no amounts have been received in advance, have not been recognized in the accompanying consolidated financial statements because the conditions have not yet been met.

Note 1. Summary of Significant Accounting Policies (Continued)

E. Use of Estimates – The preparation of financial statements in conformity with GAAP 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.

F. Concentrations of Credit Risk – The Association has significant investments in equity and debt securities and is, therefore, subject to concentrations of credit risk. Investments are managed by the finance committee who is supervised by the Board of Directors. Though the market value of investments is subject to fluctuations on a year-to-year basis, the Board of Directors believes that the investment policy is prudent for the long-term welfare of the Association. In addition, the Association maintains cash in financial institutions, which may exceed federally insured amounts.

G. Investments – The Association invests its endowment funds in various marketable securities that are included in the consolidated statements of financial position at quoted market values.

H. Property and Equipment – Property and equipment are stated at cost. The Association capitalizes expenditures for building, furniture, and equipment that exceed $2,500 and computer equipment costs that exceed $1,000. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	5 - 50 years
Furniture and equipment	5 - 10 years
Vehicles	5 years

Maintenance and repairs are charged to expense as incurred.

I. Income Tax Status – The Association is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. It believes it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to the consolidated financial statements. The Association's federal Exempt Organization Business Returns are subject to examination by the IRS, generally for three years after they were filed. Annual informational returns are filed by the National Program.

J. Functional Expenses – The costs of providing various programs and related supporting services have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated to the appropriate program and supporting services. The consolidated financial statements report certain categories of expenses that are attributable to more than one program or support function. The expenses include salaries and wages which are allocated based on department, job classification, time estimates, and management and general tasks. Other costs are classified in each functional category based on the underlying purpose of each transaction.

Note 1. Summary of Significant Accounting Policies (Continued)

K. Loan Fees – The capitalized loan fees are related to the acquisition of term debt. These fees are amortized using the straight-line method, which approximates the effective interest method, over the life of the loan. Amortization expense related to the loan fees for the years ended June 30, 2023 and 2022 was $2,500. Amortization of loan fees is included in interest expense. Future amortization of loan fees for each of the next twenty-six years will be $2,500.

L. Adoption of New Accounting Standard – In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2016-02 *Leases (Topic 842)*, and has subsequently issued supplemental and clarifying ASUs (collectively "ASC 842"). The amendments in ASC 842 changed the existing accounting standards for lease accounting, including requiring lessee to recognize most operating leases on their balance sheets. ASC 842 requires a modified retrospective transition approach for all existing leases existing at, or entered into after, the date of initial application, with an option to use certain transition relief. Upon its adoption of ASC 842 on July 1, 2022, the Association adopted the package of practical expedients for all leases that commenced before the effective date of July 1, 2022. Accordingly, the Association 1) did not reassess whether any expired or existing contracts are or contain leases, 2) did not reassess the lease classification for any expired or existing leases and 3) did not reassess initial direct costs for any existing leases.

Operation lease right-of-use ("ROU") assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. As the Association's leases generally do not include an implicit rate, the Association used the rate that would be used if using a lender to purchase the asset over the time frame of the lease to determine the present value of future payments. The operating lease ROU asset also includes any payments made and excludes lease incentives and any initial direct costs incurred. The Association's operating lease ROU assets and operating lease liabilities are calculated including options to extend the lease when it is reasonably certain that the Association will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the term of the lease.

M. Subsequent Events – The Association evaluated subsequent events through September 28, 2023, the date these consolidated financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these consolidated financial statements.

N. Reclassifications – Certain reclassifications have been made to prior balances to conform with current year presentation.

Note 2. Investments

Investments are stated at fair value and consist of the following at June 30:

	2023	2022
Stock index funds	$ 4,155,609	$ 2,960,397
Money market funds	42,851	139,523
Bond index funds	919,458	1,316,202
International growth funds	337,891	939,989
Strategic equity funds	7,286	6,130
	$ 5,463,095	$ 5,362,241

Note 3. Fair Value Measurements

GAAP requires disclosure of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into the following three broad categories:

Level 1 – Quoted unadjusted prices for identical instruments in active markets to which the Association has access at the date of measurement.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets. Level 2 inputs are those in markets for which there are few transactions, the prices are not current, little public information exists, or in instances where prices vary substantially over time or among brokered market makers.

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair value measurement of all financial assets at June 30, 2023 and 2022 consisted of Level 1 investments at quoted prices in active markets for identical assets.

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 Association believes its valuation methods are appropriate and consistent with other market participants, 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.

Note 4. Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30 were comprised of the following:

	2023	2022
F. J. O'Neill Endowment	$ 1,185,000	$ 1,185,000
National Program Match	250,000	250,000
GAR Foundation	100,000	100,000
All others	1,296,991	698,781
	$ 2,831,991	$ 2,233,781

The F. J. O'Neill Endowment, National Program Match, and GAR Foundation are subject to the Association's spending policy and appropriation. The remaining funds are restricted for use, focusing on providing opportunities and education to the students they serve.

Note 5. Financial Assets and Liquidity

The Association receives substantial donor-restricted gifts to establish endowments that will exist in perpetuity and contributions with donor time and purpose restrictions. The income generated from donor-restricted endowments may be donor-restricted or unrestricted as to use. In addition, the Association receives support without donor restrictions, investment income without donor restrictions, and appropriated earnings from gifts with donor restrictions to fund its general expenditures.

The Association manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining a sufficient level of asset liquidity, and
- Monitoring and maintaining reserves to provide reasonable assurance that long-term grant commitments and obligations related to endowments with donor restrictions will continue to be met, ensuring the sustainability of the Association.

As part of the Association's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Association has a $250,000 line of credit available to meet cash flow needs. The Association has Board-designated funds of $3,930,612 and $3,778,541 as of June 30, 2023 and 2022, respectively. Although the Association does not intend to spend from its Board-designated funds other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its Board-designated endowment could be made available if necessary.

Note 5. Financial Assets and Liquidity (Continued)

The following represents the Association's financial assets available for expenditure within one year of June 30:

	2023	2022
Current financial assets at year end:		
Cash	$ 1,187,748	$ 1,178,948
Marketable securities	5,463,095	5,362,241
Pledges receivable, net	835,736	288,849
	7,486,579	6,830,038
Less amounts not available to be used within one year:		
Funds with donor restrictions	(2,808,448)	(2,233,781)
Funds with Board designations	(3,930,612)	(3,778,541)
	(6,739,060)	(6,012,322)
Financial assets available to meet general expenditures over the next twelve months	$ 747,519	$ 817,716

Note 6. Property and Equipment

Property and equipment as of June 30 consist of:

	2023	2022
Land	$ 136,136	$ 136,136
Buildings and building improvements	8,723,697	8,675,293
Furniture and equipment	642,364	650,654
Vehicles	136,387	62,787
Construction in progress	216,224	79,656
	9,854,808	9,604,526
Less: accumulated depreciation	(2,939,096)	(2,619,166)
	$ 6,915,712	$ 6,985,360

Note 7. Note Receivable

The Association has a note receivable with monthly installments that include interest only payments at 1.64% through September 2025, the date at which quarterly amortizing payments begin in the amount of $55,921, through June 2043. This note receivable was provided to facilitate a New Market Tax Credit ("NMTC") under federal tax law (see Note 8). At June 30, 2023 and 2022, the amount outstanding was $3,481,200.

Note 7. Note Receivable (Continued)

Minimum future receipts are as follows:

Year Ending June 30,	
2024	$ -
2025	-
2026	223,684
2027	223,684
2028	223,684
Thereafter	2,810,148
	$ 3,481,200

Note 8. Long-Term Debt, Net

Long-term debt consists of the following at June 30:

	2023	2022
Note payable, which was used to facilitate an NMTC structure, to a lender in monthly installments of interest only payments, through September 2025, the date at which amortizing payments begin, through June 2048 including interest at a fixed rate of 1.00%; secured by a building with a net book value of $4,924,846 and $5,061,920 as of June 30, 2023 and 2022, respectively.	$ 3,481,200	$ 3,481,200
Note payable, which was used to facilitate an NMTC structure, to a lender in monthly installments of interest only payments, through September 2025, the date at which amortizing payments begin, through June 2048 including interest at a fixed rate of 1.00%; secured by a building with a net book value of $4,924,846 and $5,061,920 as of June 30, 2023 and 2022, respectively.	2,218,800	2,218,800
	5,700,000	5,700,000
Less: loan fees	(62,500)	(65,000)
	$ 5,637,500	$ 5,635,000

Note 8. Long-Term Debt, Net (Continued)

Future maturities of notes payable are as follows:

Year Ending June 30,	
2024	$ -
2025	-
2026	331,793
2027	331,793
2028	331,793
Thereafter	4,704,621
	5,700,000
Less: loan fees	(62,500)
	$ 5,637,500

Note 9. Endowment Disclosures

Spending Policy

The Association has a policy of appropriating for distribution 5% of its endowment fund's average fair value over the three fiscal years preceding the fiscal year in which the distribution is planned. In establishing this policy, the Association considered the long-term expected return on its endowment. This policy is consistent with the Association's objective to maintain the purchasing power of the endowment assets held in perpetuity, or for an otherwise specified term, as well as to provide additional real growth through new gifts and investment returns. During the year ended June 30, 2023, the Board of Directors approved an additional distribution of $150,000 from the board-designated endowment funds.

Return Objectives and Risk Parameters

The Association has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds, while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Association must hold in perpetuity, as well as Board-designated funds. In general, it is desired that the Association's portfolio earns at least competitive nominal returns in comparison with their respective benchmarks.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Association relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). In recognition of the difficulty in predicting the direction of the markets or the future state of the economy, the Association's assets are diversified among asset classes, managers, funds, and investment styles.

Note 9. Endowment Disclosures (Continued)

The purpose of this approach is to incorporate diversification within the investment portfolio, enhancing expected returns, and/or reducing risk of the total portfolio. This structure is reviewed by the investment committee on an ongoing basis as part of the overall monitoring process.

These allocations may vary and are designed to reflect the long-term expectations of the Association. The Finance Committee reviews the portfolio on a regular basis (at least quarterly) to consider the portfolio's asset mix relative to its target and the allowable range around the target.

The investment strategy for the Association's portfolio may include domestic and international equities and fixed income investments and alternatives. Strategies of the Association's investment manager(s) may include investing in securities in another asset category and/or in derivatives, futures contracts, and currency hedging. Alternatives include, but are not limited to, domestic and international equities, open-end and closed-end funds, real estate investment trusts, the shorting of securities, hedge funds, private equity, venture capital, and exchange-traded funds. It is expected the alternative investments in the aggregate will not increase the risk of the Association's portfolio beyond the level anticipated in the Association's investment strategy.

Net Asset Classification of Endowment Funds

The Board of Directors of the Association has interpreted the Ohio enacted version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Association classifies as net assets with donor restrictions (a) the original value of gifts donated, (b) the original value of subsequent gifts, and (c) additions to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the additions are made to the fund.

In accordance with UPMIFA, the Association 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 purpose of the Association and the donor-restricted endowment fund,
(3) general economic conditions, and
(4) the investment policies of the Association

Endowment Funds With Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Association to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets without donor restrictions. As of June 30, 2023 and 2022, no such deficiencies were noted.

Note 9. Endowment Disclosures (Continued)

Endowment Net Assets Composition by Type of Fund

	June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 1,583,700	$ 1,583,700
Board-designated endowment funds	3,729,395	-	3,729,395
	$ 3,729,395	$ 1,583,700	$ 5,313,095

	June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 1,583,700	$ 1,583,700
Board-designated endowment funds	3,478,541	-	3,478,541
	$ 3,478,541	$ 1,583,700	$ 5,062,241

Changes in Endowment Net Assets

	June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets – June 30, 2022	$ 3,478,541	$ 1,583,700	$ 5,062,241
Investment gain:			
Interest and dividends	113,965	-	113,965
Realized and unrealized gains	545,157	-	545,157
Total investment loss	659,122	-	659,122
Contributions to endowment	1,732	-	1,732
Distributions under spending policy	(410,000)	-	(410,000)
Endowment net assets – June 30, 2023	$ 3,729,395	$ 1,583,700	$ 5,313,095

Note 9. Endowment Disclosures (Continued)

	June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets – June 30, 2021	$ 4,875,327	$ 1,583,700	$ 6,459,027
Investment gain (loss):			
Interest and dividends	82,363	-	82,363
Realized and unrealized losses	(1,241,649)	-	(1,241,649)
Total investment loss	(1,159,286)	-	(1,159,286)
Contributions to endowment	2,500	-	2,500
Distributions under spending policy	(240,000)	-	(240,000)
Endowment net assets – June 30, 2022	$ 3,478,541	$ 1,583,700	$ 5,062,241

Note 10. Line of Credit

The Association has a line of credit agreement which allows for borrowings up to $250,000 through the year 2032. The line of credit is collateralized by property owned by the Association. The line of credit bears interest at the Prime Rate plus 0.50% (8.25% and 4.75% at June 30, 2023 and 2022, respectively). There were no borrowings on the line of credit as of June 30, 2023 and 2022.

Note 11. Employee Benefit Plan

The Association sponsors a 401(k) retirement plan covering all qualified employees. Employees must be employed by the Association for one year before they are eligible to participate. For employee contributions up to 3% of earnings, the Association matches 100% of employee contributions. For employee contributions of greater than 3%, the Association may match 100% of employee contributions up to 6%, at the discretion of the Association. An employee's interest in the Association's matching contributions vest according to the following table:

Years of Service	Percentage Vested
1	0%
2	20%
3	40%
4	60%
5	80%
6	100%

Note 11. Employee Benefit Plan (Continued)

All employees are 100% vested in their contributions, including earnings. The Association contributed $7,628 and $9,145 to this plan for the years ended June 30, 2023 and 2022, respectively.

Note 12. Related Party Transactions

The Association is required to pay an annual assessment to the National Program for program support, administrative, and promotional services rendered on behalf of the Association. The annual assessment was $41,501 and $40,176 for the years ended June 30, 2023 and 2022, respectively, of which $-0- remained unpaid as of June 30, 2023 and 2022.

Members of the Association's Board of Directors made personal contributions to the Association of $313,728 and $356,913 during the years ended June 30, 2023 and 2022, respectively.

Note 13. Commitments and Contingencies

Operating Leases

The Association leases certain automobiles under operating lease agreements through December 2025. The Association also leases equipment under a variable lease. Lease expense from all arrangements was $19,892 and $16,184 for the years ended June 30, 2023 and 2022, respectively. For the year ended June 30, 2023, operating lease expense was $19,644 and variable lease expense was $248.

Cash paid against the lease liability under these arrangements was $19,644 for the year ended June 30, 2023 and is included in operating cash flows.

The following table displayed the undiscounted cash flows related to operating leases as of June 30, 2023, along with a reconciliation to the discounted amount recorded in the consolidated statements of financial position. Minimum lease payments under non-cancellable leases due within the years ended June 30 were as follows:

2024	$ 15,348
2025	15,348
2026	7,674
Total undiscounted cash flows	38,370
Impact of present value discount	(3,467)
Total operating lease liabilities	$ 34,903

Note 13. Commitments and Contingencies (Continued)

As of June 30, 2023, the weighted-average remaining lease term for all operating leases is 2.42 years. Because the Association generally does not have access to the rate implicit in the lease, the Association utilized its incremental borrowing rate as the discount rate. The weighted-average discount rate associated with operating lease as of June 30, 2023 is 8.0%.

Lien

The Association has a lien against one of its properties. The lien specifies that, upon the first sale or transfer of the property to a grantee which is other than a Roman Catholic organization, the sum of $180,380, along with simple interest accruing at the rate of 2% per annum beginning on April 4, 2005, is due to the Roman Catholic Diocese of Cleveland. However, the total amount of said obligation may not exceed the assessed value of the property on the date of said first transfer of the property to a grantee which is other than a Roman Catholic organization.

Property and Equipment

The Association had $216,224 of property and equipment which was not in service at June 30, 2023 and is included in the consolidated statements of financial position as property and equipment. The total amount of construction in progress is expected to be placed in service during fiscal year 2024, with minimal additional costs to finalize.

Note 14. Contributed Nonfinancial Assets

The Association recognized contributed nonfinancial assets within revenue, including contributed tuition, computers, services, and vehicles. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

The Association received $68,715 and $73,710 in contributed tuition for scholars at middle school and high school levels during the years ended June 30, 2023 and 2022, respectively.

The Association receives a significant amount of donated services (general assistance, fundraising events, etc.) from unpaid volunteers who assist in fundraising and special projects. The Association recognizes significant contributions of services received when those services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by the donor. The Association recognized revenue from contributed services of $13,170 and $14,598 for the years ended June 30, 2023 and 2022, respectively.

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Independent Auditors' Report on Supplementary Information

To the Board of Directors
The Jesuit Program for Living and Learning of Northeastern Ohio, Inc.
(dba Boys Hope Girls Hope of Northeastern Ohio) and Boys Hope
Girls Hope Academy Program
Cleveland, Ohio

We have audited the consolidated financial statements of The Jesuit Program for Living and Learning of Northeastern Ohio, Inc. (dba Boys Hope Girls Hope of Northeastern Ohio) and Boys Hope Girls Hope Academy Program as of and for the years ended June 30, 2023 and 2022, and our report thereon dated September 28, 2023, which expressed an unmodified opinion on those consolidated financial statements, appears on pages 1-2. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidating statement of financial position at June 30, 2023 and consolidating statement of activities and changes in net assets for the year ended June 30, 2023 are presented for purposes of additional analysis and are not 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 has been subjected to the auditing procedures applied in the audits 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 is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Maloney + Novotny LLC

Cleveland, Ohio
September 28, 2023

THE JESUIT PROGRAM FOR LIVING AND LEARNING OF NORTHEASTERN OHIO, INC.
(dba BOYS HOPE GIRLS HOPE OF NORTHEASTERN OHIO) AND BOYS HOPE
GIRLS HOPE ACADEMY PROGRAM

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2023

	Boys Hope Girls Hope	Boys Hope Girls Hope Academy Program	Eliminations	Total
ASSETS				
CURRENT ASSETS				
Cash	$ 1,118,748	$ 69,000	$ -	$ 1,187,748
Investments	5,463,095	-	-	5,463,095
Intercompany receivable	431,180	-	(431,180)	-
Pledges receivable short-term, net	416,778	-	-	416,778
Total current assets	7,429,801	69,000	(431,180)	7,067,621
PROPERTY AND EQUIPMENT - NET	1,990,866	4,924,846	-	6,915,712
OTHER ASSETS				
Pledges receivable long-term, net	418,958	-	-	418,958
Note receivable	3,481,200	-	-	3,481,200
Right-of-use asset - operating	34,903	-	-	34,903
Other asset	54,263	-	-	54,263
	3,989,324	-	-	3,989,324
Total assets	$ 13,409,991	$ 4,993,846	$ (431,180)	$ 17,972,657
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	$ 88,209	$ -	$ -	$ 88,209
Accrued expenses	175,862	-	-	175,862
Deferred revenue	72,590	-	-	72,590
Current portion of operating lease liabilities	13,132	-	-	13,132
Intercompany payable	-	431,180	(431,180)	-
Total current liabilities	349,793	431,180	(431,180)	349,793
LONG-TERM DEBT, NET	-	5,637,500	-	5,637,500
OPERATING LEASE LIABILITIES, NET OF CURRENT PORTION	21,771	-	-	21,771
NET ASSETS				
Without donor restrictions				
Undesignated	6,299,367	(1,074,834)	-	5,224,533
Designated by Board of Directors	3,930,612	-	-	3,930,612
Total net assets without donor restrictions	10,229,979	(1,074,834)	-	9,155,145
With donor restrictions	2,808,448	-	-	2,808,448
Total net assets	13,038,427	(1,074,834)	-	11,963,593
Total liabilities and net assets	$ 13,409,991	$ 4,993,846	$ (431,180)	$ 17,972,657

THE JESUIT PROGRAM FOR LIVING AND LEARNING OF NORTHEASTERN OHIO, INC.
(dba BOYS HOPE GIRLS HOPE OF NORTHEASTERN OHIO) AND BOYS HOPE
GIRLS HOPE ACADEMY PROGRAM

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2023

	Boys Hope Girls Hope	Boys Hope Girls Hope Academy Program	Eliminations	Total
NET ASSETS WITHOUT DONOR RESTRICTIONS				
SUPPORT AND REVENUES				
Support				
Contributions of cash and financial assets	$ 1,472,304	$ -	$ (229,526)	$ 1,242,778
Contributions of nonfinancial assets	81,885	-	-	81,885
Special events	314,815	-	-	314,815
	1,869,004	-	(229,526)	1,639,478
Revenues				
Investment income	113,965	-	-	113,965
Realized and unrealized gain on marketable securities	545,157	-	-	545,157
Net assets released from restrictions	761,848	-	-	761,848
	1,420,970	-	-	1,420,970
Total support and revenues	3,289,974	-	(229,526)	3,060,448
EXPENSES				
Program services	2,418,117	405,100	(516,052)	2,307,165
Supporting services				
Fundraising	501,944	-	-	501,944
Administrative and general	336,611	-	-	336,611
Total expenses	3,256,672	405,100	(516,052)	3,145,720
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	33,302	(405,100)	286,526	(85,272)
OTHER INCOME (EXPENSES)				
Interest expense	-	(57,000)	-	(57,000)
Other income	82,865	-	-	82,865
Rental income	-	286,526	(286,526)	-
Total other income (expenses)	82,865	229,526	(286,526)	25,865
	116,167	(175,574)	-	(59,407)
NET ASSETS WITH DONOR RESTRICTIONS				
Contributions	1,336,515	-	-	1,336,515
Net assets released from restrictions	(761,848)	-	-	(761,848)
	574,667	-	-	574,667
INCREASE (DECREASE) IN NET ASSETS	690,834	(175,574)	-	515,260
NET ASSETS – BEGINNING OF YEAR	12,347,593	(899,260)	-	11,448,333
NET ASSETS – END OF YEAR	$ 13,038,427	$ (1,074,834)	$ -	$ 11,963,593