Provident, Inc.

Independent Auditor's Report and Consolidated Financial Statements

December 31, 2022 and 2021

Provident, Inc.

December 31, 2022 and 2021

Contents

FORV/S

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Independent Auditor's Report

Board of Directors
Provident, Inc.
St. Louis, Missouri

Opinion

We have audited the consolidated financial statements of Provident, Inc. and its subsidiary (Organization), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2022 and 2021, 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 "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are required to be independent of the Organization and its subsidiary 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.

Emphasis of Matter

As discussed in Note 8 to the consolidated financial statements, in 2022, the Organization adopted the Accounting Standards Update 2016-02 (Topic 842), *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated 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 Organization's ability to continue as a going concern within one year after the date that these 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 GAAS 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 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 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 Organization'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 Organization'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements that collectively comprise the Organization's basic financial statements. The consolidating statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements.

The consolidating statements have not been subjected to the auditing procedures applied in the audits of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

FORVIS, LLP

St. Louis, Missouri
June 28, 2023

Provident, Inc.
Consolidated Statements of Financial Position
December 31, 2022 and 2021

Assets

	2022	2021
Cash	$ 886,842	$ 1,321,849
Investments	1,526,000	3,328,550
Accounts receivable		
Clients, net of allowance; $80,000 for 2022; $100,000 for 2021	671,225	584,242
Contributions and grants receivable	-	300,000
United Way	1,699,742	1,656,689
Prepaid expenses and other assets	194,893	128,682
Beneficial interest in perpetual trust	1,021,546	1,262,435
Property and equipment, net	3,463,653	3,452,939
Right-of-use assets - operating	271,196	-
Total assets	$ 9,735,097	$ 12,035,386

Liabilities and Net Assets

	2022	2021
Liabilities		
Accounts payable	$ 114,969	$ 135,449
Accrued expenses and other liabilities	341,958	266,832
Deferred revenue	152,715	135,730
Deferred revenue - Paycheck Protection Program	-	225,900
Operating lease liabilities	272,123	-
Long-term debt	679,352	742,504
Accrued pension liability	-	2,101,194
Total liabilities	1,561,117	3,607,609
Net Assets		
Without donor restrictions		
Undesignated	3,679,425	1,500,030
Designated by the Board for endowment	1,463,000	3,265,550
	5,142,425	4,765,580
With donor restrictions	3,031,555	3,662,197
Total net assets	8,173,980	8,427,777
Total liabilities and net assets	$ 9,735,097	$ 12,035,386

Provident, Inc.

Consolidated Statements of Activities

Years Ended December 31, 2022 and 2021

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support			
Program services	$ 6,051,725	$ 140,600	$ 6,192,325
Paycheck Protection Program loan forgiveness	225,900	-	225,900
Contributions and grants			
United Way	51	1,699,742	1,699,793
Government grants	-	-	-
Contributed services	127,765	-	127,765
Other	566,893	237,352	804,245
	6,972,334	2,077,694	9,050,028
Investment return designated for current operations			
Trust distributions	84,009	-	84,009
Net assets released from restrictions			
United Way	1,656,689	(1,656,689)	-
Other	810,758	(810,758)	-
Total revenues, gains and other support	9,523,790	(389,753)	9,134,037
Expenses			
Program services			
Counseling	5,951,677	-	5,951,677
Resident services	1,627,794	-	1,627,794
Community services	879,010	-	879,010
Crisis services	2,432,235	-	2,432,235
Total program services	10,890,716	-	10,890,716
Management and general	1,672,792	-	1,672,792
Fundraising	498,647	-	498,647
Total expenses	13,062,155	-	13,062,155
Change in Net Assets Before Other Changes	(3,538,365)	(389,753)	(3,928,118)
Other Changes			
Investment gain (loss) in excess of amounts designated for current operations	(415,326)	-	(415,326)
Change in beneficial interest in trusts	-	(240,889)	(240,889)
Pension related changes other than periodic pension cost	4,330,536	-	4,330,536
Loss on disposal of equipment	-	-	-
Net Increase (Decrease) in Net Assets	376,845	(630,642)	(253,797)
Net Assets, Beginning of Year	4,765,580	3,662,197	8,427,777
Net Assets, End of Year	$ 5,142,425	$ 3,031,555	$ 8,173,980

2021		
Without Donor Restrictions	**With Donor Restrictions**	**Total**
$ 4,169,435	$ 777,299	$ 4,946,734
637,500	-	637,500
-	1,968,792	1,968,792
62,583	-	62,583
146,416	-	146,416
646,881	227,602	874,483
5,662,815	2,973,693	8,636,508
70,647	-	70,647
1,615,023	(1,615,023)	-
777,942	(777,942)	-
8,126,427	580,728	8,707,155
2,842,882	-	2,842,882
1,796,607	-	1,796,607
797,869	-	797,869
1,334,857	-	1,334,857
6,772,215	-	6,772,215
1,036,978	-	1,036,978
457,313	-	457,313
8,266,506	-	8,266,506
(140,079)	580,728	440,649
261,288	-	261,288
-	129,291	129,291
572,567	-	572,567
-	-	-
693,776	710,019	1,403,795
4,071,804	2,952,178	7,023,982
$ 4,765,580	$ 3,662,197	$ 8,427,777

Provident, Inc.

Consolidated Statement of Functional Expenses

Year Ended December 31, 2022

	Program Services				Supporting Services		
	Counseling	Resident Services	Community Services	Crisis Services	Management and General	Fundraising	Total Expenses
Salaries and wages	$ 2,222,367	$ 618,793	$ 444,161	$ 1,791,868	$ 673,736	$ 314,452	$ 6,065,377
Employee benefits	188,696	74,246	9,563	70,747	33,858	29,994	407,104
Payroll taxes	162,766	49,445	37,810	131,500	39,014	22,882	443,417
Pension expense	2,833,441	19,462	254,343	223,878	577,850	39,324	3,948,298
Total salaries, wages and related expenses	5,407,270	761,946	745,877	2,217,993	1,324,458	406,652	10,864,196
Professional fees	93,147	111,901	27,786	62,616	100,447	11,263	407,160
Supplies	9,002	99,122	27,332	4,951	15,632	10,213	166,252
Telephone	37,750	19,408	4,807	20,245	7,641	134	89,985
Postage and shipping	5,378	288	-	-	466	1,811	7,943
Occupancy	189,822	49,399	21,362	33,493	34,329	-	328,405
Repairs and maintenance	73,190	72,284	7,845	16,170	35,675	5,777	210,941
Printing and publications	18,873	1,604	300	5,270	25,093	1,568	52,708
Travel	2,700	3,587	7,270	8,990	16,821	29,740	69,108
Staff training and development	15,233	2,782	1,150	1,845	2,008	165	23,183
Food and beverage	-	153,713	-	-	-	-	153,713
Miscellaneous	19,455	29,879	22	858	10,663	3,326	64,203
Interest	10,348	-	6,535	10,347	10,590	-	37,820
Insurance - liability	33,016	62,568	5,349	8,470	14,951	-	124,354
Temporary help	-	220,064	-	-	-	-	220,064
Marketing and communications	3,928	4,250	2,808	8,423	40,693	27,998	88,100
Depreciation and amortization	32,565	34,999	20,567	32,564	33,325	-	154,020
	$ 5,951,677	$ 1,627,794	$ 879,010	$ 2,432,235	$ 1,672,792	$ 498,647	$ 13,062,155

Provident, Inc.

Consolidated Statement of Functional Expenses

Year Ended December 31, 2021

	Program Services				Supporting Services		
	Counseling	Resident Services	Community Services	Crisis Services	Management and General	Fundraising	Total Expenses
Salaries and wages	$ 1,761,062	$ 728,140	$ 567,701	$ 1,033,344	$ 532,801	$ 303,244	$ 4,926,292
Employee benefits	152,990	100,824	20,997	42,783	25,785	24,736	368,115
Payroll taxes	131,422	53,647	43,408	64,671	32,240	22,213	347,601
Pension expense	256,851	22,403	15,109	11,332	90,652	3,778	400,125
Total salaries, wages and related expenses	2,302,325	905,014	647,215	1,152,130	681,478	353,971	6,042,133
Professional fees	64,588	142,332	23,508	38,124	173,296	12,358	454,206
Supplies	10,062	123,571	37,907	2,667	11,141	362	185,710
Telephone	64,901	21,916	7,943	9,500	6,193	360	110,813
Postage and shipping	5,054	245	-	-	457	1,869	7,625
Occupancy	192,231	55,353	20,318	32,380	32,893	5,480	338,655
Repairs and maintenance	64,205	98,917	9,221	16,537	17,163	5,371	211,414
Printing and publications	15,114	2,761	600	1,063	20,232	1,242	41,012
Travel	2,717	5,950	6,255	7,278	6,843	21,552	50,595
Staff training and development	14,584	325	4,207	5,370	1,525	20	26,031
Food and beverage	-	169,413	-	-	-	-	169,413
Miscellaneous	22,194	25,924	2,103	5,176	12,836	4,638	72,871
Interest	14,266	1,883	9,010	14,266	14,600	-	54,025
Insurance - liability	31,381	51,556	5,614	7,686	14,129	-	110,366
Temporary help	-	159,646	-	-	-	-	159,646
Marketing and communications	5,892	2,690	2,895	9,313	10,045	50,090	80,925
Depreciation and amortization	33,368	29,111	21,073	33,367	34,147	-	151,066
	$ 2,842,882	$ 1,796,607	$ 797,869	$ 1,334,857	$ 1,036,978	$ 457,313	$ 8,266,506

Provident, Inc.

Consolidated Statements of Cash Flows

Years Ended December 31, 2022 and 2021

	2022	2021
Operating Activities		
Change in net assets	$ (253,797)	$ 1,403,795
Items not requiring (providing) cash		
Depreciation and amortization	154,020	151,066
Noncash operating lease expense	181,681	-
Gain (loss) on beneficial interest in trusts	240,889	(129,291)
Non-cash pension related charges	(4,330,536)	(572,567)
Provision for losses on receivables	(20,083)	76,179
Net realized and unrealized losses (gains) on investments	465,739	(205,133)
Forgiveness benefit from the Paycheck Protection Program	(225,900)	(637,500)
Changes in		
Receivables	190,047	(713,798)
Prepaid expenses and other assets	(66,211)	(40,275)
Accounts payable, accrued expenses and deferred revenue	71,631	67,464
Deferred revenue - Paycheck Protection Program	-	225,900
Accrued pension liability	2,229,342	377,722
Operating lease liabilities	(180,754)	-
Net cash provided by (used in) operating activities	(1,543,932)	3,562
Investing Activities		
Purchase of property and equipment	(164,734)	(69,182)
Purchase of investments	(1,816,308)	(1,452,435)
Proceeds from disposition of investments	3,153,119	961,705
Net cash provided by (used in) investing activities	1,172,077	(559,912)
Financing Activity		
Principal payments on long-term debt	(63,152)	(322,930)
Net cash used in financing activity	(63,152)	(322,930)
Decrease in Cash	(435,007)	(879,280)
Cash, Beginning of Year	1,321,849	2,201,129
Cash, End of Year	$ 886,842	$ 1,321,849
Supplemental Cash Flows Information		
Interest paid	$ 35,691	$ 51,063

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Provident, Inc. ("Provident"), doing business as Provident Behavioral Health, is a voluntary not-for-profit community service organization serving St. Louis City, St. Louis County, Jefferson County, and beyond through a spectrum of behavioral health services, from education and prevention services, to intervention and treatment, to advocacy. Provident aims to provide exceptional services directly to clients through outpatient counseling and psychiatric services, 24/7 crisis services, and afterschool programming, but also focuses on expanding the future workforce of mental health professionals through training opportunities. Equipping professionals and community members with these skills will reduce barriers to accessing quality behavioral health services and expand the ability to reach underserved populations. Funding for these services is provided through fee for service (including client fees, insurance, and contracts); foundation, corporate and government grants; donor contributions; and through the federated campaign of the United Way of Greater St. Louis.

Mary Ryder Home ("MRH") is the only licensed Residential Care II facility in St. Louis that accepts residents who have no family or means of financially supporting themselves. The long-term care facility accepts residents regardless of their ability to pay and meets the individuals' security and health needs prior to resolving their financial situation. The facility is not a nursing home; its residents have physical and mental independence, which enables them to help themselves as well as their fellow residents. The facility assists low-income women.

Effective November 1, 2019, Provident and MRH entered into an "Agreement" which made Provident the sole member of MRH and replaced the MRH board of directors with Provident's board of directors. The Agreement allows for a three-step process with the last step being either an asset transfer and full liquidation of MRH or, if not deemed appropriate at that time, other necessary action. In addition to the main Agreement, a second management agreement was entered into which allows Provident to provide management and administrative support services to MRH for compensation and will automatically renew for successive one-year terms. Either party may terminate the management agreement at any time for any reason upon 30 days advance written notice.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Provident and the accounts of MRH, collectively the "Organization." All significant intercompany accounts and transactions have been eliminated in the consolidation.

Use of Estimates

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

Cash

At December 31, 2022, the Organization's cash accounts exceeded federally insured limits by approximately $540,000.

Investments

The Organization measures securities at fair value. The Organization considers money market funds and all highly liquid debt instruments purchased with a maturity of three months or less held by the investment manager as a part of the investment portfolio and not considered to be cash and cash equivalents.

Net Investment Return

Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets with donor restrictions and then released from restriction. Other investment return is reflected in the statements of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

Accounts Receivable – Clients

Accounts receivable - clients are stated at the amount of consideration from customers, insurance and other contracted agencies, of which the Organization has an unconditional right to receive. The Organization provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions.

Accounts receivable are ordinarily due 30 days after the issuance of the invoice. Accounts past due more than 30 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer.

Property and Equipment

Property and equipment acquisitions over $1,000 and $5,000, at Provident and MRH, respectively, are stated at cost less accumulated depreciation. Effective during 2021, Provident's capitalization policy was updated to capitalize acquisitions over $5,000. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset. Leasehold improvements are amortized over the shorter of the lease term or their respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings and improvements	10 - 40 years
Leasehold improvements	10 - 20 years (or maximum of lease term)
Furniture and equipment	3 - 10 years

Long-Lived Asset Impairment

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended December 31, 2022 and 2021.

Inventory

Inventory, included in other assets on the consolidated statements of financial position, consist of food and supplies for residents of MRH. Inventories are stated at the lower of cost or net realizable value. Costs are determined using the first-in, first-out (FIFO) method.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions. The governing board has designated, from net assets without donor or certain grantor restrictions, net assets for a board-designated endowment.

Net assets with donor restrictions are subject to donor- or certain grantor-imposed restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Program Service Revenue

Program service revenue is recognized as the Organization satisfies performance obligations under its contracts with individuals, residents, and companies. Program service revenue is reported at the estimated transaction price or amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing its various counseling, community, life crisis services and resident services including rent, dietary and personal care services. The Organizations determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured and or low income individuals in accordance with the Organization's policies and implicit price concessions.

The Organization determines its estimates of explicit price concessions which represent adjustments and discounts based on contractual agreements, its discount policies and historical experience by payor groups. The Organization determines its estimate of implicit price concessions based on its historical collection experience by classes of patients.

On-Call Revenue

The Organization has agreements with various state and local governments, employers and customers of local, regional and national corporations provide certain services. Under these agreements, the Organization receives agreed upon payments, regardless of the services actually performed by the Organization. Revenues recorded under these arrangements represent the fixed, agreed-upon amounts as a result of the Organization’s stand-ready performance obligation to provide services as needed to selected beneficiaries. On-call revenue is recorded within program service revenue on the consolidated statements of activities.

Contributions

Contributions are provided to the Organization either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
Conditional gifts, with or without restriction	
Gifts that depend on the Organization overcoming a donor imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, *i.e.* the donor imposed barrier is met
Unconditional gifts, with or without restriction	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value

Nature of the Gift	Value Recognized
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor 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 consolidated statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions and investment income having donor stipulations which are satisfied in the period the gift is received and the investment income is earned are recorded as revenue with donor restrictions and then released from restriction.

Contributed Services and Reclassification for Adoption of ASU No. 2020-07

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2020-07, "*Not-for-Profit Entities* (Topic 958) – *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*." The new guidance was adopted by the Organization in 2022.

Contributions of services (nonfinancial assets) are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. Significant services are donated to Provident's Life Crisis Services program. These services meet the requirements for recognition and have been recorded in the accompanying consolidated statements of activities. Contributed services are recorded as contribution revenue and expense on the consolidated statements of activities at an estimated fair value based on the hours contributed multiplied by a published average hourly rate for nonsupervisory professional staff. The value of contribution revenue recognized from contributed services for the years ended December 31, 2022 and 2021, is $127,765 and $146,416, respectively.

A reclassification of contributed services has been made to the 2021 consolidated financial statements to conform to the 2022 consolidated financial statement presentation for the adoption of ASU 2020-07. The reclassification had no effect on the change in net assets.

Grants

Support funded by grants is recognized as the Organization meets the conditions prescribed by the grant agreement, performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Deferred Revenue

Certain counseling, community, resident, and life crisis services are provided through contracts with government, employers, residents, or customers of local, regional and national corporations. Program service fees are recognized as revenue during the period in which they are earned.

Deferred Revenue - Payment Protection Program (PPP) Loan

On March 27, 2020, the President signed into law the *Coronavirus Aid, Relief and Economic Security Act* (CARES). On February 26, 2021, MRH received a loan in the amount of $225,900 pursuant to the PPP. The Organization has elected to account for the PPP loans as deferred revenue in accordance with the Financial Accounting Standards Board Accounting Standards Codification Topic 958-605, *Revenue Recognition*. Revenue is recognized when conditions are met, which include meeting full-time equivalent and salary reduction requirements and incurring eligible expenditures. PPP loans are subject to audit and acceptance by the U.S. Department of Treasury, Small Business Administration (SBA), or lender; as a result of such audit, adjustments could be required to the recognition of revenue. MRH's loan was recorded as deferred revenue on the 2021 consolidated statement of financial position and was included in the change in deferred revenue within the operating activities on the consolidated statement of cash flows in 2021. The loan was forgiven in January 2022 by the SBA, at which time, the revenue was recognized on the statement of activities and as a noncash operating activity in the consolidated statement of cash flows.

In addition, Provident had previously received a loan during 2020 which was forgiven in March of 2021. The forgiveness was included in the consolidated statement of cash flows in 2021 as a noncash operating activity.

Income Taxes

The Organization is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Organization is subject to federal income tax on any unrelated business taxable income.

Provident and MRH file tax returns in the U.S. federal jurisdiction.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general and fundraising categories based on the time spent and other methods.

Reclassifications

Certain reclassifications have been made to the 2021 consolidated financial statements to conform to the 2022 consolidated financial statement presentation. These reclassifications had no effect on the change in net assets.

Note 2: Fair Value Measurement and Investments

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2022 and 2021:

		Fair Value Measurements Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of December 31, 2022				
Cash equivalents	$ 65,196	$ 65,196	$ -	$ -
Common stock	10,682	10,682	-	-
Mutual funds				
Large cap	237,108	237,108	-	-
Mid cap	74,849	74,849	-	-
Small cap	74,658	74,658	-	-
International	545,976	545,976	-	-
Fixed income/bond funds	444,029	444,029	-	-
Other	73,502	73,502	-	-
Investments total	$ 1,526,000	$ 1,526,000	$ -	$ -
Beneficial interest in perpetual trust	$ 1,021,546	$ -	$ -	$ 1,021,546
As of December 31, 2021				
Cash equivalents	$ 86,559	$ 86,559	$ -	$ -
Common stock	12,006	12,006	-	-
Mutual funds				
Large cap	632,881	632,881	-	-
Mid cap	163,727	163,727	-	-
Small cap	151,835	151,835	-	-
International	1,158,574	1,158,574	-	-
Fixed income/bond funds	970,759	970,759	-	-
Other	152,209	152,209	-	-
Investments total	$ 3,328,550	$ 3,328,550	$ -	$ -
Beneficial interest in perpetual trust	$ 1,262,435	$ -	$ -	$ 1,262,435

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying consolidated statements of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2022. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below.

Investments

Where quoted market prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of investments with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such investments are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, investments are classified within Level 3 of the hierarchy. There are no investments classified within Level 3 of the fair value hierarchy at December 31, 2022 or 2021.

Beneficial Interest in Perpetual Trust

Fair value is estimated at the present value of the future distributions expected to be received over the term of the agreement. Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy. There were no transfers in or out of Level 3 assets. Change in value represents change in underlying assets within the perpetual trust.

Unobservable (Level 3) Inputs

The following table presents quantitative information about unobservable inputs used in recurring Level 3 fair value measurements at December 31, 2022 and 2021:

	Fair Value	Valuation Technique	Unobservable Inputs
December 31, 2022			
Beneficial interest in perpetual trust	$ 1,021,546	NPV of future distributions	Various
December 31, 2021			
Beneficial interest in perpetual trust	$ 1,262,435	NPV of future distributions	Various

Note 3: Grants Receivable

Grants receivable was $300,000, as of December 31, 2021, was due from one donor and expected to be collected within one year. There were no grants receivable as of December 31, 2022.

Note 4: Property and Equipment

Property and equipment at December 31 consists of:

	2022	2021
Land	$ 1,455,667	$ 1,455,667
Buildings and improvements	3,011,838	2,895,851
Leasehold improvements	8,903	10,053
Furniture and equipment	619,498	574,050
	5,095,906	4,935,621
Less accumulated depreciation and amortization	1,632,253	1,482,682
	$ 3,463,653	$ 3,452,939

Note 5: Beneficial Interest in Perpetual Trust

Provident is an irrevocable beneficiary of a 5% share of a perpetual trust held and administered by an independent trustee. The perpetual trust provides for the distribution of the net income of the trust to Provident; however, Provident will never receive the assets of the trust. The beneficial interest in the trust is reported at the fair value of the trust's assets in the consolidated statements of financial position, with trust distributions and changes in fair value recognized in the consolidated statements of activities. The estimated value of the expected future cash flows is $1,021,546 and $1,262,435, which represents the fair value of Provident's 5% share of the trust assets at December 31, 2022 and 2021, respectively. The income from this trust for 2022 and 2021 was $84,009 and $70,647, respectively.

Note 6: Note Payable to Bank

Provident had a $200,000 revolving bank line of credit that expired in November 2022. During 2022, the line of credit was renewed for an additional year and increased to $500,000. At December 31, 2022 and 2021, there were no borrowings against this line. The line is collateralized by all asset accounts held by or subject to the control of the lending institution. Interest varies and is calculated at based on prime rate as of December 31, 2022, and will be no less than 2.9%. Interest was 6.4% and 2.9% on December 31, 2022 and 2021, respectively, and is payable monthly.

Note 7: Long-Term Debt

	2022	2021
IFF promissory note A (A)	$ 259,188	$ 286,660
IFF promissory note B (B)	420,164	455,844
	$ 679,352	$ 742,504

(A) Matures August 1, 2030; payable in monthly installments of $3,432 with a balloon payment due upon maturity; interest payable monthly at a fixed rate of 5.00% for the first five years and then recalculated twice for each of the next five year periods; collateralized by a deed of trust and other business assets; this note refinanced all previous Provident debt. During 2021, Provident made an additional $120,000 principal payment reducing the balloon payment amount at the end of the loan.

(B) Matures January 1, 2032; payable in monthly installments of $4,818 with a balloon payment due upon on maturity; interest payable monthly at a fixed rate of 5.00% for the first five years and then recalculated twice for each of the next five year periods; collateralized by a deed of trust and other business assets; borrowings from note are intended for purchase and renovation of fixed assets. During 2021, Provident made an additional $155,000 principal payment reducing the balloon payment amount at the end of the loan.

Aggregate annual maturities of long-term debt at December 31, 2022, are:

2023	$ 66,369
2024	69,764
2025	73,333
2026	77,085
2027	81,029
Thereafter	311,772
	$ 679,352

Note 8: Leases – ASC 842

Change in Accounting Principle

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). This ASU requires lessees to recognize a lease liability and a right-of-use (ROU) asset on a discounted basis, for substantially all leases, as well as additional disclosures regarding leasing arrangements. Disclosures are required to enable users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. In July 2018, the FASB issued ASU 2018-11, *Leases* (Topic 842): *Targeted Improvements*, which provides an optional transition method of applying the new lease standard. Topic 842 can be applied using either a modified retrospective approach at the beginning of the earliest period presented or, as permitted by ASU 2018-11, at the beginning of the period in which it is adopted, *i.e.*, the comparatives under ASC 840 option.

The Organization adopted Topic 842 on January 1, 2022 (the effective date), using the comparatives under ASC 840 transition method, which applies Topic 842 at the beginning of the period in which it is adopted. Prior period amounts have not been adjusted in connection with the adoption of this standard. The Organization elected the package of practical expedients under the new standard, which permits entities to not reassess lease classification, lease identification or initial direct costs for existing or expired leases prior to the effective date. The Organization elected to keep short-term leases with an initial term of 12 months or less off the statement of position. The Organization did not elect the hindsight practical expedient in determining the lease term for existing leases as of January 1, 2022.

The most significant impact of adoption was the recognition of operating lease ROU assets and operating lease liabilities of $452,877. The standard did not significantly affect our consolidated statements of activities or cash flows.

Accounting Policies

The Organization determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of ROU assets and lease liabilities on the consolidated statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date.

The Organization has lease agreements with nonlease components that relate to the lease components. The Organization allocates the consideration to the lease and nonlease components using their relative standalone values.

At lease commencement, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Organization has made a policy election to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term.

The lease term may include options to extend or terminate the lease that the Organization is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

The Organization has elected not to record leases with an initial term of 12 months or less on the consolidated statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Nature of Leases

The Organization has entered into the following lease arrangements.

Operating Leases

The Organization leases office equipment and certain facilities through agreements that expire in various years through 2025. These leases generally require the Organization to pay all executory costs (maintenance and repairs). Termination of the leases is generally prohibited unless there is a violation under the lease agreement.

Short-Term Leases

The Organization leases certain office equipment under short-term leases. The expected lease terms are less than 12 months. Total lease expense included in operating expenses for the year ended December 31, 2022, was $4,573.

All Leases

The Organization has no material related-party leases.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Quantitative Disclosures

The lease cost and other required information for the year ended December 31, 2022 are:

Lease Cost		
Operating lease cost	$	184,949
Short-term lease cost		4,573
Total lease cost	$	189,522
Other Information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$	184,022
Weighted-average remaining lease term in years for operating leases		1.83 years
Weighted-average discount rate for operating leases		0.94%

Future minimum operating lease payments and reconciliation to the consolidated statement of financial position at December 31, 2022, are as follows:

2023	$	167,029
2024		85,933
2025		21,483
Total future undiscounted cash flows		274,445
Less: imputed interest		(2,322)
Lease liabilities	$	272,123

Operating Leases Under ASC 840 for 2021

Noncancellable operating leases for office space expire in various years through 2025. These leases generally contain renewal options for periods ranging from one to seven years and require Provident to pay all executory costs (property taxes, maintenance, and insurance).

Future minimum lease payments under operating leases are:

2022	$ 189,340
2023	174,863
2024	90,411
2025	24,281
	$ 478,895

Rental expense for all operating leases as of December 31, 2021, was $186,210.

Note 9: Net Assets with Donor Restrictions

Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31 are available for the following purposes or periods:

	2022	2021
Subject to expenditure for specified purpose		
Program related grants	$ 247,267	$ 680,073
Subject to passage of time		
United Way contribution	1,699,742	1,656,689
Endowment - subject to spending policy	63,000	63,000
Beneficial interest in perpetual trust - not subject to spending policy or appropriation	1,021,546	1,262,435
	$ 3,031,555	$ 3,662,197

Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2022	2021
Expiration of time restrictions		
United Way	$ 1,656,689	$ 1,615,023
Other	12,240	123,040
Satisfaction of purpose restrictions		
Program related grants and contributions	798,518	654,902
	$ 2,467,447	$ 2,392,965

Note 10: Endowment

Provident's endowment consists of funds established for the purpose of funding Provident's operations. The endowment includes both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

Provident's governing body is subject to the State of Missouri Prudent Management of Institutional Funds Act (SPMIFA). As a result, Provident classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board appropriates such amounts for expenditure. Provident's governing board has interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates to the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, Provident considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. Provident has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. In addition, in accordance with SPMIFA, Provident considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of Provident and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of Provident

7. Investment policies of Provident

The composition of net assets by type of endowment fund at December 31 was:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds - 2022	$ 1,463,000	$ -	$ 1,463,000
Donor-restricted endowment funds - 2022			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	63,000	63,000
Total endowment funds - 2022	$ 1,463,000	$ 63,000	$ 1,526,000
Board-designated endowment funds - 2021	$ 3,265,550	$ -	$ 3,265,550
Donor-restricted endowment funds - 2021			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	63,000	63,000
Total endowment funds - 2021	$ 3,265,550	$ 63,000	$ 3,328,550

Changes in endowment net assets for the years ended December 31, 2022 and 2021, were:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, January 1, 2021	$ 2,569,687	$ 63,000	$ 2,632,687
Investment return, net	268,573	-	268,573
Board designated contributions	500,000	-	500,000
Appropriation of endowment assets for expenditure for Pension related charges	(72,710)	-	(72,710)
Endowment net assets, December 31, 2021	3,265,550	63,000	3,328,550
Investment return, net	(405,780)	-	(405,780)
Board designated contributions	300,000	-	300,000
Appropriation of endowment assets for expenditure for Pension related charges	(1,696,770)	-	(1,696,770)
Endowment net assets, December 31, 2022	$ 1,463,000	$ 63,000	$ 1,526,000

Provident has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds Provident must hold in perpetuity or for donor-specified periods, as well as those of board-designated endowment funds. Under Provident's policies, the endowment's objective is to outperform the passive market benchmark return based on asset allocation policy weights over long term. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, Provident relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). Provident targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The endowment is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, or an unanticipated loss in funding. The endowment may also be used for one-time, nonrecurring expenses that will build long-term capacity, such as staff development or investment in infrastructure. In establishing this policy, Provident considered the long-term expected return on its endowment and its objective of maintaining the purchasing power of endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

Note 11: Revenue from Contracts with Customers

Fee for Service

Fee for service revenue generally includes behavioral health provided to clients in exchange for a fee. Fee for service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing client care. These amounts are due from clients, third-party payors (including health insurers and government programs) and others and include implicit and explicit prices concessions which are based on historical, current and projected collections and internal policies and contracts with third-party payors. Generally, the Organization bills the patients and third-party payors after the services are performed and client accounts receivable are due in full when billed. Revenue is recognized as performance obligations are satisfied which is at a point-in-time.

Resident Services

Resident service revenue generally includes facility, dining and personal services provided to residents of MRH in exchange for a fee. Resident service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing resident housing and care. These amounts are due from residents, third-party payors (including health insurers and government programs) and others and include implicit and explicit prices concessions which are based on historical, current and projected collections and internal policies and contracts with third-party payors. Generally, the Organization bills the residents and third-party payors after the services are performed and client accounts receivable are due in full when billed. MRH receives advances or deposits from residents, particularly social security benefits, before contract revenue is recognized, resulting in contract liabilities which are included in deferred revenue on the consolidated statements of financial position. Revenue is recognized as performance obligations are satisfied which is over-the-period of time the resident uses the facility or services.

Call Center Contracts

Revenue from call center contracts is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing and administering crisis prevention call centers. Revenue is recognized as performance obligations are satisfied, which is ratably over the contract term. The Organization bills customers either monthly or quarterly, based on the terms of the contract.

Employee Assistance Program (EAP) Contracts

Revenue from EAP contracts is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing and administering EAPs. Revenue is recognized as performance obligations are satisfied, which is ratably over the contract term. The Organization bills customers either monthly or quarterly, based on the terms of the contract.

Transaction Price and Recognition

The Organization determines the transaction price based on standard charges for goods and services provided, reduced by discounts provided in accordance with the Organization's policy and implicit price concessions provided to customers. The Organization determines its estimates of explicit price concessions based on its discount policies and contracts with third-party payors. The Organization determines its estimate of implicit price concessions based on its historical collection experience with each class of customers as well as current and projected collections. The Organizations revenue streams do not have significant financing components or contract costs.

The Organization has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the following factors:

- Payors that have different reimbursement and payment methodologies
- Organization's line of business that provided the service

For the years ended December 31, 2022 and 2021, the Organization recognized revenue of $2,047,370 and $1,610,901, respectively, from goods and services that transfer to the client at a point in time and $3,446,173 and $1,836,211, respectively, from goods and services that transfer to the client over time.

Contract Balances

The following table provides information about the Organization's receivables and contract liabilities from contracts with customers:

	2022	2021
Accounts receivable - clients, beginning of year	$ 584,242	$ 414,971
Accounts receivable - clients, end of year	$ 671,225	$ 584,242
Contract liabilities, beginning of year	$ 135,730	$ 91,475
Contract liabilities, end of year	$ 152,715	$ 135,730

Disaggregation of Revenue

The composition of revenue for the years ended December 31, 2022 and 2021, is as follows:

	2022	2021
Fee for service	$ 2,011,438	$ 1,653,308
Resident services	787,417	956,561
Call center contracts	2,694,688	837,243
	$ 5,493,543	$ 3,447,112

Approximately 24% and 29% of the total revenue from contracts with customers came from one local government agency in 2022 and 2021, respectively.

Note 12: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2022 and 2021, comprise the following:

	2022	2021
Financial assets		
Cash	$ 886,842	$ 1,321,849
Investments	1,526,000	3,328,550
Accounts receivable		
Clients	671,225	584,242
Contributions and other grants	-	300,000
United Way	1,699,742	1,656,689
Total financial assets	4,783,809	7,191,330
Less amounts:		
Restricted by donors for endowment	63,000	63,000
Board designated for endowment	1,463,000	3,265,550
Financial assets available to meet cash needs for general expenditures within one year	$ 3,257,809	$ 3,862,780

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-imposed restrictions.

The Organization receives significant contributions restricted by donors and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures.

The Organization's governing body has designated a portion of its unrestricted resources for endowment and other purposes. Those amounts are identified as board-designated in the table above. These funds are invested for long-term appreciation and although the Organization does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organization has a policy to target a year-end balance of reserves of unrestricted, undesignated net assets to meet 90 days of expected expenditures. To achieve these targets, the Organization forecasts its future cash flows and monitors its liquidity quarterly, and monitors its reserves annually. During the years ended December 31, 2022 and 2021, the level of liquidity and reserves was managed within the policy requirements. To help manage unanticipated liquidity needs, the Organization has a committed line of credit in the amount of $500,000, which it could draw upon.

Note 13: Pension and Other Postretirement Benefit Plans

Provident has a noncontributory defined benefit pension plan covering all employees who meet the eligibility requirements. Provident's funding policy is to make the minimum annual contribution that is required by applicable regulations, plus such amounts as Provident may determine to be appropriate from time to time. Effective March 31, 2008, the plan was amended such that no additional employees would become eligible and no additional benefits would accrue under the plan as of the effective date of the amendment. During 2022, Povident implemented a de-risking strategy and purchased annuities for all inactive participants, with one participant annuity not completed until early January 2023. Subsequent to year-end, the Board formally approved to dissolve this plan. The Organization expects to pay out the remaining two active participants during 2023.

Provident uses a December 31 measurement date for the Plan. Information about the Plan's funded status follows:

	2022	2021
Benefit obligation, both projected and accumulated	$ 641,440	$ 8,621,072
Fair value of plan assets	668,811	6,519,878
Funded status	$ 27,371	$ (2,101,194)

Liabilities recognized in the consolidated statements of financial position:

	2022	2021
Accrued expenses and other liabilities	$ (27,371)	$ -
Accrued pension liability	$ -	$ 2,101,194

Amounts recognized in change in net assets not yet recognized as components of net periodic benefit cost consist of:

	2022	2021
Net loss	$ 112,222	$ 4,442,758

Information for pension plans with an accumulated benefit obligation in excess of plan assets:

	2022	2021
Projected benefit obligation	$ 641,440	$ 8,621,072
Accumulated benefit obligation	$ 641,440	$ 8,621,072
Fair value of plan assets	$ 668,811	$ 6,519,878

Other significant balances and costs are:

	2022	2021
Employer contributions	$ 1,726,867	$ -
Benefits paid	$ 386,911	$ 371,378
Settlements (lump sums)	$ 3,901,779	$ 407,497
Net periodic benefit costs	$ 3,928,838	$ 377,722

Significant assumptions include:

	2022	2021
Weighted-average assumptions used to determine benefit obligations		
Discount rate	5.20%	2.62%
Rate of compensation increase	N/A	N/A
Weighted-average assumptions used to determine benefit costs		
Discount rate	2.62%	2.40%
Expected return on plan assets	6.00%	7.00%
Rate of compensation increase	N/A	N/A

Provident has estimated the long-term rate of return on plan assets based primarily on historical returns on plan assets, adjusted for changes in target portfolio allocations and recent changes in long-term interest rates based on publicly available information.

Provident's overall investment strategies are enhancement of principal, competitive investment returns and appropriate investment risk. The target allocation percentage is 40% equity and 60% fixed income plus or minus 5%. Provident expects to maintain appropriate diversification among complementary investment styles within the equity and fixed income allocations based on market conditions. The purpose is to moderate the overall investment risk.

Provident's pension plan weighted-average asset allocations by asset category are as follows as of December 31:

	2022	2021
Cash and cash equivalents	69%	1%
Mutual funds		
Large cap	0%	15%
Mid cap	0%	5%
Small cap	0%	4%
International	0%	23%
Fixed income/bond funds	31%	52%
	100%	100%

Pension Plan Assets

Following is a description of the valuation methodologies and inputs used for pension plan assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of pension plan assets pursuant to the valuation hierarchy.

Where quoted market prices are available in an active market, plan assets are classified within Level 1 of the valuation hierarchy. Level 1 plan assets include money market and mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of plan assets with similar characteristics or discounted cash flows. In certain cases where Level 1 or Level 2 inputs are not available, plan assets are classified within Level 3 of the hierarchy. There were no Level 3 plan assets at December 31, 2022 and 2021.

The fair values of Provident's pension plan assets at December 31, by asset class are as follows:

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of December 31, 2022				
Cash equivalents	$ 464,656	$ 464,656	$ -	$ -
Fixed income/bond funds	204,155	204,155	-	-
Total	$ 668,811	$ 668,811	$ -	$ -
As of December 31, 2021				
Cash equivalents	$ 95,306	$ 95,306	$ -	$ -
Mutual funds	3,029,847	3,029,847	-	-
Fixed income/bond funds	3,394,725	3,394,725	-	-
Total	$ 6,519,878	$ 6,519,878	$ -	$ -

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid as of December 31, 2022:

2023	$ 80,859
2024	$ 9,055
2025	$ 8,980
2026	$ 8,901
2027	$ 8,818
2028 - 2032	$ 42,644

Retirement Savings Plans

Provident has a 401(k) retirement savings plan covering substantially all employees. Provident's contributions to the plan are determined annually by the board of directors. Contributions to the plan were $30,304 and $25,588 for 2022 and 2021, respectively.

MRH has a 401(k) retirement savings plan covering all executive and professional staff, as well as non-union supervisory members of the maintenance staff. The plan is funded through contributions based on a specific formula. MRH contributes to another plan administered by industry and union representatives. Total pension costs for MRH for the years ended December 31, 2022 and 2021, were $19,462 and $22,403, respectively.

Multi-Employer Pension Plan

During May 2006, the multi-employer pension plan covering MRH's union employees (the Greater St. Louis Service Employees Pension Plan) implemented an agreement to cure a plan deficiency. Effective June 1, 2006, MRH stopped making contributions to the plan and is required to make a payment of $8,156 per year until the death of the last retiree covered under the agreement. It is presently not possible to estimate how many payments may be required in future years.

Note 14: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Client Receivables

Estimates of allowances for adjustments included in program services are described in Note 1.

Contributions

The Organization receives significant funding from the United Way on an annual basis. In accordance with generally accepted accounting principles, the Organization recognizes the funding amount awarded by United Way in its financial statements in the period notification of the award is received. The Organization received approximately 19% and 23%, respectively, of all support and revenue excluding investment return from the United Way during 2022 and 2021.

In addition, the Organization received 13% and 10% of total contribution revenue in 2022 and 2021, respectively, from their annual Spirit of Provident Gala.

Investments

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying consolidated statements of financial position.

Labor Agreement

Approximately 56% of MRH's employees are covered by a collective bargaining agreement. The collective bargaining agreement was renewed during 2022 and runs through July 2025.

Note 15: Subsequent Events

Subsequent to year end, Provident has discontinued its after school program. Total program service revenue for this program and total program expenses in 2022 were $478,849 and $496,534, respectively.

Effective June 15, 2023, the Organization entered into an asset purchase agreement with Care and Counseling, Inc., an unrelated tax exempt (501(c)(3)) organization. Under the purchase agreement, the Organization will purchase a building and all related furnishings and equipment as well as certain other non-financial assets (certain intellectual property, books, customer accounts, etc.) for $10,353. The property has an appraised value of $1,050,000.

Subsequent events have been evaluated through June 28, 2023, which is the date the consolidated financial statements were available to be issued.

Supplementary Information

Provident, Inc.
Consolidating Statement of Financial Position
December 31, 2022

	Provident Behavioral Health	Mary Ryder Home *	Eliminations	Consolidated
Assets				
Cash	$ 814,687	$ 72,155	$ -	$ 886,842
Investments	1,526,000	-	-	1,526,000
Accounts receivable				
Clients, net of allowance; $80,000 for 2022; $100,000 for 2021	877,104	16,000	(221,879)	671,225
United Way	1,370,895	328,847	-	1,699,742
Prepaid expenses and other assets	182,843	12,050	-	194,893
Beneficial interest in perpetual trust	1,021,546	-	-	1,021,546
Property and equipment, net	1,652,180	1,811,473	-	3,463,653
Right-of-use assets	271,196	-	-	271,196
Total assets	$ 7,716,451	$ 2,240,525	$ (221,879)	$ 9,735,097
Liabilities				
Accounts payable	$ 65,190	$ 271,658	$ (221,879)	$ 114,969
Accrued expenses and other liabilities	303,793	38,165	-	341,958
Deferred revenue	152,715	-	-	152,715
Operating lease liabilities	272,123	-	-	272,123
Long-term debt	679,352	-	-	679,352
Accrued pension liability	-	-	-	-
Total liabilities	1,473,173	309,823	(221,879)	1,561,117
Net Assets				
Without donor restrictions				
Undesignated	2,077,570	1,601,855	-	3,679,425
Designated by the Board for endowment	1,463,000	-	-	1,463,000
	3,540,570	1,601,855	-	5,142,425
With donor restrictions	2,702,708	328,847	-	3,031,555
Total net assets	6,243,278	1,930,702	-	8,173,980
Total liabilities and net assets	$ 7,716,451	$ 2,240,525	$ (221,879)	$ 9,735,097

* Pushdown accounting was not applied at the time of acquisition on the Mary Ryder Home financial statements which impacts property and equipment and depreciation expense.

Provident, Inc.
Consolidating Statement of Activities
Year Ended December 31, 2022

	Provident Behavioral Health			Mary Ryder Home *			Eliminations			Consolidated Total		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support												
Program services	$ 5,513,368	$ 140,600	$ 5,653,968	$ 787,417	$ -	$ 787,417	$ (249,060)	$ -	$ (249,060)	$ 6,051,725	$ 140,600	$ 6,192,325
PPP loan forgiveness	-	-	-	225,900	-	225,900	-	-	-	225,900	-	225,900
Contributions and grants												
United Way	46	1,370,895	1,370,941	5	328,847	328,852	-	-	-	51	1,699,742	1,699,793
Contributed services	127,765	-	127,765	-	-	-	-	-	-	127,765	-	127,765
Other	453,220	212,352	665,572	113,673	25,000	138,673	-	-	-	566,893	237,352	804,245
	6,094,399	1,723,847	7,818,246	1,126,995	353,847	1,480,842	(249,060)	-	(249,060)	6,972,334	2,077,694	9,050,028
Investment return designated for current operations												
Trust distributions	84,009	-	84,009	-	-	-	-	-	-	84,009	-	84,009
Net assets released from restrictions												
United Way	1,336,534	(1,336,534)	-	320,155	(320,155)	-	-	-	-	1,656,689	(1,656,689)	-
Other	715,917	(715,917)	-	94,841	(94,841)	-	-	-	-	810,758	(810,758)	-
Total revenues, gains and other support	8,230,859	(328,604)	7,902,255	1,541,991	(61,149)	1,480,842	(249,060)	-	(249,060)	9,523,790	(389,753)	9,134,037
Expenses												
Program services												
Counseling	5,951,677	-	5,951,677	-	-	-	-	-	-	5,951,677	-	5,951,677
Resident services	-	-	-	1,627,794	-	1,627,794	-	-	-	1,627,794	-	1,627,794
Community services	879,010	-	879,010	-	-	-	-	-	-	879,010	-	879,010
Crisis services	2,432,235	-	2,432,235	-	-	-	-	-	-	2,432,235	-	2,432,235
Total program services	9,262,922	-	9,262,922	1,627,794	-	1,627,794	-	-	-	10,890,716	-	10,890,716
Management and general	1,672,792	-	1,672,792	124,224	-	124,224	(124,224)	-	(124,224)	1,672,792	-	1,672,792
Fundraising	498,647	-	498,647	124,836	-	124,836	(124,836)	-	(124,836)	498,647	-	498,647
Total expenses	11,434,361	-	11,434,361	1,876,854	-	1,876,854	(249,060)	-	(249,060)	13,062,155	-	13,062,155
Change in Net Assets Before Other Changes	(3,203,502)	(328,604)	(3,532,106)	(334,863)	(61,149)	(396,012)	-	-	-	(3,538,365)	(389,753)	(3,928,118)
Other Changes												
Investment gain (loss) in excess of amounts designated for current operations	(415,383)	-	(415,383)	57	-	57	-	-	-	(415,326)	-	(415,326)
Change in beneficial interest in trusts	-	(240,889)	(240,889)	-	-	-	-	-	-	-	(240,889)	(240,889)
Pension related changes other than periodic pension cost	4,330,536	-	4,330,536	-	-	-	-	-	-	4,330,536	-	4,330,536
Net Increase (Decrease) in Net Assets	711,651	(569,493)	142,158	(334,806)	(61,149)	(395,955)	-	-	-	376,845	(630,642)	(253,797)
Net Assets, Beginning of Year	2,828,919	3,272,201	6,101,120	1,936,661	389,996	2,326,657	-	-	-	4,765,580	3,662,197	8,427,777
Net Assets, End of Year	$ 3,540,570	$ 2,702,708	$ 6,243,278	$ 1,601,855	$ 328,847	$ 1,930,702	$ -	$ -	$ -	$ 5,142,425	$ 3,031,555	$ 8,173,980

* Pushdown accounting was not applied at the time of acquisition on the Mary Ryder Home financial statements which impacts property and equipment and depreciation expense.