

Consolidated Financial Statements
and Supplementary Information

**TURNSTONE CENTER FOR CHILDREN
AND ADULTS WITH DISABILITIES, INC. AND AFFILIATES**

*Years ended June 30, 2023 and 2022
with Independent Auditor's Report*

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Consolidated Financial Statements
and Supplementary Information

Years ended June 30, 2023 and 2022

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Independent Auditor's Report

The Board of Directors
Turnstone Center for Children and Adults with Disabilities, Inc.

Opinion

We have audited the accompanying consolidated financial statements of Turnstone Center for Children and Adults with Disabilities, Inc. (Turnstone), 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 consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Turnstone 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Turnstone 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 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 Turnstone's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying details of consolidated statements of financial position as of June 30, 2023 and 2022, and consolidated statement of activities and changes in net assets for the years ended June 30, 2023 and 2022, 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 audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Haines, Lisenbarger & Skiba, LLC

Fort Wayne, Indiana
November 7, 2023

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Consolidated Statements of Financial Position

	June 30	
	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 565,601	\$ 596,979
Accounts receivable,		
less allowance of \$41,100 in 2023 and \$76,233 in 2022	191,401	1,917,986
Current portion of pledges receivable	639,720	334,729
Bequest receivable	861,305	-
Accrued interest and dividends receivable	18,025	4,291
Prepaid expenses and other current assets	139,003	53,779
Total current assets	2,415,055	2,907,764
Investments	6,529,410	3,032,260
Land and land improvements, building, and equipment:		
Land and land improvements	1,114,337	1,036,786
Building	19,508,894	19,508,894
Equipment	2,450,527	2,310,013
	23,073,758	22,855,693
Less accumulated depreciation	9,813,499	8,986,425
Total land and land improvements, building, and equipment	13,260,259	13,869,268
Other assets:		
Pledges receivable, less current portion	558,270	467,729
Beneficial interest in perpetual trust	446,840	430,397
Beneficial interest in funds held by the Community		
Foundation of Greater Fort Wayne Inc.	261,092	249,771
Total other assets	1,266,202	1,147,897
Total assets	<u>\$ 23,470,926</u>	<u>\$ 20,957,189</u>

	June 30	
	2023	2022
Liabilities, net assets, and noncontrolling interest		
Current liabilities:		
Accounts payable	\$ 68,029	\$ 67,992
Accrued expenses	299,424	510,121
Deferred income	119,139	150,041
Total current liabilities	486,592	728,154
Turnstone net assets:		
Without donor restrictions	17,881,015	16,444,803
With donor restrictions	5,163,497	3,843,630
Total Turnstone net assets	23,044,512	20,288,433
Noncontrolling interest	(60,178)	(59,398)
Total net assets and noncontrolling interest	22,984,334	20,229,035
Total liabilities, net assets, and noncontrolling interest	<u><u>\$ 23,470,926</u></u>	<u><u>\$ 20,957,189</u></u>

See accompanying notes.

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Consolidated Statements of Activities and Changes in Net Assets

	Year ended June 30							
	2023				2022			
	Without Donor Restrictions	With Donor Restrictions	Noncontrolling Interest	Total	Without Donor Restrictions	With Donor Restrictions	Noncontrolling Interest	Total
Support, revenues, and gains (losses)								
Contributions	\$ 1,986,949	\$ 1,324,389	\$ -	\$ 3,311,338	\$ 1,323,547	\$ 1,652,216	\$ -	\$ 2,975,763
PPP loan forgiveness	-	-	-	-	777,344	-	-	777,344
Employee retention tax credits	-	-	-	-	1,642,707	-	-	1,642,707
Bequests	2,455,803	1,000,000	-	3,455,803	11,430	-	-	11,430
Contributed goods and services	161,478	-	-	161,478	375,119	-	-	375,119
Program service fees	1,650,380	-	-	1,650,380	1,287,499	-	-	1,287,499
Sponsorships	335,532	-	-	335,532	496,337	-	-	496,337
Concessions and merchandise income, net	20,770	-	-	20,770	20,470	-	-	20,470
Rental income	205,560	-	-	205,560	183,837	-	-	183,837
Special events revenue	358,028	-	-	358,028	419,041	-	-	419,041
Less special events direct benefits	(113,331)	-	-	(113,331)	(96,822)	-	-	(96,822)
Special events, net	244,697	-	-	244,697	322,219	-	-	322,219
Net investment return (loss)	408,878	-	-	408,878	(470,605)	-	-	(470,605)
Interest on note receivable	-	-	-	-	59,712	-	-	59,712
Miscellaneous income	1,608	-	-	1,608	15,782	-	-	15,782
Gain on New Market Tax Credit	-	-	-	-	2,642,000	-	-	2,642,000
Gain (loss) on beneficial interest in perpetual trust	-	44,369	-	44,369	-	(86,355)	-	(86,355)
Gain (loss) on beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	-	21,227	-	21,227	-	(19,694)	-	(19,694)
	7,471,655	2,389,985	-	9,861,640	8,687,398	1,546,167	-	10,233,565
Net assets released from restrictions for operations	1,070,118	(1,070,118)	-	-	1,392,658	(1,392,658)	-	-
Total support, revenues, and gains (losses)	8,541,773	1,319,867	-	9,861,640	10,080,056	153,509	-	10,233,565
Expenses								
Program services	5,133,349	-	-	5,133,349	4,811,538	-	-	4,811,538
Supporting services:								
Management and general	1,101,576	-	-	1,101,576	1,199,081	-	-	1,199,081
Promotion/publicity	299,567	-	-	299,567	259,540	-	-	259,540
Fundraising	571,849	-	-	571,849	524,059	-	-	524,059
Total supporting services	1,972,992	-	-	1,972,992	1,982,680	-	-	1,982,680
Total expenses	7,106,341	-	-	7,106,341	6,794,218	-	-	6,794,218
Increase (decrease) in net assets	1,435,432	1,319,867	-	2,755,299	3,285,838	153,509	-	3,439,347
Excess (deficiency) of revenue over expenses attributable to noncontrolling interest	780	-	(780)	-	56,917	-	(56,917)	-
Net assets and noncontrolling interest at beginning of year	16,444,803	3,843,630	(59,398)	20,229,035	13,102,048	3,690,121	(2,481)	16,789,688
Net assets and noncontrolling interest at end of year	\$ 17,881,015	\$ 5,163,497	\$ (60,178)	\$ 22,984,334	\$ 16,444,803	\$ 3,843,630	\$ (59,398)	\$ 20,229,035

See accompanying notes.

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Consolidated Statements of Functional Expenses

	Year ended June 30					
	2023			2022		
	Program Services	Supporting Services	Total Expenses	Program Services	Supporting Services	Total Expenses
Salaries and related expenses						
Salaries and other human resources	\$ 2,787,527	\$ 1,257,306	\$ 4,044,833	\$ 2,654,234	\$ 1,154,025	\$ 3,808,259
Payroll taxes	203,761	91,342	295,103	179,625	78,359	257,984
Employment benefits	299,762	72,778	372,540	309,523	74,855	384,378
Total salaries and related expenses	3,291,050	1,421,426	4,712,476	3,143,382	1,307,239	4,450,621
Other expenses						
Interest and amortization of deferred financing costs	-	689	689	86,818	79,008	165,826
Liability insurance	70,217	23,203	93,420	86,524	14,448	100,972
Local travel	4,322	6,562	10,884	7,178	2,954	10,132
Maintenance	107,435	24,712	132,147	74,481	20,292	94,773
Miscellaneous expense	9,552	16,252	25,804	4,072	113,497	117,569
Office supplies	6,164	12,999	19,163	4,504	12,287	16,791
Professional fees	115,732	201,287	317,019	79,635	194,473	274,108
Program supplies	240,409	153,701	394,110	146,661	126,844	273,505
Repair/replacement	150,767	11,401	162,168	91,015	10,452	101,467
Special events direct benefits	-	113,331	113,331	9,442	87,380	96,822
Staff training	27,877	9,586	37,463	8,929	13,676	22,605
Telephone and utilities	255,164	25,754	280,918	239,618	26,742	266,360
Transportation	93,008	-	93,008	68,362	-	68,362
Total other expenses	1,080,647	599,477	1,680,124	907,239	702,053	1,609,292
Total expenses before depreciation	4,371,697	2,020,903	6,392,600	4,050,621	2,009,292	6,059,913
Depreciation	761,652	65,420	827,072	770,359	60,768	831,127
Total expenses	5,133,349	2,086,323	7,219,672	4,820,980	2,070,060	6,891,040
Less special events direct benefits expense	-	(113,331)	(113,331)	(9,442)	(87,380)	(96,822)
Total expenses reflected on the statements of activities and changes in net assets	\$ 5,133,349	\$ 1,972,992	\$ 7,106,341	\$ 4,811,538	\$ 1,982,680	\$ 6,794,218

See accompanying notes.

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Consolidated Statement of Program and Supporting Services Expenses

Year ended June 30, 2023

	Program Services							Supporting Services				
	Day Program— Children	Day Program— Adults	Sports and Recreation	Rehab Services	Health and Wellness	Other	Total	Management and General	Promotion/ Publicity	Fundraising	Total	Total Expenses
Salaries and related expenses												
Salaries and other human resources	\$ 349,223	\$ 329,093	\$ 152,042	\$ 1,034,474	\$ 300,317	\$ 622,378	\$ 2,787,527	\$ 722,847	\$ 162,639	\$ 371,820	\$ 1,257,306	\$ 4,044,833
Payroll taxes	25,245	23,354	11,144	76,866	22,324	44,828	203,761	51,878	11,895	27,569	91,342	295,103
Employment benefits	56,131	32,258	27,149	102,681	36,528	45,015	299,762	14,849	26,577	31,352	72,778	372,540
Total salaries and related expenses	430,599	384,705	190,335	1,214,021	359,169	712,221	3,291,050	789,574	201,111	430,741	1,421,426	4,712,476
Other expenses												
Interest	-	-	-	-	-	-	-	689	-	-	689	689
Liability insurance	5,421	5,412	27,544	14,340	7,660	9,840	70,217	19,573	1,761	1,869	23,203	93,420
Local travel	30	1	1,648	1,257	41	1,345	4,322	1,092	1,651	3,819	6,562	10,884
Maintenance	9,188	8,281	10,954	18,702	6,495	53,815	107,435	13,700	3,674	7,338	24,712	132,147
Miscellaneous expense	14	141	1,004	689	184	7,520	9,552	15,286	724	242	16,252	25,804
Office supplies	525	532	796	2,599	453	1,259	6,164	6,356	714	5,929	12,999	19,163
Professional fees	10,671	11,133	12,391	44,673	8,442	28,422	115,732	159,527	12,432	29,328	201,287	317,019
Program supplies	25,174	34,388	137,770	24,247	13,474	5,356	240,409	15,716	64,547	73,438	153,701	394,110
Repair/replacement	3,273	1,320	1,018	7,979	10,863	126,314	150,767	5,030	2,432	3,939	11,401	162,168
Special events direct benefits	-	-	-	-	-	-	-	-	-	113,331	113,331	113,331
Staff training	379	1,058	1,639	19,254	1,076	4,471	27,877	4,328	4,221	1,037	9,586	37,463
Telephone and utilities	9,106	9,584	82,345	37,926	19,484	96,719	255,164	21,481	1,630	2,643	25,754	280,918
Transportation	-	-	-	-	-	93,008	93,008	-	-	-	-	93,008
Total other expenses	63,781	71,850	277,109	171,666	68,172	428,069	1,080,647	262,778	93,786	242,913	599,477	1,680,124
Total expenses before depreciation	494,380	456,555	467,444	1,385,687	427,341	1,140,290	4,371,697	1,052,352	294,897	673,654	2,020,903	6,392,600
Depreciation	35,049	43,487	373,785	95,155	88,397	125,779	761,652	49,224	4,670	11,526	65,420	827,072
Total expenses	529,429	500,042	841,229	1,480,842	515,738	1,266,069	5,133,349	1,101,576	299,567	685,180	2,086,323	7,219,672
Less special events direct benefits expense	-	-	-	-	-	-	-	-	-	(113,331)	(113,331)	(113,331)
Total expenses reflected on the statements of activities and changes in net assets	\$ 529,429	\$ 500,042	\$ 841,229	\$ 1,480,842	\$ 515,738	\$ 1,266,069	\$ 5,133,349	\$ 1,101,576	\$ 299,567	\$ 571,849	\$ 1,972,992	\$ 7,106,341

See accompanying notes.

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Consolidated Statement of Program and Supporting Services Expenses

Year ended June 30, 2022

	Program Services							Supporting Services				
	Day Program— Children	Day Program— Adults	Sports and Recreation	Rehab Services	Health and Wellness	Other	Total	Management and General	Promotion/ Publicity	Fundraising	Total	Total Expenses
Salaries and related expenses												
Salaries and other human resources	\$ 388,270	\$ 317,468	\$ 150,039	\$ 952,450	\$ 290,218	\$ 555,789	\$ 2,654,234	\$ 649,732	\$ 154,402	\$ 349,891	\$ 1,154,025	\$ 3,808,259
Payroll taxes	25,170	20,135	10,608	64,626	21,449	37,637	179,625	43,492	10,641	24,226	78,359	257,984
Employment benefits	59,778	32,080	28,040	104,963	38,175	46,487	309,523	14,925	27,219	32,711	74,855	384,378
Total salaries and related expenses	473,218	369,683	188,687	1,122,039	349,842	639,913	3,143,382	708,149	192,262	406,828	1,307,239	4,450,621
Other expenses												
Interest and amortization of deferred financing costs	-	-	72,812	1,442	12,564	-	86,818	77,419	124	1,465	79,008	165,826
Liability insurance	6,695	6,552	35,457	19,158	9,402	9,260	86,524	11,172	1,994	1,282	14,448	100,972
Local travel	76	-	5,590	758	78	676	7,178	748	211	1,995	2,954	10,132
Maintenance	5,388	4,863	8,371	10,797	13,289	31,773	74,481	13,844	2,153	4,295	20,292	94,773
Miscellaneous expense	205	-	2,683	69	156	959	4,072	112,399	409	689	113,497	117,569
Office supplies	454	571	475	1,277	563	1,164	4,504	7,736	246	4,305	12,287	16,791
Professional fees	9,717	9,914	9,555	27,291	7,651	15,507	79,635	157,763	10,761	25,949	194,473	274,108
Program supplies	22,043	27,451	42,973	11,842	12,855	29,497	146,661	28,729	41,726	56,389	126,844	273,505
Repair/replacement	2,980	714	1,851	4,356	8,376	72,738	91,015	5,379	2,152	2,921	10,452	101,467
Special events direct benefits	-	-	-	-	-	9,442	9,442	-	-	87,380	87,380	96,822
Staff training	1,008	265	562	2,748	2,960	1,386	8,929	9,361	957	3,358	13,676	22,605
Telephone and utilities	8,209	9,019	77,615	35,690	18,397	90,688	239,618	23,152	1,385	2,205	26,742	266,360
Transportation	-	-	-	-	-	68,362	68,362	-	-	-	-	68,362
Total other expenses	56,775	59,349	257,944	115,428	86,291	331,452	907,239	447,702	62,118	192,233	702,053	1,609,292
Total expenses before depreciation	529,993	429,032	446,631	1,237,467	436,133	971,365	4,050,621	1,155,851	254,380	599,061	2,009,292	6,059,913
Depreciation	40,120	40,713	382,770	81,622	103,527	121,607	770,359	43,230	5,160	12,378	60,768	831,127
Total expenses	570,113	469,745	829,401	1,319,089	539,660	1,092,972	4,820,980	1,199,081	259,540	611,439	2,070,060	6,891,040
Less special events direct benefits expense	-	-	-	-	-	(9,442)	(9,442)	-	-	(87,380)	(87,380)	(96,822)
Total expenses reflected on the statements of activities and changes in net assets	\$ 570,113	\$ 469,745	\$ 829,401	\$ 1,319,089	\$ 539,660	\$ 1,083,530	\$ 4,811,538	\$ 1,199,081	\$ 259,540	\$ 524,059	\$ 1,982,680	\$ 6,794,218

See accompanying notes.

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Consolidated Statements of Cash Flows

	Year ended June 30	
	2023	2022
Operating activities		
Increase in net assets	\$ 2,755,299	\$ 3,439,347
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation	827,072	831,127
Realized and unrealized (gain) loss on investments	(287,838)	545,103
Amortization of deferred financing costs	-	53,149
Loss on disposal of land and land improvements, building, and equipment	-	957
Gain on New Market Tax Credit	-	(2,642,000)
Noncash gifts received	(124,994)	(277,565)
Change in value of beneficial interest in perpetual trust	(16,443)	118,480
Change in value of beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	(11,321)	19,694
Changes in operating assets and liabilities:		
Accounts receivable	1,726,585	(1,666,577)
Pledges receivable	(395,532)	(155,776)
Bequests receivable	(861,305)	-
Accrued interest and dividends receivable	(13,734)	(791)
Prepaid expenses and other current assets	(85,224)	4,106
Accounts payable	37	(9,105)
Accrued expenses	(210,697)	124,791
Refundable advances	-	(768,042)
Deferred income	(30,902)	18,756
Net cash provided by (used in) operating activities	3,271,003	(364,346)
Investing activities		
Additions to land and land improvements, building, and equipment	(218,063)	(272,873)
Purchase of investments	(5,128,171)	(2,222,114)
Proceeds from sale of investments	2,043,853	2,288,525
Net cash used in investing activities	(3,302,381)	(206,462)
Financing activities—payments on long-term debt	-	(578,937)
Decrease in cash and cash equivalents	(31,378)	(1,149,745)
Cash and cash equivalents at beginning of year	596,979	1,746,724
Cash and cash equivalents at end of year	\$ 565,601	\$ 596,979
Supplemental disclosure		
Interest paid	\$ 689	\$ 113,949

See accompanying notes.

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Notes to Consolidated Financial Statements

June 30, 2023

1. Organization

Since 1943, Turnstone Center for Children and Adults with Disabilities, Inc. (Turnstone) has continually evolved and expanded to respond to the needs and desires of people with disabilities and their families throughout northeast Indiana. Turnstone's mission is:

Turnstone empowers people with disabilities to achieve their highest potential by providing comprehensive services and programs.

Turnstone is the only not-for-profit organization in the region that provides comprehensive services and programs including physical, occupational and speech therapy, inclusive child care, adult day care service, memory care program, wellness, adaptive sports, recreation, and facilities to persons with disabilities and their families.

Turnstone serves over 3,200 individuals annually. Of the people who benefit from Turnstone's programs and services, the majority received services at a reduced rate. Turnstone is the only organization in northeast Indiana that provides therapeutic services on a sliding fee scale to persons with physical disabilities. Turnstone creates possibilities.

Turnstone's "Big Dream Project" (Project) expanded the sports, recreation, and wellness programming for people with disabilities by adding more than 125,000 square feet to its facility. The Plassman Athletic Center houses four collegiate-sized wood floor basketball courts with scoreboards and a 230 meter six lane track with long jump and pole vault pit, area for shot put, and high jump equipment. The Plassman Athletic Center also has fieldhouse spectator capacity for 1,700 people; a concession stand and bistro seating area; nine administrative offices, three conference rooms, a fitness center with three group exercise rooms, and an elite athlete fitness area; a large warm water therapy pool with zero-depth entry, chair lift, transfer wall, and stairs; and fully accessible bathrooms, locker rooms, and showers. Additionally, the Plassman Athletic Center expansion served as a catalyst for growth and expansion in all programs including therapy, adult day services, and memory care.

In 2018 the United States Olympic Committee and Turnstone announced an agreement designating Turnstone as its seventh U.S. Paralympic Training Site. Since that designation, the now jointly managed United States Olympic & Paralympic Committee reorganized their Training Site program, and Turnstone retained its designation making it one of now nine U.S. Olympic and Paralympic Training Sites. Turnstone's facilities, staff, and resources will provide an elite athlete training environment for current and aspiring Paralympic athletes, with a specialty in the sport of goalball, as well as developmental opportunities for athletes in other Paralympic sports.

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

1. Organization (continued)

Turnstone's goalball program already retains a reputation of excellence which adds to the Olympic family's other training sites across the country. Through Turnstone's relationship with the United States Association of Blind Athletes (USABA), Turnstone is currently home to the Goalball Center of Excellence, the U.S. Men's and Women's Goalball Resident Program, and the internationally ranked U.S. Men's and Women's National Goalball teams. The designated training site footprint includes the Goalball Center of Excellence and the Plassman Athletic Center at Turnstone. The Goalball Center of Excellence includes a single, enclosed gymnasium with the only Taraflex goalball court in the United States, two standard goals, and a high-performance strength and conditioning room adjacent to the gymnasium.

Turnstone Properties, LLC (Turnstone Properties), a not-for-profit corporation organized pursuant to the laws of Indiana, was established to purchase and make improvements to certain property located next to Turnstone's facilities. Turnstone is the sole corporate member of and holds a 100 percent interest in Turnstone Properties.

Turnstone is the sole corporate member of and holds 100 percent interest in Turnstone Fieldhouse, LLC (Turnstone Fieldhouse). Turnstone is a member of and holds a 85 percent interest in Turnstone Leverage Lender, LLC (Turnstone Leverage Lender). Turnstone Fieldhouse and Turnstone Leverage Lender, limited liability companies organized under the laws of Indiana, were established in conjunction with obtaining new market tax credits (see *Note 12*).

Turnstone is exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code and qualifies for the charitable contributions deduction. Turnstone has been classified as an organization that is not a private foundation under the provisions of Section 509(a)(1) of the Internal Revenue Code. Turnstone is also exempt from state income taxes. Turnstone provides liabilities for uncertain income tax positions when a liability is probable and estimable. Management believes that it has appropriate support for any tax positions it has taken or expects to take and as such, does not have any uncertain tax positions that should be recognized, measured, or disclosed in the consolidated financial statements.

Management also believes Turnstone is no longer subject to examination by tax authorities for the years prior to June 30, 2020.

The aforementioned LLCs are limited liability companies and, as such, are treated as pass-through entities for income tax purposes. No provisions have been made for income taxes as the income tax liability, if any, resides with the member or members. Their net income or loss is allocated among the member or members in accordance with the operating agreements.

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

1. Organization (continued)

Principles of Consolidation and Noncontrolling Interest

The consolidated financial statements include Turnstone Center for Children and Adults with Disabilities, Inc. and its affiliates, Turnstone Properties, LLC; Turnstone Fieldhouse, LLC; and Turnstone Leverage Lender, LLC (collectively Turnstone and affiliates). Significant interorganization accounts and transactions have been eliminated in consolidation.

2. Summary of Significant Accounting Policies

Cash and Cash Equivalents

All highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents, excluding money market funds held for investment. All cash and cash equivalents are held at local financial institutions. Turnstone and affiliates periodically have cash and cash equivalents in excess of federally insured limits. Turnstone and affiliates performs periodic evaluations of the relative credit standing of those financial institutions that are considered in Turnstone and affiliates' investment strategy.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, Turnstone's investments are reported at their fair values in the consolidated statements of financial position. Net investment return (loss) is reported in the consolidated statements of activities and consists of interest and dividend income, and realized and unrealized gains and losses, less external and direct internal investment expenses. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See *Note 7* for discussion of fair value measurements.

Purchases and sales are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Capital gain distributions are included in interest and dividend income.

Net realized and unrealized investment gains or losses are determined by comparison of asset cost, using the specific identification method, to net proceeds received at the time of sale and changes in the difference between market values and cost, respectively.

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Investments (continued)

Turnstone's investment portfolio consists of a diverse mix of investments, without concentration of risk by type, industry, or geographic area, which are managed by professional investment managers in compliance with the investment policy established by the Board of Directors. Investments are exposed to various risks, such as interest rate, market volatility, and credit risks.

Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the value of investments may occur in the near term and that such changes could materially affect account balances.

Land and Land Improvements, Building, and Equipment

Land and land improvements, building, and equipment are stated at cost or if donated, at fair market value at date of donation, except for land and land improvements, building, and equipment that have been impaired. For impaired assets, the carrying amount is reduced to the estimated fair market value. There were no impaired land and land improvements, building, or equipment assets as of June 30, 2023 or 2022. Turnstone and affiliates capitalize fixed assets which cost \$2,000 or more and have a useful life of one year or more. Depreciation is computed by the straight-line method over the following estimated useful lives:

Land improvements	20 years
Building	5-39.5 years
Equipment	5-7 years

Expenses for normal repairs and maintenance are expensed as incurred.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-(or certain grantor-) imposed restrictions. Some donor-imposed 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 donor-imposed

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Net Assets (continued)

restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when received and released from restriction when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled or both. If a donor restriction expires in the same reporting period that the contribution was made, such contribution is reported as a contribution without donor restrictions in the consolidated statement of activities and changes in net assets.

Revenue and Accounts Receivable

Program service fees are reported at the amount that reflects the consideration to which Turnstone 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 includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally Turnstone bills the clients and third-party payors within two weeks after the services are performed. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by Turnstone. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. Turnstone believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Turnstone measures the performance obligation from the commencement of services, to the point when it is no longer required to provide services to that client.

Because all of its performance obligations relate to contracts with a duration of less than one year, Turnstone has elected to apply the optional exemption provided in FASB ASU 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. Turnstone's performance obligations consist primarily of services that occur within one day; therefore, there were no unsatisfied or partially unsatisfied performance obligations at the end of the reporting period.

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Revenue and Accounts Receivable (continued)

Turnstone determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors. Turnstone determines its estimates of contractual adjustments based on contractual agreements and historical experience. Turnstone determines its estimate of implicit price concessions based on its historical collection experience with the class of clients.

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

Medicaid – Reimbursements for Medicaid services are generally paid at prospectively determined rates per visit or per covered member.

Medicare – Outpatient services are paid using prospectively determined rates.

Other – Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined rates per visit or discounts from established charges.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge Turnstone's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon Turnstone. In addition, the contracts Turnstone has with commercial payors also provide for retroactive audit and review of claims.

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing client care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Revenue and Accounts Receivable (continued)

Turnstone's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in the transaction price were not significant for the year ended June 30, 2023.

Consistent with Turnstone's mission, care is provided to clients regardless of their ability to pay. Turnstone provides care to those clients who meet certain criteria under its sliding fee discount policy at amounts less than the established rates.

Turnstone also has revenue from the use of facilities as rental income. Turnstone recognizes rental income upon the completion of the event. Accordingly, funds received for rentals, facilities use, and other activities related to future periods are recorded as deferred income. Accounts receivable for rental income is recorded net of allowances for uncollectible accounts which is based on historical collection experience and management's estimate of the losses that will be incurred in the collection of these receivables.

Contributions and Pledges Receivable

Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Any amounts received prior to meeting the conditions are reported as refundable advances in the statement of financial position. Conditional grants of \$1 million were received during the year ended June 30, 2022. Conditional grants that had not been recognized at June 30, 2023 and 2022 were \$277,600 and \$612,000, respectively. Turnstone recognized \$334,400 and \$388,000 during the years ended June 30, 2023 and 2022, respectively, as conditions had been substantially met. Turnstone received a second Paycheck Protection Program loan during the year ended June 30, 2021 and recorded a refundable advance of \$768,042. During the year ended June 30, 2022, the second Paycheck Protection Program loan was forgiven and recognized as contribution revenue.

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Contributions and Pledges Receivable (continued)

Contributions of assets other than cash are recorded at their fair market value. Contributions of services are recognized as revenue if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills and typically need to be purchased if not provided by donation.

Pledges receivable represent unconditional and legally enforceable promises to give to Turnstone by donors. Turnstone uses the allowance method to determine uncollectible pledges receivable. The allowance for uncollectible pledges receivable is based on historical collection experience and management's analysis of specific pledges receivable.

Government Program Revenue

Government program revenue is recognized as Turnstone performs the contracted services pursuant to grant agreements. Grant revenue is recognized as earned as the eligible expenses are incurred. Grant expenditures are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Promotion and Publicity and Fundraising Expenses

Promotion and publicity costs are expensed when incurred. Fundraising costs are expensed when incurred or upon completion of the related fundraising event.

Use of Estimates

Preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Recently Adopted Accounting Standard

In February 2016, Financial Accounting Standard Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842), to require a lessee to recognize a right-of-use asset and a lease liability for both operating and finance leases. Turnstone adopted ASU 2016-02 and its related amendments effective July 1, 2022 with no impact on the financial statements.

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Functional Expenses

The cost of providing the program and other activities has been summarized on a functional basis in the accompanying consolidated statements of activities and changes in net assets. The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other expenses, which are allocated on the basis of estimates of time and effort.

3. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following:

	June 30	
	2023	2022
Financial assets at year-end:		
Cash and cash equivalents	\$ 565,601	\$ 596,979
Accounts receivable	191,401	1,917,986
Current portion of pledges receivable	639,720	334,729
Investments	6,529,410	3,032,260
Beneficial interest in perpetual trust	446,840	430,397
Beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	261,092	249,771
Financial assets at year-end	8,634,064	6,562,122
Less donor-imposed and board-designated restrictions for endowment making financial assets unavailable for general expenditure	(3,921,568)	(3,697,902)
Financial assets available to meet cash needs for general expenditures within one year	\$ 4,712,496	\$ 2,864,220

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

3. Liquidity and Availability (continued)

Turnstone's endowment funds consist of donor-restricted endowments and funds designated by the Board of Directors as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

Turnstone's endowment is subject to an annual spending rate of 5 percent as described in *Note 9*. The annual distributions from the endowment are available for general operating expenditures. Turnstone does not intend to spend from its board-designated endowment (other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation); however, these amounts could be made available if necessary.

Additionally, Turnstone has a line of credit of \$600,000 available to meet short-term needs. See *Note 11* for information about this arrangement.

Turnstone 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 obligations will be discharged. As part of Turnstone's liquidity management plan, excess cash is invested in short-term investments and money market funds.

Turnstone receives contributions each year from donors, revenues from rental of facilities, and receives funds from special events, which are available to help meet its cash needs for general expenditures.

4. Pledges Receivable

Unconditional promises to give to Turnstone are recorded as pledges receivable at the present value of future cash flows. The present value discount rate used was 4.84 percent and 3.18 percent at June 30, 2023 and 2022, respectively. Turnstone's pledges receivable are as follows:

	June 30	
	2023	2022
Pledges receivable	\$ 1,229,720	\$ 824,729
Less unamortized discount	(31,730)	(22,271)
	<u>\$ 1,197,990</u>	<u>\$ 802,458</u>

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

4. Pledges Receivable (continued)

	June 30	
	2023	2022
Amounts due in:		
Less than one year	\$ 639,720	\$ 334,729
One to five years	590,000	490,000
	<u>\$ 1,229,720</u>	<u>\$ 824,729</u>

5. Beneficial Interest in Perpetual Trust

Turnstone has a beneficial interest in a perpetual trust administered by an outside party. Pursuant to the terms of the trust, Turnstone has the irrevocable right to receive income earned on the trust assets in perpetuity, but will never receive the assets held in trust. Distributions from the perpetual trust are recorded as income with donor restrictions. The estimated value of Turnstone's beneficial interest in the perpetual trust was \$446,840 and \$430,397 at June 30, 2023 and 2022, respectively, which represents the fair market value of Turnstone's proportional interest in the trust assets. The change in the estimated value is recorded in net assets with donor restrictions as a gain or loss in the beneficial interest in perpetual trust.

6. Beneficial Interest in Funds Held by the Community Foundation of Greater Fort Wayne Inc.

The beneficial interest in the funds held and invested by the Community Foundation of Greater Fort Wayne Inc. (Community Foundation) of \$261,092 and \$249,771 at June 30, 2023 and 2022, respectively, is the result of an agreement whereby Turnstone has transferred assets to the Community Foundation and has specified itself as the beneficiary of the assets. Turnstone may draw up to a certain percent of the value of the assets each year, subject to certain conditions and limitations, but may only obtain a return of the full value of the assets upon consent of the Community Foundation.

Additionally, the Community Foundation holds funds, with a value of \$202,661 and \$177,330 at June 30, 2023 and 2022, respectively, for the benefit of Turnstone for which the Community Foundation has obtained variance power. Turnstone is precluded from recognizing these assets held by the Community Foundation because the donors explicitly granted variance power to the Community Foundation. Accordingly, Turnstone only recognizes its annual grants by the Community Foundation from these funds as contributions.

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

7. Fair Value Measurements

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

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

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The 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 need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023 and 2022.

Money market funds: Valued at quoted market prices in an exchange and active market, which represent the net asset value (NAV) of shares held by Turnstone at year-end.

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

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

7. Fair Value Measurements (continued)

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

Exchange traded funds: Exchange traded funds are open-end funds that can be bought and sold throughout the day on a stock exchange. The exchange traded funds held by Turnstone are deemed to be actively traded and valued at the closing price reported on the stock exchange on which the individual securities are traded.

Corporate and other bonds: Certain corporate and other bonds are valued at the closing price reported in the active market in which the obligation or bond is traded. Corporate and other bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar obligations or bonds, the obligation or bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

Beneficial interest in perpetual trust: Turnstone's proportional interest in the trust assets is valued at the fair market value of the underlying investments as reported by the investment manager at year-end.

Beneficial interest in funds held by the Community Foundation: Valued at the fair market value of the underlying investments as reported by the Community Foundation at year-end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Turnstone 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.

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

7. Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, Turnstone's assets at fair value as of June 30, 2023 and 2022:

	Assets at Fair Value as of June 30, 2023			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 3,482,123	\$ -	\$ -	\$ 3,482,123
Mutual funds:				
Equity funds:				
Mid-cap growth	76,004	-	-	76,004
Mid-cap value	89,046	-	-	89,046
Small value	38,858	-	-	38,858
Diversified emerging markets	113,689	-	-	113,689
Foreign—large blend	126,061	-	-	126,061
Fixed income funds:				
Emerging markets	24,137	-	-	24,137
Intermediate term bond	531,583	-	-	531,583
	999,378	-	-	999,378
Exchange traded funds:				
Equity funds:				
Large cap value	9,129	-	-	9,129
Large cap blend	1,625,559	-	-	1,625,559
Mid-cap growth	19,137	-	-	19,137
Mid-cap value	28,921	-	-	28,921
Real estate	35,482	-	-	35,482
Fixed income funds:				
Inflation protected bond	84,913	-	-	84,913
Short-term bond	29,904	-	-	29,904
	1,833,045	-	-	1,833,045
Corporate and other bonds	-	214,864	-	214,864
Total investments at fair value	6,314,546	214,864	-	6,529,410
Beneficial interest in perpetual trust	-	446,840	-	446,840
Beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	-	261,092	-	261,092
Total other assets at fair value	-	707,932	-	707,932
Assets at fair value	\$ 6,314,546	\$ 922,796	\$ -	\$ 7,237,342

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

7. Fair Value Measurements (continued)

	Assets at Fair Value as of June 30, 2022			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 183,531	\$ -	\$ -	\$ 183,531
Common stock:				
Consumer discretionary	71,854	-	-	71,854
Consumer staples	57,742	-	-	57,742
Energy	22,811	-	-	22,811
Financial	80,266	-	-	80,266
Health care	131,500	-	-	131,500
Industrials	85,957	-	-	85,957
Information technology	200,743	-	-	200,743
Materials	46,493	-	-	46,493
Real estate	14,713	-	-	14,713
Telecommunication services	23,332	-	-	23,332
Utilities	19,322	-	-	19,322
	754,733	-	-	754,733
Mutual funds:				
Equity funds:				
Mid-cap growth	46,912	-	-	46,912
Mid-cap value	79,751	-	-	79,751
Small growth	18,414	-	-	17,414
Small value	37,120	-	-	37,120
Diversified emerging markets	105,546	-	-	105,546
Foreign—large blend	238,052	-	-	238,052
Fixed income funds:				
Bank loan	36,617	-	-	36,617
Emerging markets	23,907	-	-	23,907
Intermediate term bond	435,252	-	-	435,252
Nontraditional bond	87,231	-	-	87,231
	1,108,802	-	-	1,108,802

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

7. Fair Value Measurements (continued)

Assets at Fair Value as of June 30, 2022 (continued)				
	Level 1	Level 2	Level 3	Total
Exchange traded funds:				
Equity funds:				
Large cap growth	\$ 145,746	\$ -	\$ -	\$ 145,746
Large cap value	8,547	-	-	8,547
Large cap blend	327,206	-	-	327,206
Mid-cap growth	16,310	-	-	16,310
Mid-cap value	27,070	-	-	27,070
Real estate	94,109	-	-	94,109
Fixed income funds:				
Short-term bond	95,690	-	-	95,690
	714,678	-	-	714,678
Corporate and other bonds	-	270,516	-	270,516
Total investments at fair value	2,761,744	270,516	-	3,032,260
Beneficial interest in perpetual trust	-	430,397	-	430,397
Beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	-	249,771	-	249,771
Total other assets at fair value	-	680,128	-	680,128
Assets at fair value	\$ 2,761,744	\$ 950,644	\$ -	\$ 3,712,388

8. Net Investment Return (Loss)

The composition of investment return recognized in the consolidated statements of activities and changes in net assets are as follows:

	Year ended June 30	
	2023	2022
Investment income (loss):		
Interest and dividends	\$ 139,907	\$ 93,232
Net realized gain (loss) on investments	(161,064)	544,331
Net unrealized gain (loss) on investments	448,902	(1,089,434)
	427,745	(451,871)
Investment expenses	(18,867)	(18,734)
Net investment return (loss)	\$ 408,878	\$ (470,605)

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

9. Endowment Funds

ASC 958, *Not-for-Profit Entities*, required certain net asset classification changes for institutional endowment funds under Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Indiana General Assembly has adopted UPMIFA. Turnstone may hold donor restricted endowment funds where the gift instrument clearly stipulates that Turnstone is not to spend the principal or some other portion of the gift, in which case such gift instrument will supersede Turnstone's ability to spend the whole fund.

Turnstone's endowment consists of several individual funds established by donors to provide annual funding for specific activities and general operations. The endowment also includes certain net assets without donor restrictions that have been designated for endowment by the Board of Directors. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of Turnstone has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds unless there are explicit donor stipulation to the contrary. At June 30, 2023 and 2022, there were no such donor stipulations. As a result of this interpretation, Turnstone retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA. Turnstone considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund.
- The purposes of Turnstone and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation (depreciation) of investments.
- Other resources of Turnstone.
- The investment policies of Turnstone.

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

9. Endowment Funds (continued)

Endowment net asset composition by type of fund as of June 30, 2023 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Beneficial interest in perpetual trust	\$ -	\$ 446,840	\$ 446,840
Beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	-	261,092	261,092
Other	-	1,947,828	1,947,828
	-	2,655,760	2,655,760
Board-designated endowment funds	1,265,808	-	1,265,808
Total funds	<u>\$ 1,265,808</u>	<u>\$ 2,655,760</u>	<u>\$ 3,921,568</u>

Changes in endowment net assets for the year ended June 30, 2023 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	\$ 1,069,906	\$ 2,627,996	\$ 3,697,902
Investment return:			
Net investment return	355,125	-	355,125
Gain on beneficial interest in perpetual trust	-	44,369	44,369
Gain on beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	-	21,227	21,227
	355,125	65,596	420,721
Other changes— distribution of endowment funds for operating purposes	(159,223)	(37,832)	(197,055)
Endowment net assets at end of year	<u>\$ 1,265,808</u>	<u>\$ 2,655,760</u>	<u>\$ 3,921,568</u>

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

9. Endowment Funds (continued)

Endowment net asset composition by type of fund as of June 30, 2022 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Beneficial interest in perpetual trust	\$ -	\$ 430,397	\$ 430,397
Beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	-	249,771	249,771
Other	-	1,947,828	1,947,828
	-	2,627,996	2,627,996
Board-designated endowment funds	1,069,906	-	1,069,906
Total funds	<u>\$ 1,069,906</u>	<u>\$ 2,627,996</u>	<u>\$ 3,697,902</u>

Changes in endowment net assets for the year ended June 30, 2022 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	\$ 1,640,450	\$ 2,766,170	\$ 4,406,620
Investment loss:			
Net investment loss	(470,544)	-	(470,544)
Loss on beneficial interest in perpetual trust	-	(86,355)	(86,355)
Loss on beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	-	(19,694)	(19,694)
	(470,544)	(106,049)	(576,593)
Other changes— distribution of endowment funds for operating purposes	(100,000)	(32,125)	(132,125)
Endowment net assets at end of year	<u>\$ 1,069,906</u>	<u>\$ 2,627,996</u>	<u>\$ 3,697,902</u>

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). Turnstone has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2023 and 2022, there were no deficiencies in endowment funds with donor restrictions.

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

9. Endowment Funds (continued)

Investment and Spending Policies

Turnstone has adopted investment and spending policies for the endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of certain investment benchmark indices while assuming a moderate level of investment risk.

To satisfy its long-term rate-of-return objectives, Turnstone 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). Turnstone 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.

Turnstone uses an endowment spending-rate formula (policy) to determine the maximum amount to spend from the Endowment each year. The rate is determined and adjusted from time to time by the Board of Directors to the extent they do not reduce the fund balance below the amount of cumulative original contributions (historical cost value). The target annual distribution rate is 5 percent of the 12 trailing quarter market values ending March 31 prior to the start of the fiscal year. The Board of Directors approve the amount of the distribution and the split between operating and capital funding during the budget process. During the years ended June 30, 2023 and 2022, the spending rate maximum was 5 percent.

In establishing this policy, Turnstone considered the long-term expected return on the endowment and set the rate with the objective of maintaining the purchasing power of the endowment over time.

The maximum contractually allowed distribution by the Community Foundation is 4.5 percent. The actual amount withdrawn is determined during the annual budgeting process.

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

10. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods.

	June 30	
	2023	2022
Future operations	\$ 1,345,000	\$ 936,700
Program services	1,162,737	278,934
	2,507,737	1,215,634
Endowments subject to Turnstone endowment spending policy and appropriation:		
Therapeutic services, including transportation	658,512	658,512
Operations	1,259,316	1,259,316
Children's programs	5,000	5,000
Scholarships	25,000	25,000
	1,947,828	1,947,828
Endowments not subject to spending policy or appropriation:		
Beneficial interest in perpetual trust	446,840	430,397
Beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	261,092	249,771
	707,932	680,168
Total endowments	2,655,760	2,627,996
Total net assets with donor restrictions	\$ 5,163,497	\$ 3,843,630

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows:

	Year ended June 30	
	2023	2022
Expiration of time restrictions	\$ 816,700	\$ 699,325
Satisfaction of program requirements	253,418	693,333
	\$ 1,070,118	\$ 1,392,658

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

11. Debt Arrangements

Pursuant to a revolving line of credit arrangement with a bank, Turnstone may borrow up to \$1,500,000 subject to certain terms and conditions. This line of credit arrangement expires on February 28, 2024. The line of credit arrangement bears interest at the daily secured overnight financing rate plus 1.8 percent (6.89 percent at June 30, 2023). There were no borrowings pursuant to this line of credit arrangement at June 30, 2023 and 2022.

The debt arrangements contain customary representations, warranties, covenants, and other terms and conditions. The revolving line of credit arrangement is secured by Turnstone's endowment investments, accounts and pledges receivable and certain other assets.

Amortization of deferred financing costs was \$53,149 for the years ended June 30, 2022 and is included in interest expense.

12. New Markets Tax Credit

In April 2015, Turnstone and affiliates entered into a New Markets Tax Credit (NMTC) financing transaction to fund a portion of the cost of construction of the aforementioned 125,000 square foot addition to its facility (The Plassman Athletic Center) in Fort Wayne, Indiana. The NMTC program was provided for in the Community Renewal Tax Relief Act of 2000 (Act) and is intended to induce capital investment in qualified low-income communities. The Act permits taxpayers to claim credits against their Federal income taxes for up to 39 percent of qualified investments in the equity of Community Development Entities (CDE). A CDE is a privately managed investment institution that is certified to make qualified low-income community investments (QLICI) loans. The NMTC structure includes Turnstone and affiliates (through Turnstone Leverage Lender), as a leverage lender, and the tax credit investor is PNC New Markets Investment Partners, LLC, an entity formed for purposes of this transaction by PNC Bank, N.A.

In April 2015, PNC New Markets Investments Partners, LLC made a \$3,042,000 capital contribution to Turnstone Investments Fund, LLC, a qualified equity investment fund. At the same time, Turnstone Leverage Lender made a \$7,118,000 leverage loan to the same investment fund. In turn Turnstone Investment Fund, LLC made a \$10,000,000 capital contribution to FWNMRF CDE IV LLC (Sub-CDE I) and PNC CDE 56, LP (Sub-CDE II), each recognized as a qualified community development entity (noted above), or Sub-CDE in this structure. After deducting certain fees associated with the transaction, each made with two QLICI loans to

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

12. New Markets Tax Credit (continued)

Turnstone Fieldhouse for a combined total of \$9,840,000. In this structure, Turnstone Fieldhouse is designated as a qualified active low-income community benefit entity (QALICB). The QLICI loans bear interest at a rate of 1.13 percent and mature in 2045. Interest-only payments due quarterly were made during the first seven years of the notes.

The NMTC was subject to 100 percent recapture for a period of seven years as provided in the Internal Revenue Code. Turnstone and affiliates were required to be in compliance with various regulations and contractual provisions that apply to the NMTC arrangement. Non-compliance with applicable requirements could result in projected tax benefits not being realized and, therefore, could require Turnstone and affiliates to indemnify the investors for any loss or recapture of NMTCs related to the financing until such time as Turnstone and affiliates obligation to deliver tax benefits is relieved. The transaction included a put/call provision that became effective at the end of the seven year compliance/recapture period. In May 2022, Turnstone completed the unwinding of the NMTC project and recognized \$2,642,000 as a gain on the unwind of the NMTC transaction.

13. Contributed Goods and Services

During the years ended June 30, 2023 and 2022, the fair market value of contributed goods and services recognized as revenue in the accompanying consolidated statements of activities and changes in net assets consisted of the following:

	Year ended June 30	
	2023	2022
Buildings and equipment	\$ 54,845	\$ 281,438
Maintenance and supplies	102,011	36,852
Professional services	4,622	56,829
	<u>\$ 161,478</u>	<u>\$ 375,119</u>

Turnstone utilizes the contributed nonfinancial assets in its programs or at its fundraising events. The market value of equipment and certain other assets is determined through comparison to online listings of comparable assets. The market value of certain other assets and services is provided by the donor.

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

14. Government Program Revenue

Government program funds received for services rendered are included in program service fees in the consolidated statements of activities and changes in net assets and consisted of the following:

	Year ended June 30	
	2023	2022
Indiana Family & Social Service Administration		
and Department of Veterans Affairs	\$ 11,504	\$ 45,263
Medicaid and Medicaid waiver	1,039,413	645,442
	<u>\$ 1,050,917</u>	<u>\$ 690,705</u>

15. Employee Retirement Plan

Turnstone sponsors a Section 403(b) plan (Plan). All full-time employees who have attained age 21 are eligible to participate in the Plan. Turnstone may make discretionary matching contributions to the Plan. Turnstone's contribution to the Plan was \$55,612 and \$44,458 for the years ended June 30, 2023 and 2022, respectively.

16. Related Party Transactions

Certain members of the Board of Directors are employed by organizations that have provided goods and services for Turnstone and affiliates. The fees and costs paid for these goods and services were based on customary and reasonable rates for such services.

17. Subsequent Events

Management has evaluated subsequent events through November 7, 2023, the date on which the financial statements were available to be issued.

Supplementary Information

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Details of Consolidated Statement of Financial Position

June 30, 2023

	Turnstone Center for Children and Adults with Disabilities, Inc.	Turnstone Properties, LLC	Turnstone Fieldhouse, LLC	Turnstone Leverage Lender, LLC	Eliminations	Consolidated Total
Assets						
Current assets:						
Cash and cash equivalents	\$ 511,058	\$ -	\$ 46,035	\$ 8,508	\$ -	\$ 565,601
Accounts receivable, less allowance of \$41,100	191,401	-	-	-	-	191,401
Current portion of pledges receivable	639,720	-	-	-	-	639,720
Bequest receivable	861,305	-	-	-	-	861,305
Accrued interest and dividends receivable	18,025	-	-	-	-	18,025
Due from affiliated organization	4,757,653	-	-	-	(4,757,653)	-
Prepaid expenses and other current assets	139,002	-	1	-	-	139,003
Total current assets	7,118,164	-	46,036	8,508	(4,757,653)	2,415,055
Investments	6,529,410	-	-	-	-	6,529,410
Investment in affiliates	8,031,846	-	-	-	(8,031,846)	-
Land and land improvements, building, and equipment:						
Land and land improvements	-	714,337	400,000	-	-	1,114,337
Building	171,657	-	19,337,237	-	-	19,508,894
Equipment	2,450,527	-	-	-	-	2,450,527
	2,622,184	714,337	19,737,237	-	-	23,073,758
Less accumulated depreciation	2,036,702	-	7,776,797	-	-	9,813,499
Total land and land improvements, building, and equipment	585,482	714,337	11,960,440	-	-	13,260,259
Other assets:						
Pledges receivable, less current portion	558,270	-	-	-	-	558,270
Beneficial interest in perpetual trust	446,840	-	-	-	-	446,840
Beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	261,092	-	-	-	-	261,092
Total other assets	1,266,202	-	-	-	-	1,266,202
Total assets	\$23,531,104	\$ 714,337	\$ 12,006,476	\$ 8,508	\$ (12,789,499)	\$ 23,470,926

	Turnstone Center for Children and Adults with Disabilities, Inc.	Turnstone Properties, LLC	Turnstone Fieldhouse, LLC	Turnstone Leverage Lender, LLC	Eliminations	Consolidated Total
Liabilities, net assets, and noncontrolling interest						
Current liabilities:						
Accounts payable	\$ 68,029	\$ -	\$ -	\$ -	\$ -	\$ 68,029
Accrued expenses	299,424	-	-	-	-	299,424
Due to affiliated organization	-	490,519	4,212,779	54,355	(4,757,653)	-
Deferred income	119,139	-	-	-	-	119,139
Total current liabilities	486,592	490,519	4,212,779	54,355	(4,757,653)	486,592
Net assets and members' equity:						
Without donor restrictions	17,881,015	-	-	-	-	17,881,015
With donor restrictions	5,163,497	-	-	-	-	5,163,497
Total net assets	23,044,512	-	-	-	-	23,044,512
Members' equity:						
Class A	-	223,818	7,793,697	14,331	(8,031,846)	-
Class B—Noncontrolling interest	-	-	-	(60,178)	-	(60,178)
Total member's equity/ noncontrolling interest	-	223,818	7,793,697	(45,847)	(8,031,846)	(60,178)
Total net assets and noncontrolling interest	23,044,512	223,818	7,793,697	(45,847)	(8,031,846)	22,984,334
 Total liabilities, net assets, and noncontrolling interest	 \$ 23,531,104	 \$ 714,337	 \$ 12,006,476	 \$ 8,508	 \$ (12,789,499)	 \$ 23,470,926

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Details of Consolidated Statement of Financial Position

June 30, 2022

	Turnstone Center for Children and Adults with Disabilities, Inc.	Turnstone Properties, LLC	Turnstone Fieldhouse, LLC	Turnstone Leverage Lender, LLC	Eliminations	Consolidated Total
Assets						
Current assets:						
Cash and cash equivalents	\$ 542,545	\$ 1	\$ 46,036	\$ 8,397	\$ -	\$ 596,979
Accounts receivable, less allowance of \$76,233	1,917,986	-	-	-	-	1,917,986
Current portion of pledges receivable	334,729	-	-	-	-	334,729
Accrued interest and dividends receivable	4,291	-	-	-	-	4,291
Due from affiliated organization	4,673,412	-	-	-	(4,673,412)	-
Prepaid expenses and other current assets	53,779	-	-	-	-	53,779
Total current assets	7,526,742	1	46,036	8,397	(4,673,412)	2,907,764
Investments	3,032,260	-	-	-	-	3,032,260
Investment in affiliates	8,697,263	-	-	-	(8,697,263)	-
Land and land improvements, building, and equipment:						
Land and land improvements	-	636,786	400,000	-	-	1,036,786
Building	171,657	-	19,337,237	-	-	19,508,894
Equipment	2,310,013	-	-	-	-	2,310,013
	2,481,670	636,786	19,737,237	-	-	22,855,693
Less accumulated depreciation	1,869,245	-	7,117,180	-	-	8,986,425
Total land and land improvements, building, and equipment	612,425	636,786	12,620,057	-	-	13,869,268
Other assets:						
Pledges receivable, less current portion	467,729	-	-	-	-	467,729
Beneficial interest in perpetual trust	430,397	-	-	-	-	430,397
Beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	249,771	-	-	-	-	249,771
Total other assets	1,147,897	-	-	-	-	1,147,897
Total assets	\$21,016,587	\$ 636,787	\$ 12,666,093	\$ 8,397	\$ (13,370,675)	\$ 20,957,189

	Turnstone Center for Children and Adults with Disabilities, Inc.	Turnstone Properties, LLC	Turnstone Fieldhouse, LLC	Turnstone Leverage Lender, LLC	Eliminations	Consolidated Total
Liabilities, net assets, and noncontrolling interest						
Current liabilities:						
Accounts payable	\$ 67,992	\$ -	\$ -	\$ -	\$ -	\$ 67,992
Accrued expenses	510,121	-	-	-	-	510,121
Due to affiliated organization	-	411,578	4,212,779	49,055	(4,673,412)	-
Deferred income	150,041	-	-	-	-	150,041
Total current liabilities	728,154	411,578	4,212,779	49,055	(4,673,412)	728,154
Net assets and members' equity:						
Without donor restrictions	16,444,803	-	-	-	-	16,444,803
With donor restrictions	3,843,630	-	-	-	-	3,843,630
Total net assets	20,288,433	-	-	-	-	20,288,433
Members' equity:						
Class A	-	225,209	8,453,314	18,740	(8,697,263)	-
Class B—Noncontrolling interest	-	-	-	(59,398)	-	(59,398)
Total member's equity/ noncontrolling interest	-	225,209	8,453,314	(40,658)	(8,697,263)	(59,398)
Total net assets and noncontrolling interest	20,288,433	225,209	8,453,314	(40,658)	(8,697,263)	20,229,035
 Total liabilities, net assets, and noncontrolling interest	 \$ 21,016,587	 \$ 636,787	 \$ 12,666,093	 \$ 8,397	 \$ (13,370,675)	 \$ 20,957,189

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Details of Consolidated Statement of Activities and Changes in Net Assets and Members' Equity

Year ended June 30, 2023

	Turnstone Center for Children and Adults with Disabilities, Inc.		Turnstone				Consolidated			Total
	Without Donor Restrictions	With Donor Restrictions	Turnstone Properties, LLC	Turnstone Fieldhouse, LLC	Lender, LLC	Eliminations	Without Donor Restrictions	With Donor Restrictions	Noncontrolling Interest	
Support, revenues, and gains (losses)										
Contributions	\$ 1,986,949	\$ 1,324,389	\$ -	\$ -	\$ -	\$ -	\$ 1,986,949	\$ 1,324,389	\$ -	\$ 3,311,338
Bequests	2,455,803	1,000,000	-	-	-	-	2,455,803	1,000,000	-	3,455,803
Contributed goods and services	161,478	-	-	-	-	-	161,478	-	-	161,478
Program service fees	1,650,380	-	-	-	-	-	1,650,380	-	-	1,650,380
Sponsorships	335,532	-	-	-	-	-	335,532	-	-	335,532
Concessions and merchandise income, net	20,770	-	-	-	-	-	20,770	-	-	20,770
Rental income	205,560	-	-	-	-	-	205,560	-	-	205,560
Special events revenue	358,028	-	-	-	-	-	358,028	-	-	358,028
Less special events direct benefits	(113,331)	-	-	-	-	-	(113,331)	-	-	(113,331)
Special events, net	244,697	-	-	-	-	-	244,697	-	-	244,697
Net investment return	408,878	-	-	-	-	-	408,878	-	-	408,878
Miscellaneous income	1,497	-	-	-	111	-	1,608	-	-	1,608
Loss from investment in affiliates	(665,417)	-	-	-	-	665,417	-	-	-	-
Gain on beneficial interest in perpetual trust	-	44,369	-	-	-	-	-	44,369	-	44,369
Gain on beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	-	21,227	-	-	-	-	-	21,227	-	21,227
Net assets released from restrictions	6,806,127	2,389,985	-	-	111	665,417	7,471,655	2,389,985	-	9,861,640
	1,070,118	(1,070,118)	-	-	-	-	1,070,118	(1,070,118)	-	-
Total support, revenues, and gains	7,876,245	1,319,867	-	-	111	665,417	8,541,773	1,319,867	-	9,861,640
Expenses										
Program services	4,473,732	-	-	659,617	-	-	5,133,349	-	-	5,133,349
Supporting services:										
Management and general	1,094,885	-	1,391	-	5,300	-	1,101,576	-	-	1,101,576
Promotion/publicity	299,567	-	-	-	-	-	299,567	-	-	299,567
Fundraising	571,849	-	-	-	-	-	571,849	-	-	571,849
Total supporting services	1,966,301	-	1,391	-	5,300	-	1,972,992	-	-	1,972,992
Total expenses	6,440,033	-	1,391	659,617	5,300	-	7,106,341	-	-	7,106,341
Increase (decrease) in net assets	1,436,212	1,319,867	(1,391)	(659,617)	(5,189)	665,417	1,435,432	1,319,867	-	2,755,299
Excess (deficiency) of revenue over expenses attributable to noncontrolling interest	-	-	-	-	780	-	780	-	(780)	-
Net assets and members' equity at beginning of year	16,444,803	3,843,630	225,209	8,453,314	18,740	(8,697,263)	16,444,803	3,843,630	(59,398)	20,229,035
Net assets and members' equity at end of year	\$ 17,881,015	\$ 5,163,497	\$ 223,818	\$ 7,793,697	\$ 14,331	\$ (8,031,846)	\$ 17,881,015	\$ 5,163,497	\$ (60,178)	\$ 22,984,334

Turnstone Center for Children and Adults with Disabilities, Inc. and Affiliates

Details of Consolidated Statement of Activities and Changes in Net Assets and Members' Equity

Year ended June 30, 2022

	Turnstone Center for Children and Adults with Disabilities, Inc.		Turnstone				Consolidated			Total
	Without Donor Restrictions	With Donor Restrictions	Turnstone Properties, LLC	Turnstone Fieldhouse, LLC	Lender, LLC	Eliminations	Without Donor Restrictions	With Donor Restrictions	Noncontrolling Interest	
Support, revenues, and gains (losses)										
Contributions	\$ 1,323,547	\$ 1,652,216	\$ -	\$ -	\$ -	\$ -	\$ 1,323,547	\$ 1,652,216	\$ -	\$ 2,975,763
PPP loan forgiveness	777,344	-	-	-	-	-	777,344	-	-	777,344
Employee retention tax credits	1,642,707	-	-	-	-	-	1,642,707	-	-	1,642,707
Bequests	11,430	-	-	-	-	-	11,430	-	-	11,430
Contributed goods and services	375,119	-	-	-	-	-	375,119	-	-	375,119
Program service fees	1,287,499	-	-	-	-	-	1,287,499	-	-	1,287,499
Sponsorships	496,337	-	-	-	-	-	496,337	-	-	496,337
Concessions and merchandise income, net	20,470	-	-	-	-	-	20,470	-	-	20,470
Rental income	183,837	-	-	27,833	-	(27,833)	183,837	-	-	183,837
Special events revenue	419,041	-	-	-	-	-	419,041	-	-	419,041
Less special events direct benefits	(96,822)	-	-	-	-	-	(96,822)	-	-	(96,822)
Special events, net	322,219	-	-	-	-	-	322,219	-	-	322,219
Net investment return (loss)	(470,605)	-	-	-	-	-	(470,605)	-	-	(470,605)
Interest on note receivable	59,712	-	-	-	59,712	(59,712)	59,712	-	-	59,712
Miscellaneous income	9,278	-	-	6,502	2	-	15,782	-	-	15,782
Gain (loss) on New Market Tax Credit	(6,762,100)	-	-	9,760,000	(355,900)	-	2,642,000	-	-	2,642,000
Gain from investment in affiliates	8,689,478	-	-	-	-	(8,689,478)	-	-	-	-
Loss on beneficial interest in perpetual trust	-	(86,355)	-	-	-	-	-	(86,355)	-	(86,355)
Loss on beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	-	(19,694)	-	-	-	-	-	(19,694)	-	(19,694)
Net assets released from restrictions	7,966,272	1,546,167	-	9,794,335	(296,186)	(8,777,023)	8,687,398	1,546,167	-	10,233,565
Total support, revenues, and gains (losses)	9,358,930	153,509	-	9,794,335	(296,186)	(8,777,023)	10,080,056	153,509	-	10,233,565
Expenses										
Program services	4,155,829	-	-	659,999	23,543	(27,833)	4,811,538	-	-	4,811,538
Supporting services:										
Management and general	1,076,747	-	-	122,334	59,712	(59,712)	1,199,081	-	-	1,199,081
Promotion/publicity	259,540	-	-	-	-	-	259,540	-	-	259,540
Fundraising	524,059	-	-	-	-	-	524,059	-	-	524,059
Total supporting services	1,860,346	-	-	122,334	59,712	(59,712)	1,982,680	-	-	1,982,680
Total expenses	6,016,175	-	-	782,333	83,255	(87,545)	6,794,218	-	-	6,794,218
Increase (decrease) in net assets	3,342,755	153,509	-	9,012,002	(379,441)	(8,689,478)	3,285,838	153,509	-	3,439,347
Excess (deficiency) of revenue over expenses attributable to noncontrolling interest	-	-	-	-	56,917	-	56,917	-	(56,917)	-
Net assets and members' equity at beginning of year	13,102,048	3,690,121	225,209	(558,688)	341,264	(7,785)	13,102,048	3,690,121	(2,481)	16,789,688
Net assets and members' equity at end of year	\$ 16,444,803	\$ 3,843,630	\$ 225,209	\$ 8,453,314	\$ 18,740	\$ (8,697,263)	\$ 16,444,803	\$ 3,843,630	\$ (59,398)	\$ 20,229,035