

THERESIANS INTERNATIONAL, INC.

FINANCIAL STATEMENTS
AND
INDEPENDENT ACCOUNTANTS'
REVIEW REPORT

December 31, 2023

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Independent Accountants' Review Report

Board of Directors
Theresians International, Inc.
Elburn, Illinois

We have reviewed the accompanying financial statements of Theresians International, Inc. (a nonprofit organization) which are comprised of the statement of assets, liabilities and net assets - modified cash basis as of December 31, 2023, and the related statements of revenues, expenses and changes in net assets - modified cash basis, statement of functional expenses - modified cash basis and cash flows - modified cash basis for the year then ended and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting described in Note A is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statement on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Theresians International, Inc. and to meet our ethical responsibilities in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting described in Note A.

Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Eck, Schaefer + Punkte LLP

Springfield, Illinois
April 17, 2024

Theresians International, Inc.

STATEMENT OF ASSETS, LIABILITIES AND
NET ASSETS - MODIFIED CASH BASIS

December 31, 2023

See Independent Accountants' Review Report

ASSETS

Cash and cash equivalents	\$ 76,969
Investments	48,797
Property and equipment, net	<u>2,926</u>
Total assets	<u>\$ 128,692</u>

NET ASSETS

Net assets	
Without donor restrictions	\$ 126,785
With donor restrictions	<u>1,907</u>
Total net assets	<u>\$ 128,692</u>

The accompanying notes are an integral part of this financial statement.

Theresians International, Inc.

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET ASSETS - MODIFIED CASH BASIS

For the year ended December 31, 2023

See Independent Accountants' Review Report

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES			
Membership dues	\$ 95,205	\$ -	\$ 95,205
Annual fund	86,374	-	86,374
Contributions			
Theresians Foundation	37,000	-	37,000
Other	371	-	371
Vending materials	173	-	173
Investment income	2,563	-	2,563
Special events	8,819	-	8,819
Other income	<u>1,505</u>	<u>-</u>	<u>1,505</u>
Total revenues	232,010	-	232,010
EXPENSES			
Program services	112,990	-	112,990
Supporting activities			
Management and general	98,120	-	98,120
Fundraising	<u>5,715</u>	<u>-</u>	<u>5,715</u>
Total expenses	<u>216,825</u>	<u>-</u>	<u>216,825</u>
CHANGE IN NET ASSETS	15,185	-	15,185
NET ASSETS AT BEGINNING OF YEAR	<u>111,600</u>	<u>1,907</u>	<u>113,507</u>
NET ASSETS AT END OF YEAR	<u>\$ 126,785</u>	<u>\$ 1,907</u>	<u>\$ 128,692</u>

The accompanying notes are an integral part of this financial statement.

Theresians International, Inc.

STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS

For the year ended December 31, 2023

See Independent Accountants' Review Report

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries and related benefits	\$ 71,504	\$ 71,503	\$ -	\$ 143,007
Annual meeting	50	50	-	100
Bank service charges	-	1,468	-	1,468
Books and periodicals	356	356	-	712
Legal	-	1,832	-	1,832
Depreciation	-	1,156	-	1,156
Insurance	-	(82)	-	(82)
Leadership development	3,041	-	-	3,041
Office supplies	2,221	2,221	-	4,442
Postage and shipping	635	-	635	1,270
Printing	5,081	-	5,080	10,161
Professional fees	4,107	4,106	-	8,213
Rent	4,800	4,800	-	9,600
Repairs and maintenance	-	933	-	933
Special events	11,418	-	-	11,418
Communications	3,975	3,975	-	7,950
Travel	5,802	5,802	-	11,604
	<u>\$ 112,990</u>	<u>\$ 98,120</u>	<u>\$ 5,715</u>	<u>\$ 216,825</u>

The accompanying notes are an integral part of this financial statement.

Theresians International, Inc.

STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS

For the year ended December 31, 2023

See Independent Accountants' Review Report

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 15,185
Adjustments to reconcile the change in net assets to net cash flows from operating activities	
Unrealized gain on investments	(551)
Depreciation expense	<u>1,156</u>
Net cash flows from operating activities	15,790
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	<u>(1,925)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	13,865
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>63,104</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 76,969</u>

The accompanying notes are an integral part of this financial statement.

Theresians International, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

See Independent Accountants' Review Report

NOTE A - SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

1. Nature of Activities

Theresians International, Inc. (Theresians) is a global ministry founded in the Catholic tradition. It is a community of women who desire to grow spiritually within a Christian community.

2. Basis of Accounting

The financial statements have been prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Under Theresians method of accounting, revenues and expenses are recorded primarily on the cash basis. However, dues revenue is recognized in the period it is earned, fixed assets are capitalized and depreciated to operations over their estimated useful lives, and payroll related liabilities are recorded on the accrual basis. As such, financial statements prepared on a modified cash basis of accounting are not intended to present financial position and results of activities in accordance with accounting principles generally accepted in the United States of America.

3. Financial Statement Presentation

Under modified cash basis of accounting, net assets, support, and revenue are classified based on the existence or absence of donor-imposed restrictions. Accordingly, Theresians have elected to classify and report net assets as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations. They include undesignated net assets for which Theresians has not established a specific purpose and designated net assets set aside by Theresians for a specific purpose. Designations may be changed or reversed at any time.

Thesians International, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

See Independent Accountants' Review Report

NOTE A - SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES -
Continued

3. Financial Statement Presentation - Continued

Net Assets With Donor Restrictions - Net assets subject to donor-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 restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

4. Cash and Cash Equivalents

Cash and cash equivalents consist of bank deposits and investments in debt securities with an original maturity of three months or less.

5. Investments

Investments are carried at fair value. Realized and unrealized gain and losses are included in the statements of revenues, expenses and changes in net assets - modified cash basis.

6. Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using an accelerated method. It is the policy of Thesians to expense equipment purchases of \$ 500 or less.

Thesians International, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

See Independent Accountants' Review Report

NOTE A - SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES -
Continued

7. Revenue Recognition

A description of Thesians revenue recognition include the following:

Membership Dues

Membership dues are recognized ratably over the period of membership, which is on a fiscal-year basis. Benefits are recognized ratably over the membership period since this most closely approximates the transfer of such member services.

Conference and Seminars

Thesians recognizes revenue when the related event is held, and performance obligations are met.

8. Contributions

Unconditional promises to give are recognized as revenue in the period the promise was made. Contributions, grants, and bequests are recognized as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Thesians reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Thesians federal and state grants and contracts are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Funds received in advance of the conditions being met are shown as refundable grant advances. At December 31, 2023, Thesians had no amounts reported as refundable grant advances.

Thesians International, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

See Independent Accountants' Review Report

NOTE A - SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES -
Continued

9. Functional Allocation of Expenses

The costs of program services and supporting activities have been summarized in the statement of revenue, expenses and changes in net assets. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

10. Income Taxes

Thesians is a religious not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from Federal income taxes on related income under Section 501(a) of the Code. In addition, Thesians qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). Thesians will begin filing Form 990 for the tax year ending December 31, 2023.

Management evaluated Thesians' tax positions in accordance with the standard on accounting for uncertainty in income taxes and concluded that the Thesians had no uncertain tax positions that require adjustment to the financial statements. In addition, management is not aware of any matters which would cause the Thesians to lose its tax-exempt status.

11. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

12. Subsequent Events

Thesians assessed events that have occurred subsequent to December 31, 2023 through April 17, 2024, the date the financial statements were available to be issued, for potential recognition and disclosure in the financial statements. No events have occurred that would require adjustment to or disclosure in the financial statements.

Theresians International, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

See Independent Accountants' Review Report

NOTE B - LIQUIDITY AND AVAILABILITY

The following table reflects the Theresians' financial assets as of December 31, 2023, reduced by amounts that are not available to meet general expenditures within one year of the financial statement date because of restrictions or internal board designations.

Cash and cash equivalents	\$ 76,969
Less donor-imposed restrictions	<u>(1,907)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 75,062</u>

Theresians' cash flow fluctuates throughout the year, but cash is available to meet expenditures as they come due. Management is aware of daily cash balances and upcoming expenditures, and budgets accordingly.

NOTE C - INVESTMENTS AND FAIR VALUE MEASUREMENTS

Fair value is defined as 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. The fair value should be based on assumptions that market participants would use including a consideration of non-performance risk.

Theresians assessed the inputs used to measure fair value using a three-tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market. Level 1 inputs include quoted prices for identical instruments and are the most observable. Level 2 inputs include quoted prices for similar assets and observable inputs such as interest rates, currency exchange rates and yield curves. Level 3 inputs are not observable in the market and include management's judgments about the assumptions market participants would use in pricing the asset or liability.

Theresians International, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

See Independent Accountants' Review Report

NOTE C - INVESTMENTS AND FAIR VALUE MEASUREMENTS - Continued

Theresians fair value, by input level, was as follows at December 31, 2023:

	<u>Level 1</u>
Mutual Fund	
CBIS Opportunistic Bond Fund	\$ 29,032
CBIS Short Duration Bond Fund	<u>19,765</u>
	<u>\$ 48,797</u>

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2023:

Office furniture and equipment	\$ 16,796
Less accumulated depreciation	<u>(13,870)</u>
	<u>\$ 2,926</u>

NOTE E - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2023 are comprised of the following:

Travel Grants	<u>\$ 1,907</u>
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Theresians International, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2023

See Independent Accountants' Review Report

NOTE F - RELATED PARTY TRANSACTIONS

The Theresians Foundation (Foundation) helps further the Theresians mission of establishing a community of women who desire to grow spiritually within a Christian community. The Foundation provided approximately \$ 37,000 of support to Theresians in 2023.

NOTE G - LEASE COMMITMENTS

Theresians entered into a 2-year lease agreement with Elburn & Countryside Community Center for office beginning on September 1, 2023. Rent expense for this space for December 31, 2023 was \$ 9,600.