

**Jasper County Sheltered Facilities Association, Inc.
*d/b/a Community Support Services of Missouri***

**Auditor's Report and Financial Statements
For the year ended
June 30, 2022**



W. BENMILLER, CPALLC

**Jasper County Sheltered Facilities Association, Inc.
d/b/a Community Support Services of Missouri, Inc.**

For the Year Ended June 30, 2022

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W. BEN MILLER, CPA LLC

INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of
Jasper County Sheltered Facilities Association, Inc.
d/b/a Community Support Services of Missouri, Inc.**

Opinion

We have audited the accompanying financial statements of Jasper County Sheltered Facilities Association, Inc. d/b/a Community Support Services of Missouri, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jasper County Sheltered Facilities Association, Inc. d/b/a Community Support Services of Missouri, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Support Services of Missouri, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Jasper County Sheltered Facilities Association, Inc. d/b/a Community Support Services of Missouri, Inc.'s ability to continue as a going concern within one year after the date that the 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 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 Jasper County Sheltered Facilities Association, Inc. d/b/a Community Support Services of Missouri, Inc.'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 Jasper County Sheltered Facilities Association, Inc d/b/a Community Support Services of Missouri, Inc.'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.



W. Ben Miller, CPA LLC
Webb City, Missouri
January 13, 2023

Community Support Services of Missouri, Inc.
Statement of Financial Position
June 30, 2022

Current Assets

Cash and cash equivalents - unrestricted	\$ 1,016,824
Cash and cash equivalents - restricted	186,518
Restricted cash - client funds	50,721
Accounts receivable	1,993,124
Accounts receivable - clients	96,199
Short-term investments	231,840
Prepaid expenses	43,159
Total current assets	<u>3,618,385</u>

Property and Equipment

Land	200,185
Land improvements	19,206
Buildings	2,294,016
Building improvements	2,040,560
Furniture and fixtures	344,537
Vehicles	518,131
	<u>5,416,635</u>
Accumulated depreciation	<u>(2,173,566)</u>
Total property and equipment	<u>3,243,069</u>

Other Assets

Long-term investments	<u>31,403</u>
Total other assets	<u>31,403</u>

Total Assets	<u><u>\$ 6,892,857</u></u>
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See independent auditor's report and notes to the financial statements

Community Support Services of Missouri, Inc.
Statement of Financial Position
June 30, 2022

Current Liabilities	
Current portion of long-term debt	\$ 25,898
Current portion of long-term leases	12,382
Accounts payable and accrued expenses	177,784
Client funds payable	50,721
HHS Cares Act payable	133,724
Targeted case management payable	23,394
Accrued payroll and taxes	894,865
Total current liabilities	1,318,768
 Long-Term Liabilities	
Notes payable	565,924
Lease payable	45,413
Less current portion of notes payable	(25,898)
Less current portion of long-term leases	(12,382)
Total Long-term liabilities	573,057
 Net Assets	
Without donor restrictions	4,794,936
Endowment fund	19,578
Total without donor restrictions	4,814,514
With donor restrictions	186,518
Total net assets	5,001,032
 Total Liabilities and Net Assets	 \$ 6,892,857

See independent auditor's report and notes to the financial statements

Community Support Services of Missouri, Inc.
Statement of Activities
For the Year Ended June 30, 2022

Without Donor Restrictions

Revenues and gains

Administration	\$ 1,756,881
Program services	
Applied behavioral analysis	3,192,219
Duplex rental	10,991
First steps	931,581
Group homes	759,239
Independent support living	5,614,679
Community advocacy and support	1,100,151
Targeted case management	1,277,297
Early learning center	696,827
Other	10,497
Other income	<u>288,368</u>
Total revenues and gains	15,638,730
Support provided by expiring time and purpose restrictions	<u>145,631</u>
Total unrestricted revenues and gains and other support	<u>15,784,361</u>

Expenses

Program services	
Applied behavioral analysis	3,228,980
Duplex rental	23,365
First steps	899,027
Group homes	715,419
Independent support living	5,482,328
McConnell Activity Center	8,043
Community advocacy and support	1,092,203
Targeted case management	1,215,589
Early learning center	772,587
Covid-19 expenses	<u>9,150</u>
Total program services	13,446,691
Supporting services	
Administration	<u>2,088,243</u>
Total supporting services	<u>2,088,243</u>
Total expenses	<u>15,534,934</u>
Increase in unrestricted net assets	<u>249,427</u>

With Donor Restrictions

Contributions	311,397
Net assets released from donor restrictions	<u>(145,631)</u>
Increase in net assets with donor restrictions	<u>165,766</u>

Change in Net Assets

Change in Net Assets	415,193
Net Assets, Beginning of Year	<u>4,585,839</u>
Net Assets, End of Year	<u>\$ 5,001,032</u>

See independent auditor's report and notes to the financial statements

Community Support Services of Missouri, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2022

	Program												Total
	Group Homes	Community Advocacy Center	Independent Supported Living	Applied Behavioral Analysis	First Steps	Covid-19 Expenses	McConnell Activity Center	Targeted Case Management	Duplex Rental	CP Center	Total Program	Administration & Other	
Salaries & taxes	\$587,517	\$ 895,260	\$ 5,044,986	\$2,867,025	\$ 781,779	\$ -	\$ -	\$ 947,624	\$ -	\$606,010	\$11,730,201	\$ 1,099,486	\$12,829,687
Employee benefits	14,439	24,229	163,063	75,794	27,818	-	-	56,020	0	13,032	374,395	40,075	414,470
Employment	10,981	13,541	112,289	52,526	10,339	2,100	-	31,306	0	9,358	242,440	47,238	289,678
Staff travel & training	2,615	2,472	20,181	44,742	32,500	-	-	16,450	-	4,204	123,164	50,701	173,865
Communication	7,860	26,976	31,568	48,187	18,038	-	-	23,809	1,049	8,158	165,645	40,971	206,616
Utilities	13,415	9,211	5,394	6,542	4,019	-	518	8,145	1,161	13,302	61,707	39,534	101,241
Repairs & maintenance	1,435	2,701	6,874	6,104	1,886	5,935	440	1,136	3,866	8,029	38,406	31,528	69,934
Insurance	1,192	639	5,925	2,349	511	-	-	2,809	341	809	14,575	19,172	33,747
Equipment & furnishings	1,567	3,249	1,065	615	306	1,115	-	106	-	2,622	10,645	9,607	20,252
Plant costs	44,820	11,602	3,529	51,700	14,208	-	7,045	43,545	16,214	26,364	219,027	96,214	315,241
Supplies	7,695	2,401	4,414	9,026	3,178	-	40	2,539	80	7,635	37,008	15,764	52,772
Professional services	3,392	8,228	12,454	12,255	1,444	-	-	17,226	640	22,551	78,190	577,766	655,956
Food service	11,970	6,178	680	2,433	481	-	-	603	-	22,129	44,474	2,354	46,828
Transportation	6,270	66,204	67,174	37,825	-	-	-	2,926	-	27,190	207,589	8,236	215,825
Reinvest in Services	-	-	-	-	-	-	-	60,446	-	-	60,446	-	60,446
Interest	-	-	-	-	-	-	-	-	-	-	-	7,074	7,074
Miscellaneous	251	19,312	2,732	11,857	2,520	-	-	899	14	1,194	38,779	2,523	41,302
	<u>\$715,419</u>	<u>\$ 1,092,203</u>	<u>\$ 5,482,328</u>	<u>\$3,228,980</u>	<u>\$ 899,027</u>	<u>\$ 9,150</u>	<u>\$ 8,043</u>	<u>\$ 1,215,589</u>	<u>\$23,365</u>	<u>\$772,587</u>	<u>\$13,446,691</u>	<u>\$ 2,088,243</u>	<u>\$15,534,934</u>

See independent auditor's report and notes to the financial statements

Community Support Services of Missouri, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2022

Cash Flows From Operating Activities	
Change in net assets	\$ 415,193
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	236,521
(Gain)/Loss on disposal of assets	17,730
Unrealized (gain)/loss on investments	2,260
Changes in operating assets and liabilities	
(Increase) decrease in prepaid expenses	(11,986)
(Increase) decrease in accounts receivable	(194,186)
(Increase) decrease in accounts receivable - clients	(21,199)
Increase (decrease) in accounts payable	57,992
Increase (decrease) in accrued wages and payroll liabilities	70,250
Increase (decrease) in client funds payable	34,331
Increase (decrease) in ACA penalty payable	(479,993)
Increase (decrease) in HHS Cares Act payable	133,724
Increase (decrease) in case management payable	<u>(60,733)</u>
Net cash flows from operating activities	<u>199,904</u>
Cash Flows From Investing Activities	
Purchase of property and equipment	(930,197)
Proceeds from sale of property and equipment	<u>13,520</u>
Net cash flows from operating activities	<u>(916,677)</u>
Cash Flows From Financing Activities	
New principal balance on forgivable note payable	280,000
Balance of new lease payable	14,000
Principal payments on notes payable and leases	<u>(36,368)</u>
Net cash flows from operating activities	<u>257,632</u>
Net Decrease in Cash and Cash Equivalents	<u>(459,141)</u>
Cash and Cash Equivalents - Beginning of Year	<u>1,713,204</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 1,254,063</u></u>
Interest expense paid	<u><u>\$ 7,074</u></u>
Cash and Cash Equivalents Consist of the Following:	
Cash and cash equivalents - unrestricted	\$ 1,016,824
Cash and cash equivalents - restricted	186,518
Restricted cash - client funds	50,721
	<u><u>\$ 1,254,063</u></u>

See independent auditor's report and notes to the financial statements

Community Support Services of Missouri, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2022

Note 1 – Nature of Activities and Significant Accounting Policies

Nature of Activities - Jasper County Sheltered Facilities Association, Inc. d/b/a Community Support Services of Missouri was incorporated as a general not-for-profit organization in the State of Missouri on March 24, 1978 under the rules and regulations of section 501(c)(3) of the Internal Revenue Code. The corporation provides support to persons with developmental disabilities and their families, mainly in Jasper County, Missouri area, but also has facilities in Vernon and Barry counties. The community-based service system includes supported living, residential assistance, respite, and group homes. The Organization changed its name on April 25, 2003 to Community Support Services of Missouri to more clearly reflect the mission of the Organization – “Making Opportunities Happen for Persons with Developmental Disabilities.”

The Organization is primarily supported through payments for services from the State of Missouri’s Children Division, State of Missouri’s Department of Health, and the Jasper County Sheltered Facilities Board.

Basis of Accounting- The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the organization are described subsequently to enhance the usefulness and understandability of the financial statements.

Cash and Cash Equivalents - For the purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Net Assets - The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

- Net Assets Without Donor Restrictions - Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.
- Net Assets With Donor Restrictions - Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor’s instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor’s instructions.

See independent auditor’s report

Community Support Services of Missouri, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2022

Note 1 – Nature of Activities and Significant Accounting Policies (continued)

The organization's unspent contributions are included in this class if the donor limited their use. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of its use.

Classification of Transactions - All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses are reported as decreases in net assets without donor restrictions.

Property and equipment – The Organization capitalizes property and equipment over \$1,000 and an estimated life of one year or more. Property and equipment acquired by purchase are stated at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service.

Depreciation of property and equipment is provided using the straight-line method for financial reporting purposes at rates based on their estimated useful lives, ranging from 3 to 40 years. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation was \$236,521 for the year ended June 30, 2022.

Contributions — All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is amortized using the level-yield method and is reported as contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

See independent auditor's report

Community Support Services of Missouri, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

In-Kind Donations- In-Kind donations are recorded at their estimated fair value determined on the date of contribution.

Accounts Receivable- The Organization considers all accounts receivable to be collectible based on evaluation of the customer's financial position. Therefore, an allowance for doubtful accounts is not used in the valuation of receivables.

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

Income Tax Status - The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Expense Recognition and Allocation - The cost of providing the organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Salaries and wages, benefits, and payroll taxes are allocated based on activity reports prepared by key personnel.
- Other costs are allocated based on tracking by management and consistent use of general ledger coding.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Revenue and Revenue Recognition- The Organization recognizes revenue based on existence or absence of an exchange transaction. The Organization recognizes revenue from exchange transactions when it satisfies a performance obligation by providing program services to a client/resident, therefore all revenue is recognized over time as these performance obligations are satisfied.

For revenue from performance obligations satisfied over time, the Organization uses the output method of time elapsed for services provided to clients/residents.

See independent auditor's report

Community Support Services of Missouri, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

Revenue from non-exchange transactions consists of the following:

- Unconditional contributions- Unconditional contributions without donor restrictions are reported as revenue and net assets without donor restrictions.
- Conditional contributions- A donor-imposed condition must have both a barrier that must be overcome and a right of return of assets transferred or a right of release of a promisor’s obligation to transfer assets. Conditional contributions are accounted for as a refundable advance (deferred revenue) until the conditions have been substantially met or explicitly waived by the owner. In the case of ambiguous donor stipulations, a contribution containing stipulations that are not clearly unconditional will be presumed to be a conditional contribution.

The Organization does not have any significant financing components as payment is received shortly after services are performed.

Note 2- Significant Concentrations of Credit Risk

The Organization maintains its cash balances at a financial institution located in Southwest Missouri. Accounts held by the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000, with amounts over the FDIC insurance limit covered by pledged securities. The Organization had no unsecured balances as of October 31, 2022.

The Missouri Department of Mental Health provided 83% of total revenues at June 30, 2022.

Note 3- Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2022 are listed in the following table. As part of the liquidity management plan, the Organization maintains a revolving line of credit of \$600,000 to cover short-term cash needs (note 8).

Financial assets

Cash and cash equivalents	\$ 1,254,063
Accounts receivable	1,993,124
Accounts receivable - clients	96,199
Short-term investments	231,840
Total financial assets	<u>3,575,226</u>

Less financial assets held to meet donor-imposed restrictions

Net asset with donor restrictions	<u>(186,518)</u>
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Amount available for general expenditures	<u><u>3,388,708</u></u>
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See independent auditor’s report

Community Support Services of Missouri, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2022

Note 4- Investments

Investments in equity securities having a readily determinable fair value are carried at fair value. All other investments are valued at the lower of cost (or fair value at time of donation, if acquired by contribution) or market value. Investment income and gains that are initially restricted by donor stipulation and for which the restriction will be satisfied in the same year are included in unrestricted net assets. Other investment income, gains and losses are reflected in the statement of activities as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions.

Total investments at June 30, 2022 are as follows:

Short-term investments (certificates of deposit)	\$ 231,840
Long-term investments (mutual funds)	31,403
	<u>\$ 263,243</u>

Investment return for the year ended June 30, 2022 is as follows:

Interest income	\$ 1,739
Net realized and unrealized losses on investments reported at fair value	(2,260)
	<u>\$ (521)</u>

Note 5 – Disclosures About Fair Value of Assets and Liabilities

FASB Accounting Standards Codification (ASC) Topic 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Topic 820 defines fair value 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. Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1 Quoted prices in active markets for identical assets or liabilities.

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

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

See independent auditor's report

Community Support Services of Missouri, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2022

Note 5 – Disclosures About Fair Value of Assets and Liabilities (continued)

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

A financial asset or liability’s classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The Organization uses the appropriate valuation techniques based on the available inputs to measure the fair value of its assets and liabilities. When applicable, the Organization measures fair value using at least Level 2 inputs. Level 3 inputs were only used when Level 1 or Level 2 inputs were not available.

There were no Level 2 or Level 3 measurement items as of June 30, 2022.

Note 6- Targeted Case Management Payable

The Organization has entered into service agreements with counties in Missouri to provide case management services to people with developmental disabilities. Any net income from the Barry County targeted case management service is to be returned to the county on an annual basis. The Organization has accrued a total of \$23,394 relating to case management services payable at June 30, 2022.

Note 7 – Long-term debt

Long-term debt consisted of the following at June 30, 2022:

Note payable to UMB Bank for the remodel of the corporate office in the amount of \$306,150. The remaining balance of \$224,299 was refinanced on January 25, 2018, requiring a monthly payment of \$2,304, including variable interest at 4.25%, adjusted annually, with a maturity date of January 25, 2023. The note is secured by real estate.	\$ 137,024
Note payable to the Small Business Administration for economic injury disaster relief in the amount of \$149,900 on May 20, 2020, requiring a monthly payment of \$641, including interest rate at 2.75%, with a maturity date of May 20, 2050. The note has a one year deferment and is secured by real estate.	148,900
Note payable for \$280,000, forgivable after 5 years based on meeting Community Development Block Grant occupancy requirements.	<u>280,000</u> <u>565,924</u>
Less current maturities of long-term debt	<u>(25,898)</u> <u>\$ 540,026</u>

See independent auditor’s report

Community Support Services of Missouri, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2022

Note 7 – Long-term debt (continued)

Annual maturities of long-term debt at June 30, 2022 are:

2023	\$ 25,898
2024	26,963
2025	28,074
2026	29,231
2027	310,437
Thereafter	145,321
	<u>\$ 565,924</u>

Note 8 – Line of Credit

The Organization has a line of credit in the amount of \$600,000 with interest payable monthly at the prime rate, 4.75% at June 30, 2022. The line of credit is secured by property and equipment and had a balance of \$0 at June 30, 2022.

Note 9 – Capital Leases

The Organization is leasing copiers over five years, with a \$1.00 purchase option at the end of each lease. Capital leases essentially transfer the risks of ownership and are accounted for as an asset and lease payable.

Leased property under capital leases at June 30, 2022 includes copiers with a value of \$63,295. At June 30, 2022, the future minimum lease payments under capital leases are presented as follows:

2023	\$ 12,382
2024	12,800
2025	10,758
2026	6,626
2027	2,847
	<u>\$ 45,413</u>

Note 10 – Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2022 were restricted for the following purposes:

Early Learning Center	\$ 115,426
Stabilization funds	6,500
DESE Programs	9,710
Other	54,882
	<u>\$ 186,518</u>

See independent auditor's report

Community Support Services of Missouri, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2022

Note 11 – Board Designated Endowment

The Board of Directors established a board-designated endowment in 2015, specifying that the capital of the endowment would be retained and invested; that there would be no withdrawal of capital except upon approval of the Board; and that the earnings from the endowment's investments be retained except upon approval from the Board, whose approval shall allow that earnings be used for the operations of the Organization. At June 30, 2022, the designated endowment fund totaled \$19,578.

Note 12 – Retirement Plan

The Organization's retirement plan covers substantially all employees. The plan consists of a 403(b) voluntary contribution plan, which employees can contribute to through a salary reduction agreement with the Organization. Total expense for the year ended June 30, 2022 was \$127,583.

Note 13 – Evaluation of Subsequent Events

The Organization has evaluated subsequent events through January 13, 2023, the date which the financial statements were available to be issued.

See independent auditor's report