

---

**DELTA CENTER FOR INDEPENDENT LIVING**

**COMBINED FINANCIAL STATEMENTS AND  
COMBINING INFORMATION**

**JUNE 30, 2021 AND 2020**

---



**WIPFLI**

## TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
COMBINED FINANCIAL STATEMENTS	
COMBINED STATEMENTS OF FINANCIAL POSITION	3
COMBINED STATEMENTS OF ACTIVITIES	4 - 5
COMBINED STATEMENTS OF FUNCTIONAL EXPENSES	6 - 7
COMBINED STATEMENTS OF CASH FLOWS	8
NOTES TO COMBINED FINANCIAL STATEMENTS	9 - 22
SUPPLEMENTARY INFORMATION	
COMBINING SCHEDULE OF FINANCIAL POSITION	23
COMBINING SCHEDULE OF ACTIVITIES	24

To the Board of Directors  
Delta Center for Independent Living  
St. Peters, Missouri

## **INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying combined financial statements of Delta Center for Independent Living and Delta Center Personal Attendant Services (both non-profit organizations) (collectively, Delta Center) which comprise the combined statement of financial position as of June 30, 2021, and the related combined statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements.

### **Management's Responsibility for the Combined Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these combined 2021 financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Delta Center's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Delta Center's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the combined 2021 financial statements referred to above present fairly, in all material respects, the financial position of Delta Center as of June 30, 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

### **Prior Period Financial Statements**

The combined financial statements of Delta Center for Independent Living and Delta Center Personal Attendant Services as of and for the year ended June 30, 2020, were audited by other auditors whose report dated October 12, 2020, expressed an unmodified opinion on those combined statements.

## Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined 2021 financial statements as a whole. The combining schedule of financial position and combining schedule of activities on pages 23 and 24 are presented for purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

*Wipfli LLP*

November 30, 2021  
St. Louis, Missouri

**DELTA CENTER FOR INDEPENDENT LIVING AND  
DELTA CENTER PERSONAL ATTENDANT SERVICES  
COMBINED STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b><u>ASSETS</u></b>		
Current Assets		
Cash and cash equivalents	\$ 1,009,239	\$ 653,287
Accounts receivable, net	550,181	446,689
FMS agency transaction receivables	743,727	-
Promise to give	30,294	-
Prepaid expenses and other current assets	38,759	33,891
Total Current Assets	<u>2,372,200</u>	<u>1,133,867</u>
Investments, at Fair Value	2,323,210	1,939,995
Property and Equipment, Net of Depreciation	<u>956,671</u>	<u>1,012,222</u>
Total Assets	<b>\$ <u>5,652,081</u></b>	<b>\$ <u>4,086,084</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Current Liabilities		
Current maturities of long-term debt	\$ 27,655	\$ 49,774
Line of credit	310,000	-
Deferred financing costs, net	(4,842)	-
Accounts payable	20,749	17,008
FMS agency transaction liabilities	196,881	-
Accrued expenses and other current liabilities	302,205	168,896
Total Current Liabilities	<u>852,648</u>	<u>235,678</u>
Tenant Deposits	13,617	11,574
Long-term debt, net	731,634	896,463
Deferred financing costs, net	<u>(8,339)</u>	<u>(9,476)</u>
Total Liabilities	<u>1,589,560</u>	<u>1,134,239</u>
Net Assets		
Without donor restrictions		
Available for general activities	2,368,944	1,271,655
Invested in property and equipment, net of related debt	197,382	227,185
Board designated	1,450,000	1,450,000
Total without donor restrictions	<u>4,016,326</u>	<u>2,948,840</u>
With donor restrictions	<u>46,195</u>	<u>3,005</u>
Total Net Assets	<u>4,062,521</u>	<u>2,951,845</u>
Total Liabilities and Net Assets	<b>\$ <u>5,652,081</u></b>	<b>\$ <u>4,086,084</u></b>

*The notes to combined financial statements are an integral part of these financial statements.*

**DELTA CENTER FOR INDEPENDENT LIVING AND  
DELTA CENTER PERSONAL ATTENDANT SERVICES  
COMBINED STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains and Other Support			
Program fees	\$ 3,415,780	\$ -	\$ 3,415,780
Contributions	9,110	-	9,110
Grants	300	310,020	310,320
In-kind equipment donations	53,521	-	53,521
Investment returns, net	40,410	-	40,410
Net realized/unrealized gain on investments	806,302	-	806,302
Rental income	117,428	-	117,428
Forgiveness of paycheck protection program debt	161,200	-	161,200
Other	949	-	949
Net assets released from restrictions:			
Satisfaction of time and usage restrictions	266,830	(266,830)	-
Total Revenue, Gains and Other Support	4,871,830	43,190	4,915,020
Expenses			
Program Services	3,509,697	-	3,509,697
Supporting Activities			
Management and general	109,702	-	109,702
Building rental	129,053	-	129,053
Fundraising	55,892	-	55,892
Total Supporting Activities	294,647	-	294,647
Total Expenses	3,804,344	-	3,804,344
Increase in Net Assets	1,067,486	43,190	1,110,676
Net Assets, Beginning of Year	2,948,840	3,005	2,951,845
Net Assets, End of Year	\$ 4,016,326	\$ 46,195	\$ 4,062,521

*The notes to combined financial statements are an integral part of these financial statements.*

**DELTA CENTER FOR INDEPENDENT LIVING AND  
DELTA CENTER PERSONAL ATTENDANT SERVICES  
COMBINED STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains and Other Support			
Program fees	\$ 3,604,436	\$ -	\$ 3,604,436
Contributions	5,760	-	5,760
Grants	1,500	-	1,500
In-kind equipment donations	20,613	-	20,613
Investment returns	45,613	-	45,613
Net realized/unrealized loss on investments	(10,025)	-	(10,025)
Rental income	120,855	-	120,855
Other	1,830	-	1,830
Net assets released from restrictions:			
Satisfaction of time and usage restrictions	<u>240,321</u>	<u>(240,321)</u>	<u>-</u>
Total Revenue, Gains and Other Support	<u>4,030,903</u>	<u>(240,321)</u>	<u>3,790,582</u>
Expenses			
Program Services	<u>3,574,762</u>	<u>-</u>	<u>3,574,762</u>
Supporting Activities			
Management and general	107,115	-	107,115
Building rental	141,944	-	141,944
Fundraising	<u>50,434</u>	<u>-</u>	<u>50,434</u>
Total Supporting Activities	<u>299,493</u>	<u>-</u>	<u>299,493</u>
Total Expenses	<u>3,874,255</u>	<u>-</u>	<u>3,874,255</u>
Increase (Decrease) in Net Assets	<u>156,648</u>	<u>(240,321)</u>	<u>(83,673)</u>
Net Assets, Beginning of Year	<u>2,792,192</u>	<u>243,326</u>	<u>3,035,518</u>
Net Assets, End of Year	\$ <u><u>2,948,840</u></u>	\$ <u><u>3,005</u></u>	\$ <u><u>2,951,845</u></u>

**DELTA CENTER FOR INDEPENDENT LIVING AND  
DELTA CENTER PERSONAL ATTENDANT SERVICES  
COMBINED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021**

	Program Services				Supporting Activity				Total Expenses
	Personal Attendant Services	Independent Living	Financial Management Services	Total	Management and General	Building Rental	Fundraising	Total Supporting Activity	
Wages - CDS	\$ 2,160,166	\$ 168,326	\$ -	\$ 2,328,492	\$ -	\$ -	\$ -	\$ -	\$ 2,328,492
Salaries and wages - staff	375,387	196,356	23,317	595,060	45,819	16,330	35,329	97,478	692,538
Payroll taxes	218,591	19,562	1,274	239,427	3,311	1,344	2,252	6,907	246,334
Employee benefits	56,791	34,377	2,650	93,818	6,192	1,978	4,136	12,306	106,124
Conferences and meetings	-	150	-	150	-	-	75	75	225
Consumer assistance	12,474	1,753	-	14,227	-	-	-	-	14,227
Contract labor	-	-	-	-	-	-	1,300	1,300	1,300
Dues	505	3,059	129	3,693	29	10	16	55	3,748
Information technology	38,806	16,304	4,554	59,664	4,364	1,960	7,128	13,452	73,116
In-kind equipment donated	-	53,521	-	53,521	-	-	-	-	53,521
Insurance	7,543	2,030	-	9,573	4,020	6,445	533	10,998	20,571
Interest	11,340	-	297	11,637	1,200	27,706	800	29,706	41,343
Miscellaneous	3,995	8,250	1,556	13,801	498	169	393	1,060	14,861
Outreach advertising	-	-	-	-	1,448	-	-	1,448	1,448
Printing and postage	4,156	1,397	2,076	7,629	571	187	413	1,171	8,800
Professional fees	2,850	11,963	1,416	16,229	32,711	-	-	32,711	48,940
Property taxes	-	-	-	-	4,348	10,419	-	14,767	14,767
Provision for doubtful accounts	-	-	2,000	2,000	-	-	-	-	2,000
Repairs and maintenance	13,522	3,905	373	17,800	1,647	15,795	1,171	18,613	36,413
Supplies	2,681	1,462	76	4,219	294	131	163	588	4,807
Telephone	5,559	3,523	413	9,495	751	1,852	517	3,120	12,615
Travel	1,603	2,178	470	4,251	-	-	-	-	4,251
Utilities	3,579	1,291	120	4,990	379	4,749	253	5,381	10,371
Total Expenses Before Depreciation	2,919,548	529,407	40,721	3,489,676	107,582	89,075	54,479	251,136	3,740,812
Depreciation	20,021	-	-	20,021	2,120	39,978	1,413	43,511	63,532
Total Expenses	\$ 2,939,569	\$ 529,407	\$ 40,721	\$ 3,509,697	\$ 109,702	\$ 129,053	\$ 55,892	\$ 294,647	\$ 3,804,344
Percent of Total	77%	14%	1%	92%	3%	4%	1%	8%	100%

The notes to combined financial statements are an integral part of these financial statements.

**DELTA CENTER FOR INDEPENDENT LIVING AND  
DELTA CENTER PERSONAL ATTENDANT SERVICES  
COMBINED STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020**

	Program Services			Supporting Activity				Total Expenses
	Personal Attendant Services	Independent Living	Total	Management and General	Building Rental	Fundraising	Total	
Wages - CDS	\$ 2,330,203	\$ 63,033	\$ 2,393,236	\$ -	\$ -	\$ -	\$ -	\$ 2,393,236
Salaries and wages - staff	407,318	143,696	551,014	43,740	14,733	28,282	86,755	637,769
Payroll taxes	240,896	16,937	257,833	2,955	1,089	2,180	6,224	264,057
Employee benefits	55,548	22,758	78,306	6,418	2,003	4,212	12,633	90,939
Conferences and meetings	225	316	541	119	-	47	166	707
Consumer assistance	15,497	-	15,497	-	-	-	-	15,497
Contract labor	8,831	3,969	12,800	783	294	3,037	4,114	16,914
Dues	2,661	530	3,191	6	-	300	306	3,497
Information technology	42,262	17,168	59,430	4,326	1,854	4,841	11,021	70,451
In-kind equipment donated	-	20,613	20,613	-	-	-	-	20,613
Insurance	8,473	1,810	10,283	4,060	5,218	617	9,895	20,178
Interest	12,053	-	12,053	1,121	28,495	842	30,458	42,511
Miscellaneous	3,309	6,316	9,625	1,416	41	197	1,654	11,279
Outreach advertising	36,666	954	37,620	41	-	480	521	38,141
Printing and postage	4,144	2,947	7,091	423	148	329	900	7,991
Professional fees	25,277	16,870	42,147	33,083	3,525	1,753	38,361	80,508
Property taxes	-	-	-	4,240	10,717	-	14,957	14,957
Provision for doubtful accounts	-	5,503	5,503	-	-	-	-	5,503
Repairs and maintenance	12,668	2,761	15,429	1,238	15,148	918	17,304	32,733
Supplies	3,633	955	4,588	535	131	356	1,022	5,610
Telephone	7,262	1,735	8,997	698	543	521	1,762	10,759
Travel	6,671	1,273	7,944	-	-	89	89	8,033
Utilities	3,312	1,177	4,489	320	5,434	239	5,993	10,482
Total Expenses Before Depreciation	\$ 3,226,909	\$ 331,321	\$ 3,558,230	\$ 105,522	\$ 89,373	\$ 49,240	\$ 244,135	\$ 3,802,365
Depreciation	16,532	-	16,532	1,593	52,571	1,194	55,358	71,890
Total Expenses	<u>3,243,441</u>	<u>331,321</u>	<u>3,574,762</u>	<u>107,115</u>	<u>141,944</u>	<u>50,434</u>	<u>299,493</u>	<u>3,874,255</u>
Percent of Total	84%	8%	92%	3%	4%	1%	8%	100%

The notes to combined financial statements are an integral part of these financial statements.

**DELTA CENTER FOR INDEPENDENT LIVING AND  
DELTA CENTER PERSONAL ATTENDANT SERVICES  
COMBINED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Increase (Decrease) in net assets	\$ <u>1,110,676</u>	\$ <u>(83,673)</u>
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation expense	63,532	71,890
Amortization of deferred financing costs	1,348	1,137
Forgiveness of Paycheck Protection Program debt	(161,200)	-
Realized and unrealized gains on investments	(806,302)	78,195
Change in assets - (increase) decrease		
Accounts receivable, net	(103,492)	23,493
FMS agency transaction receivables	(743,727)	-
Promise to give	(30,294)	239,695
Prepaid expenses and other current assets	(4,868)	788
Change in liabilities - increase (decrease)		
Accounts payable	3,741	7,475
FMS agency transaction liabilities	196,881	-
Accrued expenses and other current liabilities	135,352	36,210
Total Adjustments	<u>(1,449,029)</u>	<u>458,883</u>
Net Cash Provided (Used) by Operating Activities	<u>(338,353)</u>	<u>375,210</u>
Cash Flows from Investing Activities		
Purchases of investments	(251,312)	(1,468,260)
Proceeds from sales of investments	674,399	1,136,286
Cash paid for property and equipment	(7,981)	(16,359)
Net Cash Provided by (Used In) Investing Activities	<u>415,106</u>	<u>(348,333)</u>
Cash Flows from Financing Activity		
Proceeds on line-of-credit	310,000	-
Payments for deferred financing costs	(5,053)	-
Proceeds from long-term debt	-	161,200
Payments on long-term debt	(25,748)	(24,345)
Net Cash Provided by Financing Activities	<u>279,199</u>	<u>136,855</u>
Net Increase in Cash and Cash Equivalents	355,952	163,732
Cash and Cash Equivalents - Beginning of Year	<u>653,287</u>	<u>489,555</u>
Cash and Cash Equivalents - End of Year	<u>\$ 1,009,239</u>	<u>\$ 653,287</u>
Supplemental Disclosure of Cash Flow Information		
Cash Paid for Interest	\$ <u>39,995</u>	\$ <u>42,511</u>
Forgiveness of Paycheck Protection Program debt	\$ <u>161,200</u>	\$ <u>-</u>

**DELTA CENTER FOR INDEPENDENT LIVING AND  
DELTA CENTER PERSONAL ATTENDANT SERVICES  
NOTES TO COMBINED FINANCIAL STATEMENTS**

---

**NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

---

**Nature of Organization**

Delta Center for Independent Living ("CIL"), a not-for-profit corporation, was incorporated in 1997. CIL services the Missouri counties of St. Charles, Lincoln, and Warren with the purpose to remove architectural and attitudinal barriers in the community that limit the independence of persons with disabilities, to promote a positive change in attitudes about disabilities, and to encourage greater independence for persons with disabilities within our community.

Delta Center Personal Attendant Services ("PAS"), a not-for-profit corporation, was incorporated in 2005 to manage a consumer-controlled model of Consumer-Directed Attendant Services Program ("CDS Program") funded through Medicaid. The CDS Program is intended to enable persons with physical disabilities to live in the community in non-institutional or unsupervised residential settings. The CDS Program is administered by the Missouri Department of Health and Senior Services, Division of Senior and Disability Services (the "Division") and the Missouri Department of Social Services, Missouri HealthNet Division ("MHD"). MHD is the single state agency responsible for administering the CDS Program. However, MHD relies on the Division to determine potential individuals' eligibility to participate in the CDS Program. Consumer control means that a person with a disability who is receiving the services is the employer of the attendant. PAS serves citizens in the counties of St. Charles, Lincoln, Warren, Franklin, and St. Louis County as well as St. Louis City.

CIL and PAS are collectively referred to as Delta Center or the Organization.

The Equipment Exchange Program ("EEP") was created to get durable medical equipment and assistive devices to people who otherwise couldn't afford them. This includes wheelchairs, ramps, walkers, grab bars, stair lifts and many smaller assistive devices. The great majority of items are donated. Delta Center received a United Way grant which supports this program and, if a need is dire and no donated items are available, it's possible to purchase items based on available grant funds.

Financial Management Services ("FMS") is a contracted service provided to other entities which have their own Veteran-Directed Care Program. These entities do not internally manage the payroll, tax and other vendor payments for their Veteran clients' goods and services, so Delta Center is contracted to do so. FMS may also include billing preparation and assistance. Each entity has a separate scope of service based on their agency's need. Delta Center currently is approved through the Veteran's Administration ("VA") to provide FMS in Missouri, Illinois, and Arkansas. Delta Center began providing FMS for a large veteran program in April 2021 and have a signed contract to begin FMS with a small program in southern Missouri soon.

**Principles of Combined Financial Statements**

The combined financial statements include the accounts of CIL and PAS. All significant intercompany transactions and account balances have been eliminated in combination. The statements are combined because both entities have the same Board of Directors.

**Basis of Accounting**

Delta Center maintains its records on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**DELTA CENTER FOR INDEPENDENT LIVING AND  
DELTA CENTER PERSONAL ATTENDANT SERVICES  
NOTES TO COMBINED FINANCIAL STATEMENTS**

---

**NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

---

**Use of Estimates**

The preparation of combined financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from estimated amounts, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic.

**Cash and Cash Equivalents**

For purposes of the combined statements of cash flows, Delta Center considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents. Delta Center deems all certificates of deposit with a maturity of 12-months or less to be cash and cash equivalents.

**Investments**

Delta Center carries investments in securities with readily determinable fair values, which are presented at their fair values in the combined statements of financial position. Unrealized gains and losses are included in the changes in net assets in the accompanying combined statements of activities. Dividend and interest income is recognized when earned.

**Accounts Receivable**

Accounts receivable, including billed accounts and unbilled obligations for which the unconditional right to payment exists, are recognized when the right to consideration is unconditional and subject only to the passage of time. Accounts receivable are due under contractual payment terms. Delta Center provides an allowance for doubtful accounts equal to the estimated losses that will be incurred in the collection of accounts receivable, if any. At June 30, 2021 and 2020, respectively, the allowance for doubtful accounts totaled \$4,000 and \$2,000.

**Unconditional Promises to Give**

Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value using the risk-free interest rates applicable to the years in which the promises are to be received.

Delta Center provides an allowance for doubtful promises to give equal to the estimated losses that will be incurred in the collection of unconditional promises to give. This estimate is based on historical experience coupled with a review of the current status of existing promises. The allowance and associated promises are reduced when the promises are determined to be uncollectable. Delta Center considers unconditional promises to give to be fully collectible; accordingly, no allowance for doubtful promises to give is deemed necessary.

**Grants Receivable**

Grants receivable include amounts due from various funding sources under binding contracts with Delta Center for services rendered prior to year-end.

**DELTA CENTER FOR INDEPENDENT LIVING AND  
DELTA CENTER PERSONAL ATTENDANT SERVICES  
NOTES TO COMBINED FINANCIAL STATEMENTS**

---

**NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

---

**Grants Receivable (continued)**

Delta Center provides an allowance for doubtful accounts equal to the estimated losses that will be incurred in the collection of grants receivable, if any. When necessary, this estimate is based on historical experience coupled with a review of the current status of existing receivables. The allowance and associated grants receivable are reduced when the receivables are determined to be uncollectible. Currently, Delta Center currently has no grants receivable.

**FMS Agency Transactions**

Delta Center has no variance power over the FMS disbursements and related reimbursements which all are stipulated by the other entity. The transactions are agency transactions where the transactions are treated as increasing or decreasing receivables or liabilities and no revenue or expense is recorded by Delta Center.

**Property and Equipment**

Property and equipment are capitalized at cost or, if donated, at the approximate fair value at the date of donation. Delta Center capitalizes all asset purchases or donations exceeding \$5,000 with a useful life greater than three years. When assets are sold or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts. Any gain or loss arising from such disposition is included as income or expense in the year of disposition.

Depreciation is computed using the straight-line method according to the following schedule:

Buildings and building improvements	5 - 30 years
Furniture and equipment	3 - 10 years

**Impairment of Long-Lived Assets**

Delta Center evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended June 30, 2021 and 2020.

**DELTA CENTER FOR INDEPENDENT LIVING AND  
DELTA CENTER PERSONAL ATTENDANT SERVICES  
NOTES TO COMBINED FINANCIAL STATEMENTS**

---

**NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

---

**Concentration of Credit Risk**

Delta Center maintains its bank accounts at several financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. As of the years ended June 30, 2021 and 2020, Delta Center did have balances in excess of the federally insured limits. Management does not believe the solvency of the financial institutions are of concern. Delta Center maintains its investments primarily with one brokerage firm. Securities held at this firm are insured by the Securities Investor Protection Corporation ("SIPC") up to \$500,000 in the event of loss due to criminal intent or malfeasance. At various times throughout the years ended June 30, 2021 and 2020, Delta Center did have balances in excess of the SIPC limits. As of June 30, 2021, there were investments valued at \$1,823,210 in excess of the SIPC limit at the brokerage firm. If, however, the brokerage firm failed due to bankruptcy or other reasons and the investments were intact, they could be transferred to another brokerage firm within a short amount of time.

**Investment Risks**

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

**Revenue and Revenue Recognition**

Delta Center recognizes contributions, direct marketing, other income, grants and trusts, and sponsorships when cash, securities, or other assets, an unconditional pledge, or a notification of an award or beneficial interest is received. Conditional promises to give, that is, those contributions with a measurable performance or other barrier and a right of return, are recognized when the conditions on which they depend have been met. Program fees and rental revenue are recognized when earned over time as performance obligations are met. All program and rental revenue is available for unrestricted use.

**Deferred Financing Costs**

Delta Center follows the requirements in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 835-30, Interest-Imputation of Interest, to present deferred financing costs as a reduction of the carrying amount of the debt rather than as an asset. Amortization of the deferred financing costs is reported as interest expense on the statements of functional expenses.

**DELTA CENTER FOR INDEPENDENT LIVING AND  
DELTA CENTER PERSONAL ATTENDANT SERVICES  
NOTES TO COMBINED FINANCIAL STATEMENTS**

---

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

---

**Net Asset Presentation**

Net assets, revenue, 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. Board designated funds are established by the Board of Directors and represent net assets without donor restrictions that have been set aside as a reserve for operations, a repair and replacement reserve, and other uses.

**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 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 the assets are placed in service. Delta Center 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. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities as net assets released from restrictions.

**Donated Services and In-kind Contributions**

Donated services are recognized as contributions in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605, *Revenue Recognition*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by Delta Center. Volunteers also provided other services throughout the years that are not recognized as contributions in the combined financial statements since the recognition criteria under ASC 958-605 were not met. In-kind contributions are recorded at the fair market value at the time of the donation.

**Income Tax Status**

CIL and PAS are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law, except on net income derived from unrelated business activities as defined by the Internal Revenue Code. Therefore, there are no provisions for income taxes reflected in these financial statements. Management does not believe there are any uncertain tax positions as of June 30, 2021 and 2020.

**Advertising**

Advertising costs are expensed as incurred. Advertising expense totaled \$1,448 and \$38,141 for the years ended June 30, 2021 and 2020, respectively.

**DELTA CENTER FOR INDEPENDENT LIVING AND  
DELTA CENTER PERSONAL ATTENDANT SERVICES  
NOTES TO COMBINED FINANCIAL STATEMENTS**

---

**NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

---

**Functional Expense Allocation**

The costs of program services and supporting activities have been summarized on a functional basis in the combined statements of activities. The combined statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting activities benefited. Delta Center utilizes a cost allocation plan for the functional allocation of expenses.

**Description of Functional Expenses**

Program

Includes those expenditures that enable Delta Center to fulfill its mission as described in the "Nature of Organization" note.

Management and General

Includes the functions necessary to maintain an equitable employment program, ensure an adequate working environment, provide coordination and articulation of Delta Center's program mission, secure proper administrative functioning of the Board of Directors, and manage the financial and budgetary responsibilities of Delta Center. They also represent supporting activities that are not directly identifiable with Delta Center's program or fundraising activities.

Building Rental

Includes all expenses related to the operation, repair, and maintenance of the building owned by Delta Center.

Fundraising

Provides the structure necessary to encourage and secure government grants and private financial support from corporations, foundations and individuals through various fundraising events and activities.

**Adoption of Accounting Pronouncement**

Effective July 1, 2019, Delta Center adopted Accounting Standards Update (ASU) 2014-09; FASB Accounting Standards Codification (ASC) 606 – *Revenue from Contracts with Customers*, which clarifies the principles for recognizing revenue and creates a common revenue standard. Under this ASU, entities recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which, the entity expects to be entitled in exchange for those goods or services. Entities shall recognize revenue from contracts with customers within the scope of this standard through a five-step process. The guidance in this standard does not apply to contributions within the scope of FASB ASC 958, *Not-for-Profit Entities*. Delta Center's exchange revenues, which are subject to ASC 606, are discussed in the Revenue and Revenue Recognition note above. Analysis of various provisions of this standard resulted in no significant changes in the way Delta Center recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

**DELTA CENTER FOR INDEPENDENT LIVING AND  
DELTA CENTER PERSONAL ATTENDANT SERVICES  
NOTES TO COMBINED FINANCIAL STATEMENTS**

---

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

---

**New Accounting Pronouncements**

In February 2016, the FASB issued ASU 2016-02, Leases: Amendments to the FASB Accounting Standards Codification (Topic 842), which amends the existing guidance on accounting for leases. This ASU requires the recognition of lease assets and liabilities on the statement of financial position and the disclosure of key information about leasing arrangements. Early adoption is permitted and modified retrospective application is required for leases that exist or are entered into after the beginning of the earliest comparative period in the financial statements. In June 2020, the FASB issued ASU No. 2020-05, Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842) Effective Dates for Certain Entities. Prior to ASU No. 2020-05, the amendments to Topic 842 would be effective for periods beginning after December 15, 2020, for entities other than public business entities. ASU No. 2020-05 defers the effective date of the amendments to Topic 842 to periods beginning after December 15, 2021. Management has adopted the provisions of ASU No. 2020-05 and will defer implementation of the amendments to Topic 842. Management is currently evaluating the impact of adopting ASU 2016-02 on Delta Center's financial statements and related disclosures.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses. The standard requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the statements of activities will reflect the measurement of credit losses for newly recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period. This standard will be effective for fiscal years beginning after December 15, 2022. Management is currently evaluating the impact of adopting ASU 2016-13 on Delta Center's financial statements and related disclosures.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities: Presentation and Disclosures by Not-for-Profit Entities for Contributed Services*. This ASU requires contributed nonfinancial assets to be presented on a separate line in the Statements of Activities, apart from contributions of cash and other financial assets. It also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets. This standard will be effective for annual periods beginning after June 15, 2021. Management is currently evaluating the impact of adopting ASU 2020-07 on Delta Center's financial statements and related disclosures.

---

**NOTE 2      LIQUIDITY AND AVAILABILITY**

---

Delta Center regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Delta Center had various sources of liquidity at its disposal, including cash and cash equivalents, equity securities, and a line of credit.

Delta Center operates within the board approved budget.

**DELTA CENTER FOR INDEPENDENT LIVING AND  
DELTA CENTER PERSONAL ATTENDANT SERVICES  
NOTES TO COMBINED FINANCIAL STATEMENTS**

---

**NOTE 2 LIQUIDITY AND AVAILABILITY (CONTINUED)**

---

As of June 30, 2021, the following table shows the total financial assets held by Delta Center and the amounts of those financial assets that could readily be made available within one year of the combined statements of financial position date to meet general expenditures:

	<u>2021</u>	<u>2020</u>
Financial Assets:		
Cash and cash equivalents	\$ 1,009,239	\$ 653,287
Accounts receivable, net	550,181	446,689
Operating investments	2,323,210	1,939,995
Promises to give	30,294	-
Contractual or donor-imposed restrictions:		
Other donor restrictions	(46,195)	(3,005)
Board designations	<u>(1,450,000)</u>	<u>(1,450,000)</u>
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	<b><u>\$ 2,416,729</u></b>	<b><u>\$ 1,586,966</u></b>

Delta Center's primary sources of support are program fees, contributions, grants, and investment income. Some support is required to be used in accordance with the purpose restrictions imposed by the donors. As part of a liquidity management plan, Delta Center invests cash in excess of daily requirements in short-term investments, CD's, and money market funds. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the Board approves that action.

---

**NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS**

---

The framework for measuring fair value 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 I) and the lowest priority to unobservable inputs (level III). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level I – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Delta Center has the ability to access.

Level II – 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; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level II input must be observable for substantially the full term of the asset or liability.

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

**DELTA CENTER FOR INDEPENDENT LIVING AND  
DELTA CENTER PERSONAL ATTENDANT SERVICES  
NOTES TO COMBINED FINANCIAL STATEMENTS**

**NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)**

The asset 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The 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, 2021 and June 30, 2020.

Level I instruments consist of publicly traded common stocks/equity securities. These securities are traded on national exchanges and are stated at the last reported sales price on the day of valuation.

Level II instruments consist of corporate debt securities. These securities are valued based on discounted yield on interest rate and days accrued.

The following table sets forth by level, within the fair value hierarchy, Delta Center's investments at fair value on a recurring basis as of June 30, 2021 and 2020:

	<b><u>Fair Value Measurements:</u></b>			
	<u>Fair Value</u>	<u>(Level I)</u>	<u>(Level II)</u>	<u>(Level III)</u>
<b><u>June 30, 2021</u></b>				
Equity securities	\$ 1,759,825	\$ 1,759,825	\$ -	\$ -
Corporate debt securities	<u>563,385</u>	<u>-</u>	<u>563,385</u>	<u>-</u>
Total Investments	<b><u>\$ 2,323,210</u></b>	<b><u>\$ 1,759,825</u></b>	<b><u>\$ 563,385</u></b>	<b><u>\$ -</u></b>
<b><u>June 30, 2020</u></b>				
Equity securities	\$ 1,339,571	\$ 1,339,571	\$ -	\$ -
Corporate debt securities	<u>600,424</u>	<u>-</u>	<u>600,424</u>	<u>-</u>
Total Investments	<b><u>\$ 1,939,995</u></b>	<b><u>\$ 1,339,571</u></b>	<b><u>\$ 600,424</u></b>	<b><u>\$ -</u></b>

Investment return for the years ended June 30, is summarized as follows:

	<b><u>2021</u></b>	<b><u>2020</u></b>
Investment Income		
Interest and dividend income	\$ 58,645	\$ 45,613
Investment fees	<u>(18,235)</u>	<u>(12,891)</u>
Net Investment Income	<b><u>\$ 40,410</u></b>	<b><u>\$ 32,722</u></b>
Net realized and unrealized gains on Investments reported at fair value	<u>806,302</u>	<u>(10,025)</u>
Total Investment Return	<b><u>\$ 846,712</u></b>	<b><u>\$ 22,697</u></b>

**DELTA CENTER FOR INDEPENDENT LIVING AND  
DELTA CENTER PERSONAL ATTENDANT SERVICES  
NOTES TO COMBINED FINANCIAL STATEMENTS**

---

**NOTE 4 PROPERTY AND EQUIPMENT, NET**

---

Property and equipment at June 30 are as follows:

	<u>2021</u>	<u>2020</u>
Land	\$ 65,349	\$ 65,349
Building and building improvements	1,344,836	1,331,564
Furniture and equipment	141,914	147,206
Total	1,552,099	1,544,119
Less: accumulated depreciation	(595,428)	(531,897)
Property and Equipment, Net	<u>\$ 956,671</u>	<u>\$ 1,012,222</u>

Depreciation expense for the years ended June 30, 2021 and 2020 totaled \$63,532 and \$71,890, respectively.

---

**NOTE 5 LONG-TERM DEBT, NET**

---

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

	<u>2021</u>	<u>2020</u>
Note payable, collateralized by property at 3837 McClay Road in St. Peters, Missouri, interest at 5.1% per annum, monthly principal and interest payments of \$5,478 with a final balloon payment of \$519,599 at maturity on November 9, 2028.	\$ 759,289	\$ 785,037
Paycheck Protection Program note payable administered by the U.S. Small Business Administration, eligible for forgiveness in 2021 upon meeting certain requirements, interest at 1 percent, principal and interest payments of \$2,756, maturing April 2025. See Note 15 for forgiveness.	\$ -	\$ 161,200
	759,289	946,237
Less: unamortized deferred financing costs	(8,339)	(9,476)
Less: current maturities	(27,655)	(49,774)
Total Long-Term Debt, Net	<u>\$ 723,295</u>	<u>\$ 886,987</u>

Maturities of long-term debt are as follows:

<u>Years Ending June 30:</u>	
2022	27,655
2023	29,099
2024	30,619
2025	32,217
2026	33,899
Thereafter	605,800
Total	<u>\$ 759,289</u>

**DELTA CENTER FOR INDEPENDENT LIVING AND  
DELTA CENTER PERSONAL ATTENDANT SERVICES  
NOTES TO COMBINED FINANCIAL STATEMENTS**

---

**NOTE 5 LONG-TERM DEBT, NET (CONTINUED)**

---

Financing costs of \$11,371 incurred in obtaining long-term debt are deferred and are currently being amortized over the life of the loan on a straight-line basis, which for Delta Center, is not considered materially different from the interest method. Total amortization related to deferred loan costs expensed for the years ended June 30, 2021 and 2020 was \$1,137 for both years, resulting in accumulated amortization of \$3,032 and \$1,895 as of June 30, 2021 and 2020. Amortization expense will be \$1,137 per year for the next five years.

---

**NOTE 6 LINE-OF-CREDIT**

---

Delta Center maintains a \$500,000 line of credit (LOC) with Regions Bank, which originated on June 15, 2021 and expires on June 15, 2022. The LOC is secured by accounts receivable, furniture and equipment, and other assets. Interest is at a variable rate based on the bank's prime rate plus 1.75%, currently at 5% per annum, with monthly interest-only payments. At June 30, 2021, there were borrowings on the line-of-credit totaling \$310,000. Financing costs of \$5,053 incurred in obtaining long-term debt are deferred and are currently being amortized over the life of the LOC on a straight-line basis, which for Delta Center, is not considered materially different from the interest method. Total amortization related to deferred loan costs expensed for the years ended June 30, 2021 and 2020 was \$211 and \$0, respectively, resulting in accumulated amortization of \$211 and \$0 as of June 30, 2021 and 2020. Amortization expense will be \$4,842 next year through the expiration of the LOC.

---

**NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS**

---

Donor Restricted net assets are comprised of the following as of June 30:

	<b>2021</b>	<b>2020</b>
Purpose Restricted		
Restricted for specific events and programs	\$ 13,401	\$ 1,568
Purpose and Time-Restricted for Future Periods		
Restricted for specific events and programs once received	30,294	-
Time-Restricted for Future Periods		
Restricted for use in future period	2,500	1,437
Total	<b>\$ 46,195</b>	<b>\$ 3,005</b>

Restrictions released during the years ended June 30, 2021, and 2020 were \$266,830, and \$240,321.

**DELTA CENTER FOR INDEPENDENT LIVING AND  
DELTA CENTER PERSONAL ATTENDANT SERVICES  
NOTES TO COMBINED FINANCIAL STATEMENTS**

---

**NOTE 8 BOARD DESIGNATED FUNDS**

---

Delta Center's Board of Directors has designated net assets without donor restrictions at June 30, as follows:

	<b>2021</b>	<b>2020</b>
Designated for six months operations	\$ 700,000	\$ 700,000
Designated for six weeks attendant payroll	300,000	300,000
Designated for building repairs and replacements	200,000	200,000
Designated for budgeted operating deficit	100,000	100,000
Growth opportunities	150,000	150,000
Total	<b>\$ 1,450,000</b>	<b>\$ 1,450,000</b>

---

**NOTE 9 PROGRAM FEES**

---

PAS is an approved vendor of a CDS Program. The payment arrangement includes the following:

*Medicaid* - Covered services rendered to Medicaid program beneficiaries are paid based on a cost reimbursement methodology. Delta Center is reimbursed for cost reimbursable items at a rate set by the state of Missouri. During the years ended June 30, 2021 and 2020, the reimbursement rate was \$15.96 per hour of service accessed by consumer, consistent with his or her Plan of Care and Medicaid rules.

CIL is an approved vendor for the Veterans' Administration ("VA") Veteran-Directed Care Program ("VDC"). The payment arrangement includes the following:

Delta Center acts as the fiscal agent for services and performs payroll and tax functions and pays for non-employee goods and services. These costs are billed dollar-for-dollar to the VA. Delta Center receives a flat administrative fee per active veteran each month. This rate is set by the VA and is based on an economic study of each county. Therefore, the rate for each veteran can be different based on where they live.

Additionally, CIL provides Financial Management Services ("FMS") to other VDC vendors who do not process payroll, tax and non-employee goods and services in-house. All services are paid and subsequently billed dollar-for-dollar to the vendor contracting with Delta Center. Delta Center receives a monthly administrative fee for each active veteran. This fee varies based on the scope of services in each contract. As described in Note 1, the amounts paid by Delta Center and subsequently billed to the vendor are considered agency transactions for accounting purposes and are not included in the revenue and expenses on the Statements of Activities.

Opening and closing balances for contract accounts receivable arising from program fee contracts with customers include:

As of June 30,		
2019	\$	470,182
2020	\$	446,689
2021	\$	519,661

**DELTA CENTER FOR INDEPENDENT LIVING AND  
DELTA CENTER PERSONAL ATTENDANT SERVICES  
NOTES TO COMBINED FINANCIAL STATEMENTS**

---

**NOTE 10 DONATED SERVICES AND IN-KIND CONTRIBUTIONS**

---

Significant medical equipment and assistive devices are donated to Delta Center by various individuals and organizations. The corresponding expenses are presented in the in-kind equipment donated expense on the combined statements of functional expenses. Also, donated equipment increase in-kind contributions revenue by the same amount. Total donated medical equipment and assistive devices revenue was \$53,521 and \$20,613 for the years then ended June 30, 2021 and 2020, respectively.

---

**NOTE 11 RETIREMENT PLAN**

---

Delta Center maintains a contributory retirement savings plan under Section 401(k) of the IRC covering substantially all employees who meet certain eligibility requirements. Employer contributions to the plan totaled \$19,106 and \$18,872 for the years ended June 30, 2021 and 2020, respectively.

---

**NOTE 12 LEASE COMMITMENTS**

---

Delta Center leases a portion of its building to outside entities under several operating leases that have various expiration dates through fiscal year-end 2024, with certain renewal options.

The total associated cost and accumulated depreciation of these assets as of June 30, are as follows:

	<u>2021</u>	<u>2020</u>
Land	\$ 65,349	\$ 65,349
Building and building improvements	<u>1,344,836</u>	<u>1,331,564</u>
Total	1,410,185	1,396,913
Less: accumulated depreciation	<u>(462,284)</u>	<u>(404,052)</u>
Property and Equipment, Net	<u><b>\$ 947,901</b></u>	<u><b>\$ 992,861</b></u>

Future annual minimum lease payments expected to be received under noncancellable operating leases are as follows:

Year ending June 30:

2022	\$ 73,635
2023	65,635
2024	<u>27,218</u>
Total	<u><b>\$ 166,488</b></u>

---

**NOTE 13 CONCENTRATIONS OF REVENUE AND RECEIVABLES**

---

Revenue from Medicaid was approximately 64% and 93% of Delta Center's revenue during the years ended June 30, 2021 and 2020, respectively. Accounts receivable from three payors was approximately 96% of Delta Center's accounts receivable at June 30, 2021. Accounts receivable from one payor was approximately 94% of Delta Center's accounts receivable at June 30, 2020.

**DELTA CENTER FOR INDEPENDENT LIVING AND  
DELTA CENTER PERSONAL ATTENDANT SERVICES  
NOTES TO COMBINED FINANCIAL STATEMENTS**

---

**NOTE 14 CONTINGENCIES**

---

On March 11, 2020, the World Health Organization declared the outbreak of the Coronavirus (COVID-19) as a global pandemic. The extent and impact of COVID-19 on Delta Center's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the program participants, employees, donors and vendors, all of which are uncertain and cannot be predicted.

---

**NOTE 15 PAYCHECK PROTECTION PROGRAM**

---

Associated with the COVID-19 pandemic, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was enacted to provide economic assistance to American businesses. Through the CARES Act, in April 2020, Delta Center obtained funding from the Small Business Administration's Paycheck Protection Program (PPP) of \$161,200 with an annual interest rate of 1% if it wasn't forgiven. The PPP has provisions that allow for full or partial loan forgiveness if the loan proceeds are used on approved expenses in accordance with the PPP and other regulations, including employee counts, are followed.

Delta Center received approval of loan forgiveness on June 14, 2021 for the full amount of the loan plus interest. Accordingly, the PPP debt forgiveness was recorded as forgiveness of debt income revenue on the combined statement of activities for the year ended June 30, 2021.

---

**NOTE 16 SUBSEQUENT EVENTS**

---

Management has evaluated subsequent events through the date of the independent auditor's report, the date the financial statements were available to be issued.

**DELTA CENTER FOR INDEPENDENT LIVING AND  
DELTA CENTER PERSONAL ATTENDANT SERVICES  
COMBINING SCHEDULE OF FINANCIAL POSITION  
JUNE 30, 2021**

	CIL	PAS	Eliminations	Total
<b><u>ASSETS</u></b>				
Current Assets				
Cash and cash equivalents	\$ 480,401	\$ 528,838	\$ -	\$ 1,009,239
Accounts receivable, net	166,544	383,637	-	550,181
FMS agency transaction receivables	743,727	-	-	743,727
Promise to give	30,294	-	-	30,294
Due from affiliate	-	691,572	(691,572)	-
Prepaid expenses and other current assets	-	38,759	-	38,759
Total Current Assets	1,420,966	1,642,806	(691,572)	2,372,200
Investments, at Fair Value	-	2,323,210	-	2,323,210
Property and Equipment, Net of Depreciation	-	956,671	-	956,671
Total Assets	\$ 1,420,966	\$ 4,922,687	\$ (691,572)	\$ 5,652,081
<b><u>LIABILITIES AND NET ASSETS</u></b>				
Current Liabilities				
Current maturities of long-term debt	\$ -	\$ 27,655	\$ -	\$ 27,655
Line of credit	310,000	-	-	310,000
Deferred financing costs, net	(4,842)	-	-	(4,842)
Due to affiliate	691,572	-	(691,572)	-
Accounts payable	5,128	15,621	-	20,749
FMS agency transaction liabilities	196,881	-	-	196,881
Accrued expenses and other current liabilities	154,615	147,590	-	302,205
Total Current Liabilities	1,353,354	190,866	(691,572)	852,648
Tenant Deposits	-	13,617	-	13,617
Long-term debt		731,634		731,634
Deferred financing costs, net	-	(8,339)	-	(8,339)
Total Liabilities	1,353,354	927,778	(691,572)	1,589,560
Net Assets				
Without donor restrictions	22,854	3,993,472	-	4,016,326
With donor restrictions	44,758	1,437	-	46,195
Total Net Assets	67,612	3,994,909	-	4,062,521
Total Liabilities and Net Assets	\$ 1,420,966	\$ 4,922,687	\$ (691,572)	\$ 5,652,081

**DELTA CENTER FOR INDEPENDENT LIVING AND  
DELTA CENTER PERSONAL ATTENDANT SERVICES  
COMBINING SCHEDULE OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>CIL</u>	<u>PAS</u>	<u>Eliminations</u>	<u>Total</u>
Revenue, Gains and Other Support				
Program fees	\$ 238,232	\$ 3,177,548	\$ -	\$ 3,415,780
Contributions	9,040	70	-	9,110
Grants	350,320	-	(40,000)	310,320
In-kind equipment donations	53,521	-	-	53,521
Investment returns, net	-	40,410	-	40,410
Net realized/unrealized gain on investments	-	806,302	-	806,302
Rental income	-	205,419	(87,991)	117,428
Forgiveness of paycheck protection program debt	-	161,200	-	161,200
Other	949	-	-	949
Total Revenue, Gains and Other Support	<u>652,062</u>	<u>4,390,949</u>	<u>(127,991)</u>	<u>4,915,020</u>
Expenses				
Program Services	<u>588,291</u>	<u>2,979,569</u>	<u>(58,163)</u>	<u>3,509,697</u>
Supporting Activities				
Management and general	15,565	94,555	(418)	109,702
Building rental	-	198,044	(68,991)	129,053
Fundraising	19,242	37,069	(419)	55,892
Total Supporting Activities	<u>34,807</u>	<u>329,668</u>	<u>(69,828)</u>	<u>294,647</u>
Total Expenses	<u>623,098</u>	<u>3,309,237</u>	<u>(127,991)</u>	<u>3,804,344</u>
Increase in Net Assets	<u>28,964</u>	<u>1,081,712</u>	<u>-</u>	<u>1,110,676</u>
Net Assets, Beginning of Year	<u>38,648</u>	<u>2,913,197</u>	<u>-</u>	<u>2,951,845</u>
Net Assets, End of Year	<u>\$ 67,612</u>	<u>\$ 3,994,909</u>	<u>\$ -</u>	<u>\$ 4,062,521</u>