

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

**Auditor's Report and Financial Statements  
For the years ended  
June 30, 2024 and 2023**



**W. BENMILLER, CPALLC**

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

**For the Years Ended June 30, 2024 and 2023**

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W. BEN MILLER, CP 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 statements of financial position as of June 30, 2024 and 2023, 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, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our 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  
March 18, 2025

**Community Support Services of Missouri, Inc.**  
**Statements of Financial Position**  
**June 30, 2024 and 2023**

	2024	2023
<b>Current Assets</b>		
Cash and cash equivalents - unrestricted	\$ 1,969,981	\$ 3,689,980
Cash and cash equivalents - restricted	940,174	434,564
Restricted cash - client funds	91,938	79,923
Accounts receivable net of allowance	2,626,863	2,492,402
Accounts receivable - clients	122,875	111,709
Short-term investments	4,275,398	232,073
Prepaid expenses	191,029	58,649
<b>Total current assets</b>	10,218,258	7,099,300
<b>Property and Equipment</b>		
Land	500,185	500,185
Land improvements	19,206	19,206
Buildings	4,959,586	4,959,586
Building improvements	5,125,352	2,283,287
Furniture and fixtures	459,230	359,036
Vehicles	932,023	642,611
	11,995,582	8,763,911
Accumulated depreciation	(2,539,998)	(2,414,367)
<b>Total property and equipment</b>	9,455,584	6,349,544
<b>Other Assets</b>		
Long-term investments	549,633	33,384
<b>Total other assets</b>	549,633	33,384
<b>Total Assets</b>	<b>\$ 20,223,475</b>	<b>\$ 13,482,228</b>
<b>Current Liabilities</b>		
Current portion of long-term debt	\$ 131,549	\$ 14,344
Current portion of long-term leases	12,815	15,003
Accounts payable and accrued expenses	291,296	515,542
Client funds payable	91,938	79,923
Targeted case management payable	8,624	8,624
Accrued payroll and taxes	1,289,884	1,572,893
<b>Total current liabilities</b>	1,826,106	2,206,329
<b>Long-Term Liabilities</b>		
Notes payable	4,830,406	3,373,428
Lease payable	30,144	43,636
Less current portion of notes payable	(131,549)	(14,344)
Less current portion of long-term leases	(12,815)	(15,003)
<b>Total Long-term liabilities</b>	4,716,186	3,387,717
<b>Net Assets</b>		
Without donor restrictions	12,717,276	7,432,477
Endowment fund	23,733	21,141
<b>Total without donor restrictions</b>	12,741,009	7,453,618
With donor restrictions	940,174	434,564
<b>Total net assets</b>	13,681,183	7,888,182
<b>Total Liabilities and Net Assets</b>	<b>\$ 20,223,475</b>	<b>\$ 13,482,228</b>

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

**Community Support Services of Missouri, Inc.**  
**Statements of Activities**  
**For the Years Ended June 30, 2024 and 2023**

	2024	2023
<b>Without Donor Restrictions</b>		
<b>Revenues and gains</b>		
Administration	\$ 2,204,746	\$ 2,017,975
Program services		
Applied behavioral analysis	6,890,889	5,409,784
Duplex rental	7,722	7,722
First steps	1,009,593	977,818
Group homes	946,718	1,000,056
Independent support living	7,265,400	6,141,710
Community advocacy and support	2,773,895	2,264,930
Targeted case management	1,453,512	1,365,330
Early learning center	1,249,629	917,732
Other	-	-
Employee Retention Credit Income	3,411,279	1,630,519
Interest income	208,154	149,833
Gain (loss) on sale of assets	19,809	1,500
Other income	323,406	426,186
	<b>Total revenues and gains</b>	<b>22,311,095</b>
Support provided by expiring time and purpose restrictions	451,964	377,889
	<b>Total unrestricted revenues and gains and other support</b>	<b>22,688,984</b>
<b>Expenses</b>		
Program services		
Applied behavioral analysis	6,619,323	5,159,628
Duplex rental	20,919	20,643
First steps	1,053,500	1,027,533
Group homes	959,275	924,641
Independent support living	6,316,746	6,087,492
Community advocacy and support	1,956,325	1,529,782
Targeted case management	1,354,488	1,321,002
Early learning center	1,266,768	1,091,899
	<b>Total program services</b>	<b>17,162,620</b>
Supporting services		
Administration	3,381,981	2,887,260
	<b>Total supporting services</b>	<b>2,887,260</b>
	<b>Total expenses</b>	<b>20,049,880</b>
	<b>Increase in unrestricted net assets</b>	<b>2,639,104</b>
<b>With Donor Restrictions</b>		
Revenues	957,574	625,935
Net assets released from donor restrictions	(451,964)	(377,889)
	<b>Increase in net assets with donor restrictions</b>	<b>248,046</b>
<b>Change in Net Assets</b>	<b>5,793,001</b>	<b>2,887,150</b>
<b>Net Assets, Beginning of Year</b>	<b>7,888,182</b>	<b>5,001,032</b>
<b>Net Assets, End of Year</b>	<b>\$ 13,681,183</b>	<b>\$ 7,888,182</b>

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, 2024**

	Program										Total
	Group Homes	Community Advocacy Center	Independent Supported Living	Applied Behavioral Analysis	First Steps	Targeted Case Management	Duplex Rental	CP Center	Total Program	Administration & Other	
	Salaries & Taxes	\$ 785,170	\$ 1,576,172	\$ 5,756,280	\$ 6,072,966	\$ 895,492	\$ 1,054,252	\$ -	\$ 1,038,847	\$ 17,179,179	
Employee Benefits	22,673	46,185	210,762	175,026	39,076	74,238	-	16,736	584,696	64,345	649,041
Employment	14,892	20,827	127,231	89,937	14,847	38,159	-	11,718	317,611	26,879	344,490
Staff Travel & Training	2,480	2,749	20,141	46,431	55,742	33,226	-	1,409	162,178	51,101	213,279
Communication	7,768	14,810	27,981	37,102	17,837	20,799	2,300	6,303	134,900	38,651	173,551
Utilities	9,702	15,188	4,846	12,510	5,305	4,246	3,969	18,050	73,816	97,763	171,579
Repairs & Maintenance	7,384	5,718	8,067	7,981	949	1,683	2,073	7,146	41,001	43,672	84,673
Insurance	2,100	1,125	9,783	7,065	900	3,163	600	1,425	26,161	34,173	60,334
Equipment & Furnishings	750	342	0	0	0	1,587	2,266	405	5,350	12,335	17,685
Plant Costs	49,756	23,682	12,819	51,287	18,027	39,422	9,024	51,923	255,940	251,521	507,461
Supplies	13,952	32,224	11,379	11,307	(289)	3,385	87	14,082	86,127	23,261	109,388
Professional Services	5,380	18,695	25,752	25,398	3,318	18,925	600	31,172	129,240	404,374	533,614
Food Service	14,068	18,312	3,621	5,190	1,515	1,489	-	41,803	85,998	4,444	90,442
Transportation	23,106	154,785	97,036	75,716	-	3,592	-	25,205	379,440	16,869	396,309
Reinvest in Services	-	-	-	-	-	55,639	-	-	55,639	-	55,639
Bad debt expense	-	-	-	-	-	-	-	-	-	116,686	116,686
Interest expense	-	2,836	-	276	276	277	-	(116)	3,549	320,889	324,438
Miscellaneous	94	22,675	1,048	1,131	505	406	-	660	26,519	2,336	28,855
	<u>\$ 959,275</u>	<u>\$ 1,956,325</u>	<u>\$ 6,316,746</u>	<u>\$ 6,619,323</u>	<u>\$ 1,053,500</u>	<u>\$ 1,354,488</u>	<u>20,919</u>	<u>\$ 1,266,768</u>	<u>\$ 19,547,344</u>	<u>\$ 3,381,981</u>	<u>\$ 22,929,325</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, 2023**

	Program										Total
	Group Homes	Community Advocacy Center	Independent Supported Living	Applied Behavioral Analysis	First Steps	Targeted Case Management	Duplex Rental	CP Center	Total Program	Administration & Other	
Salaries & taxes	\$ 772,823	\$ 1,232,541	\$ 5,536,729	\$ 4,636,920	\$ 861,167	\$ 999,217	\$ -	\$ 855,350	\$ 14,894,747	\$ 1,626,827	\$ 16,521,574
Employee benefits	19,603	31,144	207,668	129,275	33,927	74,001	-	16,895	512,513	52,558	565,071
Employment	13,545	18,932	134,179	78,079	16,231	46,519	-	13,238	320,723	79,250	399,973
Staff travel & training	2,774	3,421	20,731	70,947	45,051	32,039	-	8,537	183,500	63,878	247,378
Communication	7,433	18,086	30,588	36,219	18,312	21,506	2,188	7,830	142,162	39,974	182,136
Utilities	13,204	18,198	5,715	13,607	6,670	6,218	1,055	17,904	82,571	42,353	124,924
Repairs & maintenance	(1,479)	12,317	13,027	16,183	640	1,000	4,313	10,088	56,089	32,008	88,097
Insurance	1,639	878	7,579	4,150	702	3,864	468	1,112	20,392	23,384	43,776
Equipment & furnishings	1,617	2,574	3,139	5,136	5,521	-	740	4,443	23,170	22,177	45,347
Plant costs	51,728	33,785	8,829	32,391	17,836	40,744	10,074	36,941	232,328	118,145	350,473
Supplies	10,845	18,578	7,424	17,498	4,805	3,165	889	21,680	84,884	19,410	104,294
Professional services	8,109	17,695	26,467	37,282	12,518	19,250	859	30,608	152,788	695,366	848,154
Food service	15,069	9,610	1,273	5,473	1,640	2,567	-	38,316	73,948	6,492	80,440
Transportation	6,803	87,856	74,165	51,120	-	4,362	-	26,391	250,697	12,281	262,978
Reinvest in Services	-	-	-	-	-	63,126	-	-	63,126	-	63,126
Interest	-	177	-	911	544	339	-	275	2,246	45,253	47,499
Miscellaneous	928	23,990	9,979	24,437	1,969	3,085	57	2,291	66,736	7,904	74,640
	<u>\$ 924,641</u>	<u>\$ 1,529,782</u>	<u>\$ 6,087,492</u>	<u>\$ 5,159,628</u>	<u>\$ 1,027,533</u>	<u>\$ 1,321,002</u>	<u>\$ 20,643</u>	<u>\$ 1,091,899</u>	<u>\$ 17,162,620</u>	<u>\$ 2,887,260</u>	<u>\$ 20,049,880</u>

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

**Community Support Services of Missouri, Inc.**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 5,793,001	\$ 2,887,150
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	471,456	310,299
(Gain)/Loss on disposal of assets	38,509	1,500
Unrealized (gain)/loss on investments	(59,574)	(2,214)
Changes in operating assets and liabilities		
(Increase) decrease in prepaid expenses	(132,380)	(15,490)
(Increase) decrease in accounts receivable	(134,461)	(499,278)
(Increase) decrease in accounts receivable - clients	(11,166)	(15,510)
Increase (decrease) in accounts payable	(224,246)	337,758
Increase (decrease) in accrued wages and payroll liabilities	(283,009)	678,028
Increase (decrease) in client funds payable	12,015	29,202
Increase (decrease) in HHS Cares Act payable	-	(133,724)
Increase (decrease) in case management payable	-	(14,770)
	<b>5,470,145</b>	<b>3,562,951</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of property and equipment	(3,616,005)	(3,419,774)
Purchase of investments	(4,500,000)	-
Proceeds from sale of property and equipment	-	1,500
	<b>(8,116,005)</b>	<b>(3,418,274)</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from issuance of new note payable	1,485,322	2,943,428
Principal payments on notes payable and leases	(41,836)	(137,701)
	<b>1,443,486</b>	<b>2,805,727</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(1,202,374)</b>	<b>2,950,404</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>4,204,467</b>	<b>1,254,063</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 3,002,093</b>	<b>\$ 4,204,467</b>
<b>Interest expense paid</b>	<b>\$ 324,438</b>	<b>\$ 47,499</b>
<b>Cash and Cash Equivalents Consist of the Following:</b>		
Cash and cash equivalents - unrestricted	\$ 1,969,981	\$ 3,689,980
Cash and cash equivalents - restricted	940,174	434,564
Restricted cash - client funds	91,938	79,923
	<b>\$ 3,002,093</b>	<b>\$ 4,204,467</b>

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

**Community Support Services of Missouri, Inc.**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2024 and 2023**

**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 mission of Community Support Services of Missouri is to foster and promote maximum independence, quality of life, personal growth, health and safety for the individuals we serve.

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 from 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.

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**Community Support Services of Missouri, Inc.**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2024 and 2023**

**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 \$471,456 and \$310,299 for the years ended June 30, 2024 and 2023, respectively.

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.

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**Community Support Services of Missouri, Inc.**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2024 and 2023**

**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- Accounts receivable consist of billings for program related activities based on various programs. The allowance for doubtful accounts is based on management's assessment of the collectability of specific accounts, the aging of the accounts receivable, historical experience, and other currently available evidence. The allowance for uncollectible accounts receivable at June 30, 2024 and 2023 was \$116,686 and \$0, respectively.

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.

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**Community Support Services of Missouri, Inc.**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2024 and 2023**

**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 \$0 in unsecured balances as of June 30, 2024.

The Missouri Department of Mental Health provided 75% and 80% of total revenues at June 30, 2024 and 2023, respectively.

**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, 2024 are listed in the following table. As part of the liquidity management plan, the Organization maintains a revolving line of credit of \$800,000 to cover short-term cash needs (note 7).

	<u>2024</u>	<u>2023</u>
<b>Financial assets</b>		
Cash and cash equivalents	\$ 3,002,093	\$ 4,204,467
Accounts receivable	2,626,863	2,492,402
Accounts receivable - clients	122,875	111,709
Short-term investments	4,275,398	232,073
Total financial assets	<u>10,027,229</u>	<u>7,040,651</u>
<b>Less financial assets held to meet donor-imposed restrictions</b>		
Net asset with donor restrictions	<u>(940,174)</u>	<u>(434,564)</u>
<b>Amount available for general expenditures</b>	<u>9,087,055</u>	<u>6,606,087</u>

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**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, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Short-term investments (certificates of deposit)	\$4,275,398	\$232,073
Long-term investments (certificates of deposit)	513,048	-
Long-term investments (mutual funds)	36,585	33,384
	<u>\$4,825,031</u>	<u>\$265,457</u>

Investment return for the years ended June 30, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Interest income	\$ 208,154	\$149,833
Net realized and unrealized losses on investments reported at fair value	2,313	1,500
	<u>\$ 210,467</u>	<u>\$151,333</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

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

Following are the details of the asset types, balances, and fair value levels at June 30, 2024 and 2023:

	<b>June 30, 2024</b>			
	Fair Value	(Level 1)	(Level 2)	(Level 3)
Short-term investments (certificates of deposit)	\$ 4,275,398	\$ 4,275,398	\$ -	\$ -
Long-term investments (certificates of deposit)	513,048	513,048	-	-
Long-term investments (mutual funds)	36,585	36,585	-	-
Total investments at fair value	<u>\$ 4,825,031</u>	<u>\$ 4,825,031</u>	<u>\$ -</u>	<u>\$ -</u>
	<b>June 30, 2023</b>			
	Fair Value	(Level 1)	(Level 2)	(Level 3)
Short-term investments (certificates of deposit)	\$ 232,073	\$ 232,073	\$ -	\$ -
Long-term investments (certificates of deposit)	-	-	-	-
Long-term investments (mutual funds)	33,384	33,384	-	-
Total investments at fair value	<u>\$ 265,457</u>	<u>\$ 265,457</u>	<u>\$ -</u>	<u>\$ -</u>

**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 \$8,624 and \$8,624 relating to case management services payable at June 30, 2024 and 2023, respectively.

**Note 7 – Line of Credit**

The Organization has a line of credit, with Arvest Bank, in the amount of \$800,000 with interest payable monthly at the prime rate - 8.50% at June 30, 2024, which matures on May 4, 2026. The line of credit is secured by property and equipment and had a balance of \$0 at June 30, 2024 and 2023.

**Note 8 – 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, 2024 includes copiers with a value of \$63,295. At June 30, 2023, the future minimum lease payments under capital leases are as follows:

2025	\$ 12,815
2026	8,592
2027	5,263
2028	3,474
2029	-
	<u>\$ 30,144</u>

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**Note 9 – Long-term debt**

Long-term debt consisted of the following at June 30, 2024 and 2023:

	<b>2024</b>	<b>2023</b>
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.	\$ 132,332	\$ 150,000
Note payable to Arvest Bank for the Illinois Avenue property in the amount of \$2,956,894, including a fixed interest rate of 5.25%. The note is secured by real estate. Monthly principle payments are \$10,600, and interest is payable monthly. The loan matures in May 2029.	4,418,074	2,943,428
Note payable for \$280,000, forgivable after 5 years in fiscal year 2027 based on meeting Community Development Block Grant occupancy requirements.	280,000	280,000
	4,830,406	3,373,428
Less current maturities of long-term debt	(131,549)	(14,344)
	\$ 4,698,857	\$ 3,359,084

Annual maturities of long-term debt at June 30, 2024 are:

2025	\$ 131,549
2026	137,856
2027	146,266
2028	433,580
2029	3,869,169
Thereafter	111,986
	\$ 4,830,406

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**Note 10 – Net Assets With Donor Restrictions**

Net assets with donor restrictions at June 30, 2024 and 2023 were restricted for the following purposes:

	<u>2024</u>	<u>2023</u>
Early Learning Center	\$ 31,734	\$ 62,400
DESE Programs	275,364	308,428
Rohman Estate	500,993	-
Other	132,083	63,736
	<u>\$ 940,174</u>	<u>\$ 434,564</u>

**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, 2024 and 2023, the designated endowment fund totaled \$23,733 and \$21,141, respectively.

**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 years ended June 30, 2024 and 2023 was \$168,751 and \$160,441, respectively.

**Note 13 – Employee Retention Credits**

During the year ended June 30, 2023, the Organization applied for employee retention credits (ERC) related to payroll taxes paid for quarters beginning in April 2020 and ending in September 2021. To qualify for these credits, amended payroll tax returns were submitted for quarters in which the Organization met thresholds for qualification under ERC guidelines. Revenue for these credits was recorded when the entity believed that all requirements for the credits had been substantially met, and that there was no substantial doubt of required return to the contributor or rejection of the claims. Based on this, the following credits were recorded in the Statement of Activities as Employee Retention Credit Income, and associated interest income on the associated payments as of the year ended June 30, 2023:

<b>Calendar Quarter</b>	<b>Credit Amount</b>	<b>Interest</b>	<b>Total Received</b>
2nd Qtr 2020	\$ 35,903	\$ 2,521	\$ 38,424
3rd Qtr 2020	49,293	3,064	52,357
4th Qtr 2020	71,925	3,897	75,822
1st Qtr 2021	1,473,398	140,351	1,613,749
	<u>\$ 1,630,519</u>	<u>\$ 149,833</u>	<u>\$ 1,780,352</u>

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**Note 13 – Employee Retention Credits (continued)**

Subsequent to the end of the year, additional credits were received for the quarters shown below. Due to the regulatory environment and announcements by the Internal Revenue Service and Department of the Treasury officials regarding additional scrutiny being placed on ERC claims, the management of the Organization felt there was substantial doubt regarding whether the credits below would be received. The credits below were received in the first quarter of the fiscal year to be ended June 30, 2024, and were recognized as revenue in that fiscal year.

<b>Calendar Quarter</b>	<b>Credit Amount</b>	<b>Interest</b>	<b>Total Received</b>
2nd Qtr 2021	\$ 1,512,542	\$ 144,473	\$ 1,657,015
3rd Qtr 2021	1,613,466	140,798	1,754,264
	<u>\$ 3,126,008</u>	<u>\$ 285,271</u>	<u>\$ 3,411,279</u>

**Note 14 – Evaluation of Subsequent Events**

The Organization has evaluated subsequent events through March 18, 2025, the date which the financial statements were available to be issued.

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