

**AMETHYST PLACE, INC.**

FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT  
FOR THE YEARS ENDED  
DECEMBER 31, 2018 AND 2017

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Amethyst Place, Inc.  
Kansas City, Missouri

We have audited the accompanying financial statements of Amethyst Place, Inc., (the "Organization") which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditors' Responsibility**

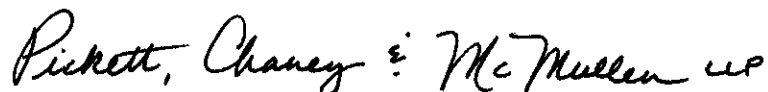
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 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 financial statements referred to above present fairly, in all material respects, the financial position of Amethyst Place, Inc. as of December 31, 2018 and 2017, 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.



Overland Park, Kansas  
July 18, 2019

# AMETHYST PLACE, INC.

## Statement of Financial Position

December 31, 2018 and 2017

	2018	2017
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash	\$ 649,160	\$ 401,748
Certificates of deposit	50,248	50,185
Government contracts receivable	41,647	42,996
Contributions receivable	72,814	62,523
Other receivables	2,133	2,092
Prepaid expenses	<u>12,308</u>	<u>11,099</u>
Total current assets	828,310	570,643
PROPERTY AND EQUIPMENT, NET	<u>435,723</u>	<u>423,466</u>
Total assets	<u>\$ 1,264,033</u>	<u>\$ 994,109</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES:		
Accounts payable	\$ 16,429	\$ 6,953
Accrued payroll and related liabilities	30,828	23,217
Deferred government contract revenue	29,896	27,347
Deposits and rent received in advance	<u>1,489</u>	<u>1,343</u>
Total current liabilities	78,642	58,860
NET ASSETS:		
Without donor restrictions:		
Undesignated	849,703	628,879
Board designated	<u>140,000</u>	<u>191,000</u>
Total net assets without restrictions	989,703	819,879
With donor restrictions	<u>195,688</u>	<u>115,370</u>
Total net assets	<u>1,185,391</u>	<u>935,249</u>
Total liabilities and net assets	<u>\$ 1,264,033</u>	<u>\$ 994,109</u>

See notes to financial statements.

# AMETHYST PLACE, INC.

## Statement of Activities and Changes in Net Assets For the Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS AND OTHER SUPPORT:</b>			
Contributions and grants:			
Foundations	\$ 152,975	\$ 295,500	\$ 448,475
Corporations	14,294		14,294
Individuals	64,176	10,875	75,051
Religious organizations	1,700	97,700	99,400
Federated fundraising organizations	7,131	20,000	27,131
In-kind donations	175,260		175,260
Government contracts	504,121		504,121
Special event revenue	104,477		104,477
Participant rent	32,810		32,810
Interest and other income	1,471		1,471
Net assets released from restrictions	343,757	(343,757)	
Total revenue, gains and other support	1,402,172	80,318	1,482,490
<b>EXPENSES:</b>			
Program expenses:			
Supportive housing	760,220		760,220
Family therapy	108,589		108,589
Family self-sufficiency	125,006		125,006
Total program expenses	993,815		993,815
Supporting services:			
Administration	92,153		92,153
Fundraising	121,673		121,673
Direct benefits to donors	24,707		24,707
Total supporting services	238,533		238,533
Total expenses	1,232,348		1,232,348
<b>CHANGE IN NET ASSETS</b>	169,824	80,318	250,142
<b>NET ASSETS, BEGINNING OF YEAR</b>	819,879	115,370	935,249
<b>NET ASSETS, END OF YEAR</b>	\$ 989,703	\$ 195,688	\$ 1,185,391

# AMETHYST PLACE, INC.

## Statement of Activities and Changes in Net Assets For the Year Ended December 31, 2017

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS AND OTHER SUPPORT:</b>			
Contributions and grants:			
Foundations	\$ 13,394	\$ 288,925	\$ 302,319
Corporations	4,916	1,000	5,916
Individuals	46,991	9,420	56,411
Religious organizations	900	48,000	48,900
Federated fundraising organizations	10,468	20,000	30,468
In-kind donations	197,504		197,504
Government contracts	470,104		470,104
Special event revenue	90,868		90,868
Participant rent	26,958		26,958
Interest and other income (loss)	(332)		(332)
Net assets released from restrictions	399,002	(399,002)	
Total revenue, gains and other support	1,260,773	(31,657)	1,229,116
<b>EXPENSES:</b>			
Program expenses:			
Supportive housing	677,141		677,141
Family therapy	71,194		71,194
Family self-sufficiency	145,770		145,770
Total program expenses	894,105		894,105
Supporting services:			
Administration	77,054		77,054
Fundraising	86,522		86,522
Direct benefits to donors	20,409		20,409
Total supporting services	183,985		183,985
Total expenses	1,078,090		1,078,090
<b>CHANGE IN NET ASSETS</b>	182,683	(31,657)	151,026
<b>NET ASSETS, BEGINNING OF YEAR</b>	637,196	147,027	784,223
<b>NET ASSETS, END OF YEAR</b>	\$ 819,879	\$ 115,370	\$ 935,249

# AMETHYST PLACE, INC.

## Statement of Functional Expenses For the Year Ended December 31, 2018

	Program				Supporting Services		
	Supportive Housing	Family Therapy	Family Self Sufficiency	Total Program	Administration	Fundraising	Total
Salaries and wages	\$ 187,202	\$ 82,716	\$ 70,421	\$ 340,339	\$ 48,698	\$ 80,556	\$ 469,593
Payroll taxes and benefits	14,813	6,648	5,548	27,009	3,793	6,344	37,146
Other personnel expenses	2,121	1,507	1,165	4,793	706	1,059	6,558
In-kind case management services	69,480			69,480			69,480
Other contract services	11,430	3,206	396	15,032	332	446	15,810
Rent and other occupancy expenses	28,435	4,138	4,903	37,476	3,131	6,457	47,064
Postage and printing	127	73	66	266	863	1,975	3,104
Telephone and internet	3,191	1,102	971	5,264	919	847	7,030
Office supplies	2,670	820	1,168	4,658	807	1,807	7,272
Participant rent assistance	311,460			311,460			311,460
Program supplies	86,130	1,850	19,275	107,255			107,255
Specific assistance to individuals	12,632		18,339	30,971			30,971
Insurance	3,391	1,072	1,182	5,645	2,745	4,598	12,988
Professional fees					24,907		24,907
Travel and transportation expenses	295	190		485	864	2,780	4,129
Depreciation	25,749	3,111	1,572	30,432	1,721	2,001	34,154
Other expenses	1,094	2,156		3,250	2,667	12,803	18,720
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 760,220</b>	<b>\$ 108,589</b>	<b>\$ 125,006</b>	<b>\$ 993,815</b>	<b>\$ 92,153</b>	<b>\$ 121,673</b>	<b>1,207,641</b>
Direct benefits to donors							24,707
<b>TOTAL EXPENSES</b>							<b>\$ 1,232,348</b>

See notes to financial statements.

# AMETHYST PLACE, INC.

## Statement of Functional Expenses For the Year Ended December 31, 2017

	Program			Supporting Services			Total
	Supportive Housing	Family Therapy	Family Self Sufficiency	Total Program	Administration	Fundraising	
Salaries and wages	\$ 152,404	\$ 56,850	\$ 84,709	\$ 293,963	\$ 37,796	\$ 55,952	\$ 387,711
Payroll taxes and benefits	12,617	4,546	6,796	23,959	3,156	4,697	31,812
Other personnel expenses	2,630	980	1,463	5,073	1,031	956	7,060
In-kind case management services	69,480			69,480			69,480
Other contract services	9,405	216	396	10,017	252	516	10,785
Rent and other occupancy expenses	23,370	3,397	5,288	32,055	2,525	11,114	45,694
Postage and printing					259	865	1,124
Telephone and internet	2,497	971	1,206	4,674	1,253	653	6,580
Office supplies	1,844	442	1,021	3,307	1,617	856	5,780
Participant rent assistance	324,855			324,855			324,855
Program supplies	41,725	878	13,895	56,498			56,498
Specific assistance to individuals	14,623		29,218	43,841			43,841
Insurance	3,376	1,017	1,516	5,909	3,020	1,936	10,865
Professional fees					22,184		22,184
Travel and transportation expenses	95			95	3	3,345	3,443
Depreciation	17,574	1,352	177	19,103	790	675	20,568
Other expenses	646	545	85	1,276	3,168	4,957	9,401
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b><u>\$ 677,141</u></b>	<b><u>\$ 71,194</u></b>	<b><u>\$ 145,770</u></b>	<b><u>\$ 894,105</u></b>	<b><u>\$ 77,054</u></b>	<b><u>\$ 86,522</u></b>	<b>1,057,681</b>
Direct benefits to donors							<u>20,409</u>
<b>TOTAL EXPENSES</b>							<b><u>\$ 1,078,090</u></b>

See notes to financial statements.

# AMETHYST PLACE, INC.

## Statements of Cash Flows

For the Year Ended December 31, 2018 and 2017

	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 250,142	\$ 151,026
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	34,154	20,568
In-kind contribution of property and equipment	(18,000)	(73,800)
Changes in operating assets and liabilities:		
Government contracts receivable	1,349	(23,231)
Contributions receivable	(10,291)	(46,481)
Other receivables	(41)	(545)
Prepaid expenses	(1,209)	232
Accounts payable	9,476	(7,096)
Accrued payroll and related liabilities	7,611	(190)
Deferred revenue	2,695	(594)
Net cash provided by operating activities	<u>275,886</u>	<u>19,889</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of certificates of deposit	(100,463)	(100,314)
Maturity of certificates of deposit	100,400	75,241
Purchase of property and equipment	<u>(28,411)</u>	<u>(87,158)</u>
Net cash used in investing activities	<u>(28,474)</u>	<u>(112,231)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	247,412	(92,342)
<b>CASH, BEGINNING OF YEAR</b>	<u>401,748</u>	<u>494,090</u>
<b>CASH, END OF YEAR</b>	<u>\$ 649,160</u>	<u>\$ 401,748</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASHFLOW INFORMATION:</b>		
Cash paid for interest and income taxes	<u>\$ -</u>	<u>\$ -</u>
Non-cash investing activity:		
In-kind contribution of property and equipment	<u>\$ 18,000</u>	<u>\$ 73,800</u>

See notes to financial statements.



# AMETHYST PLACE, INC.

## Notes to Financial Statements For the Year Ended December 31, 2018 and 2017

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### 1. NATURE OF ACTIVITIES AND PROGRAM DESCRIPTIONS

**Nature of Activities** – Amethyst Place, Inc. (the “Organization”) opened its doors in May 2000. The mission of Amethyst Place is to support women recovering from drug and alcohol addiction, and their children, by providing safe, drug-free housing and individualized services to promote healthy families. The Organization helps families to overcome significant trauma and to develop essential life skills. The vision of Amethyst Place is that families will successfully transition to drug-free, independent housing and healthy community living.

In 2018, the Organization served 67 women and 130 children in 38 fully furnished apartments. The Organization collaborates with state partners, community agencies, and service providers to deliver stable housing, trauma-focused assessment, interdisciplinary team-based support and access to empirically supported interventions for all family members. Clients must be referred by one of the following community case management agencies and remain involved with their case managers during their stay: Children’s Mercy TIES, ReDiscover, Comprehensive Mental Health Services, Family Drug Court, Operation Breakthrough and Heartland Center for Behavioral Change.

Following is a description of the Organization’s functional activities:

**Supportive Housing** – A family who is accepted into the program receives professional support as well as on-site therapy in a supervised drug-free environment. Each resident develops an individualized treatment plan in conjunction with a treatment team of case managers, Department of Social Service workers and therapists.

**Family Therapy** – Many Amethyst Place residents have been dually diagnosed with substance use disorder and mental health issues. As a result of separation and addicted parenting, many of their children have emotional issues which make the need for family therapy essential to improving family functioning and relationships. Amethyst Place uses a variety of evidence based therapies and practices under the canopy of a Trauma-Informed and Multicultural approach.

**Family Self-Sufficiency** – The Organization’s family self-sufficiency program includes on-site tutoring to support residents passing the GED, a comprehensive mentoring program, and a supported employment jobs program.

**Administration and Fundraising** – Provides oversight of programs, business management, record keeping, budgeting, and other administrative and fundraising activities for the Organization.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting and Presentation** – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

**Cash and Cash Equivalents** – For the purposes of the Statement of Cash Flows, the Organization considers highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Organization had no cash equivalents at December 31, 2018 and 2017.

**Certificates of Deposit** – Certificates of deposit are recorded at cost, plus accrued interest, which approximates fair value. The certificates bear interest ranging from 0.1% to 0.29%. The certificates of deposit matured in January 2019, and were renewed for additional 6 month terms.

**Accounts Receivable** – Accounts receivable are stated at uncollected balances, less an allowance for doubtful accounts. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. As of December 31, 2018 and 2017, no allowance was considered necessary.

**Property and Equipment** – Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Major additions, improvements and rehab projects exceeding \$1,000 are capitalized, and routine maintenance and repairs that do not improve or extend the life of the respective assets are charged against net assets in the current period. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years.

**Long-Lived Assets** – The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, and has concluded that no such adjustment is necessary.

**Contract Revenues** – The Organization receives a significant amount of revenue in the form of government grants and contracts. The Organization recognizes contract funds received or receivable as revenue to the extent that related program expenses have been incurred. Contract funds received in excess of expenses incurred are recognized as deferred government contract revenue in the Statement of Financial Position.

**Contributions** – Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**Promises to Give** – Unconditional promises to give are recorded as revenues or gains in the period received and as assets, decrease of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The Organization has received conditional promises to give of \$55,000 and \$81,000 as of December 31, 2018 and 2017, respectively, which will be recognized as revenue after acceptance of grant progress and financial reports.

**Donated Assets** – Donated marketable securities, property and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated assets 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 contributions with donor restrictions. 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. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

The Organization receives in-kind contributions of furniture and apartment furnishings, gift cards and holiday gifts, and personal hygiene and baby products for use by program participants. In 2017, the Organization also received a contribution of a used, enclosed trailer for transporting donations and the use of database software. These donated items are included in the statement of activities and changes in net assets as in-kind contribution revenue. The used, enclosed trailer is included in equipment on the Statement of Financial Position, donated furniture and furnishings and personal hygiene and baby products are included in the statement of activities as program supplies expense and the use of donated database software is included in the statement of activities as office expense. For the years ended December 31, 2018 and 2017, the estimated fair value of these contributions was \$80,330 and \$36,145, respectively.

**Contributed Services** – Contributed services are recognized as contributions if the services create or enhance non-financial assets or require specialized skills, are performed by individuals with those skills, and would otherwise be purchased by the Organization if not contributed.

Unpaid volunteers with specialized skills contributed approximately 4,600 hours of case management services during 2018 and 2017. The value of these contributed services is included in the statement of activities and changes in net assets as in-kind contribution revenue and as in-kind case management services expense. For the years ended December 31, 2018 and 2017, the estimated fair value of services received was \$69,500 and \$69,500, respectively. The Organization also recognized contributed services for grounds maintenance and professional services including IT support of \$7,450 and \$7,280, respectively.

In 2017, the landlord provided in-kind office and program space to the Organization. The value of the in-kind rent is included in the statement of activities and changes in net assets as in-kind contribution revenue and as rent expense at an estimated fair value of \$11,637 for the year ended December 31, 2017.

In addition, although these services did not meet the criteria for recognition in the financial statements, unpaid volunteers have provided approximately over 7,000 and 6,500 additional hours in support of the Organization's program and fundraising activities in 2018 and 2017, respectively.

**Functional Expenses** – The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and related benefits, payroll taxes, occupancy, office expenses, insurance expenses, and depreciation. Allocation of these expenses is based on annual time studies to determine an estimate of time and effort.

**Income Taxes** – No provision for income taxes has been recorded, as the Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1). The Organization is subject to routine audits by taxing jurisdictions; however, there are

currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2015.

**Use of Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts 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.

**Date of Management’s Review** – Subsequent events have been evaluated through July 18, 2019, the date that these financial statements were available to be issued, and there were no material events requiring recognition or disclosure.

**Accounting Standards Update** – On August 18, 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these financial statements accordingly. Certain amounts in the 2017 financial statements have been reclassified to conform to the 2018 presentation. The reclassifications had no impact to previously reported net assets.

### 3. LIQUIDITY AND AVAILABILITY

The following represents the Organization’s financial assets as of December 31, 2018:

Financial assets at period end:

Cash	\$ 649,160
Certificates of Deposit	50,248
Receivables	116,594
Conditional promises to give expected to be collected within one year	<u>55,000</u>
Total financial assets	871,002

Amounts not available to be used within one year:

Board designations intended for capital additions and endowment	<u>21,000</u>
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Financial assets available to meet general

expenditures within one year	<u>\$ 850,002</u>
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The Organization receives significant contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major and central to its operations to be available to meet cash needs for general expenditures.

Although the Organization does not intend to spend from the board designated net assets (other than the \$119,000 appropriated for staff expansion costs as part of the Board’s 2019 approved budget), these amounts could be made available if necessary. As part of the Organization’s liquidity management plan, the Organization invests cash in excess of daily requirements in short-term, low-risk investments. The Board has designated net assets \$140,000 for 2019 costs of staff expansion, capital purchases and a board designated endowment. The Organization’s goal is to maintain approximately \$208,000 in financial assets to meet 3 months of operating expenses, excluding rental assistance.

#### 4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<b>2018</b>	<b>2017</b>
Land and improvements	\$ 9,229	\$ 3,600
Buildings and improvements	408,323	274,951
Construction in progress		98,069
Security system	85,532	85,532
Playground equipment	11,146	11,146
Vehicle	16,649	16,649
Office equipment, software and website	<u>11,665</u>	<u>8,634</u>
	542,544	498,581
Less: Accumulated depreciation	<u>(106,821)</u>	<u>(75,115)</u>
	<u>\$ 435,723</u>	<u>\$ 423,466</u>

In February 2015, the Organization purchased the building at 2740 Troost. In 2016, the renovation of 2740 Troost was completed. A significant portion of the renovation was completed by volunteers. A contribution in the amount of \$115,000 has been recognized related to these contributed services.

In 2017, construction began on a storage garage on the 2740 Troost property. A significant portion of the construction was completed by volunteers. Construction in progress as of December 31, 2017, includes \$72,800 of contributed construction services. In 2018, an additional \$18,000 of contributed construction services was recognized on the storage garage. This was completed in 2018, and placed in service.

Depreciation related to property and equipment totaled \$34,154 and \$20,568 for 2018 and 2017, respectively.

#### 5. NET ASSETS

Net assets without donor restrictions are available for the following purposes as of December 31:

	<b>2018</b>	<b>2017</b>
Undesignated	\$ 849,703	\$ 628,879
Board designated	<u>140,000</u>	<u>191,000</u>
	<u>\$ 989,703</u>	<u>\$ 819,879</u>

Effective December 31, 2017, the Board of Directors designated \$170,000 in net assets without donor restrictions for 2018 and 2019 costs of staff expansion and \$20,000 for purchase of a vehicle for transportation for program participants. In 2018, \$51,000 of board designated net assets was approved for use for costs of staff expansion, resulting in a remaining designation of \$119,000 for staff expansion in 2019.

The Board of Directors has also designated a total of \$1,000 in net assets without donor restrictions to be held for investment purposes as a board designated endowment. As of December 31, 2018 and 2017, the board designated net assets totaling \$140,000 and \$191,000, respectively, including the \$1,000 board designated endowment, were held in the checking account.

Net assets with donor restrictions are available for the following purposes as of December 31:

	<b>2018</b>	<b>2017</b>
Personnel costs	\$ 113,220	\$ 29,202
Occupancy expense	9,978	3,472
Insurance expense	1,542	575
Contractor and professional fees	12,733	3,310
Office expenses	3,216	1,711
Client assistance	37,437	9,672
Program supplies	13,668	7,234
Supportive housing		42,519
Family therapy		9,882
Administrative and operating expenses		7,090
Other operating expenses	3,894	703
	<u>\$ 195,688</u>	<u>\$ 115,370</u>

Net assets of \$343,757 and \$399,002 were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by the donors, or by the passage of time.

	<b>2018</b>	<b>2017</b>
Personnel costs	\$ 226,598	\$ 255,937
Occupancy expenses	22,881	14,677
Insurance expense	5,407	8,379
Contractor and professional fees	24,526	17,101
Office expense	7,490	5,773
Client assistance	24,575	38,293
Program supplies	29,764	23,340
Technology equipment and expenses		24,990
Transportation	191	8,695
Other operating expenses	2,325	1,817
	<u>\$ 343,757</u>	<u>\$ 399,002</u>

## 6. COMMITMENTS AND CONTINGENCIES

On October 1, 2014, the Organization entered into a Memorandum of Understanding (MOU) with Courtyard Properties, LLC for the rental of 39 apartment units and 2 recreational spaces. The agreement is automatically renewed annually, and is cancelable by either party with 90 days written notice. The current MOU for 38 apartments expires on August 31, 2019. The rent amount for each unit is based on the current fair market rent as determined by the Missouri Department of Mental Health. In 2018 and 2017, the Organization paid rent of approximately \$311,500 and \$325,000, respectively, under this MOU.

The Organization bills the Missouri Department of Mental Health for the rent expense for residential units occupied by the Organization's clients. In 2018 and 2017, the Organization earned approximately \$21,800 and \$23,190, respectively, in administrative fees for processing rental subsidies through the Department. The Department remits monthly client rent subsidies directly to the Organization and, in turn, the Organization pays the property owner the related monthly rental subsidies.

## **7. MAJOR CONCENTRATIONS**

The Organization received approximately \$333,000 and \$348,000, respectively, through a contract with the Missouri Department of Mental Health for the years ended December 31, 2018 and 2017. This represents approximately 22% and 28%, respectively, of the Organization's revenue for 2018 and 2017.

The Organization maintains its checking account at a local financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2018, the Organization's uninsured cash balances totaled approximately \$400,000.

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