

AMETHYST PLACE, INC.

FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
SEPTEMBER 30, 2022
AND INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of Amethyst Place, Inc., which comprise the statement of financial position as of September 30, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 Amethyst Place, Inc. as of September 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Amethyst Place, 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 Amethyst Place, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 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 Amethyst Place, 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 Amethyst Place, 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.

Pickett, Chaney & McMullen CP

Overland Park, Kansas
January 24, 2023

AMETHYST PLACE, INC.

Statement of Financial Position

September 30, 2022

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 610,822
Government contracts and grants receivable	166,655
Contributions receivable	190,399
Other receivables	2,172
Prepaid expenses	<u>32,446</u>

Total current assets 1,002,494

INVESTMENTS 360,850

PROPERTY AND EQUIPMENT, NET 1,242,047

Total assets \$ 2,605,391

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 50,520
Accrued payroll and related liabilities	57,214
Deferred government contract revenue	33,132
Deposits and rent received in advance	<u>688</u>

Total current liabilities 141,554

NET ASSETS:

Without donor restrictions:

Undesignated	491,691
Net investment in property and equipment	1,242,047
Board designated	<u>500,000</u>

Total net assets without restrictions 2,233,738

With donor restrictions 230,099

Total net assets 2,463,837

Total liabilities and net assets \$ 2,605,391

See notes to financial statements.

AMETHYST PLACE, INC.

Statement of Activities and Changes in Net Assets For the Year Ended September 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT:			
Contributions and grants:			
Foundations	\$ 292,513	\$ 563,329	\$ 855,842
Corporations	40,250	54,500	94,750
Individuals	129,398	4,942	134,340
Religious organizations	13,465	42,502	55,967
Federated fundraising organizations	17,990		17,990
Government grants	50,000	426,120	476,120
In-kind donations	165,780		165,780
Government contracts - rental assistance	492,505		492,505
Special event revenue	56,045		56,045
Participant rent	56,871		56,871
Program service revenue	231,205		231,205
Investment income (loss), and other	(58,073)		(58,073)
Net assets released from restrictions	978,728	(978,728)	
Total revenue, gains and other support	2,466,677	112,665	2,579,342
EXPENSES:			
Program expenses:			
Supportive housing	1,108,167		1,108,167
Family empowerment	334,622		334,622
Therapeutic support	197,179		197,179
Total program expenses	1,639,968		1,639,968
Supporting services:			
Administration	235,333		235,333
Fundraising	235,832		235,832
Direct benefits to donors	10,170		10,170
Total supporting services	481,335		481,335
Total expenses	2,121,303		2,121,303
CHANGE IN NET ASSETS	345,374	112,665	458,039
NET ASSETS, BEGINNING OF YEAR	1,888,364	117,434	2,005,798
NET ASSETS, END OF YEAR	\$ 2,233,738	\$ 230,099	\$ 2,463,837

See notes to financial statements.

AMETHYST PLACE, INC.

Statement of Functional Expenses For the Year Ended September 30, 2022

	Program				Supporting Services		
	Supportive Housing	Family Empowerment	Therapeutic Support	Total Program	Administration	Fundraising	Total
Salaries and wages	\$ 258,126	\$ 206,219	\$ 140,218	\$ 604,563	\$ 106,785	\$ 110,430	\$ 821,778
Payroll taxes and benefits	59,262	44,977	28,172	132,411	23,128	15,889	171,428
Other personnel expenses	4,624	4,242	2,672	11,538	5,346	1,922	18,806
In-kind case management services	22,875			22,875			22,875
Other contract services	330		1,280	1,610	6,691	12,544	20,845
Rent and other occupancy expenses	34,661	10,989	7,430	53,080	8,068	7,690	68,838
Postage and printing	221	303	15	539	581	10,013	11,133
Telephone and internet	5,142	4,221	2,666	12,029	2,658	2,267	16,954
Office supplies	2,584	3,792	1,627	8,003	4,379	1,824	14,206
Participant rent assistance	511,960	411		512,371			512,371
Program supplies	15,937	29,015	2,699	47,651	2,080	1,083	50,814
Specific assistance to individuals	160,006	10,715		170,721			170,721
Insurance	5,231	4,323	2,987	12,541	4,804	2,708	20,053
Professional fees	250			250	46,718	51,744	98,712
Travel and transportation expenses	604	992	111	1,707	2,327	3,415	7,449
Depreciation	22,634	9,612	2,689	34,935	2,478	1,011	38,424
Other expenses	3,720	4,811	4,613	13,144	19,290	13,292	45,726
TOTAL FUNCTIONAL EXPENSES	\$ 1,108,167	\$ 334,622	\$ 197,179	\$ 1,639,968	\$ 235,333	\$ 235,832	2,111,133
Direct benefits to donors							10,170
TOTAL EXPENSES							\$ 2,121,303

See notes to financial statements.

AMETHYST PLACE, INC.

Statement of Cash Flows For the Year Ended September 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 458,039
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	38,424
Loss on disposal of property and equipment	1,607
In-kind donation of property and equipment	(23,475)
Unrealized loss on investments	59,792
Changes in operating assets and liabilities:	
Government contracts and grants receivable	(104,066)
Contributions receivable	(66,189)
Other receivables	(844)
Prepaid expenses	(4,047)
Accounts payable	31,191
Accrued payroll and related liabilities	3,013
Deferred revenue	(1,682)
Deposits	(631)
Net cash provided by operating activities	<u>391,132</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Sales or maturity of investments	275,056
Purchase of investments	(276,596)
Purchase of property and equipment	<u>(286,359)</u>
Net cash used in investing activities	<u>(287,899)</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS 103,233

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 507,589

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 610,822

SUPPLEMENTAL DISCLOSURE OF CASHFLOW INFORMATION:

Cash paid for interest and income taxes	<u>\$ -</u>
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See notes to financial statements.

AMETHYST PLACE, INC.

Notes to Financial Statements For the Year Ended September 30, 2022

1. NATURE OF ACTIVITIES AND PROGRAM DESCRIPTIONS

Nature of Activities – Amethyst Place, Inc. (the “Organization”) was founded in 2000 as part of community efforts to address the high rate of substance use recurrence among single mothers who lacked safe housing to maintain recovery and reunify with their children. Amethyst Place’s *Noble Cause* is to inspire transformational healing and empower generations of women and children to achieve recovery, reunification, and resilience.

For the 12 months ended September 30, 2022, the Organization served 46 women and 102 children in 37 fully furnished apartments, along with another 56 alumni families that received supportive services. 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 Treatment Court, Operation Breakthrough, Sheffield Place, Journey to a New Life, Heartland Center for Behavioral Change, and Imani House.

Amethyst Place program goals are to: 1) reunite, stabilize and heal families; 2) remove barriers and individualize services to promote sustainable recovery and healthy living; and 3) build capacity of mothers to achieve economic success and overcome generational poverty. These goals are accomplished through three core programs: the Supportive Housing program provides safe, stable and long-term housing; the Family Empowerment program supports the educational and career goals of families to overcome generational poverty; the Therapeutic Support Services program helps families heal from past trauma, stabilize mental health, improve parenting skills, and built resilience.

Following is a description of specific services provided as part of these programs:

Supportive Housing: 37 fully furnished private apartments, food and hygiene pantry, mobile medical and dental services, clothing closet, household coaching, direct financial assistance, 24/7 campus security, and randomized drug/alcohol screening.

Family Empowerment: weekly life skills programming, wellness coaching and programming, Financial coaching and programming, peer support, recovery coaching and programming, volunteer-led tutoring for moms and children, GED preparation and testing, college assistance fund, supported employment program, EnCompass mentoring program, case management, court advocacy, Our Voice Residents’ Council, and art clubs for moms and kids.

Therapeutic Support: on-site therapeutic services for adults and children (individual, family, groups), regular treatment team meetings. Evidence-based practices include motivational interviewing, trauma-focused cognitive behavioral therapy, contingency management, relapse prevention, intensive case management, eye movement desensitization and reprocessing, sand tray therapy, and play therapy.

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. At September 30, 2022, there were no donor funds stipulated to 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 as of September 30, 2022.

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 September 30, 2022, no allowance was considered necessary.

Investment Valuation and Income Recognition – Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair value in the statement of financial position, and changes in fair value are reported as investment return in the statement of activities. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; less external and direct internal investment expenses. Management fees and operating expenses charged to the Association for investments in mutual funds and exchange traded funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a reduction of investment return for such investments.

Investment return is reflected in the Statement of Activities as without donor restrictions or with donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on the average costs and are recorded in the statement of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

Risks and Uncertainties – The Organization invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, credit, and overall market volatility. 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 change could materially affect the amounts reported in the financial statements.

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.

Revenue and Revenue Recognition – The Organization recognizes special events revenue equal to the cost of direct benefits to the donor, and contributions revenue for the remainder of payments received. Rental revenue is recognized on a straight-line basis over the lease period. Fees for services are recognized at the point in time the services are provided. The timing of revenue recognition, billings and cash collections results in billed accounts receivable, unbilled receivables, and deferred revenue and deposits on the statement of financial position.

The contract balances are included in the Statement of Financial Position as follows:

	September 30, 2022	September 30, 2021
Government contracts and grants receivable	\$ 166,655	\$ 62,589
Deferred government contract revenue	\$ 33,132	\$ 34,814
Deposits and rent received in advance	\$ 688	\$ 1,319

The Organization recognizes contributions when cash, securities or other assets, or an unconditional promise to give is received. 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.

Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return or cancellation of future payments, are not recognized until the conditions on which they depend have been substantially met. The government grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Other contributions are conditioned upon meeting performance requirements. Consequently, conditional contributions, for which no amounts have been received in advance, have been received but are not recognized in the financial statements, are as follows:

Government grants - program related expenditures	\$ 276,819
Commitments for expansion project	7,700,000
	<u>\$ 7,976,819</u>

Donated Services and In-Kind Contributions – Donated marketable securities, property and other noncash donations are recorded as contributions at their estimated fair values at the date of donation. 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. These donated items are included in the statement of activities and changes in net assets as in-kind contribution revenue. Donated furniture and furnishings and personal hygiene and baby products are included in the statement of activities as program supplies expense.

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 1,600 hours of case management services during the year ended September 30, 2022. 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.

In-kind contributions recognized as contribution revenue, and as an expense in the statement of activities, are summarized as follows:

Apartment furnishings	\$ 36,700
Cargo van	23,474
Hygiene products	26,416
Pantry assistance	51,369
Case management services	22,875
Contract services, including grounds maintenance	
IT support and accounting services	<u>4,946</u>
	<u>\$ 165,780</u>

In addition, although these services did not meet the criteria for recognition in the financial statements, unpaid volunteers have provided over 660 additional hours in support of the Organization's program and fundraising activities for the year ended September 30, 2022.

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 2019.

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 January 24, 2023, the date that these financial statements were available to be issued.

3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following represents the Organization's financial assets as of September 30, 2022:

Financial assets at period end:

Cash and cash equivalents	\$ 610,822
Receivables	359,226
Investments	360,850
Conditional promises to give expected to be collected within one year, and available for general expenditures	<u>276,819</u>
Total financial assets	1,607,717

Amounts not available to be used within one year:

Board designations intended for prudent reserves	<u>500,000</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,107,717</u>

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, 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 a balanced investment portfolio. The Board has designated net assets \$500,000 to establish a prudent operating reserve for future expansion and operating needs. The Organization's goal is to maintain approximately \$702,000 in financial assets to meet 6 months of operating expenses, excluding rental assistance.

4. FAIR VALUE MEASUREMENTS

Fair value is 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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of the fair value hierarchy are described as follows:

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

Level 2 – Observable inputs other than Level 1 prices, such as 1) quoted prices for similar assets or liabilities, 2) quoted prices for identical or similar assets in inactive markets, 3) inputs other than quoted prices that are observable, and 4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset has a specified (contractual) term, the level 2 input must be observable for substantially the full term.

Level 3 – Unobservable inputs supported by little or no market activity and are significant to the fair value of the asset or liability.

The assets 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 used need to maximize the use of 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 September 30, 2022:

Mutual funds, exchange traded funds and common stock – Valued at the closing price reported on the active market on which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although The Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The following table presents the fair value measurements of investments recognized in the accompanying Statement of Financial Position on a recurring basis:

	Fair Value	Fair Value Measurements Using:		
		Level 1	Level 2	Level 3
September 30, 2022:				
Mutual funds:				
Money market fund	\$ 43,911	\$ 43,911		
Stock funds	150,085	150,085		
Bond funds	72,523	72,523		
Exchange traded funds:				
Stock funds	66,997	66,997		
Bond funds	5,518	5,518		
Specialty funds	11,136	11,136		
Common Stocks -				
Financial services	10,680	10,680		
Total	\$ 360,850	\$ 360,850	\$ -	\$ -

Total return on investments as included in the Statement of Activities is as follows:

Interest and dividend income	\$ 5,368
Net realized and unrealized gains	(59,792)
Investment fees	<u>(3,898)</u>
Investment loss	<u>\$ (58,322)</u>

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30:

Land and improvements	\$ 582,642
Buildings and improvements	452,535
Security system	210,752
Playground equipment	133,255
Vehicle	63,663
Office equipment, software and website	<u>47,423</u>
	1,490,270
Less: Accumulated depreciation	<u>(248,223)</u>
	<u>\$ 1,242,047</u>

Depreciation related to property and equipment totaled \$38,424 for the year ended September 30, 2022.

6. NET ASSETS

Net assets without donor restrictions are as follows as of September 30, 2022:

Undesignated	\$ 491,691
Net investment in property and equipment	1,242,047
Board designated	<u>500,000</u>
	<u>\$ 2,233,738</u>

The Board of Directors designated \$500,000 in net assets without donor restrictions to establish a prudent reserve for future expansion and operating needs.

Net assets with donor restrictions are available for the following purposes as of September 30, 2022:

Personnel costs	\$ 139,718
Occupancy	252
Client assistance	3,059
Program supplies	10,770
Expansion project	<u>76,300</u>
	<u>\$ 230,099</u>

Net assets of \$978,728 were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by the donors, or by the passage of time, as follows:

Personnel costs	\$ 607,573
Occupancy expenses	17,201
Insurance expense	4,950
Contractor and professional fees	13,915
Office expense	11,009
Client assistance	41,389
Program supplies	44,988
Transportation	2,585
Playground equipment, security system and IT Equipment	170,592
Other operating expenses	<u>64,526</u>
	<u>\$ 978,728</u>

7. 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. This agreement was renewed on April 1, 2021, for a 5-year period ending March 31, 2026. The agreement will automatically extend for an additional year, unless cancelled in writing by either party. The agreement may be cancelled after the initial 5-year term with 90 days written notice. The rent amount for each unit is based on the current fair market rent as determined by the Missouri Department of Mental Health. The Organization paid rent of approximately \$492,000 for the year ended September 30, 2022, under this MOU.

The Organization bills the Missouri Department of Mental Health (“DMH”) monthly for the rent expense for residential units occupied by the Organization’s clients. The Organization earned approximately \$25,200 for the year ended September 30, 2022, in administrative fees for processing rental subsidies through DMH. DMH and Housing Authority of Kansas City (“HAKC”) remit monthly client rent subsidies directly to the Organization and, in turn, the Organization pays the property owner the related monthly rental amounts.

The Organization leases office equipment under a non-cancelable operating lease. Rental expense from the lease totaled \$1,840 for the year ended September 30, 2022. Future minimum lease payments under the operating lease for the year ended September 30:

2023	\$	3,678
2024		3,678
2025		3,678
2026		3,678
2027		613

8. MAJOR CONCENTRATIONS

The Organization received approximately \$385,200 through a contract with the Missouri Department of Mental Health for the year ended September 30, 2022. This represents approximately 15% of the Organization’s revenue for 2022.

The Organization maintains its checking and savings accounts at local financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At September 30, 2022, the Organization’s uninsured cash balances totaled approximately \$111,000.

9. RETIREMENT PLAN

The Organization sponsors a 403(b) plan for its employees. The Organization matches 100% of each employee’s elective deferral, up to a maximum of 3% of compensation. Total retirement expense was \$18,453 for the year ended September 30, 2022.

10. SUBSEQUENT EVENTS

Capital Campaign and Planned Program Expansion – Amethyst Place has long recognized that its 37 apartments do not provide the capacity needed to meet the community demand. Over 40 families are consistently on the waitlist, needing a safe home to reunify and overcome homelessness, mental health and substance use disorders, and significant histories of trauma. Within these families are around 80 children, most of whom are separated from their mom until a spot at Amethyst Place opens. That wait is taking a year or longer. In July 2021, the Organization purchased 2770 Tracy, which is 1.28 acres of land nearly adjacent to our current campus. The Organization has partnered with Sunflower Development Group and Rosemann and Associates on the project.

The 2770 Tracy project will double Amethyst Place’s housing capacity through the creation of 37 units. The total project cost, including land purchase and construction, is estimated to be \$15,955,000. Due to private donor support, Amethyst Place secured \$555,000 to purchase the land in July 2021. The Organization is in the process of fundraising the remainder (\$15,400,000) through a capital campaign that utilizes private and public investments, including government contracts, foundation grants, and individual donors. Since launching the capital campaign in fall 2021, the Organization has raised \$10,330,000 (65%).

Construction will begin in spring 2023 to satisfy the timeline required by the MO COVID State Fiscal Recovery funding (\$2,000,000 + \$2,000,000 local match). Anything not spent by June 30, 2023 will have to be requested for re-appropriation in the next fiscal year. The project is planned for completion of construction in August 2024.
