
AMETHYST PLACE, INC.

(A MISSOURI NON-PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

(INCLUDING INDEPENDENT AUDITOR'S REPORT)

FOR THE YEAR ENDED SEPTEMBER 30, 2023

AMETHYST PLACE, INC.

FOR THE YEAR ENDED SEMTEMBER 30, 2023

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position.....	4
Statement of Activities and Changes in Net Assets.....	5
Statement of Functional Expenses.....	6
Statement of Cash Flows.....	7
Notes to Financial Statements.....	8

Welch & Associates, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

2405 Grand Boulevard, Suite 1040
Kansas City, Missouri 64108
Ph. (816) 756-2620 • Fax (816) 756-2621
www.welchcpafirm.com

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Amethyst Place, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023 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, 2023 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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.

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 judgement 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.

Welch & Associates, L.L.C.
Kansas City, Missouri
March 18, 2024

FINANCIAL STATEMENTS

AMETHYST PLACE, INC.
STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2023

	2023
ASSETS	
CURRENT ASSETS	
Cash	\$ 3,460,843
Contributions receivable	571,754
Accounts receivable	58,492
Rent receivable	1,573
Other receivable	84
Prepaid expenses	38,510
TOTAL CURRENT ASSETS	4,131,256
INVESTMENTS	420,563
RIGHT OF USE ASSETS - OPERATING LEASE	153,922
RIGHT OF USE ASSETS - FINANCE LEASE, NET	37,908
FIXED ASSETS, NET	2,591,765
TOTAL ASSETS	\$ 7,335,414
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 260,474
Payroll liabilities	48,672
Prepaid rent	41,560
Operating lease liability, current	34,181
Finance lease liability, current	8,431
TOTAL CURRENT LIABILITIES	393,318
OPERATING LEASE LIABILITY, LONG-TERM	125,967
FINANCE LEASE LIABILITY, LONG-TERM - NET	29,832
CONSTRUCTION RETENTION	55,065
NET ASSETS	
Without donor restrictions	3,399,883
Without donor restrictions - board designated	500,000
With donor restrictions	2,831,349
TOTAL NET ASSETS	6,731,232
TOTAL LIABILITIES AND NET ASSETS	\$ 7,335,414

See auditor's report and notes accompanying financial statements

AMETHYST PLACE, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES			
Contributions:			
Individuals	\$ 84,189	\$ 20,561	\$ 104,750
Corporations	8,661	56,662	65,323
Foundations	781,473	3,096,945	3,878,418
Government	-	1,449,775	1,449,775
Special events	36,596	-	36,596
Contributed nonfinancial assets	88,624	-	88,624
Rental assistance - Government	545,286	-	545,286
Participant rent	75,153	-	75,153
Program service revenue	278,814	-	278,814
Net Assets Released from Restrictions:			
Satisfaction of purpose restrictions	2,022,693	(2,022,693)	-
TOTAL OPERATING REVENUE	3,921,489	2,601,250	6,522,739
OPERATING EXPENSES			
Program Services:			
Supportive Housing	1,061,037	-	1,061,037
Family Empowerment	449,438	-	449,438
Therapeutic Support	224,204	-	224,204
	1,734,679	-	1,734,679
Supporting Services:			
Administration	353,809	-	353,809
Fundraising	221,755	-	221,755
TOTAL OPERATING EXPENSES	2,310,243	-	2,310,243
OPERATING INCOME (LOSS)	1,611,246	2,601,250	4,212,496
NONOPERATING REVENUES (EXPENSES)			
Investment income (loss), net	49,234	-	49,234
Other income	5,665	-	5,665
NONOPERATING INCOME (LOSS)	54,899	-	54,899
CHANGE IN NET ASSETS	1,666,145	2,601,250	4,267,395
NET ASSETS, BEGINNING OF YEAR	2,233,738	230,099	2,463,837
NET ASSETS, END OF YEAR	\$ 3,899,883	\$ 2,831,349	\$ 6,731,232

See auditor's report and notes accompanying financial statements

AMETHYST PLACE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Program Services</u>				<u>Supporting Services</u>		<u>Total</u>
	<u>Supportive Housing</u>	<u>Family Empowerment</u>	<u>Therapeutic Support</u>	<u>Total Program</u>	<u>Administration</u>	<u>Fundraising</u>	
EXPENSES							
Salaries and Wages	\$ 215,357	\$ 237,315	\$ 157,266	\$ 609,938	\$ 173,932	\$ 137,964	\$ 921,834
Payroll Taxes and Benefits	55,388	51,215	29,926	136,529	34,572	16,507	187,608
Other Personnel Expenses	3,084	3,170	2,204	8,458	3,941	1,892	14,291
In-kind Case Management Services	27,600	-	-	27,600	-	-	27,600
Other Contract Services	10,050	8,655	5,016	23,721	5,740	6,370	35,831
Rent and Other Occupancy Expenses	38,550	13,665	9,268	61,483	11,326	10,356	83,165
Postage and Printing	295	765	139	1,199	822	7,848	9,869
Telephone and Internet	4,497	4,173	2,623	11,293	4,086	2,450	17,829
Office Supplies	3,501	1,393	473	5,367	6,967	1,382	13,716
Participant Rent Assistance	568,053	1,700	-	569,753	-	-	569,753
Program Supplies	10,903	52,964	2,284	66,151	2,126	1,659	69,936
Specific Assistance to Individuals	75,282	43,001	53	118,336	-	-	118,336
Insurance	6,821	7,301	4,917	19,039	8,002	4,282	31,323
Professional Fees	-	5	-	5	64,115	6,000	70,120
Travel and Transport Expenses	1,197	2,336	1,083	4,616	2,352	1,071	8,039
Depreciation	36,708	14,528	6,115	57,351	13,227	4,831	75,409
Other Operating Expenses	3,751	7,252	2,837	13,840	22,601	19,143	55,584
	<u>\$ 1,061,037</u>	<u>\$ 449,438</u>	<u>\$ 224,204</u>	<u>\$ 1,734,679</u>	<u>\$ 353,809</u>	<u>\$ 221,755</u>	<u>\$ 2,310,243</u>

See auditor's report and notes accompanying financial statements

AMETHYST PLACE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	2023
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 4,267,395
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	70,647
Unrealized (gain) loss on investments	(47,394)
In-kind donation of vehicle	(5,000)
Right of use assets - operating lease	(153,922)
Operating lease liability	160,148
(Increase)/Decrease in Operating Assets:	
Contributions receivable	(381,355)
Accounts receivable	108,163
Rent and other receivable	515
Prepaid expenses	(6,064)
Increase/(Decrease) in Operating Liabilities:	
Accounts payable	209,954
Payroll liabilities	(8,542)
Prepaid rent	7,740
Construction retention	55,065
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	4,277,350
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	(1,415,365)
Right of use assets - finance lease	(37,908)
Finance lease liability	42,671
Net purchase of investments	(12,319)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(1,422,921)
CASH FLOWS FROM FINANCING ACTIVITIES	
Finance lease payments	(4,408)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(4,408)
NET CHANGE IN CASH	2,850,021
CASH - BEGINNING OF YEAR	610,822
CASH - END OF YEAR	\$ 3,460,843
<u>Supplemental Disclosure of Cash Flow Information</u>	
Cash paid during the year for:	
Interest	\$ 807
Income taxes	\$ -

See auditor's report and notes accompanying financial statements

**AMETHYST PLACE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 1 – ORGANIZATION AND 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. The Organization's mission is to inspire transformational healing and empower generations of women and children to achieve recovery, reunification, and resilience.

For the year ended September 30, 2023, the Organization served 42 women and 94 children in 37 fully furnished apartments, along with another 27 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.

The Organization 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. The Organization’s primary sources of revenue are contributions from individuals, corporations, and government agencies.

The Organization operates the following programs:

Supportive Housing

The program provides safe, stable and long-term housing to clients. The housing is provided in 37 fully furnished private apartments. The program includes food and hygiene pantry, mobile medical and dental services, clothing closet, household coaching, direct financial assistance, 24/7 campus security, and random drug/alcohol screening.

Family Empowerment

The program supports the educational and career goals of families to overcome generational poverty. It includes 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

The program helps families heal from past trauma, stabilize mental health, improve parenting skills, and build resilience. It covers 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.

AMETHYST PLACE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Income Taxes

The Organization is exempt from income taxation pursuant to Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC section 501(c)(3) and is not a private foundation within the meaning of IRC section 509(a) as determined by the Internal Revenue Service (IRS). Management has reviewed all sources of revenue and does not believe the Organization to be subject to income tax on unrelated business income.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Organization's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

New Accounting Pronouncement

The Organization adopted the Financial Accounting Standard Board Accounting Standards Update (ASU) 2016-02, Leases (Topic 842) during the year ended September 30, 2023. The ASU requires enhanced disclosures about leases in the financial statements. The disclosures related to the new ASU are made in Note 12.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Under this method, revenues are recognized when all conditions for income recognition have been met, and expenses are recognized when the obligation is incurred.

Accounts Receivable

Accounts receivable are reported at the contracted amount less an estimate made for doubtful receivables. Management determines the allowance for doubtful accounts by evaluating each receivable and considering the current status. Any accounts receivable determined to be uncollectible are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as revenues when received. Management believes that accounts receivable is fully collectible and an allowance for doubtful accounts is not required as of September 30, 2023.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the accompanying statement of functional expenses. Directly identifiable expenses are charged to the programs and supporting services to which they relate. Expenses related to more than one function are allocated to programs and supporting services, primarily based on staffing levels. Administration expenses include those expenses that are not directly identifiable with any other specific function but provide the overall support and direction of the Organization.

**AMETHYST PLACE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Fixed Assets

Purchased assets are recorded at cost. Donated assets are recorded at their market value at the time of donation. Significant additions or improvements over \$1,000 are capitalized, and maintenance and repairs that do not improve or extend the life of the respective asset are expensed. Depreciation is provided over the estimated useful life of depreciable asset and is computed using the straight-line method.

Management evaluates its long-lived assets for impairment when circumstances indicate the carrying amount may not be fully recoverable. This evaluation is generally performed using year-end information. The useful life of the asset for depreciation purposes may be different than their actual economic useful lives. Estimated useful lives for depreciation purpose are as follows:

Land improvements	15 Years
Buildings and improvements	5-30 Years
Office equipment, software and website	3-10 Years
Vehicles	3-5 Years

Financial Statement Presentation

The Organization reports its financial position of net assets as follows:

- Net Assets without Donor Restrictions
Net assets for use in general operations that are not subject to donor restrictions. Net assets without donor restrictions include board designated net assets with purpose determined by the Organization board.
- Net Assets with Donor Restrictions
Net assets that are subject to donor restrictions. Some donor restrictions are temporary in nature while other donor restrictions are perpetual in nature where the donor stipulates that resources be maintained in perpetuity.

Contributions

Contributions received are recorded as unrestricted or restricted support depending on the existence or nature of any donor-imposed restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as restricted support that increases this net asset class.

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. Conditional contributions at September 30, 2023 are as follows:

Government grants - program related expenditures	\$ 277,218
Commitments for expansion project	<u>4,189,644</u>
	<u>\$4,466,862</u>

**AMETHYST PLACE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Contributions receivable are carried at the contract amount less an estimate made for doubtful receivables based on a review of all outstanding accounts on an annual basis. Contributions receivable are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded as revenue when received. Contributions receivable are collectible in the ordinary course of business within a year. Management believes that contributions receivable is fully collectible and an allowance for doubtful accounts is not required as of September 30, 2023.

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.

Compensated Absences

Employees of the Organization are entitled to paid vacation, depending on job classification and length of service. An amount has been included in the statement of financial position to reflect this liability. The accrued vacation liability at September 30, 2023 was \$19,500.

Going Concern Analysis

Management evaluates whether there are conditions and events, considered in the aggregate, which raise substantial doubt about the Organization's ability to continue as a going concern within a year of financial statement issue date.

NOTE 3 – ECONOMIC DEPENDENCY

The Organization received 94% of its revenues from contributions and government grants during the year ended September 30, 2023. If a significant reduction in the level of these revenues were to occur, it could have an adverse effect on the operations of the organization.

In addition, the Organization provides services in Kansas City, Missouri. Future operations could be affected by changes in economic or other conditions in the geographic area.

NOTE 4 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the statement of financial position date available for use within one year for general expenditures:

Financial assets at year-end:

Cash	\$3,460,843
Contributions receivable	571,754
Accounts receivable	58,492
Rent and other receivables	1,657
Investments	<u>420,563</u>
	4,513,309
Restrictions imposed by donors:	
Donor restricted net assets	<u>(2,831,349)</u>
Total	<u>\$1,681,960</u>

AMETHYST PLACE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

General expenditures include all the expenditures necessary for the operations of the Organization. As part of the Organization's liquidity management, it has structured its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests excess cash to earn investment income.

NOTE 5 – CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk are cash, investments and contributions receivable from normal business activities.

Cash

The Organization maintains cash with two financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization's cash balance may periodically exceed FDIC insurance limits. The Organization believes it is not exposed to significant risk due to the financial position of the depository institutions in which the deposits are held. The Organization had \$2,985,764 cash in excess of the FDIC insured amount at September 30, 2023.

Investments

Investments are exposed to various risks, such as interest rate, market and credit risk. Market values of investments fluctuate based on the magnitude of changing market conditions. Concentration of credit risk for investments is mitigated by the overall diversification of the managed investment portfolios; however, significant changes in market conditions could materially affect portfolio value in the near term. The concentration of credit risk exists to the full extent of amounts reported on the Statement of Financial Position.

Contributions Receivable

Contributions receivable consist primarily of amounts due from government agencies. Management believes that contributions receivable is fully collectible and an allowance for doubtful accounts is not required as of September 30, 2023. The Organization has not experienced any significant losses from contributions receivable and management does not believe the Organization is exposed to significant risk of loss for these receivables. However, concentration of credit risk exists to the full extent of amounts reported on the Statement of Financial Position.

NOTE 6 – CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets are comprised of the following:

Case management services	\$27,600
Apartments maintenance services	8,685
Accounting, training, and software support services	2,776
Pantry and household supplies	19,563
Apartment furnishings	25,000
Vehicle	<u>5,000</u>
	<u>\$88,624</u>

**AMETHYST PLACE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Contributed nonfinancial assets were recorded at estimated fair value at the date of donation which is determined using the market value of similar items and services. Donated services are recorded if they create or enhance nonfinancial assets or require specialized skills provided by persons possessing those skills and would typically need to be purchased if they were not contributed. Donated items and services were utilized in activities related to the Organization's programs as noted above.

The Organization records the estimated fair value of contributed nonfinancial assets as revenue or asset and simultaneous amount as expenses in the financial statements. A number of individuals contributed approximately 1,644 hours of their services to the Organization as volunteers who assist in staffing fundraising events, helping with programs, and assisting in other day-to-day operations. The value of these services is not recorded in the financial statements because they did not enhance non-financial assets or require specialized skills.

NOTE 7 – CLASSIFICATION OF NET ASSETS

Net assets restricted by donors are available for the following purposes:

Personnel costs	\$ 41,026
Client assistance	2,031
Expansion project	<u>2,788,292</u>
Total net assets restricted by donors	<u>\$2,831,349</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.

During the year ended September 30, 2023, net assets were released from restrictions as follows:

Personnel costs	\$ 713,589
Occupancy expenses	7,638
Program supplies and expense	97,301
Client assistance	70,060
Expansion project	<u>1,134,105</u>
Total net assets released from restrictions	<u>\$2,022,693</u>

NOTE 8 – FIXED ASSETS

The major classes of fixed assets for year ended September 30, 2023 are as follows:

Land and improvements	\$ 715,896
Buildings and improvements	674,648
Construction in progress	1,392,745
Vehicles	61,663
Office equipment, software and website	<u>58,683</u>
	2,903,635
Accumulated depreciation	<u>(311,870)</u>
Net Fixed Assets	<u>\$2,591,765</u>

**AMETHYST PLACE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 9 – EMPLOYEE BENEFIT PLAN

The Organization offers a 403(b) retirement plan, referred to as the Plan. The provisions of the Plan are as follows:

- All employees are eligible to participate and make salary reduction contributions in the Plan. An employee must complete one year of service to receive employer matching contributions.
- An employee may contribute an amount ranging from 0% to 100% of their compensation with a maximum limit set by the IRS for each year.
- The Organization will match participant contributions on a dollar-for-dollar basis (not to exceed the lesser of 3% of participant’s compensation or the maximum limit).

The Organization’s contribution charged to expense was \$16,885 for the year ended September 30, 2023.

NOTE 10 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments recorded at fair value in the statement of financial position are categorized based upon the following level of judgments associated with the inputs used to measure their fair value:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs to the valuation methodology include, quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability. Level 3 assets and liabilities include investments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair values requires significant management judgment or estimation.

The following is the Organization’s fair value measurements at September 30, 2023:

	Fair Value	Level 1
Money market fund	\$ 28,739	\$ 28,739
Common stocks	14,012	14,012
Mutual equity funds	188,048	188,048
Mutual fixed income funds	72,182	72,182
Exchange traded equity funds	80,591	80,591
Exchange traded fixed income funds	24,646	24,646
Exchange traded fund - other	<u>12,345</u>	<u>12,345</u>
Total investments at fair value	<u>\$420,563</u>	<u>\$420,563</u>

AMETHYST PLACE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Investment income for the year ended September 30, 2023 was comprised of the followings:

Dividends	\$ 9,866
Realized gain (loss)	(4,101)
Unrealized gain (loss)	47,394
Investment expenses	<u>(3,925)</u>
Net Investment Income (Loss)	<u>\$49,234</u>

NOTE 11 – REVENUE RECOGNITION

ASU 2014-09, Revenue from Contracts with Customers (Topic 606) applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Organization records the following exchange transactions revenue in its statement of activities for the year ended September 30, 2023:

Program Service Revenue – The gross amount paid by Missouri Department of Mental Health (MDMH) and Children’s Services Fund of Jackson County (CSFJC) represents payment for the costs of services provided to participants. MDMH and CSFJC have written contracts with the Organization outlining the reimbursement rates for the costs of services. The performance obligation is the provision of services. The Organization recognizes revenue when invoices are submitted to MDMH and CSFJC after the provision of services. ASU 2014-09 requires allocation of the transaction price to the performance obligation(s). Accordingly, the Organization separately presents program service revenue in the statement of activities. The beginning and ending balance of receivables related to revenue from these services are as follows:

Beginning receivable	\$42,881
Ending receivable	58,492

NOTE 12 – LEASES

The Organization has entered into operating and finance lease arrangements for office building, apartment complex and equipment with various lease terms. These leases have original terms of not exceeding 5 years with renewal options. The remaining lease terms at September 30, 2023 are between 3 to 6 years. Rental payments under the lease arrangements are fixed. The office building is subleased to program participants who pay a minimal amount of rent to the Organization. During the year ended September 30, 2023, the Organization recognized expenses associated with leases as follows:

Operating lease rent expense	\$43,651
Sublease income	<u>(36,757)</u>
Operating lease cost, net	6,849
Finance lease amortization of ROU assets	4,763
Finance lease interest expense	<u>807</u>
Total lease cost, net	<u>\$12,419</u>

AMETHYST PLACE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

As of September 30, 2023, the weighted-average remaining lease term for operating leases is 3.8 years while the weighted-average remaining lease term for finance leases is 4.3 years. The Organization does not have access to the rate implicit in the leases, therefore, it utilizes incremental borrowing rate as the discount rate. The weighted average discount rate associated with operating lease is 4.3% and finance lease is 4.2%.

Supplemental cash flow information related to leases are as follows:

Operating cash flow from operating lease – rental expense	\$43,651
Operating cash flow from finance lease – interest expense	\$807
Financing cash flow from finance lease – principal payment	\$4,408

Right of use assets obtained in exchange for lease obligations:

Operating leases	\$153,922
Finance leases	\$37,908

Lease obligations obtained in exchange for right of use assets:

Operating leases	\$160,148
Finance leases	\$42,671

The future payments for succeeding five years due under operating and finance lease as of September 30, 2023 is as follows:

	Operating <u>Lease</u>	Finance <u>Lease</u>
2024	\$ 39,831	\$ 9,822
2025	43,977	9,822
2026	47,392	9,822
2027	42,124	7,678
2028	0	4,608
Imputed interest	<u>(13,176)</u>	<u>(3,489)</u>
Total liability in statement of financial position	<u>\$160,148</u>	<u>\$38,263</u>

NOTE 13 – DATE OF MANAGEMENT’S REVIEW

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through March 18, 2024, the date the financial statements were available to be issued. No significant matters were identified for disclosure during this evaluation.