UNITED CEREBRAL PALSY HEARTLAND
DBA: UCP HEARTLAND

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

UNITED CEREBRAL PALSY HEARTLAND
DBA: UCP HEARTLAND
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INDEPENDENT AUDITORS' REPORT

Board of Directors
United Cerebral Palsy Heartland
dba: UCP Heartland
St. Louis, Missouri

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of United Cerebral Palsy Heartland, dba: UCP Heartland, a nonprofit organization, which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Cerebral Palsy Heartland, dba: UCP Heartland, as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 United Cerebral Palsy Heartland, dba: UCP Heartland 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.

Emphasis of Matter

As disclosed in Note 1, the Organization implemented the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, Leases (ASC 842). The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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.

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 United Cerebral Palsy Heartland, dba: UCP Heartland's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Board of Directors
United Cerebral Palsy Heartland
dba: UCP Heartland

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 auditors' 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 GAAS 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 GAAS, 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 United Cerebral Palsy Heartland, dba: UCP Heartland'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 United Cerebral Palsy Heartland, dba: UCP Heartland'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Louis, Missouri
December 21, 2023

UNITED CEREBRAL PALSY HEARTLAND
DBA: UCP HEARTLAND
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	$ 2,531,410	$ 130,493	$ 2,661,903
Investments	9,173,135	4,098,195	13,271,330
Accounts Receivable, Net	3,045,320	-	3,045,320
Accrued Interest Receivable	7,611	3,419	11,030
Pledge Receivable	-	263,124	263,124
Prepaid Expenses and Other Assets	296,378	-	296,378
Total Current Assets	15,053,854	4,495,231	19,549,085
BENEFICIAL INTEREST IN TRUST	-	68,458	68,458
PROPERTY AND EQUIPMENT, NET	5,208,262	-	5,208,262
OPERATING RIGHT-OF-USE ASSETS, NET	1,897,494	-	1,897,494
Total Assets	$ 22,159,610	$ 4,563,689	$ 26,723,299
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts Payable	$ 84,511	$ -	$ 84,511
Accrued Expenses	709,083	-	709,083
Current Lease Liability - Operating	174,483	-	174,483
Total Current Liabilities	968,077	-	968,077
LONG-TERM LEASE LIABILITY - OPERATING, (LESS CURRENT MATURITIES)	1,752,095	-	1,752,095
Total Liabilities	2,720,172	-	2,720,172
NET ASSETS	19,439,438	4,563,689	24,003,127
Total Liabilities and Net Assets	$ 22,159,610	$ 4,563,689	$ 26,723,299

See accompanying Notes to Financial Statements.

UNITED CEREBRAL PALSY HEARTLAND
DBA: UCP HEARTLAND
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	$ 1,708,082	$ 35,370	$ 1,743,452
Investments	8,561,371	3,727,702	12,289,073
Accounts Receivable, Net	1,965,339	-	1,965,339
Accrued Interest Receivable	5,051	3,674	8,725
Pledge Receivable	-	256,458	256,458
Prepaid Expenses and Other Assets	355,805	-	355,805
Total Current Assets	12,595,648	4,023,204	16,618,852
BENEFICIAL INTEREST IN TRUST	-	66,341	66,341
PROPERTY AND EQUIPMENT, NET	5,029,390	-	5,029,390
Total Assets	$ 17,625,038	$ 4,089,545	$ 21,714,583
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts Payable	$ 17,748	$ -	$ 17,748
Accrued Expenses	513,604	-	513,604
Deferred Revenue	1,000	-	1,000
Total Current Liabilities	532,352	-	532,352
NET ASSETS	17,092,686	4,089,545	21,182,231
Total Liabilities and Net Assets	$ 17,625,038	$ 4,089,545	$ 21,714,583

See accompanying Notes to Financial Statements.

UNITED CEREBRAL PALSY HEARTLAND
DBA: UCP HEARTLAND
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Grants	$ 121,245	$ 89,610	$ 210,855
Program Service Fees	14,135,947	-	14,135,947
United Way	9,879	526,244	536,123
Contributions	950,318	-	950,318
Fundraising	797,590	-	797,590
Investment Earnings	563,420	399,526	962,946
Gain on Beneficial Interest in Trust	-	2,117	2,117
Loss on Disposals of Property and Equipment	(282,939)		(282,939)
Net Assets Released from Restrictions	543,353	(543,353)	-
Total Public Support and Revenue	16,838,813	474,144	17,312,957
EXPENSES			
Program Services:			
Family Support	336,512	-	336,512
Community Services (Adult Programs)	3,420,677	-	3,420,677
Supported Employment	910,785	-	910,785
Community Living	5,110,782	-	5,110,782
Children's Services	2,361,401	-	2,361,401
Supporting Services:			
Management and General	1,755,210	-	1,755,210
Fundraising	596,694	-	596,694
Total Expenses	14,492,061	-	14,492,061
CHANGE IN NET ASSETS	2,346,752	474,144	2,820,896
Net Assets - Beginning of Year	17,092,686	4,089,545	21,182,231
NET ASSETS - END OF YEAR	$ 19,439,438	$ 4,563,689	$ 24,003,127

See accompanying Notes to Financial Statements.

UNITED CEREBRAL PALSY HEARTLAND
DBA: UCP HEARTLAND
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Grants	$ 31,158	$ 23,775	$ 54,933
Program Service Fees	9,574,254	-	9,574,254
United Way	3,066	512,916	515,982
Contributions	1,228,756	6,825	1,235,581
Fundraising	244,868	-	244,868
Investment Earnings	(1,072,050)	(544,391)	(1,616,441)
Loss on Beneficial Interest in Trust	-	(16,559)	(16,559)
Extinguishment of PPP Loan	1,000,000	-	1,000,000
Nonrecurring Gain	243,881	-	243,881
Net Assets Released from Restrictions	594,374	(594,374)	-
Total Public Support and Revenue	11,848,307	(611,808)	11,236,499
EXPENSES			
Program Services:			
Family Support	356,560	-	356,560
Community Services (Adult Programs)	2,479,792	-	2,479,792
Supported Employment	731,093	-	731,093
Community Living	4,130,725	-	4,130,725
Children's Services	1,439,679	-	1,439,679
Supporting Services:			
Management and General	1,193,942	-	1,193,942
Fundraising	493,845	-	493,845
Total Expenses	10,825,636	-	10,825,636
CHANGE IN NET ASSETS	1,022,671	(611,808)	410,863
Net Assets - Beginning of Year	16,070,015	4,701,353	20,771,368
NET ASSETS - END OF YEAR	$ 17,092,686	$ 4,089,545	$ 21,182,231

See accompanying Notes to Financial Statements.

UNITED CEREBRAL PALSY HEARTLAND
DBA: UCP HEARTLAND
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	Program Services			
	Family Support	Community Services	Supported Employment	Community Living
Salaries and Related Expenses	$ 210,831	$ 2,508,081	$ 801,887	$ 4,490,698
Professional Services	10,642	73,418	30,640	147,184
Supplies/Client Assistance	92,998	81,217	4,679	78,365
Communications	988	8,963	16,878	41,653
Postage and Shipping	-	44	-	4
Printing and Photographic	165	150	581	85
Conferences and Training	254	11,077	1,431	6,224
Recruiting	762	298	1,636	601
Local Transportation and Mileage	3,506	6,219	30,860	21,833
Occupancy	9,208	497,696	13,601	94,171
Insurance	-	44,508	-	47,968
Equipment	986	70,376	7,586	27,155
Dues	118	1,407	920	2,663
Transportation	6,053	31,476	-	29,063
Miscellaneous	1	24	86	29
Total Expenses Before Depreciation	336,512	3,334,954	910,785	4,987,696
Depreciation	-	85,723	-	123,086
Total Expenses	$ 336,512	$ 3,420,677	$ 910,785	$ 5,110,782

See accompanying Notes to Financial Statements.

UNITED CEREBRAL PALSY HEARTLAND
DBA: UCP HEARTLAND
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED JUNE 30, 2023

Program Services		Supporting Services				
Children's Services	Total Program Services	Management and General	Allocated Occupancy	Fundraising	Total Supporting Services	Total
$ 1,787,630	$ 9,799,127	$ 1,335,788	$ 4,543	$ 321,447	$ 1,661,778	$ 11,460,905
97,363	359,247	148,494	4,872	45,341	198,707	557,954
117,978	375,237	9,025	29,718	1,370	40,113	415,350
29,692	98,174	14,353	10,175	2,628	27,156	125,330
23	71	177	-	-	177	248
1,665	2,646	553	-	6,399	6,952	9,598
14,620	33,606	57,272	-	450	57,722	91,328
567	3,864	(987)	-	639	(348)	3,516
21,640	84,058	22,452	153	8,128	30,733	114,791
161,447	776,123	101,387	(286,317)	3,994	(180,936)	595,187
32,623	125,099	-	56,426	-	56,426	181,525
26,418	132,521	4,704	56,678	1,864	63,246	195,767
956	6,064	21,778	-	114	21,892	27,956
2,087	68,679	247	1,503	-	1,750	70,429
81	221	39,924	74	204,320	244,318	244,539
2,294,790	11,864,737	1,755,167	(122,175)	596,694	2,229,686	14,094,423
66,611	275,420	43	122,175	-	122,218	397,638
$ 2,361,401	$ 12,140,157	$ 1,755,210	$ -	$ 596,694	$ 2,351,904	$ 14,492,061

See accompanying Notes to Financial Statements.

UNITED CEREBRAL PALSY HEARTLAND
DBA: UCP HEARTLAND
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	Program Services			
	Family Support	Community Services	Supported Employment	Community Living
Salaries and Related Expenses	$ 268,574	$ 1,713,187	$ 639,978	$ 3,638,284
Professional Services	24,403	71,985	32,952	125,038
Supplies/Client Assistance	44,465	52,762	5,424	52,112
Communications	3,334	10,247	7,379	33,131
Postage and Shipping	-	63	-	67
Printing and Photographic	162	116	730	321
Conferences and Training	2,708	4,267	4,670	6,509
Recruiting	-	-	609	-
Local Transportation and Mileage	884	3,924	18,183	10,253
Occupancy	9,425	451,710	15,167	70,503
Insurance	-	41,177	-	43,045
Equipment	2,348	8,940	5,594	13,017
Dues	-	-	370	332
Transportation	139	11,686	37	16,969
Miscellaneous	136	430	-	311
Total Expenses Before Depreciation	356,578	2,370,494	731,093	4,009,892
Depreciation	(18)	109,298	-	120,833
Total Expenses	$ 356,560	$ 2,479,792	$ 731,093	$ 4,130,725

See accompanying Notes to Financial Statements.

UNITED CEREBRAL PALSY HEARTLAND
DBA: UCP HEARTLAND
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED JUNE 30, 2022

Program Services		Supporting Services				
Children's Services	Total Program Services	Management and General	Allocated Occupancy	Fundraising	Total Supporting Services	Total
$ 1,085,932	$ 7,345,955	$ 921,249	$ 37,471	$ 299,476	$ 1,258,196	$ 8,604,151
53,150	307,528	113,848	3,560	69,015	186,423	493,951
89,501	244,264	13,718	29,473	2,051	45,242	289,506
15,594	69,685	7,386	18,517	3,233	29,136	98,821
56	186	28	2,173	1,946	4,147	4,333
1,084	2,413	535	695	7,110	8,340	10,753
10,621	28,775	26,685	-	32,963	59,648	88,423
-	609	277	-	280	557	1,166
10,900	44,144	6,432	774	9,268	16,474	60,618
86,913	633,718	40,481	(310,742)	184	(270,077)	363,641
15,791	100,013	-	73,962	-	73,962	173,975
15,847	45,746	1,671	14,792	3,083	19,546	65,292
1,385	2,087	35,353	-	-	35,353	37,440
1,182	30,013	-	1,313	-	1,313	31,326
174	1,051	26,192	-	65,236	91,437	92,488
1,388,130	8,856,187	1,193,855	(128,012)	493,845	1,559,688	10,415,875
51,549	281,662	87	128,012	-	128,099	409,761
$ 1,439,679	$ 9,137,849	$ 1,193,942	$ -	$ 493,845	$ 1,687,787	$ 10,825,636

See accompanying Notes to Financial Statements.

UNITED CEREBRAL PALSY HEARTLAND
DBA: UCP HEARTLAND
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Change in Net Assets	$ 2,820,896	$ 410,863
Adjustments to Reconcile Net Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	397,638	409,761
Net Realized and Unrealized (Gain) Loss on Investments	(634,741)	1,855,096
Loss on Disposals of Property and Equipment	282,939	-
(Gain) Loss on Beneficial Interest in Trust	(2,117)	16,559
Gain On Extinguishment of PPP Loan	-	(1,000,000)
(Increase) Decrease in Assets:		
Accounts Receivable	(1,079,981)	(800,432)
Accrued Interest Receivable	(2,305)	7,501
Pledge Receivable	(6,666)	(5,896)
Prepaid Expenses and Other Assets	59,427	(110,843)
Right-of-Use Asset	(1,897,494)	-
Increase (Decrease) in Liabilities:		
Accounts Payable	66,763	(68,178)
Accrued Expenses	195,479	112,967
Lease Liability	1,926,578	-
Deferred Revenue	(1,000)	885
Net Cash Provided by Operating Activities	2,125,416	828,283
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales of Investments	(2,011,982)	11,938,992
Purchases of Investments, Including Reinvested Income	1,664,466	(12,959,887)
Purchases of Property and Equipment	(859,449)	(128,888)
Net Cash Used by Investing Activities	(1,206,965)	(1,149,783)
NET CHANGE IN CASH AND CASH EQUIVALENTS	918,451	(321,500)
Cash and Cash Equivalents - Beginning of Year	1,743,452	2,064,952
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 2,661,903	$ 1,743,452

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

United Cerebral Palsy Heartland dba: UCP Heartland is a nonprofit organization whose mission is to provide children and adults living with differing abilities the extraordinary care and support needed to thrive in school, at home, at work and in the community.

Use of Estimates

The preparation of the 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 support, revenues and expenses during the reporting period including grant and contract revenues subject to review by applicable funding agencies. Accordingly, actual results could differ from those estimates.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. Under accounting guidance, the Center is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions include contributed net assets for which donor-imposed time and purpose restrictions have not been met. A portion of net assets with donor restrictions are restricted in perpetuity, including contributed net assets which require, by donor restriction, that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

For purposes of statements of financial position presentation and reporting of cash flows, cash and cash equivalents include unrestricted demand deposits, money market funds, and certificates of deposit, which are readily convertible to cash and are stated at cost, which approximates fair value. Short-term cash equivalents that are managed as part of long-term investment strategies are included with investments.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. 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 receivables from state and local agencies, various funding organizations, and individuals. Accounts receivable greater than 90 days outstanding are considered delinquent. The Organization's allowance for doubtful accounts totaled $70,264 and $72,118 at June 30, 2023 and 2022, respectively.

Pledges Receivable

The Organization receives pledges from organizations and individuals in the form of grants and contributions. Pledges, including unconditional promises to give cash and other assets to the Organization in the future, are recognized as revenue at fair value in the period received. The gifts are reported as with donor restrictions support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of operations as net assets released from restrictions. Donor-imposed contributions whose restrictions are met in the same year as received are reported as contributions without restrictions in the accompanying financial statements. Gifts with donor stipulations that the corpus be maintained in perpetuity are recorded as net assets with donor restrictions in perpetuity. Unconditional promises to give in subsequent years are reflected as pledges receivable and are recorded at the present value of the expected future cash flows. The pledge receivable at June 30, 2023 and 2022 consists of $263,124 and $256,458, respectively, due from United Way for calendar years 2023 and 2022 support.

Investments

Investments are recorded in accordance with *Accounting for Certain Investments Held by Not-for-Profit Organizations*. As such, investments in marketable securities with readily determinable fair values are reported at fair value in the statements of financial position. Unrealized gains and losses are included in the statements of activities.

Property and Equipment

It is the Organization's policy to capitalize property and equipment over $5,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized using the straight-line method over the lesser of the useful life or remaining lease terms.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Beneficial Interest in Trust

The Organization is a recipient in a charitable remainder trust. The gift was recorded as an asset and revenue at the time of receipt based on the lower of the present value of the future cash flows or the vested interest in the underlying assets. The asset is classified as with donor restrictions based on a donor-imposed time restriction. Upon the termination of the trust, the Organization will receive a percentage of the assets remaining in the trust. Changes in net assets of the trust are recorded as gains or losses (change in value of the trust) in the statements of activities. Net assets and changes in the net assets are recorded as with donor restrictions.

Fees for Service

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Revenues are recognized based on a single performance obligation over a period of time and are recorded based on published rates of service.

Donated Materials and Services

Donated land, buildings, equipment, investments, and other noncash donations are recorded as contributions at their fair value at the date of donation. The Organization reports the donations as support without donor restrictions, unless explicit donor stipulations specify how the assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets must be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Organization reports expirations of donor restrictions at the time the assets are placed in service.

The Organization records the value of donated services when there is an objective basis available to measure the donation's value. In addition, many individuals volunteer time and skills to perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as donated services.

Functional Expenses

The Organization allocates its expenses on a functional basis to its programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions such as information technology, human resources, and electronic health records, are primarily allocated based on direct payroll allocation, square footage, full time equivalents within each department, and total direct expenses.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

The Organization measures fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The objective of a fair value measurement is to determine 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 (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The Organization may use valuation techniques consistent with the market, income, and cost approaches to measure fair value.

The inputs used to measure fair value are categorized into the following three categories:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The Organization has the ability to access as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect the Organization's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

Following is a description of the valuation methodologies used for assets measured at fair value.

Debt Securities – Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual Funds – Valued at the closing price reported on the active market on which the individual funds are traded.

Beneficial Interest in Trusts – Valued at the NAV of shares held by the trust at year-end.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while 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 different fair value measurements at the reporting date.

The Organization has the option to elect to measure financial instruments at fair value for the initial and subsequent measurement for certain financial assets and liabilities on an instrument-by-instrument basis. The Organization has not elected to measure any existing financial instruments at fair value at June 30, 2023 and 2022. However, the Organization may elect to measure newly acquired financial instruments at fair value in the future.

Tax Status

The Organization is tax-exempt under Section 501(c)(3) of the Internal Revenue Code and, therefore, is exempt from both federal and state income taxes. Accordingly, no provision has been made for income taxes in the accompanying financial statements.

Description of Programs

The accompanying financial statements include the following program services and supporting activities:

Family Support – This program provides both facility-based as well as in-home respite and emergency residential services for children and adults when families need a break or are in crisis.

Community Services – Provides educational and training programs, as well as health, social, and support services to adults with various types of disabilities.

Supported Employment – Provides employment opportunities to individuals with disabilities, with support from Organization staff.

Community Living – Provides various levels of support to allow individuals with disabilities to live in the housing and community of their choice, with the person(s) of their choice.

Children's Services – Provides development centers that bring early care and education to families, as well as early intervention assessment and car seat loan programs.

Management and General – Includes the functions necessary to manage the program services.

Fundraising – Provides the developmental support necessary to promote and acquire financial support from individuals, organizations, and corporations.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 21, 2023, the date the financial statements were available to be issued.

Leases – Lessee

The Organization leases office space and equipment. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the statements of financial position.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of leases do not provide an implicit rate, the Organization uses the incremental borrowing rate at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statements of financial position.

The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component. The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Change in Accounting Principle

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases (ASC 842)*. The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the requirements of the guidance effective July 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption, through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB *Accounting Standards Codification* (ASC) 840.

NOTE1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle (Continued)

The Organization elected the available practical expedients to account for existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

Reclassification

Certain reclassifications have been made to the 2022 financial statement presentation to correspond to the current year's format. Total net assets and net change in net assets are unchanged due to these reclassifications.

NOTE 2 CONCENTRATIONS OF CREDIT RISK, MARKET RISK, AND REVENUES

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and investments. The majority of the Organization's operating cash is maintained at First Bank and Commerce bank. The banks provide maximum protection of $250,000 for bank accounts under regulations issued by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2023, there were $2,363,918 of deposits in excess of federally insured limits.

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

Certain programs of the Organization are dependent upon funds being received from the Missouri Department of Mental Health. These funding sources accounted for approximately 64% and 64% of the Organization's total public support and revenue for the years ended June 30, 2023 and 2022, respectively. A significant reduction in these funds would have a material effect on the Organization's financial position.

NOTE 3 COMMITMENTS AND CONTINGENCIES

From time to time, the Organization may have various lawsuits pending. In the opinion of management after consultation with legal counsel, resolution of these matters are not expected to have a material adverse effect on the accompanying financial statements.

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30:

	2023	2022
Land and Buildings	$ 4,500,888	$ 4,875,994
Leasehold Improvements	974,380	734,550
Construction in Progress	296,559	45,528
Equipment	433,555	352,706
Furniture and Fixtures	146,077	133,850
Vehicles	889,860	889,860
Property and Equipment, at Cost	7,241,319	7,032,488
Accumulated Depreciation	(2,033,057)	(2,003,098)
Property and Equipment, Net	$ 5,208,262	$ 5,029,390

Depreciation expense was $397,638 and $409,761 for the years ended June 30, 2023 and

NOTE 5 BENEFICIAL INTEREST IN TRUST

The Organization has a 10% interest in the Robert B. Kahn Trust totaling $696,426 and $663,409 at June 30, 2023 and 2022, respectively. The Organization receives 10% of the income. The corpus of the trust is restricted until April 2023, at which time the trust estate will terminate and the Organization will receive 10% of the corpus and any accumulated income. At June 30, 2023 and 2022, the fair values of the underlying assets held in the trust, which is administered by a bank, are as follows:

	2023	2022
Fixed Income Securities	$ 151,687	$ 129,577
Alternative Investments	28,253	33,982
Cash Equivalents	6,159	53,982
Equities	498,481	445,868
Subtotal	684,580	663,409
Organization's Interest	10%	10%
Total	$ 68,458	$ 66,341

The activity in the beneficial interest in trust for the years ended June 30 are as follows:

	2023	2022
Net Unrealized Gains (Loss)	$ 5,968	$ (13,145)
Trust Income Distributed to Organization	$ 3,851	$ 3,414

NOTE 6 INVESTMENTS

Cash equivalents and certificates of deposit are carried at cost, which approximates market. Mutual funds and fixed income securities are recorded at fair value. Investments consist of the following at June 30:

	2023	2022
Cash	$ 87,504	$ 87,870
Mutual Funds - Equity	6,711,921	6,070,801
Mutual Funds - Fixed Income	5,976,321	5,041,118
Bonds	495,584	1,089,284
Total	$ 13,271,330	$ 12,289,073

Investment return for the years ended June 30, 2023 and 2022 is summarized as follows:

	2023	2022
Interest, Dividends	$ 348,735	$ 259,853
Expense	(20,530)	(21,198)
Realized and Unrealized Investment Gains (Losses), Net	634,741	(1,855,096)
Total	$ 962,946	$ (1,616,441)

NOTE 7 PPP LOAN PAYABLE

The Organization entered into two loan agreements with a financial institution pursuant to the Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief and Economic Security Act (CARES Act) administered by the U.S. Small Business Administration. The Organization received proceeds of $1,000,000 during the year ended June 30, 2021. The loan bears interest at a fixed rate of 1.00% and is subject to terms and conditions applicable to loans administered by the U.S. Small Business Administration under the CARES act. Subject to certain conditions, the loan may be forgiven in whole or in part by applying for forgiveness pursuant to the CARES Act and the PPP. The amount of loan proceeds eligible for forgiveness is based on a formula based on a number of factors, including the amount of loan proceeds used by the Organization during the specified period after the loan origination for certain purposes, including payroll costs, interest on certain mortgage obligations, rent payments on certain leases, and certain qualified utility payments, provided that, among other things, at least 75% of the loan amount is used for eligible payroll costs, the employer maintaining or rehiring employees and maintaining salaries at certain levels. In accordance with the requirements of the CARES Act and the PPP, the Organization used the proceeds from the PPP Loan primarily for payroll costs. The PPP loan was forgiven by the SBA on March 16, 2022, and reflected as revenue during the year ended June 30, 2022.

NOTE 8 EMPLOYEE RETENTION CREDITS

Grants from the government are recognized when all conditions of such grants are fulfilled or there is reasonable assurance that they will be fulfilled. The Organization recognized $243,881 of employee retention credits related to performance requirements being met and costs being incurred in compliance with the program during the year ended June 30, 2022. $243,881 is uncollected at June 30, 2023 and 2022 and is included in accounts receivable.

NOTE 9 NET ASSETS

Net assets with donor restrictions are available for the following purposes or periods at June 30:

	2023	2022
Purpose Restrictions:		
Appropriation of Endowment Earnings	$ 2,087,898	$ 1,688,996
Adult Day Program		-
Accrued Interest	4,298	3,674
JC Camp	-	18,775
Columbia Daycare Music Therapy	6,825	6,825
Parking Lot Repairs	-	5,000
MO DESE Grant	89,610	-
Time Restrictions:		
United Way	264,040	257,374
Robert B. Kahn Trust	68,458	66,341
Donation	100,000	100,000
Total Net Assets With Donor Restrictions	$ 2,621,129	$ 2,146,985

Net assets with donor restrictions in perpetuity are available for the following at June 30:

	2023	2022
Endowment With Donor Restriction In Perpetuity	$ 519,672	$ 519,672
Wolff Endowment With Donor Restriction in Perpetuity	1,415,505	1,415,505
Cash - Jackman Fund	7,383	7,383
Total Net Assets With Donor Restrictions in Perpetuity	$ 1,942,560	$ 1,942,560

NOTE 10 FAIR VALUE MEASUREMENTS

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Organization values all other assets and liabilities refer to Note 1 – Organization and Summary of Significant Accounting Policies.

NOTE 10 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents the fair value hierarchy for the balances of the assets of the Organization measured at fair value on a recurring basis as of June 30:

	2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Mutual Funds	$ 12,688,242	$ -	$ -	$ 12,688,242
Bonds	495,584	-	-	495,584
Beneficial Interest in Trust	-	-	68,458	68,458
Total	$ 13,183,826	$ -	$ 68,458	$ 13,252,284

	2022			
	Level 1	Level 2	Level 3	Total
Assets:				
Mutual Funds	$ 11,111,919	$ -	$ -	$ 11,111,919
Bonds	1,089,284	-	-	1,089,284
Beneficial Interest in Trust	-	-	66,341	66,341
Total	$ 12,201,203	$ -	$ 66,341	$ 12,267,544

The table below sets forth a summary of changes in the fair value of the Organization's Level 3 assets for the years ended June 30, 2023 and 2022:

	Beneficial Interest in Trust
Balance - June 30, 2021	$ 82,900
Change in Value of Trust	(16,559)
Balance - June 30, 2022	66,341
Change in Value of Trust	2,117
Balance - June 30, 2023	$ 68,458

NOTE 11 ENDOWMENT

The Organization's endowment funds were established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Endowment Committee to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Endowment Committee to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

NOTE 11 ENDOWMENT (CONTINUED)

The Endowment Committee has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment with donor restrictions in perpetuity, and (c) accumulations to the endowment with donor restrictions in perpetuity made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as net assets with donor restrictions in perpetuity is classified as net assets with donor restrictions.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund.
- The purposes of the donor-restricted endowment fund.
- General economic conditions.
- The possible effects of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the Organization.
- The investment policies of the Organization.

The endowment net asset composition by type of fund is as follows:

June 30, 2023	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	$ -	$ 4,027,373	$ 4,027,373
Board-Designated Endowment Funds	3,280,247	-	3,280,247
Total Funds	$ 3,280,247	$ 4,027,373	$ 7,307,620

June 30, 2022	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	$ -	$ 3,627,847	$ 3,627,847
Board-Designated Endowment Funds	2,987,845	-	2,987,845
Total Funds	$ 2,987,845	$ 3,627,847	$ 6,615,692

NOTE 11 ENDOWMENT (CONTINUED)

Changes to endowment net assets are as follows for the years ended June 30, 2023 and 2022:

	Without Donor Restrictions	With Donor Restrictions	With Donor Restrictions in Perpetuity	Total
Endowment Net Assets - July 1, 2021	$ 3,438,470	$ 2,237,061	$ 1,935,177	$ 7,610,708
Investment Return:				
Investment Income	59,262	71,155	-	130,417
Net Depreciation (Realized and Unrealized)	(509,887)	(615,546)	-	(1,125,433)
Total Investment Return	(450,625)	(544,391)	-	(995,016)
Contributions	-	-	-	-
Releases	-	-	-	-
Endowment Net Assets - June 30, 2022	2,987,845	1,692,670	1,935,177	6,615,692
Investment Return:				
Investment Income	77,134	90,965	-	168,099
Net Appreciation (Realized and Unrealized)	215,268	308,561	-	523,829
Total Investment Return	292,402	399,526	-	691,928
Contributions	-	-	-	-
Releases	-	-	-	-
Endowment Net Assets - June 30, 2023	$ 3,280,247	$ 2,092,196	$ 1,935,177	$ 7,307,620

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported as net assets without donor restriction. The Organization did not have any such deficiencies at June 30, 2023 and 2022.

The Organization has adopted investment and spending policies for endowment assets that attempt to achieve the maximum total rate of return consistent with the tolerance for risk determined by the Endowment Committee, while maintaining a funded status that provides appropriate long-term stability and support to the Organization consistent with the purpose of the endowment fund. Under this policy, the endowment assets may be invested in a combination of equities, fixed income securities, and real estate, subject to limitations determined by the Endowment Committee.

NOTE 11 ENDOWMENT (CONTINUED)

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Endowment Committee has determined that only the endowment fund income may be distributed. On a semiannual basis, the Endowment Committee determines the amount of a distribution, if any, as well as the amount of any undistributed income that will be retained and distributed at a later date. Also, if funds are underwater the board will determine if distributions will be made.

NOTE 12 LIQUIDITY AND AVAILABILITY

The organization receives significant revenue, 75%, from federal and local government sources. These funds are reimbursed monthly based upon services provided. Due to the uncertainness of government funding, the board of directors has established a cash reserves policy to support its operations, programs and services that is equal to between 50%-100% of the current operating budget.

The organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. To achieve these targets, the entity forecasts its future cash flows, monitors its liquidity quarterly and its reserves annually. During the years ended June 30, 2023 and 2022, the level of liquidity and reserves was managed within the policy required.

	2023	2022
Total Current Assets	$ 19,549,085	$ 16,618,852
Less: Prepaid Expenses and Other Assets	(296,378)	(355,805)
Total Financial Assets	19,252,707	16,263,047
Less: With Donor Restrictions in Perpetuity	(1,942,560)	(1,942,560)
Less: Long-Term Time and Purpose Restrictions	(2,327,089)	(1,869,611)
Subtotal	(4,269,649)	(3,812,171)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 14,983,058	$ 12,450,876

NOTE 13 LEASE COMMITMENTS – ASC 842

The Organization rents office space and equipment under operating lease arrangements that expire at various dates through January 2037. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases.

The following table provides quantitative information concerning the Organization's leases as of and for the year ended June 30, 2023:

Lease Cost:		
Operating Lease Cost	$	221,210
Total Lease Cost	$	221,210
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Operating Leases	$	192,126
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities:	$	2,058,105
Weighted-Average Remaining Lease Term - Operating Leases		11.10 Years
Weighted-Average Discount Rate - Operating Leases		3.22%

The Organization classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2023, is as follows:

Years Ending June 30,		Amount
2024	$	233,125
2025		226,320
2026		228,037
2027		229,804
2028		190,408
Thereafter		1,191,634
Total Lease Payments		2,299,327
Less: Interest		(372,749)
Total	$	1,926,578

NOTE 14 OPERATING LEASES – ASC 840

The Organization elected to apply the provisions of FASB ASC 842 to the beginning of the period of adoption, through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

NOTE 14 OPERATING LEASES – ASC 840 (CONTINUED)

The Organization rents building space and equipment under operating lease arrangements that expire at various dates through January 2028. Certain leases contain renewal options. Other lease payments are charged to rent expense as incurred. Rent expense totaled $140,633 for the year ended June 30, 2022.

Future minimum lease payments at June 30, 2022 are as follows:

Year Ending June 30,	Amount
2023	$ 190,487
2024	213,457
2025	169,252
2026	167,569
2027	107,657
Thereafter	5,796
Total	$ 854,218

NOTE 15 EMPLOYEE BENEFIT PLANS

The Organization has a 403(b) retirement plan covering substantially all of its employees. The employees may defer compensation up to the maximum percentage allowed by Internal Revenue Service (IRS) guidelines. Employees are eligible to defer immediately, and are eligible to receive employer contributions if they are at least 18 years of age, work an average of 20 hours per week or more, and have completed one year of service. Vesting in the employer’s discretionary contribution portion of their accounts plus earnings thereon is based on years of continuous service. A participant is fully vested after five years of credited service or upon attaining retirement age, death, or disability. Retirement plan expense for the years ended June 30, 2023 and 2022 was $329,644 and $238,334, respectively.