

DEVELOPMENTAL CENTER OF THE OZARKS

**INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS**

DECEMBER 31, 2022 AND 2021

**DEVELOPMENTAL CENTER OF THE OZARKS
DECEMBER 31, 2022 AND 2021**

Table of Contents

Independent Auditors' Report	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4-5
Statements of Cash Flows	6
Notes to the Financial Statements	7-15
Supplemental Information	
Schedules of Revenues by Source	17
Statements of Functional Expenses	18-19

Square House, LLC

CPAs & Advisors

2838 S Ingram Mill Rd 📍 Springfield, MO 65804

Independent Auditors' Report

The Board of Directors
Developmental Center of the Ozarks
Springfield, Missouri

We have audited the accompanying financial statements of the Developmental Center of the Ozarks (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Developmental Center of the Ozarks as of December 31, 2022 and 2021, 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.

Other-Matters

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplemental information presented on pages 17-19 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Square House, LLC

Springfield, Missouri
August 21, 2023

**DEVELOPMENTAL CENTER OF THE OZARKS
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021**

	2022	2021
Assets		
Current Assets		
Cash and cash equivalents - Note 1	\$ 2,227,529	\$ 1,912,128
Accounts receivable	480,273	445,082
Grants receivable	126,323	-
Contributions and other receivables	61,021	10,034
Prepaid expenses	5,553	6,732
Total Current Assets	2,900,699	2,373,975
Property and Equipment, net - Notes 1 and 2	3,433,643	3,477,348
Other Assets		
Endowment fund investments - Note 3	734,458	879,548
Total Other Assets	734,458	879,548
Total Assets	\$ 7,068,800	\$ 6,730,872
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ -	\$ 280
Accrued expenses	342,505	327,238
Current maturities of long-term debt - Note 6	99,850	97,699
Total Current Liabilities	442,355	425,217
Long-Term Debt - Note 6	760,908	860,201
Total Liabilities	1,203,263	1,285,418
Net Assets		
Without donor restrictions	5,235,279	4,830,196
With donor restrictions - Note 4	630,258	615,258
Total Net Assets	5,865,537	5,445,454
Total Liabilities and Net Assets	\$ 7,068,800	\$ 6,730,872

See Independent Auditors' Report and Notes to the Financial Statements

**DEVELOPMENTAL CENTER OF THE OZARKS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and Operating Revenues			
Program revenue			
Greene county adult program	\$ 1,813,196	\$ -	\$ 1,813,196
Greene county childcare	1,594,588	-	1,594,588
Greene county therapies	877,224	-	877,224
State and local grants	-	406,097	406,097
Federal grants	-	167,040	167,040
Community contributions	171,038	15,000	186,038
United Way contributions	41,982	-	41,982
Interest income	16,941	-	16,941
Miscellaneous income	260	-	260
Endowment fund - net gain (loss) in principal basis	(143,932)	-	(143,932)
Total Support and Operating Revenues	<u>4,371,297</u>	<u>588,136</u>	<u>4,959,434</u>
Operating Expenses			
Program services			
Greene county adult program	1,252,964	-	1,252,964
Greene county childcare	1,285,190	-	1,285,190
Greene county therapies	1,101,866	-	1,101,866
General and administrative	811,628	-	811,628
Fundraising	87,702	-	87,702
Total Operating Expenses	<u>4,539,350</u>	<u>-</u>	<u>4,539,350</u>
Excess (Deficiency) of Revenues Over Expenses	(168,053)	588,136	420,084
Net Assets Released From Restriction	<u>573,136</u>	<u>(573,136)</u>	<u>(0)</u>
Total Change In Net Assets	405,083	15,000	420,083
Net Assets at Beginning of Year	<u>4,830,196</u>	<u>615,258</u>	<u>5,445,454</u>
Net Assets at End of Year	<u>\$ 5,235,279</u>	<u>\$ 630,258</u>	<u>\$ 5,865,537</u>

See Independent Auditors' Report and Notes to the Financial Statements

**DEVELOPMENTAL CENTER OF THE OZARKS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and Operating Revenues			
Program revenue			
Greene county adult program	\$ 1,823,123	\$ -	\$ 1,823,123
Greene county childcare	1,172,962	-	1,172,962
Greene county therapies	876,147	-	876,147
State and local grants	-	388,800	388,800
HHS Provider Relief Funds	-	626,211	626,211
Payroll Protection Program Forgiven Loan Proceeds		784,603	784,603
Community contributions	247,670	15,000	262,670
United Way contributions	38,356	-	38,356
Interest income	14,463	-	14,463
Miscellaneous income	1,433	-	1,433
Endowment fund - net gain (loss) in principal basis	83,012	-	83,012
Total Support and Operating Revenues	<u>4,257,166</u>	<u>1,814,614</u>	<u>6,071,780</u>
Operating Expenses			
Program services			
Greene county adult program	1,167,654	-	1,167,654
Greene county childcare	1,162,016	-	1,162,016
Greene county therapies	1,200,482	-	1,200,482
General and administrative	798,346	-	798,346
Fundraising	79,263	-	79,263
Total Operating Expenses	<u>4,407,761</u>	<u>-</u>	<u>4,407,761</u>
Excess (Deficiency) of Revenues Over Expenses	(150,594)	1,814,614	1,664,020
Net Assets Released From Restriction	<u>1,799,614</u>	<u>(1,799,614)</u>	<u>-</u>
Total Change In Net Assets	1,649,020	15,000	1,664,020
Net Assets at Beginning of Year	<u>3,181,176</u>	<u>600,258</u>	<u>3,781,434</u>
Net Assets at End of Year	<u>\$ 4,830,196</u>	<u>\$ 615,258</u>	<u>\$ 5,445,454</u>

See Independent Auditors' Report and Notes to the Financial Statements

DEVELOPMENTAL CENTER OF THE OZARKS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 420,084	\$ 1,664,020
Non-cash items included in net increase (decrease)		
Depreciation	197,017	195,552
Unrealized (gain) loss on investments	148,586	(83,012)
(Increase) decrease in operating assets		
Accounts receivable	(212,501)	(189,849)
Prepaid expenses	1,179	42,927
Increase (decrease) in operating liabilities		
Accounts payable	(280)	(42,306)
Accrued expenses	15,267	49,664
Net Cash Provided (Used) by Operating Activities	<u>569,352</u>	<u>1,636,996</u>
Cash Flows From Investing Activities		
Purchase of property and equipment	(153,312)	(195,927)
Purchase of investments	(3,497)	5,214
Net Cash Provided (Used) by Investing Activities	<u>(156,809)</u>	<u>(190,713)</u>
Cash Flows From Financing Activities		
Principal payments on long-term debt	(97,142)	(111,956)
Net Cash Provided (Used) by Financing Activities	<u>(97,142)</u>	<u>(111,956)</u>
Net Increase (Decrease) in Cash	315,401	1,334,327
Cash at Beginning of Year	<u>1,912,128</u>	<u>577,801</u>
Cash at End of Year	<u>\$ 2,227,529</u>	<u>\$ 1,912,128</u>
Additional Cash Flow Information		
Cash Paid for Interest	<u>\$ 36,552</u>	<u>\$ 39,781</u>

See Independent Auditors' Report and Notes to the Financial Statements

DEVELOPMENTAL CENTER OF THE OZARKS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Center

The Developmental Center of the Ozarks (the "Center") is a non-profit organization, which provides comprehensive habilitative and therapeutic services to infants, children and adults who are developmentally challenged. The Center has provided services to the Southwest Missouri area for over 50 years. Currently, the Center's three major programs include daycare, adult habilitative training (including community employment) and therapies (physical, occupational, and speech).

Accounting Method

The Center uses the accrual method of accounting. Accordingly, revenues are recognized when earned and expenses when incurred.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Financial Statement Presentation

The Center has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, formerly Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-205, the Center is required to report Information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributions

The Center has also adopted FASB ASC 958-605, formerly SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time and purpose restrictions.

**DEVELOPMENTAL CENTER OF THE OZARKS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Income Taxes

The Center is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. However, the administrator of the Endowment Fund, which is set up as an irrevocable trust, has determined that gains and losses in principal basis of the trust are allocable to the trust rather than to the Center, and therefore taxable.

In-Kind Contributions

The Center received a certain amount of donated services from unpaid volunteers during the years ended December 31, 2022 and 2021. No amount has been recognized in the statement of activities because the criteria for recognition under FASB ASC 958-205 have not been satisfied.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities in accordance with FASB ASC 958-205. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Cash and Cash Equivalents

The Center considers all highly liquid investments available for current use with an initial maturity of three months or less at the date of their acquisition to be cash equivalents.

Property, Equipment and Depreciation

Property, equipment, and improvements are capitalized at cost and depreciated over the estimated useful life of each asset. Maintenance and repairs are charges to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the statements of activities. Depreciation is calculated using the straight-line method over the estimated useful lives of assets. The estimated useful lives used in computing depreciation are:

Buildings	5 - 40 years
Leasehold Improvements	10 years
Equipment	3 - 10 years
Land	N/A

**DEVELOPMENTAL CENTER OF THE OZARKS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Investments

The Center has adopted FASB ASC 958-320, formerly SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under FASB ASC 958-320, investments in marketable securities with readily determinable fair values are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change of net assets.

Subsequent Events

Subsequent events have been evaluated through August 21, 2023, which is the date the financial statements were available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.

NOTE 2: PROPERTY, EQUIPMENT, AND IMPROVEMENTS

The following summarizes property, equipment, and improvements as of December 31, 2022 and 2021:

	<u>12/31/21</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/22</u>
Buildings	\$ 4,928,072	\$ -	\$ -	\$ 4,928,072
Leasehold improvements	517,320	55,496	-	572,816
Equipment	2,092,759	97,816	-	2,190,575
Land	7,595	-	-	7,595
	<u>7,545,746</u>	<u>153,312</u>	<u>-</u>	<u>7,699,058</u>
Less Accumulated Depreciation	<u>(4,068,398)</u>	<u>(197,017)</u>	<u>-</u>	<u>(4,265,415)</u>
Total Capital Assets, Net	<u>\$ 3,477,348</u>			<u>\$ 3,433,643</u>

Depreciation expense for the years ended December 31, 2022 and 2021 was \$197,017 and \$195,552, respectively.

**DEVELOPMENTAL CENTER OF THE OZARKS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 3: ENDOWMENT FUND INVESTMENTS

The following summarizes the activity for the Center's endowment fund investments for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Balance, Beginning of Year	\$ 879,548	\$ 801,750
Contributions	15,000	15,120
Interest and dividends	16,704	13,784
Realized and unrealized gains (losses)	(139,925)	83,012
Administrative fees	(4,500)	(4,540)
Payments for clients	(32,369)	(29,578)
Balance, End of Year	<u>\$ 734,458</u>	<u>\$ 879,548</u>

The following schedule summarizes the Center's return on investments for the years ended December 31 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 16,704	\$ 13,784
Realized gains (losses)	8,662	95,608
Unrealized gains (losses)	(148,587)	(12,596)
Administrative fees	(4,500)	(4,540)
Total Return on Investments	<u>\$ (127,721)</u>	<u>\$ 92,256</u>

**DEVELOPMENTAL CENTER OF THE OZARKS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 3: ENDOWMENT FUND INVESTMENTS – continued

The fair market value and historical cost of the Center’s investments at December 31, 2022 were as follows:

Fair Value Measurements Using:

	<u>12/31/2022</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Cash and Cash Equivalents	\$ 63,936	\$ 63,936	\$ -	\$ -
Equity Investments	332,758	332,758	-	-
Fixed Income Investments	292,707	292,707	-	-
Pooled and Other Investments	45,057	4,036	2,959	38,061
Total Investments	<u>\$ 734,458</u>	<u>\$ 693,437</u>	<u>\$ 2,959</u>	<u>\$ 38,061</u>

Fair Value Measurements Using:

	<u>12/31/2021</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
Cash and Cash Equivalents	\$ 65,283	\$ 65,283	\$ -	\$ -
Equity Investments	404,443	404,193	250	-
Fixed Income Investments	329,196	-	329,196	-
Pooled and Other Investments	80,626	9,109	-	71,157
Total Investments	<u>\$ 879,548</u>	<u>\$ 478,585</u>	<u>\$ 329,446</u>	<u>\$ 71,157</u>

**DEVELOPMENTAL CENTER OF THE OZARKS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 4: PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets are restricted endowments in which the principal is invested in perpetuity and the income is expendable at the Center’s discretion. Permanently restricted new assets totaled \$630,258 and \$615,258 at December 31, 2022 and 2021, respectively.

NOTE 5: TEMPORARILY RESTRICTED NET ASSETS

Net assets were received and released from grantor restrictions by incurring expenses satisfying the purpose or time restrictions specified by grantors as follows:

	<u>2022</u>	<u>2021</u>
Federal, state and local grants		
Paycheck Protection Program	\$ -	\$ 784,603
Health and Human Services	-	626,211
Federal grant	167,039	-
Greene County Board	364,097	346,800
Christian County Board	42,000	42,000
Total Grantor Restrictions Released	<u>\$ 573,136</u>	<u>\$ 1,799,614</u>

NOTE 6: NOTES PAYABLE

The Center’s long-term debt outstanding at December 31, 2022 is summarized as follows:

	<u>Origination Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Monthly Payment</u>	<u>Orginal Amount</u>
Arvest Bank Loan					
Commercial Real Estate	12/16/2016	12/16/2031	3.95%	10,999	1,486,255

**DEVELOPMENTAL CENTER OF THE OZARKS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 6: NOTES PAYABLE – continued

The Center’s long-term debt outstanding at December 31, 2021 is summarized as follows:

	<u>Orgination Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Monthly Payment</u>	<u>Orginal Amount</u>
Commerce Bank Loan					
Vehical Loan	1/4/2017	1/4/2022	4.50%	\$ 1,738	\$ 93,078
Arvest Bank Loan					
Commercial Real Estate	12/16/2016	12/16/2031	3.95%	10,999	1,486,255

	<u>12/31/2021</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>12/31/2022</u>
Vehical Loan	\$ 1,710	\$ -	\$ (1,710)	\$ -
Commercial Real Estate	956,190	-	(95,432)	860,758
Total	957,900	-	(97,142)	860,758
Less Current Maturities	(97,699)			(99,850)
Total Long-Term Debt	<u>\$ 860,201</u>			<u>\$ 760,908</u>

Future maturities of long-term debt are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ 99,850
2024	103,866
2025	108,044
2026	112,390
2027	116,911
2028-2031	319,697
Total	<u>\$ 860,758</u>

**DEVELOPMENTAL CENTER OF THE OZARKS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 7: LINE OF CREDIT

The center has a revolving line of credit with Commerce Bank, collateralized by substantially all of the Center's assets. The credit limit is \$400,000 and with a variable interest rate. The outstanding balance on the line of credit was \$0 and \$0 at December 31, 2022 and 2021, respectively.

NOTE 8: SIGNIFICANT CONCENTRATION

The Center maintains its cash and depository accounts at various financial institutions in Southwest Missouri. The balance at each financial institution is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2022 and 2021, the Center had uninsured cash balances of \$1,977,529 and \$1,603,562, respectively. Uninsured balances are secured by pledged securities of the financial institution in which the deposits are maintained.

NOTE 9: UNCERTAIN TAX POSITIONS

The Center has adopted the provisions of FASB ASC 740-10-25, formerly FIN 48. Under FIN 48, an organization must recognize the tax benefit associated with tax taken for tax return purposes when it is more likely than not the position will be sustained. The implementation of FIN 48 had no impact on the Center's financial statements. The center does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. For the years ended December 31, 2022 and 2021, there were no interest or penalties recognized in the financial statements.

The Center's Form 990 filings are subject to possible examination by the taxing authorities until the expiration of the related statute of limitations on those returns. In general, each return has a three-year statute of limitations. There are no pending tax examinations by taxing authorities. The Center's management is not aware of any other uncertain tax positions.

NOTE 10: COMPENSATED ABSENCES

All full-time employees accrue paid vacation time on a bi-weekly basis. Vacation will accumulate a maximum of 140 hours for staff working 40 hours, 122.5 for those working 35 hours, 105 for those working 30 hours.

**DEVELOPMENTAL CENTER OF THE OZARKS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 10: COMPENSTED ABSENCES – continued

All employee accrual calculations are figured from the first date of continuous employment and based on the following schedule:

Years 1 through 3	2 weeks
Years 4 through 9	3 weeks
Years 10 or over	4 weeks

All full-time employees also accrue two weeks paid sick leave on a bi-weekly basis. Sick leave accumulates a maximum of 240 hours for staff working 40 hours, 210 for 35 hours and 180 for those working 30 hours.

NOTE 11: SBA FORGIVABLE PPP LOAN

During 2020 the Organization was granted a \$749,600 loan under the Paycheck Protection Program “PPP” administered by Commerce Bank, a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The Organization initially recorded the as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The Organization received forgiveness of \$749,600 from the Small Business Administration (SBA) on May 27, 2021.

During 2021 the Organization was granted a second loan under the Paycheck Protection Program “PPP” administered by Commerce Bank, a Small Business Administration (SBA) approved partner for \$784,603. The loan is uncollateralized and is fully guaranteed by the Federal government. The Organization initially recorded the loan as a refundable advance and subsequently recognized grant revenue in other barrier and right of return of the PPP loan no longer existed. The Organization received forgiveness of \$784,603 from the Small Business Administration (SBA) on April 30, 2022.

Supplementary Information

**DEVELOPMENTAL CENTER OF THE OZARKS
SCHEDULES OF REVENUES BY SOURCE
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Support and Operating Revenues - Unrestricted		
Division of Social Services		
Central Finance Office	\$ 880,097	\$ 876,147
Division of Medical Services	2,128,671	1,623,750
Division of Family Services	655,945	687,717
Healthy Child and Youth Program and Division of Aging	49,172	77,011
Department of Education		
Division of Vocational Rehabilitation	199,335	132,134
Department of Health		
Child and Adult Care Food Program	82,074	110,890
Parents	289,718	364,873
United Way contributions	41,982	38,356
Community contributions	171,038	247,670
Miscellaneous income	258	1,143
Interest income	16,941	14,463
Net gain (loss) in principal basis	<u>(143,932)</u>	<u>83,012</u>
Total Support and Operating Revenues - Unrestricted	<u>4,371,299</u>	<u>4,257,166</u>
Support and Operating Revenues - Temporarily Restricted		
Federal, State and Local Grants		
Paycheck Protection Program	-	784,603
Health and Human Services	-	626,211
Federal Grant	167,039	-
Greene County Board	364,096	346,800
Christian County Board	<u>42,000</u>	<u>42,000</u>
Total Support and Operating Revenues - Temporarily Restricted	<u>573,135</u>	<u>1,799,614</u>
Support and Operating Revenues - Permanently Restricted		
Endowment Fund		
Community contributions	<u>15,000</u>	<u>15,000</u>
Total Support and Operating Revenues - Permanently Restricted	<u>15,000</u>	<u>15,000</u>
Total Support and Operating Revenues	<u>\$ 4,959,434</u>	<u>\$ 6,071,780</u>

See Independent Auditors' Report and Notes to the Financial Statements

**DEVELOPMENTAL CENTER OF THE OZARKS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	2022						
	Program Services			Total	General and		
	Greene County Adult Services	Greene County Childcare	Greene County Therapy	Program Services	Fundraising	Administration	Total Expenses
Expenses							
Advertising	-	-	-	-	5,967	-	5,967
Bad debt	46	-	455	501	-	-	501
Equipment	27,676	10,796	12,702	51,174	2,041	10,326	63,541
Food	17,665	67,551	-	85,216	80	1,411	86,707
Occupancy	105,020	153,713	32,383	291,116	7,698	83,351	382,165
Other expenses	9,495	13,142	5,681	28,318	8,632	71,079	108,029
Payroll taxes and benefits	173,967	164,954	160,433	499,354	3,361	122,717	625,432
Professional fees	2,489	-	8,250	10,739	-	39,026	49,765
Salaries and wages	863,952	862,616	823,254	2,549,822	46,786	448,525	3,045,133
Staff training	630	70	-	700	-	10,969	11,669
Supplies	21,594	12,347	2,654	36,595	13,137	12,816	62,548
Travel	8,785	1	24,375	33,161	-	168	33,329
Vehicle	21,645	-	31,679	53,324	-	11,240	64,564
Total Expenses	\$ 1,252,964	\$ 1,285,190	\$ 1,101,866	\$ 3,640,020	\$ 87,702	\$ 811,628	\$ 4,539,350
	<u>27.6%</u>	<u>28.3%</u>	<u>24.3%</u>	<u>80.2%</u>	<u>1.9%</u>	<u>17.9%</u>	<u>100.0%</u>

See Independent Auditors' Report and Notes to the Financial Statements

**DEVELOPMENTAL CENTER OF THE OZARKS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	2021						
	Program Services			Total	General and Administration		
	Greene County Adult Services	Greene County Childcare	Greene County Therapy	Program Services	Fundraising	Administration	Total Expenses
Expenses							
Advertising	\$ -	\$ -	\$ -	\$ -	\$ 3,606	\$ -	\$ 3,606
Bad debt	53	-	170	223	-	-	223
Equipment	28,873	15,602	11,907	56,382	2,164	11,199	69,745
Food	14,395	70,174	-	84,569	-	2,087	86,656
Occupancy	110,250	118,857	39,321	268,428	7,840	74,573	350,841
Other expenses	6,768	7,706	4,483	18,957	10,476	86,326	115,759
Payroll taxes and benefits	186,815	169,518	173,767	530,100	3,053	120,652	653,805
Professional fees	1,598	-	-	1,598	400	15,475	17,473
Salaries and wages	762,969	766,835	907,308	2,437,112	41,305	466,830	2,945,247
Staff training	80	-	-	80	-	631	711
Supplies	19,214	13,324	59	32,597	10,419	15,825	58,841
Travel	17,275	-	24,782	42,057	-	20	42,077
Vehicle	19,364	-	38,685	58,049	-	4,728	62,777
Total Expenses	\$ 1,167,654	\$ 1,162,016	\$ 1,200,482	\$ 3,530,152	\$ 79,263	\$ 798,346	\$ 4,407,761
	<u>26.5%</u>	<u>26.4%</u>	<u>27.2%</u>	<u>80.1%</u>	<u>1.8%</u>	<u>18.1%</u>	<u>100.0%</u>

See Independent Auditors' Report and Notes to the Financial Statements

Square House, LLC

CPAs & Advisors

2838 S Ingram Mill Rd 📍 Springfield, MO 65804

Board of Directors
Developmental Center of the Ozarks
Springfield, Missouri

In planning and performing our audit of the financial statements of Developmental Center of the Ozarks, as of and for the year ended December 31, 2022 and 2021, in accordance with auditing standards generally accepted in the United States of America, we considered Developmental Center of the Ozark's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We have not identified any deficiencies in internal control that are considered to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in Developmental Center of the Ozarks' internal control to be significant deficiencies:

Limited Segregation of Duties within the Accounting Cycle

The Organization, like almost all other Organizations of similar size and scope, has an inherent weakness in internal control with respect to segregation of duties. Specifically, the Organization does not have enough staff members to completely segregate the custody, record-keeping, and access functions of the Organization's assets.

As a practical matter, when assessing segregation of duties within an organization, it is important to consider the cost/benefit relationship of implementing new controls, as the cost of increasing controls (adding additional staff, investing in technology, etc.) may outweigh the resulting benefit. Our discussions with management have led us to believe that the Organization segregates duties where practical and understands the risks associated with a small accounting staff.

While we recognize management's efforts in this area and believe the controls to be appropriate, we encourage the Board of Directors to monitor and oversee financial reporting for the Organization, knowing that some level of risk will always be present given the limitations of the size of the Organization's accounting staff and the prohibitive costs involved with taking measures to try to completely eliminate this risk.

Control Over Financial Reporting

The Organization does not employ personnel with the knowledge and experience to prepare full disclosure financial statements required by generally accepted accounting principles. We recommend that management continue to work with an independent party to assist in preparing the financial statements.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Square House, LLC

Springfield, Missouri
August 21, 2023