

DEVELOPMENTAL CENTER OF THE OZARKS

**INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS**

DECEMBER 31, 2018 AND 2017

**DEVELOPMENTAL CENTER OF THE OZARKS
DECEMBER 31, 2018 AND 2017**

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Square House, LLC

CPAs & Advisors

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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, 2018 and 2017, 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, 2017 and 2016, 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 18-20 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.

Springfield, Missouri
October 9, 2019

DEVELOPMENTAL CENTER OF THE OZARKS
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

	2018	2017
Assets		
Current Assets		
Cash and cash equivalents - Note 1	\$ 310,313	\$ 229,935
Accounts receivable	632,224	582,896
Grants receivable	15,553	991
Capital campaign pledges receivable	92,288	115,538
Contributions and other receivables	20,100	19,379
Prepaid expenses	61,521	52,886
Total Current Assets	1,131,998	1,001,625
Property and Equipment, net - Notes 1 and 2	3,720,337	3,801,328
Other Assets		
Endowment fund investments - Note 4	649,097	696,870
Total Other Assets	649,097	696,870
Total Assets	\$ 5,501,431	\$ 5,499,822
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 52,822	\$ 24,615
Accrued expenses	278,306	244,003
Current maturities of long-term debt - Note 7	102,761	97,668
Total Current Liabilities	433,888	366,285
Long-Term Debt - Note 7	1,206,868	1,354,066
Total Liabilities	1,640,757	1,720,352
Net Assets		
Without donor restrictions	3,198,128	3,108,674
With donor restrictions - Note 5	662,546	670,796
Total Net Assets	3,860,674	3,779,470
Total Liabilities and Net Assets	\$ 5,501,431	\$ 5,499,822

See Independent Auditors' Report and Notes to the Financial Statements

**DEVELOPMENTAL CENTER OF THE OZARKS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and Operating Revenues			
Program revenue			
Greene county adult program	\$ 2,351,507	\$ -	\$ 2,351,507
Greene county childcare	950,673	-	950,673
Greene county therapies	1,613,047	-	1,613,047
State and local grants	-	422,317	422,317
Community contributions	172,984	15,000	187,984
Capital campaign contributions, net	-	24,000	24,000
United Way contributions	51,317	-	51,317
Interest income	12,982	-	12,982
Miscellaneous income	1,806	-	1,806
Endowment fund - net gain (loss) in principal basis	(50,296)	-	(50,296)
Total Support and Operating Revenues	5,104,020	461,317	5,565,337
Operating Expenses			
Program services			
Greene county adult program	1,404,398	-	1,404,398
Greene county childcare	1,094,746	-	1,094,746
Greene county therapies	1,936,261	-	1,936,261
General and administrative	882,412	-	882,412
Fundraising	166,316	-	166,316
Total Operating Expenses	5,484,133	-	5,484,133
Excess (Deficiency) of Revenues Over Expenses	(380,113)	461,317	81,204
Net Assets Released From Restriction	469,567	(469,567)	-
Total Change In Net Assets	89,454	(8,250)	81,204
Net Assets at Beginning of Year	3,108,674	670,796	3,779,470
Net Assets at End of Year	\$ 3,198,128	\$ 662,546	\$ 3,860,674

See Independent Auditors' Report and Notes to the Financial Statements

**DEVELOPMENTAL CENTER OF THE OZARKS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017		
	Without Donor Restrictions	With Donor Restrictions	Total
Support and Operating Revenues			
Program revenue			
Greene county adult program	\$ 2,437,711	\$ -	\$ 2,437,711
Greene county childcare	1,030,275	-	1,030,275
Greene county therapies	1,576,435	-	1,576,435
State and local grants	-	419,411	419,411
Community contributions	227,004	15,000	242,004
Capital campaign contributions, net	-	27,669	27,669
United Way contributions	74,781	-	74,781
Interest income	13,907	-	13,907
Miscellaneous income	517	-	517
Endowment fund - net gain (loss) in principal basis	69,306	-	69,306
Total Support and Operating Revenues	<u>5,429,936</u>	<u>462,080</u>	<u>5,892,016</u>
Operating Expenses			
Program services			
Greene county adult program	1,469,334	-	1,469,334
Greene county childcare	1,084,575	-	1,084,575
Greene county therapies	1,870,203	-	1,870,203
General and administrative	859,733	-	859,733
Fundraising	186,138	-	186,138
Total Operating Expenses	<u>5,469,983</u>	<u>-</u>	<u>5,469,983</u>
Excess (Deficiency) of Revenues Over Expenses	(40,047)	462,080	422,033
Net Assets Released From Restriction	<u>482,731</u>	<u>(482,731)</u>	<u>-</u>
Total Change In Net Assets	442,684	(20,651)	422,033
Net Assets at Beginning of Year	<u>2,665,990</u>	<u>691,447</u>	<u>3,357,437</u>
Net Assets at End of Year	<u>\$ 3,108,674</u>	<u>\$ 670,796</u>	<u>\$ 3,779,470</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, 2018 AND 2017

	2018	2017
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 81,204	\$ 422,033
Non-cash items included in net increase (decrease)		
Depreciation	210,493	208,725
Unrealized (gain) loss on investments	59,362	(52,706)
(Increase) decrease in operating assets		
Accounts receivable	(41,361)	32,725
Prepaid expenses	(8,634)	(16,211)
Increase (decrease) in operating liabilities		
Accounts payable	67,073	(19,257)
Accrued expenses	(4,565)	5,168
Line of credit	-	(95,000)
Net Cash Provided (Used) by Operating Activities	363,571	485,477
Cash Flows From Investing Activities		
Purchase of property and equipment	(129,499)	(236,443)
Purchase of investments	(11,589)	(29,350)
Net Cash Provided (Used) by Investing Activities	(141,088)	(265,793)
Cash Flows From Financing Activities		
Proceeds from long-term debt	-	93,078
Principal payments on long-term debt	(142,105)	(138,557)
Net Cash Provided (Used) by Financing Activities	(142,105)	(45,479)
Net Increase (Decrease) in Cash	80,378	174,205
Cash at Beginning of Year	229,935	55,730
Cash at End of Year	\$ 310,313	\$ 229,935
Additional Cash Flow Information		
Cash Paid for Interest	\$ 55,729	\$ 62,167

See Independent Auditors' Report and Notes to the Financial Statements

DEVELOPMENTAL CENTER OF THE OZARKS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

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, 2018 AND 2017

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 are therefore taxable.

In-Kind Contributions

The Center received a certain amount of donated services from unpaid volunteers during the years ended December 31, 2018 and 2017. 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 charged 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 the 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, 2018 AND 2017**

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 October 9, 2019 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, 2018 and 2017:

	<u>12/31/2017</u>	<u>Additions</u>	<u>Disposals</u>	<u>12/31/2018</u>
Buildings	\$ 4,928,072		\$ -	\$ 4,928,072
Leasehold improvements	231,071	69,046	-	300,117
Equipment	1,924,711	60,456	-	1,985,167
Land	7,595	-	-	7,595
	<u>7,091,449</u>	<u>129,502</u>	<u>-</u>	<u>7,220,951</u>
Less accumulated depreciation	<u>(3,290,121)</u>	<u>(210,493)</u>	<u>-</u>	<u>(3,500,614)</u>
Total Property and Equipment, Net	<u><u>\$ 3,801,328</u></u>			<u><u>\$ 3,720,337</u></u>

Depreciation expense for the years ended December 31, 2018 and 2017 was \$210,493 and \$208,725, respectively.

DEVELOPMENTAL CENTER OF THE OZARKS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 3: CAPITAL CAMPAIGN PLEDGES

Unconditional promises to contribute to the capital campaign are recorded as capital campaign pledges. Noncurrent capital campaign pledges are discounted to their net present value. The present value discount rate was 0% for 2018 and 2017. The Center does not expect any capital campaign pledges to be uncollectible, therefore, the allowance for doubtful accounts related to capital campaign pledges was \$0 for 2018 and 2017. Capital campaign pledges are due to be paid as follows as of December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Campaign pledges due:		
Less than one year	\$ 92,288	\$ 115,538
One to five years	-	-
Less: Allowance for doubtful accounts	-	-
Less: Discount to net present value	-	-
Total	<u>-</u>	<u>-</u>
Capital campaign pledges, net	<u>\$ 92,288</u>	<u>\$ 115,538</u>

NOTE 4: ENDOWMENT FUND INVESTMENTS

The following summarizes the activity for the Center's endowment fund investments for the years ended December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Balance, Beginning of Year	\$ 696,870	\$ 614,814
Contributions	15,000	15,000
Interest and dividends	15,346	13,891
Realized and unrealized gains (losses)	(50,296)	69,307
Administrative fees	(3,101)	(3,047)
Payments for clients	<u>(24,722)</u>	<u>(13,095)</u>
Balance, End of Year	<u>\$ 649,097</u>	<u>\$ 696,870</u>

DEVELOPMENTAL CENTER OF THE OZARKS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 4: ENDOWMENT FUND INVESTMENTS – continued

The following schedule summarizes the Center’s return on investments for the years ended December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 15,346	\$ 13,891
Realized gains (losses)	9,065	16,600
Unrealized gains (losses)	(59,362)	52,707
Administrative fees	<u>(3,101)</u>	<u>(3,047)</u>
 Total Return on Investments	 <u>\$ (38,052)</u>	 <u>\$ 80,151</u>

The fair market value and historical cost of the Center’s investments at December 31, 2018 were as follows:

	<u>Cost</u>	<u>Fair Market Value</u>	<u>Accumulated Appreciation (Depreciation)</u>
Community Foundation of the Ozarks	\$ 45,000	\$ 49,832	\$ 4,832
Commerce Trust Company	<u>602,322</u>	<u>599,265</u>	<u>(3,057)</u>
 Total Investments	 <u>\$ 647,322</u>	 <u>\$ 649,097</u>	 <u>\$ 1,775</u>

The fair market value and historical cost of the Center’s investments at December 31, 2017 were as follows:

	<u>Cost</u>	<u>Fair Market Value</u>	<u>Accumulated Appreciation (Depreciation)</u>
Community Foundation of the Ozarks	\$ 45,000	\$ 53,512	\$ 8,512
Commerce Trust Company	<u>587,322</u>	<u>643,358</u>	<u>56,036</u>
 Total Investments	 <u>\$ 632,322</u>	 <u>\$ 696,870</u>	 <u>\$ 64,548</u>

DEVELOPMENTAL CENTER OF THE OZARKS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 4: ENDOWMENT FUND INVESTMENTS – continued

FASB ASC 820-10, formerly SFAS No. 157, *Fair Value Measurements*, establishes a fair value hierarchy that prioritizes the inputs of valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of quoted prices for similar assets in active and/or inactive markets, and Level 3 inputs consist of significant unobservable values and have the lowest priority. The Center uses appropriate valuation techniques based on the available inputs to measure the fair value of investments. When available, the Center measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

	12/31/2018	Fair Value Measurements Using:		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Cash and Cash Equivalents	\$ 19,592	\$ 19,592	\$ -	\$ -
Equity Investments	384,193	384,193	-	-
Fixed Income Investments	204,775	202,234	2,541	-
Pooled and Other Investments	40,537	28,877	2,292	9,368
Total Investments	\$ 649,097	\$ 634,896	\$ 4,833	\$ 9,368

	12/31/2017	Fair Value Measurements Using:		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Cash and Cash Equivalents	\$ 25,409	\$ 25,409	\$ -	\$ -
Equity Investments	371,631	371,631	-	-
Fixed Income Investments	227,140	224,625	2,515	-
Pooled and Other Investments	72,690	61,399	2,301	8,990
Total Investments	\$ 696,870	\$ 683,064	\$ 4,816	\$ 8,990

**DEVELOPMENTAL CENTER OF THE OZARKS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 5: 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 net assets totaled \$570,258 and \$555,258 at December 31, 2018 and 2017, respectively.

NOTE 6: TEMPORARILY RESTRICTED NET ASSETS

During 2012, the Center began a capital campaign to raise funds for the primary purpose of improving the Center's facilities. The capital improvements were completed during 2017, releasing a portion of the restricted net assets. The amount of capital campaign contributions temporarily restricted at December 31, 2018 and 2017 totaled \$92,288 and \$115,538, respectively.

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

	<u>2018</u>	<u>2017</u>
State and local grants		
Greene County Board	\$ 351,917	\$ 353,411
Christian County Board	40,800	40,800
Taney County Board	29,600	25,200
	<u> </u>	<u> </u>
Total Grantor Restrictions Released	<u>\$ 422,317</u>	<u>\$ 419,411</u>

NOTE 7: NOTES PAYABLE

The Center's long-term debt outstanding at December 31, 2018 is summarized as follows:

	<u>Origination Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Monthly Payment</u>	<u>Original Amount</u>
Commerce Bank Loan					
Vehicle 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

**DEVELOPMENTAL CENTER OF THE OZARKS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 7: NOTES PAYABLE– continued

The Center’s long-term debt outstanding at December 31, 2017 is summarized as follows:

	<u>Origination Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Monthly Payment</u>	<u>Original Amount</u>
Commerce Bank Loan					
Vehicle 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

The amounts outstanding at December 31, 2018 and 2017 were as follows:

	<u>12/31/2017</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>12/31/2018</u>
Vehicle Loan	\$ 77,529	\$ -	\$ (17,683)	\$ 59,846
Commercial Real Estate	1,374,205	-	(124,422)	1,249,783
Total	1,451,734	\$ -	\$ (142,105)	1,309,629
Less Current Maturities	(97,668)			(102,761)
Total Long-Term Debt	<u>\$ 1,354,066</u>			<u>\$ 1,206,868</u>

Future maturities of long-term debt are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2019	\$ 102,761
2020	107,001
2021	111,239
2022	94,718
2023	98,527
2024-2028	555,369
2029-2031	240,014
Total	<u>\$ 1,309,629</u>

DEVELOPMENTAL CENTER OF THE OZARKS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 8: 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 \$200,000 and the interest rate is fixed at 3.5%. The outstanding balance on the line of credit was \$0 and \$0 at December 31, 2018 and 2017, respectively.

NOTE 9: 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, 2018 and 2017, the Center did not have any balances in excess of insured amounts.

NOTE 10: 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, 2018 and 2017, 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 the taxing authorities. The Center's management is not aware of any other uncertain tax positions.

NOTE 11: 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. All employee accrual calculations are figured from the first date of continuous employment and based on the following schedule:

**DEVELOPMENTAL CENTER OF THE OZARKS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

NOTE 11: COMPENSATED ABSENCES – continued

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.

SUPPLEMENTAL INFORMATION

**DEVELOPMENTAL CENTER OF THE OZARKS
SCHEDULES OF REVENUES BY SOURCE
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
Support and Operating Revenues - Unrestricted		
Department of Mental Health		
Division of MR/DD	\$ -	\$ 288
Division of Social Services		
Central Finance Office	1,611,559	1,569,760
Division of Medical Services	2,072,831	2,227,597
Division of Family Services	640,323	688,140
Healthy Child and Youth Program and Division of Aging	94,739	52,714
Department of Education		
Division of Vocational Rehabilitation	122,162	100,460
Department of Health		
Child and Adult Care Food Program	122,162	121,272
Parents	229,233	260,804
Private insurance	120	986
Other contracts	22,100	22,400
United Way contributions	51,316	74,781
Community contributions	172,984	227,004
Miscellaneous income	1,805	517
Interest income	12,982	13,907
Net gain (loss) in principal basis	(50,296)	69,306
	<u>5,104,020</u>	<u>5,429,936</u>
Support and Operating Revenues - Temporarily Restricted		
State and Local Grants		
Greene County Board	351,917	353,411
Christian County Board	40,800	40,800
Taney County Board	29,600	25,200
Capital Campaign Pledges	24,000	27,669
	<u>446,317</u>	<u>447,080</u>
Support and Operating Revenues - Permanently Restricted		
Endowment Fund		
Community contributions	15,000	15,000
	<u>15,000</u>	<u>15,000</u>
Total Support and Operating Revenues	<u>\$ 5,565,337</u>	<u>\$ 5,892,016</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, 2018**

2018							
Program Services							
	Greene County Adult Services	Greene County Childcare	Greene County Therapy	Total Program Services	Fundraising	General and Administratio n	Total Expenses
Expenses							
Advertising	\$ -	\$ -	\$ -	\$ -	\$ 8,718	\$ 5,400	\$ 14,118
Bad debt	949	-	119	1,068		-	1,068
Equipment	38,538	15,153	11,860	65,551	963	20,847	87,361
Food	28,231	84,283	737	113,251	5,666	2,731	121,648
Occupancy	115,186	108,211	70,318	293,715	7,360	79,454	380,529
Other expenses	13,384	6,726	4,761	24,871	11,970	80,871	117,712
Payroll taxes and benefits	187,904	143,773	210,515	542,192	6,999	133,787	682,978
Professional fees	1,684	1,764	2,299	5,747	-	12,641	18,388
Salaries and wages	931,637	713,973	1,492,802	3,138,412	98,702	518,366	3,755,480
Staff training	1,161	-	2,890	4,051	215	3,024	7,290
Supplies	29,768	20,863	7,630	58,261	25,064	16,858	100,183
Travel	28,511	-	77,035	105,546	659	1,051	107,256
Vehicle	27,445	-	55,295	82,740	-	7,382	90,122
Total Expenses	\$ 1,404,398	\$ 1,094,746	\$ 1,936,261	\$ 4,435,405	\$ 166,316	\$ 882,412	\$ 5,484,133
	25.6%	20.0%	35.3%	80.9%	3.0%	16.1%	100.0%

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**DEVELOPMENTAL CENTER OF THE OZARKS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017**

2017							
Expenses	Program Services				Fundraising	General and Administration	Total Expenses
	Greene County Adult Services	Greene County Childcare	Greene County Therapy	Total Program Services			
Advertising	\$ -	\$ -	\$ -	\$ -	\$ 10,299	\$ -	\$ 10,299
Bad debt	-	-	102	102	-	-	102
Equipment	38,028	18,674	8,501	65,203	1,043	14,919	81,165
Food	26,368	90,131	1,249	117,748	4,272	4,363	126,383
Occupancy	126,063	84,922	75,234	286,219	8,285	63,926	358,430
Other expenses	7,016	5,926	5,152	18,094	8,627	89,730	116,451
Payroll taxes and benefits	198,129	153,079	206,640	557,848	8,195	131,381	697,424
Professional fees	-	-	4,043	4,043	88	41,595	45,726
Salaries and wages	989,876	716,609	1,424,279	3,130,764	99,008	470,698	3,700,470
Staff training	1,373	10	3,326	4,709	-	4,320	9,029
Supplies	20,493	15,224	10,823	46,540	45,553	25,346	117,439
Travel	21,845	-	71,328	93,173	768	832	94,773
Vehicle	40,143	-	59,526	99,669	-	12,623	112,292
Total Expenses	\$ 1,469,334	\$ 1,084,575	\$ 1,870,203	\$ 4,424,112	\$ 186,138	\$ 859,733	\$ 5,469,983
	26.9%	19.8%	34.2%	80.9%	3.4%	15.7%	100.0%

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