ROCKY MOUNTAIN MULTIPLE SCLEROSIS CENTER

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

TOGETHER WITH INDEPENDENT AUDITORS' REPORT

ROCKY MOUNTAIN MULTIPLE SCLEROSIS CENTER

FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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November 29, 2023

INDEPENDENT AUDITORS' REPORT

Board of Directors
Rocky Mountain Multiple Sclerosis Center
Westminster, Colorado

Opinion

We have audited the accompanying financial statements of the **Rocky Mountain Multiple Sclerosis Center** (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Rocky Mountain Multiple Sclerosis Center as of June 30, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 the Rocky Mountain Multiple Sclerosis Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Rocky Mountain Multiple Sclerosis Center'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 the Rocky Mountain Multiple Sclerosis Center'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.

Report on Summarized Comparative Information

We have previously audited the Rocky Mountain Multiple Sclerosis Center's 2022 financial statements and we expressed an unmodified opinion in our report dated March 22, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial information from which it has been derived.

Taylor Roth and Company PllC

TAYLOR, ROTH AND COMPANY, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
DENVER, COLORADO

ROCKY MOUNTAIN MULTIPLE SCLEROSIS CENTER

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023	2022
Assets		
Cash and cash equivalents	$ 1,052,139	$ 1,170,859
Accounts receivable (Note 3)	82,995	102,833
Promises to give	15,000	21,000
Employee Retention Tax Credit receivable (Note 4)	317,175	-
Prepaid expenses and deposits	40,875	96,878
Investments (Note 5)	767,109	731,542
Beneficial interest in assets held by others (Notes 6 and 9)	396,397	388,980
Endowment (Note 6)	91,654	87,376
Property and equipment (Note 7)	1,895,639	1,845,216
Total assets	$ 4,658,983	$ 4,444,684
Liabilities and net assets		
Liabilities		
Accounts payable	$ 61,199	$ 68,724
Accrued payroll costs	110,555	86,229
Deferred revenue	118,000	50,449
Note payable (Note 8)	628,906	644,380
Total liabilities	918,660	849,782
Net assets		
Without donor restrictions	2,640,368	2,612,639
With donor restrictions		
Purpose restrictions (Note 9)	644,276	534,001
Beneficial interest in assets held by others (Notes 6 and 9)	396,397	388,980
Endowment (Note 6)	59,282	59,282
	1,099,955	982,263
Total net assets	3,740,323	3,594,902
Total liabilities and net assets	$ 4,658,983	$ 4,444,684

The accompanying notes are an integral part of these financial statements

ROCKY MOUNTAIN MULTIPLE SCLEROSIS CENTER

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023				2022
		With Donor Restrictions			
	Without Donor Restrictions	Purpose Restrictions	Endowment	Total	Total
Revenue and other support					
KADEP	$ 1,029,659	$ -	$ -	$1,029,659	$ 991,447
Foundations	139,500	399,337	-	538,837	583,153
Individual and board donations	277,899	242,548	-	520,447	378,805
Special events	401,227	-	-	401,227	388,434
Less direct event expenses	(131,373)	-	-	(131,373)	(133,336)
Employee retention tax credit	317,175	-	-	317,175	-
Pharmaceutical companies	-	139,000	-	139,000	115,000
Investment income	79,073	25,060	-	104,133	(211,630)
Seminars and publications	57,750	-	-	57,750	60,200
Other program and services	14,670	-	-	14,670	12,910
Legacies and bequests	5,000	-	-	5,000	86,035
Loan forgiveness income	-	-	-	-	269,581
Rental income	-	-	-	-	16,594
In-kind contributions (Note 10)	48,815	-	-	48,815	37,006
All other	3,808	-	-	3,808	-
Net assets released from restrictions (Note 11)	688,253	(688,253)	-	-	-
Total revenue and other support	2,931,456	117,692	-	3,049,148	2,594,199
Expense					
Program services					
KADEP	1,434,184	-	-	1,434,184	1,182,290
Community care and support	459,834	-	-	459,834	292,094
Research	282,576	-	-	282,576	239,963
Education	256,980	-	-	256,980	243,013
Total program services	2,433,574	-	-	2,433,574	1,957,360
Supporting services					
Management and general	205,410	-	-	205,410	204,446
Fundraising	264,743	-	-	264,743	270,872
Total expense	2,903,727	-	-	2,903,727	2,432,678
Change in net assets	27,729	117,692	-	145,421	161,521
Net assets, beginning of year	2,612,639	922,981	59,282	3,594,902	3,433,381
Net assets, end of year	$ 2,640,368	$1,040,673	$ 59,282	$3,740,323	$3,594,902

The accompanying notes are an integral part of these financial statements

ROCKY MOUNTAIN MULTIPLE SCLEROSIS CENTER

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023									2022
	Program Services					Supporting Services				
	KADEP	Community Care and Support	Research	Education	Total Program Services	Management and General	Fund-raising	Total Supporting Services	Total	Total
Salaries, taxes and benefits	$ 981,767	$ 231,790	$ 70,505	$ 158,636	$ 1,442,698	$ 123,382	$ 196,537	$ 319,919	$ 1,762,617	$ 1,556,199
Program grants	-	3,200	169,552	-	172,752	-	-	-	172,752	122,780
Participant activities, travel and meals	107,835	12,466	-	315	120,616	7	-	7	120,623	104,100
Physicians	-	50,934	30,560	20,374	101,868	-	-	-	101,868	106,192
Occupancy	79,904	3,000	1,374	1,374	85,652	1,971	1,826	3,797	89,449	87,209
Contract therapists	450	77,527	-	6,200	84,177	74	113	187	84,364	36,074
Conferences, conventions and meetings	4,038	34,477	150	4,644	43,309	2,177	8,922	11,099	54,408	19,401
Printing and publications	1,726	5,771	285	27,991	35,773	756	14,045	14,801	50,574	42,506
Accounting and audit services	-	-	-	-	-	47,157	-	47,157	47,157	58,588
Insurance	35,498	2,486	1,243	1,510	40,737	1,637	1,913	3,550	44,287	38,753
Software and database	20,474	-	-	-	20,474	-	12,426	12,426	32,900	28,773
Management and consulting services	14,453	2,891	2,602	1,734	21,680	-	7,226	7,226	28,906	-
Interest	21,746	1,632	816	816	25,010	1,845	1,087	2,932	27,942	23,993
Telephone and telecommunications	18,720	2,643	993	1,784	24,140	1,381	2,295	3,676	27,816	14,993
Postage and delivery	1,379	456	45	19,126	21,006	2,368	1,071	3,439	24,445	19,080
Seminars and speakers	-	18,183	63	5,628	23,874	64	162	226	24,100	5,354
Supplies	13,603	1,393	39	598	15,633	4,815	120	4,935	20,568	18,780
Repairs and maintenance	17,779	416	494	136	18,825	531	223	754	19,579	12,137
Medical supplies	18,087	-	-	-	18,087	-	-	-	18,087	10,787
Dues, memberships, and subscriptions	2,199	625	1,000	1,313	5,137	7,039	390	7,429	12,566	9,446
Donated legal services	6,647	-	-	-	6,647	3,906	-	3,906	10,553	2,096
Allowance for bad debts	10,000	-	-	-	10,000	-	-	-	10,000	-
Marketing and outreach	-	4,264	-	1,954	6,218	-	889	889	7,107	3,302
Credit card and bank fees	783	186	76	113	1,158	1,458	3,712	5,170	6,328	3,732
IT support	4,756	419	241	242	5,658	236	301	537	6,195	14,592
Grant-writing and fundraising	-	-	-	-	-	-	5,688	5,688	5,688	3,950
Volunteer and donor recognition	1,577	-	-	-	1,577	1,147	2,413	3,560	5,137	7,320
Taxes and licenses	4,500	92	46	-	4,638	138	62	200	4,838	1,104
	1,367,921	454,851	280,084	254,488	2,357,344	202,089	261,421	463,510	2,820,854	2,351,241
Depreciation	66,263	4,983	2,492	2,492	76,230	3,321	3,322	6,643	82,873	81,437
Total	$ 1,434,184	$ 459,834	$ 282,576	$ 256,980	$ 2,433,574	$ 205,410	$ 264,743	$ 470,153	$ 2,903,727	$ 2,432,678

The accompanying notes are an integral part of these financial statements

ROCKY MOUNTAIN MULTIPLE SCLEROSIS CENTER

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	2023	2022
Change in net assets	$ 145,421	$ 161,521
Adjustments to reconcile change in net assets		
to net cash provided by operating activities		
Depreciation	82,873	81,437
Write-off loan orgination fee	-	4,988
Payroll Protection Program loan forgiveness	-	(269,581)
Change in provision for bad debt	7,356	5,000
Unrealized/realized (gain)loss on assets held by others	(16,807)	76,032
Unrealized/realized (gain)loss on endowment investments	(5,895)	17,030
Unrealized/realized (gain)loss on other investments	(49,080)	137,245
Changes in operating assets and liabilities		
(Increase)decrease in accounts receivable	12,482	(16,321)
(Increase)decrease in promises to give	6,000	7,000
(Increase)decrease in employee retention credit receivable	(317,175)	-
(Increase)decrease in prepaid expenses and deposits	56,003	(45,414)
(Increase)decrease investment return on endowment	(2,229)	
(Decrease)increase in accounts payable	(7,525)	25,744
(Decrease)increase in accrued payroll	24,326	2,397
(Decrease)increase in deferred revenue	67,551	(28,607)
Net cash provided(used) by operating activities	3,301	158,471
Cash flows from investing activities		
(Additions)withdrawals to assets held by others	17,640	16,318
(Additions)withdrawals from other investments	32,125	51,808
(Reinvestment) of earnings	(26,862)	(26,020)
(Purchases) of property and equipment	(133,296)	(574,706)
Net cash provided(used) by investing activities	(110,393)	(532,600)
Cash flows from financing activities		
Proceeds from mortgage	-	655,529
Endowment distributions	3,846	-
(Repayment) on notes payable	(15,474)	(121,564)
Net cash provided(used) by financing activities	(11,628)	533,965
Net increase(decrease) in cash and cash equivalents	(118,720)	159,836
Cash and cash equivalents, beginning of year	1,170,859	1,011,023
Cash and cash equivalents, end of year	$ 1,052,139	$ 1,170,859
Supplemental disclosure of information		
Cash paid during the period for interest	$ 27,942	$ 23,993

The accompanying notes are an integral part of these financial statements

NOTE 1 - NATURE OF ACTIVITIES

Rocky Mountain Multiple Sclerosis Center (the MS Center) was founded in 1978 as one of the nation's first comprehensive centers dedicated to the study and treatment of multiple sclerosis. The MS Center's mission is to improve the lives of individuals and families living with multiple sclerosis (MS) and related neurological diseases through care, support, education, and research. The MS Center accomplishes its mission through a variety of programs, services, collaborations, and outreach.

Program Descriptions

King Adult Day Enrichment Program (KADEP)

The MS Center's King Adult Day Enrichment Program (KADEP) serves younger adults who have moderate to severe disability caused by neurological illnesses or trauma. KADEP is designed to enhance wellness, maintain, or improve functional status, and provide opportunities for socialization, personal development, and enjoyment.

Community Care and Support

Specialty Care: The Rocky Mountain MS Center joined together with the University of Colorado Anschutz Medical Campus, and University of Colorado Hospital Authority (UCHealth) to form the Rocky Mountain MS Center at University of Colorado partnership. Together we serve the Rocky Mountain region through state-of-the-art patient care provided by MS fellowship-trained neurologists, education, support, and research. MS Center physicians also provide care to MS patients at the Veterans Administration Hospital and Denver Health.

Support: The MS Center's support programs for individuals living with MS and related neurological diseases include: Adaptive exercise & social support programs including hydrotherapy and online exercise sessions; specialized legal services to help individuals navigate applying for Social Security Disability Insurance; individual and family counseling sessions; MS young professionals network and mentorship program; and rural engagement program to increase access to specialized support and education for rural-based individuals and families living with MS.

Education: The MS Center conducts a variety of in-person and online programs and seminars to educate individuals and families with MS and related neurological diseases across the country and throughout the world. The MS Center provides monthly MS 101 sessions for newly diagnosed patients and families; maintains an educational website, publishes a quarterly magazine, InforMS, and distributes an electronic newsletter, eMS News, featuring research and educational information, opportunities to participate in MS clinical research, and information on upcoming events.

Research: The MS Center sponsors basic science and translational research, which includes a variety of clinical trials. The physicians and scientists play a critical role in the development of current and emerging MS therapies, as well as studies to determine the biological basis of the disease. Research priorities include the development of an in-depth profile for MS to include genes, biomarkers, or environmental circumstances that are associated with earliest manifestations of MS and related neurological diseases. The MS Center also administers one of the world's largest fresh-brain tissue banks. The tissue is retrieved, stored, and provided to MS researchers from around the world.

NOTE 1 - NATURE OF ACTIVITIES (Concluded)

The Organization is primarily supported by the King Adult Day Enrichment Program (KADEP), foundations, and individual and board contributions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

1. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

2. Basis of Presentation

The financial statements of the Rocky Mountain Multiple Sclerosis Center have been prepared in accordance with U.S. generally accepted accounting principles which require the Organization to report its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

3. Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents. Cash and cash equivalents does not include those amounts held for long-term investment purposes.

4. Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received; conditional promises to give with a measurable performance barrier and a right of return are not recognized until the conditions on which they depend have been met.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES (Concluded)

5. Capitalization and Depreciation

The Organization follows the practice of capitalizing all expenditures for furniture and equipment in excess of $1,500. The fair value of donated assets is similarly capitalized. Depreciation of furniture and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis.

6. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

7. Income Taxes

The Organization has received an Internal Revenue Service exemption from federal income taxes under Section 501(c)(3). Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

8. Functional Reporting of Expenses

For the year ended June 30, 2023, the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocations are determined by management on a rational and systematic basis. Salaries and benefits are allocated on a time and effort basis. Occupancy costs are allocated on square footage. All other expenses are allocated to the program or functional area benefited.

9. Summarized Prior-Year Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022 from which the summarized information was derived.

10. Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements. There was no effect on the change of net assets.

11. Fair Value Measurements

The Organization follows the provisions of the Fair Value Measurements and Disclosures Topic of FASB ASC, which require use of a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3).

12. Subsequent Events

Management has evaluated subsequent events through November 29, 2023, the date the financial statements were available for distribution.

NOTE 3 - ACCOUNTS RECEIVABLE

At year-end, accounts receivable primarily consists of reimbursements from Medicaid. At June 30, 2023, the allowance for doubtful accounts was approximately $21,000.

NOTE 4 - EMPLOYEE RETENTION TAX CREDIT

The Employee Retention Credit under the CARES Act is a refundable tax credit against certain employment taxes equal to 50% of the qualified wages an eligible employer pays to employees after March 12, 2020, and before January 1, 2021. During the year, the Organization filed for and recorded a receivable for this credit in the amount of $317,175. Details of this transaction are as follows:

Description	Amount
Employee Retention Tax Credit	$ 341,885
Less: professional fees	(24,710)
Net receivable	$ 317,175

Subsequent to year-end, this receivable was collected in full.

NOTE 5 - INVESTMENTS AND DONOR RESTRICTED ENDOWMENT

The following table sets forth by level, within the fair value hierarchy, the Organization's investments:

Description	*Level 1*	*Level 2*	*Level 3*	Total
Cash and cash equivalents	$ 91,951	$ -	$ -	$ 91,951
Domestic corporate bonds	-	199,450	-	199,450
Mutual funds	515,685	-	-	515,685
Alternative investments	51,677	-	-	51,677
Assets held by Community First Foundation	-	-	396,397	396,397
Total	$ 659,313	$ 199,450	$ 396,397	$ 1,255,160

NOTE 5 - INVESTMENTS AND DONOR RESTRICTED ENDOWMENT (Concluded)

Investment income and account activity is summarized as follows:

	Without donor Restrictions	Endowment	Community First Foundation Endowment	
	Investments	*Restricted in perpetuity*	*Purpose restricted*	Total
Balance, beginning of year	$ 759,636	$ 59,282	$ 388,980	$1,207,898
Interest and dividends	20,840	-	8,250	29,090
Realized/unrealized gains(losses)	61,627	-	20,610	82,237
Less: Management fees	(6,652)	-	(3,803)	(10,455)
Total investment return	75,815	-	25,056	100,873
Less: distributions	(35,970)	-	(17,640)	(53,610)
Balance, end of year	$ 799,481	$ 59,282	$ 396,397	$1,255,160

Additionally, the Organization earned $3,260 of interest on its operating cash balances.

Donor Restricted Endowment

The MS Center's endowment (the Endowment) was established in 2004 and consists of five individual funds established by donors to provide annual funding for specific activities and general operations. The original intent of the donors was to preserve the fair value of their original gifts in perpetuity, and subsequent gifts to the Endowment.

The MS Center has a policy of appropriating annual distributions. In establishing this policy, the MS Center considered the long-term expected return on its endowment. Accordingly, over the long-term, the MS Center expects the current spending policy to preserve the net assets with donor restrictions to be maintained in perpetuity of the endowment. This is consistent with the MS Center's objective to preserve the original fair values of the original gifts made to the Endowment as well as to provide an opportunity for real growth through new gifts and undistributed investment return. During fiscal year 2023, the Board requested and received a distribution of $17,640 from the Endowment.

NOTE 6 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The MS Center established an endowment fund in 2004 through the Community First Foundation (the Foundation) Non-profit Preservation Endowment Challenge Grant program and named itself beneficiary. The MS Center granted variance power to CFF which allows CFF to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgement of CFF's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The Fund is held and invested by CFF for the benefit of the MS Center's KADEP program and is reported at fair value in the statement of financial position, with distributions and changes in fair value recognized in the statement of activities.

The MS Center receives an annual distribution of approximately 4% of the average of the net fair market value of the assets of the endowment fund on the last business day of each of the three calendar years preceding the year for which the distribution is made.

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment consist of:

Description	Amount
Buildings	$ 877,646
Building improvements	775,860
Land	718,114
Furniture, fixtures, and equipment	256,584
Grounds and landscaping	92,809
Total	2,721,013
Less: accumulated depreciation	(825,374)
Net property and equipment	$ 1,895,639

Depreciation expense for the year was $82,873.

NOTE 8 - NOTE PAYABLE

The Organization has a note payable of $668,000 that was used to pay off the FirstBank 1st Deed of Trust (DOT) and provide cash-out for the purchase of a single-family residence. The note bears interest at 4.13% and matures on September 1, 2046. The note requires monthly payments of $3,596. The future scheduled principal maturities under the note for the years ending June 30th are as follows:

Year	Amount
2024	$ 16,932
2025	17,729
2026	18,486
2027	19,275
2028 and after	556,484
Total	$ 628,906

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

At year-end net assets with donor restrictions were available for the following program purposes:

Description	Amount
Beneficial assets held by Foundation - KADEP program	$ 396,397
Rural engagement program	364,058
Education seminars	128,250
Research and grant making	117,204
Time restricted	15,000
Peer support programs	10,000
KADEP equipment and supplies	6,002
Exercise and wellness	3,762
Total	$ 1,040,673

NOTE 10 - IN-KIND CONTRIBUTIONS

The fair value of donated services included as contributions in the financial statements and the corresponding program expenses for the year consist of:

Description	Utilization in Programs/Activities	Donor Restrictions	Revenue Recognized
Printing	Fundraising	None	$ 37,200
Legal services (valued at $400/hr)	Programs	None	10,553
Handyman services	Administration	None	622
Other	Fundraising	None	440
Total			$ 48,815

The value of Printing and Handyman services were based on their estimated fair value.

NOTE 11 - NET ASSETS RELEASED FROM RESTRICTIONS

During the year, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes:

Description	Amount
Research and grant making	$ 192,950
KADEP program	121,333
Rural engagement program	116,152
Education seminars	113,000
Carpet replacement	60,000
Exercise and wellness	28,552
Peer support programs	22,375
KADEP Community First	17,640
Time restricted	6,000
KADEP equipment and supplies	5,165
Wellness pilot and scholarships	5,086
Total	$ 688,253

NOTE 12 - PENSION PLAN

The Organization has a SIMPLE IRA plan (the Plan). The Organization matches employee contributions up to 3% of the employee's salary. Pension plan expense for the year was $34,658.

NOTE 13 - CONCENTRATION OF CREDIT RISK

The Organization places all of its cash with one financial institution. Amounts in excess of $250,000 are not insured by the FDIC or related entity. At year-end, the Organization's uninsured balance at this financial institution was about $793,000. Management has evaluated its banking needs and the strength of this financial institution and feels it is in the best long-term interest of the organization to continue its existing banking relationships.

NOTE 14 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at June 30, 2023:

Financial assets at year-end:	Amount
Cash and cash equivalents	$ 1,052,139
Accounts receivable	82,995
Promises to give	15,000
Employee Retention Tax Credit receivable	317,175
Investments	1,255,160
	2,722,469
Less amounts not available for general expenditures within one year due to:	
Promises to give expected after 2024	(10,000)
Endowment	(59,282)
Beneficial interest in assets held by others	(396,397)
	(465,679)
Total financial assets available to meet general expenditures within one year:	$ 2,256,790

The Organization's goal is generally to maintain financial assets to meet 6 to 8 months of cash operating expenses. Management considers donor restricted contributions that will be used within one year as part of its ordinary operations, as being available for general expenditures.