

**Adair County SB40 Developmental Disability Board
AGENCY APPLICATION FOR FUNDING**

CHECKLIST

The following items should accompany any applications for agency funding through the ACSDDDB.

Forms:

- Completed Agency Application for Funds
- Signature of Board Chair to authorize application for funding (on application form)

Corporate Information:

- Board Member List

Agency Financial Information:

- Copy of Current Year operating budget
- Copy of Proposed operating budget
- Copy of most recent report on Income and Expenses
- Copy of most recent Balance Sheet
- Copy of Audit from last full fiscal year

Please return completed application and all accompanying documents to the ACSDDDB at least two weeks prior to the next scheduled board meeting.

Adair County SB40
215 E McPherson
Kirksville, MO 63501

**Adair County SB40 Developmental Disability Board (ACSDDDB)
AGENCY APPLICATION FOR FUNDING**

A.

Legal Name of Requesting Agency: Chariton Valley Association, Inc.		
Name: Terry Combs		
Address: 1905 South High Street	Phone: 660-665-1111	
City: Kirksville	State: MO	Zip: 63501
E-mail: tcombs@charitonvalley.org	Website: www.charitonvalley.org	

B.

Board Chair: Larry Burton		
Address: 1905 South High Street	Phone: 660-665-1111	
City: Kirksville	State: MO	Zip: 63501

C.

Agency Director: Terry Combs		
Address: 1905 South High Street	Phone: 660-665-1111	
City: Kirksville	State: MO	Zip: 63501

D.

Total Amount of Funds Requested from ACSDDDB: \$ 107,433
Funding Period: From December 2018 To March 2019

E.

<p>General purpose for which funds are requested:</p> <p><input type="checkbox"/> Establish a new program or service</p> <p><input type="checkbox"/> Expand an existing program or service</p> <p><input type="checkbox"/> Maintain an existing program or service</p> <p><input checked="" type="checkbox"/> Other (Specify) <u>Improve employee training facilities for a growing organization</u></p>
--

F.

Present annual budget of requesting agency	\$ 6,639,993
Cash reserves on hand	\$ 1,434,157
Amount necessary to maintain six (6) month reserve:	\$ 3,181,762
Based on total expenses from most recent fiscal year including capital expenses but not depreciation.	

G.

History and background of requesting agency is required of all agencies not previously funded. Attach narrative description of agency's mission, past and present programs, individuals served, statistical/anecdotal evidence of success, etc., if not already submitted for prior funding.
Previously funded? <input checked="" type="radio"/> Yes <input type="radio"/> No

H.

List grants previously funded by ACSDDDB:
PLEASE SEE ATTACHED LIST

I.

Describe the need or problem to be addressed by proposed project, and the anticipated goals and outcomes. Include applicable statistics and examples. Attach separate page if necessary.
Please See Attached Narrative

J. Information regarding individuals to be served:

1) Number of persons with developmental disabilities from Adair County presently served in existing program (if applicable): 78.

2) Number of additional persons with developmental disabilities from Adair County to be served in new or expanded program: unlimited.

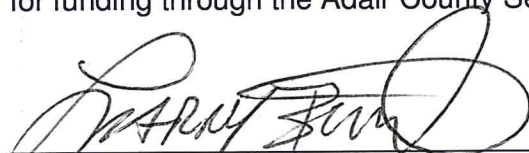
3) Prospective ages of persons with developmental disabilities from Adair County to be served by this existing/new/expanded program:

0 0 – 4 1 5 – 15 2 16 – 20 57 21 – 55 18 56 – older

K. Please list all anticipated sources of funding for this project and the amounts requested from each source.

Source of funding	Amount of funding requested	Prospective or committed?
ACSDDDB	\$107,433	Prospective
Chariton Valley	\$169,055	Approved
Total projected funding	\$276,489	

I affirm that I have reviewed this report and to the best of my knowledge, the information furnished is true, correct and complete. My signature below authorizes this application for funding through the Adair County Senate Bill 40 Developmental Disabilities Board.


 Signature of Board Chair

Date: November 20, 2018

Terry Combs Digitally signed by Terry Combs
 DN: cn=Terry Combs, o=Chariton Valley Association,
 ou=CEO, email=tcombs@charitonvalley.org, c=US
 Date: 2018.11.20 14:16:21 -0600

Signature of Executive Director

Date: November 20, 2018

2018 BOARD OF DIRECTORS ROSTER
CHARITON VALLEY ASSOCIATION, INC.

<u>NAME</u>	<u>Occupation</u>
Melba Bowen Secretary	Retired-Administrative Assistant
Larry Burton President	Executive Director-Adair County Ambulance District
Greg Dabney Vice-President	Retired-Military
Mariann Gibson Director	Special Education Teacher
Neil Gilchrist Director	Retired-Business Professor, Truman State University
Matt Heeren Treasurer	Legal Counsel-A.T.S.U
Ray Klingensmith Director	Retired-Attorney
Phil McIntosh Director	Guardian Ad Litem
Judy Mullins Director	Retired-Controller Truman State University
Andrea O'Brien Director	Director, Admissions-Residential, A.T.S.U
Becky Pike Director	Fund Manager, Office of Advancement, Truman State University
Marilyn Romine Director	Retired-Marketing Professor, Truman State University

Annual Operating Budget
 Fiscal Year 2018-2019
 Chariton Valley Association, Inc.

Center	Operating Budget FY 2018-2019
Operating Revenue	
Program	\$6,609,248
Donations/Other	\$1,982
Grant Revenue	\$0
Interest	\$11,968
General Relief Funds	\$16,795
Total Revenue	\$6,639,993
Personnel Expenses	
Wages & Taxes	\$4,520,803
Benefit Insurance	\$620,738
Workers Comp	\$63,328
Retirement Benefits	\$14,260
Recruitment/Retention	\$27,879
Total Personnel	\$5,247,008
Non Personnel Expenses	
Host Home Stipends	\$816,523
Communications	\$42,076
Repairs/Maintenance	\$67,846
Building	\$36,296
Utilities	\$28,959
Food/Food Service	\$11,871
Materials/Supplies	\$60,097
Professional Fees	\$42,092
Staff Training	\$13,458
Staff Mileage	\$51,285
Staff Travel	\$5,823
Liability Insurance	\$25,065
Equipment Purchases	\$5,253
Equipment Deprec.	\$18,235
Auto	\$57,333
Public Relations	\$4,574
Fundraising Expenses	\$2,547
Total Other Expenses	\$1,289,333
Excess Rev. Over Exp.	\$103,652

Income & Expense Statement
Chariton Valley Association, Inc.

2018-2019

	YTD
	Actual
	09/30/2018
Revenue	
Program	\$1,549,591
Grants	\$0
Interest Revenue	\$2,866
Donations/Other Revenue	\$306
General Relief Fund	\$37,825
Total Revenue	<u>\$1,590,587</u>
Expenses	
Personnel	
Wages and Taxes	\$1,072,191
Worker's Compensation	\$10,307
Benefit Insurance	\$151,661
Employer 403(b) Contributions	\$4,818
Other Personnel Costs	\$7,983
Total Personnel	<u>\$1,246,960</u>
Non-Personnel Expenses	
Communication	\$9,806
Repairs & Maintenance	\$10,375
Building	\$7,990
Utilities	\$9,875
Food	\$6,093
Materials & Supplies	\$16,625
Professional Fees	\$14,765
Staff Training	\$4,602
Staff Travel	\$2,734
Staff Mileage	\$16,226
Liability Insurance	\$5,781
Equipment Purchase	\$0
Equipment Depreciation	\$5,123
Transportation	\$18,125
Public Relations	\$754
Host Home Stipends	\$215,049
Total Non-Personnel Expenses	<u>\$343,921</u>
Total Expenses	<u>\$1,590,881</u>
NET SURPLUS/(DEFICIT)	<u><u>(\$294)</u></u>

Balance Sheet
Chariton Valley Association, Inc.
Fiscal Year 2018-2019

	Actual as of <u>06/30/2018</u>	Actual as of <u>09/30/2018</u>
Assets		
General Cash	\$7,589	(\$132,851)
Petty Cash	\$150	\$150
Payroll Cash	\$8,910	\$5,826
Certificates Of Deposit	\$0	\$0
Retail Repo-Securities	\$1,695,749	\$1,654,862
Investments	\$5,900	\$5,900
Health Reimbursement Acct.	\$99,407	\$98,454
Operating Reserve Fund	\$35,801	\$35,801
New Program Fund	\$5,099	\$5,099
Res Cntr Repairs And Replacements	\$80,000	\$80,000
Gd Repairs And Replacements	\$35,000	\$35,000
57 Grim Repairs And Replacements	\$23,000	\$23,000
Admin. Repairs and Replacements Ft	\$40,000	\$40,000
Endowment Fund Rollover	\$50	\$50
Consumer Cash	(\$84)	(\$84)
Accounts Receivable	\$630,807	\$663,162
Prepaid Insurance	\$21,017	\$85,621
Property & Equipment-Net	<u>\$744,179</u>	<u>\$899,545</u>
Total Assets	<u>\$3,432,574</u>	<u>\$3,499,534</u>
Liabilities		
Accounts Payable	\$114,815	\$81,956
Accrued Payroll	\$127,131	\$79,014
Accrued Vacation	\$49,574	\$49,574
Other Payroll Liabilities	(\$17,737)	(\$16,007)
Host Home Excess Relief Time	\$177,293	\$214,576
Consumer Funds	\$11,737	\$7,971
Notes Payable	<u>\$131,718</u>	<u>\$244,703</u>
Total Liabilities	<u>\$594,531</u>	<u>\$661,785</u>
Net Assets		
Net Assets	<u>\$2,838,043</u>	<u>\$2,837,749</u>
Total Net Assets	<u>\$2,838,043</u>	<u>\$2,837,749</u>
Total Liabilities & Net Assets	<u>\$3,432,574</u>	<u>\$3,499,534</u>

Chariton Valley Association, Inc.

**Report of Certified Public Accountants,
Financial Statements, and
Supplementary Information**

For the Years Ended June 30, 2018 and 2017

DRAFT 11-20-2018

Chariton Valley Association, Inc.

June 30, 2018 and 2017

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Independent Auditors' Report

To the Board of Directors of
Chariton Valley Association, Inc.
Kirksville, Missouri 63501

We have audited the accompanying financial statements of **Chariton Valley Association, Inc.** (the Agency) (*a non-profit organization*), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses, 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 audit. We conducted our audit 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 from 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 principles 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 **Chariton Valley Association, Inc.** as of June 30, 2018 and 2017, 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 Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 17 through 19 is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Report Date

DRAFT 11-20-18

Chariton Valley Association, Inc.

Statements of Financial Position

June 30, 2018 and 2017

<u>Assets:</u>	<u>2018</u>	<u>2017</u>
<i>Current Assets</i>		
Cash and Cash Equivalents	\$ 1,470,031	\$ 1,026,889
Investments	5,900	5,847
Accounts Receivable	618,926	670,307
Prepaid Expenses	21,017	19,919
Total Current Assets	2,115,874	1,722,962
<i>Assets Limited as to Use (Note #3):</i>		
Internally Designated Cash	570,867	488,282
Endowed Cash	118,535	117,701
Other Cash	2,612	3,181
Total Assets Limited as to Use	692,014	609,164
<i>Property and Equipment, Net</i>	744,179	779,721
Total Assets	\$ 3,552,067	\$ 3,111,847
<u>Liabilities and Net Assets:</u>		
<i>Current Liabilities</i>		
Accounts Payable	\$ 121,346	\$ 106,208
Due to Consumers	14,274	12,644
Accrued Vacation Leave	56,265	49,573
Accrued Payroll and Taxes	109,474	87,725
Accrued Excess Relief Hours - Host Homes	177,489	109,611
Current Portion of Long-term Note Payable	21,283	20,348
Total Current Liabilities	500,131	386,109
<i>Long-term Liabilities</i>		
Note Payable Less Current Portion	110,435	131,592
Total Liabilities	610,566	517,701
<i>Net Assets</i>		
Unrestricted	2,822,966	2,476,445
Permanently Restricted	118,535	117,701
Total Net Assets	2,941,501	2,594,146
Total Liabilities and Net Assets	\$ 3,552,067	\$ 3,111,847

See Accompanying Notes

Chariton Valley Association, Inc.

Statements of Activities

For the Years Ended June 30, 2018 and 2017

<u>Unrestricted Net Assets:</u>	<u>2018</u>	<u>2017</u>
Revenues		
Program Services	\$ 6,061,074	\$ 5,313,684
Support:		
Businesses and Organizations	4,546	1,150
Individuals	17,201	17,221
Interest Income	13,547	7,386
Miscellaneous Income	1,950	1,424
Total Revenues	<u>6,098,318</u>	<u>5,340,865</u>
Expenses		
Program Services		
Residential Center	1,073,536	1,080,808
Individualized Supported Living	2,170,979	1,718,883
Independent Living Skills Development (ILSD)	497,712	474,365
Host Homes	986,399	661,982
Employment Services	9,274	10,122
Supporting Activities		
Management and General	998,941	753,091
Fundraising	14,956	17,124
Total Expenses	<u>5,751,797</u>	<u>4,716,375</u>
Increase in Unrestricted Net Assets	346,521	624,490
<u>Permanently Restricted Net Assets:</u>		
Interest Revenue	94	88
Donations to Endowment Fund	740	2,540
Increase in Permanently Restricted Net Assets	834	2,628
Increase in Net Assets	<u>347,355</u>	<u>627,118</u>
Net Assets at Beginning of Year	<u>2,594,146</u>	<u>1,967,028</u>
Net Assets at End of Year	<u><u>\$ 2,941,501</u></u>	<u><u>\$ 2,594,146</u></u>

See Accompanying Notes

Chariton Valley Association, Inc.

Statement of Functional Expenses
For the Year Ended June 30, 2018

	Program Services				Support Activities		Total	
	Residential Center	Ind. Sup. Living	ILSD	Host Homes	Employment Services	Mgmt & General		Fund-Raising
Personnel Costs	\$ 936,398	\$ 2,078,362	\$ 474,606	\$ 64,835	\$ 9,190	\$ 732,494	\$ 12,185	\$ 4,308,070
Host Homes Stipends	-	-	-	916,988	-	-	-	916,988
Communications	3,435	-	-	-	-	43,617	-	47,052
Depreciation	28,844	25,802	-	-	-	20,884	-	75,530
Maintenance & Repairs	22,452	10,092	24	-	-	28,413	-	60,981
Physical Plant Costs	3,623	1,260	-	-	-	2,375	-	7,258
Utilities	20,621	73	-	-	-	9,344	-	30,038
Food Service	19,499	434	-	-	-	5,265	-	25,198
Materials & Supplies	22,083	10,015	26	189	-	31,958	-	64,271
Professional Fees	-	-	-	-	-	68,013	-	68,013
Staff Training	-	-	80	103	-	6,563	34	6,780
Staff Travel	390	22,866	21,398	1,156	-	14,564	-	60,374
Insurance	2,488	7,130	1,360	2,678	84	9,533	36	23,309
Transportation	13,616	13,507	4	286	-	4,086	-	31,499
Interest Expense	-	-	-	-	-	6,548	-	6,548
Miscellaneous	87	1,438	214	164	-	15,284	2,701	19,888
Total Expenses	\$ 1,073,536	\$ 2,170,979	\$ 497,712	\$ 986,399	\$ 9,274	\$ 998,941	\$ 14,956	\$ 5,751,797

See Accompanying Notes

Chariton Valley Association, Inc.

Statement of Functional Expenses
For the Year Ended June 30, 2017

	Program Services				Support Activities		Total	
	Residential Center	Ind. Sup. Living	ILSD	Host Homes	Employment Services	Mgmt & General		Fund-Raising
Personnel Costs	\$ 948,702	\$ 1,653,234	\$ 449,977	\$ 40,072	\$ 10,115	\$ 519,340	\$ 15,581	\$ 3,637,021
Host Homes Stipends	-	-	-	621,489	-	-	-	621,489
Communications	3,399	-	-	-	-	34,256	-	37,655
Depreciation	31,888	13,592	-	-	-	27,708	-	73,188
Maintenance & Repairs	18,049	9,072	28	-	-	23,244	-	50,393
Physical Plant Costs	3,503	1,216	-	-	-	2,299	-	7,018
Utilities	17,660	558	-	-	-	8,510	-	26,728
Food Service	21,995	232	-	-	-	5,880	-	28,107
Materials & Supplies	19,262	11,048	1,366	(132)	-	34,598	-	66,142
Professional Fees	-	51	-	-	-	37,639	-	37,690
Staff Training	-	23	13	50	-	14,979	-	15,065
Staff Travel	761	15,495	21,248	226	-	12,004	-	49,734
Insurance	4,306	7,585	1,708	277	7	7,006	3	20,892
Transportation	11,283	6,304	25	-	-	4,246	-	21,858
Interest Expense	-	-	-	-	-	7,274	-	7,274
Miscellaneous	-	473	-	-	-	14,108	1,540	16,121
Total Expenses	\$ 1,080,808	\$ 1,718,883	\$ 474,365	\$ 661,982	\$ 10,122	\$ 753,091	\$ 17,124	\$ 4,716,375

See Accompanying Notes

Statements of Cash Flows
 For the Years Ended June 30, 2018 and 2017

<u>Cash Flows From Operating Activities:</u>	<u>2018</u>	<u>2017</u>
Increase in Net Assets	\$ 347,355	\$ 627,118
Adjustments to Reconcile Change In Net Assets to Net Cash Provided By Operating Activities:		
Depreciation	75,530	73,188
Interest Expense	6,548	7,274
(Increase) Decrease in Operating Assets:		
Accounts Receivable	51,381	(238,956)
Other Receivable	-	51,200
Prepaid Expenses	(1,098)	4,296
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	16,768	43,647
Accrued Vacation	6,692	6,175
Accrued Payroll	21,749	8,810
Accrued Self-Funded Medical Claims Obligation	-	(39,828)
Accrued Excess Relief Hours - Host Homes	67,878	(24,338)
Net Cash Flows Provided By Operating Activities	592,803	518,586
<u>Cash Flows From Investing Activities:</u>		
Payments for Property and Equipment	(39,988)	(136,769)
Net Cash (Used) by Investing Activities	(39,988)	(136,769)

See Accompanying Notes

Statements of Cash Flows
 For the Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<u>Cash Flows From Financing Activities:</u>		
Transfer From (To) Assets Limited as to Use	\$ (265)	\$ (1,687)
Principal Paid on Long-term Debt	(20,222)	(19,496)
Interest Paid on Long-term Debt	(6,548)	(7,274)
	<u> </u>	<u> </u>
Net Cash (Used) by Financing Activities	(27,035)	(28,457)
	<u> </u>	<u> </u>
Net Increase (Decrease) in Cash and Cash Equivalents	525,780	353,360
	<u> </u>	<u> </u>
Beginning Cash and Cash Equivalents	1,521,018	1,167,658
	<u> </u>	<u> </u>
Ending Cash and Cash Equivalents	<u>\$ 2,046,798</u>	<u>\$ 1,521,018</u>
 Reconciliation to Statement of Financial Position:		
Cash and Cash Equivalents	\$ 1,470,031	\$ 1,026,889
Investments	5,900	5,847
Cash in Internally Designated Assets	570,867	488,282
	<u> </u>	<u> </u>
Total Ending Cash and Cash Equivalents per Statement of Financial Position	<u>\$ 2,046,798</u>	<u>\$ 1,521,018</u>

See Accompanying Notes

Chariton Valley Association, Inc.

Notes to Financial Statements

June 30, 2018 and 2017

1. Summary of Significant Accounting Policies

Nature of activities

Chariton Valley Association, Inc. (the Agency) is a non-profit organization providing a variety of support services to persons with developmental disabilities in Northeast Missouri, primarily Adair County. Current support services include:

- Residential Center (24-hour Care)
- Community Integration
- Respite Care (Out of Home Medical)
- Individualized Supported Living (ISL)
- Independent Living Skills Development (ILSD)
- Host Home Living Arrangements
- Employment Services

Funding is through Medicaid Waiver and Purchase of Service contracts with the Department of Mental Health locally represented by the Department of Mental Health Regional Centers and through private donations.

Basis of accounting

Assets, liabilities, revenues and expenses are recognized on the accrual basis of accounting.

Cash and cash equivalents

For purposes of the statements of cash flows, the Agency considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents include cash on hand, money market accounts, overnight repurchase agreements, certificates of deposit, and marketable securities.

Property, equipment and depreciation

Property and equipment are stated at cost or, if donated, at fair market value on the date of gift. Depreciation is computed on a straight-line basis over the estimated useful life of each asset, except land, which is not depreciated. Assets with a useful life greater than one year and a cost or fair market value of \$2,500 or more are capitalized. The estimated useful lives for significant property and equipment categories are as follows:

Land Improvements	10 to 15 years
Buildings and Improvements	5 to 30 years
Furniture and Equipment	5 to 15 years
Vehicles	3 to 7 years

The Agency acquired a modified minivan in fiscal year 2015 through an 80 percent grant from the Missouri Department of Transportation (MODOT). When the Agency disposes of the van, 80 percent of the sales proceeds must be paid to MODOT.

Chariton Valley Association, Inc.

Notes to Financial Statements

June 30, 2018 and 2017

1. Summary of Significant Accounting Policies (continued)

Income taxes

The Agency is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and similar provision of state law.

Fair value of financial instruments

The Agency's financial instruments primarily consist of cash, a flexible savings certificate, assets limited as to use, accounts receivable, accounts payable, and accrued expenses, for which their carrying amounts approximate fair value.

Use of estimates

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

2. Cash

Cash on hand and in the bank at June 30, is as follows:

	<u>2018</u>	<u>2017</u>
Cash and Cash Equivalents		
Demand Deposits	\$1,469,931	\$1,026,739
Petty Cash	<u>150</u>	<u>150</u>
Total Cash and Cash Equivalents	<u>\$1,470,081</u>	<u>\$1,026,889</u>
Investments		
Flexible Savings Certificate	\$ 5,900	\$ 5,847
Total Investments	<u>\$ 5,900</u>	<u>\$ 5,847</u>
Assets Limited as to Use		
Internally Designated, Certificates of Deposit		
Repairs and Renovations	\$ 178,000	\$ 178,000
Operating Reserve	35,800	5,825
New Program Fund	5,099	5,099
Employee Health Insurance Claims	-	27,396
Internally Designated, Demand Deposit		
Operating Reserve	64,200	-
Employee Health Insurance Claims	100,000	152,604
Earnings on Endowment Fund	10,279	9,747
Excess Relief Hours – Host Homes	177,489	109,611
Endowment Fund, Demand Deposit	118,485	117,701
Other, Demand Deposits:		
Consumer Restricted	<u>2,612</u>	<u>3,181</u>
Total Assets Limited as to Use	<u>\$ 691,964</u>	<u>\$ 609,164</u>

Chariton Valley Association, Inc.

Notes to Financial Statements

June 30, 2018 and 2017

3. Assets Limited As To Use

From time to time, the Board evaluates the need for operating and repair and renovation cash reserves and formally designates cash balances for these reserve requirements. The total Board designation for repairs and renovations is \$178,000 as of June 30, 2018. The total Board designation for operating reserves is \$100,000 as of June 30, 2018. The Board also recognizes the need for cash reserves for the Agency's obligation to fund eligible employee medical claims as described in the health insurance plan. As of June 30, 2018, a reserve has been established by Board designation for employee health insurance claims in the amount of \$100,000.

The Agency has also designated cash for payment of host home relief hour advances in excess of earned relief hour revenues in the amount of \$177,489 as of June 30, 2018.

In addition, contributions and the related earnings on endowed donations have either permanent use restrictions or have been Board designated. Also see Note 8.

Finally, certain other funds are designated as limited as to use because they are being held in a fiduciary capacity for consumers.

4. Deposits and Investments

Agency by-laws require all deposits be protected by federal deposit insurance (FDIC). By-laws permit excess funds to be placed in a variety of low to moderate risk investments, including stocks and bonds, according to the Agency's investment plan. On June 30, 2018, the Agency had the following deposits at financial institutions and the funds were insured as described below:

Amount on Deposit		\$ 2,209,159
FDIC Insurance	\$ 387,630	
Secured Repurchase Agreement	125,780	
Insured Cash Sweep Agreement	1,695,749	

The Agency has an investment account that is not covered by FDIC insurance or pledged collateral. The balance of the account was \$5,900 and \$5,847 at June 30, 2018 and 2017, respectively. In addition, the Agency had \$60,139 in deposits exposed to custodial credit risk as of June 30, 2017.

Chariton Valley Association, Inc.

Notes to Financial Statements

June 30, 2018 and 2017

5. Concentration of Credit Risk

The Agency is located in Kirksville, Missouri. The Agency grants credit without collateral to its clients, most of whom are eligible under third-party payer agreements.

The mix of accounts receivable at June 30, 2018 and 2017 is as follows:

	<u>2018</u>		<u>2017</u>	
Medicaid	\$ 546,099	89%	\$ 575,452	86%
Childrens' Division	43,026	7%	70,500	11%
Dept. of Mental Health	1,791	-%	1,918	-%
Kirksville Regional Center	27,173	4%	22,230	3%
SB 40 Board	<u>837</u>	-%	<u>207</u>	-%
	\$ 618,926		\$ 670,307	

No allowance for doubtful accounts is recognized because of the government payers and/or intermediaries involved in the revenue transactions of the Agency.

6. Property and Equipment

Major classifications of depreciable assets are as follows:

	<u>2018</u>	<u>2017</u>
Land	\$ 136,250	\$ 136,250
Land Improvements	2,666	2,666
Buildings and Improvements	1,021,021	996,504
Furniture and Equipment	263,274	247,331
Vehicles	<u>248,646</u>	<u>248,646</u>
Total, At Cost	1,671,857	1,631,397
Less: Accumulated Depreciation	<u>927,678</u>	<u>851,676</u>
Net Property and Equipment	<u>\$ 744,179</u>	<u>\$ 779,721</u>

Chariton Valley Association, Inc.

Notes to Financial Statements

June 30, 2018 and 2017

7. Long-term Debt

The Agency's long-term debt activity consists of one mortgage loan payable for a central administrative office building and property acquired in fiscal year 2009. Activity on the loan payable for the years ended June 30, 2018 and 2017 is as follows:

6-30-17 Balance	Decrease	6-30-18 Balance
\$ 151,940	\$ (20,222)	\$ 131,718
6-30-16 Balance	Decrease	6-30-16 Balance
\$ 171,436	\$ (19,496)	\$ 151,940

Long-term debt at June 30, 2018 is as follows:

Loan payable	\$ 131,718
Less: current maturity	<u>(21,283)</u>
Total long-term debt	<u>\$ 110,435</u>

The loan is payable in monthly installments of principal and interest of \$2,231 until January 2024. The interest rate is fixed at 4.5 percent for the term of the loan. Interest expense paid during the years ended June 30, 2018 and 2017 was \$6,548 and \$7,274, respectively.

Scheduled annual principal and interest payments for the long-term debt through loan repayment are as follows:

Fiscal Year	Principal	Interest	Total
2019	\$ 21,283	\$ 5,487	\$ 26,770
2020	22,249	4,521	26,770
2021	23,283	3,487	26,770
2022	24,353	2,417	26,770
2023	25,464	1,306	26,770
2024	15,086	163	15,249
	<u>\$ 131,718</u>	<u>\$ 17,381</u>	<u>\$ 149,099</u>

Chariton Valley Association, Inc.

Notes to Financial Statements

June 30, 2018 and 2017

8. Endowment Fund

The Agency has interpreted Missouri House Bill 239, which closely follows the Uniform Prudent Management of Institutional Funds Act, as requiring the maintenance of the historical principal balance of the Endowment Fund. If the principal balance of the fund drops below the historical value as a result of market depreciation, no expenditures will be made until such time as the historical value has been restored. The Agency has adopted investment and spending policies for the endowment assets that attempt to achieve the following goals, in priority order: 1) preserve the endowed capital, 2) maintain liquidity sufficient to meet all reasonable requirements of the Endowment Fund, 3) attain a market rate of return, and 4) attain an annual return equivalent to the five-year average return for the S & P 500 Index.

The Endowment Fund's earnings are intended to be utilized only for debt reduction, capital purchases, and program development. In any given year, the Board of Directors may approve expenditure of up to 85% of the earnings on the Endowment Fund with the balance of 15% of each year's earnings considered Board designated for permanent endowment. If, in any given year, the Board decides not to release the eligible 85% of the earnings, these earnings are considered Unrestricted by Board Designation until subsequently approved for expenditure by the Board.

Changes in Endowment Fund Net Assets for the fiscal years 2018 and 2017 are presented below:

Fiscal Year 2018	Unrestricted	Permanently Restricted
Endowment Net Assets, Beginning of Year	\$ 9,747	\$ 117,701
Investment Income	532	94
Contributions	<u>-</u>	<u>740</u>
Endowment Net Assets, End of Year	<u>\$ 10,279</u>	<u>\$ 118,535</u>
Fiscal Year 2017	Unrestricted	Permanently Restricted
Endowment Net Assets, Beginning of Year	\$ 9,247	\$ 115,073
Investment Income	500	88
Contributions	<u>-</u>	<u>2,540</u>
Endowment Net Assets, End of Year	<u>\$ 9,747</u>	<u>\$ 117,701</u>

Chariton Valley Association, Inc.

Notes to Financial Statements

June 30, 2018 and 2017

9. Program Services

The Agency recognizes revenue from services rendered when the following four revenue recognition criteria are met: (1) persuasive evidence of an arrangement exists, (2) services have been rendered, (3) the fee is fixed or determinable, and (4) collectability is reasonably assured.

Program services revenue is reported at the estimated net realizable amounts from third-party payers for services rendered. The Agency has agreements with third-party payers which may result in differences between amounts paid and established rates. These differences result in contractual allowances that are recorded as an adjustment to program service revenue.

10. Grant Support

During fiscal year 2016, the Agency was awarded \$21,721 of grant funding from the Adair County Senate Bill 40 (SB40) Developmental Disability Board to cover equipment costs and staff time in the initial implementation of an electronic documentation system. SB40 advanced the grant funds to the Agency. As of June 30, 2016, the equipment and installation of the software was complete and staff work with data entry and training was completed during fiscal year 2017.

11. Retirement Plan

The Agency has established a tax deferred savings program for its employees under Section 403(b) of the Internal Revenue Code. Under the provisions of the plan, employees may defer up to 20 percent of their salary. In addition, the Agency matches a portion of employee contributions up to a maximum of 5% based upon the employee's years of service to the Agency. Agency contributions totaled \$14,911 in fiscal year 2018 and \$13,195 in fiscal year 2017.

12. Risk Management

The Agency is exposed to various risks of loss from torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

Chariton Valley Association, Inc.

Notes to Financial Statements

June 30, 2018 and 2017

13. Self-Insurance

Through March 31, 2017, the Agency offered a self-funded health insurance benefit plan for eligible employees and dependents. To limit its exposure, the Agency purchased stop-loss insurance protecting the Agency from claims over \$40,000 for individual insureds and 125% of the actuarially estimated annual aggregate claims. For the plan year ended March 31, 2017, the aggregate stop-loss coverage was estimated to initiate at \$503,000 in total plan claims. As of June 30, 2018 and 2017, there is no accrual for incurred but unreported claims. Management made certain assumptions based on currently available information in determining the liability for claims incurred, but not reported. Accordingly, the ultimate costs may vary significantly from the estimated amounts reported in the financial statements.

Effective April 1, 2017, the Agency joined a group self-funded employee health insurance plan and now pays a monthly premium for covered employees. All claims are then submitted to the group for adjudication.

14. Commitments

The Agency has worked in cooperation with a local real estate investor to construct three homes to house consumers that will transition from residential center service to ISL services. The Agency will guarantee the rent from the consumers to the investor for a five-year period at the rate of \$1,400 per month per home.

15. Subsequent Events

In accordance with ASC 855, management has evaluated subsequent events through _____, the date these financial statements were available to be issued.

In August 2018, the Agency received an estate bequest in the amount of \$37,785. The contribution is unrestricted.

There were no other material subsequent events that required recognition or additional disclosure in these financial statements.

Chariton Valley Association Grant Projects Previously
Funded through Adair County SB40/DD Board

Project	Year	SB40
Set-Works	2016	\$21,721
Therapy, Storage, Parking	2013	\$132,348
Generator	2012	\$7,886
EPBS	2012	\$4,294
ISL Lift System	2011	\$11,110
Group Home Lift System	2011	\$15,276
Total		<u>\$192,635</u>

Chariton Valley Association, Inc.
Grant Narrative, November 2018

Chariton Valley Association (CVA) has nearly doubled in size in the last 5 years and now employs 195 employees with 193 of those employees working in Kirksville, MO. The growth of the organization has been tremendous and continues to allow the organization to support more individuals with developmental disabilities. However, it has also required the organization to invest in our infrastructure including more program management, quality assurance, and support staff. This coupled with our growth in employees has caused us to surpass the capacity of our existing facilities. Currently, the office located at 1905 South High Street is serving as our primary location for staff training and meetings, program management and administrative staff and houses 18 people in addition to two conference/training rooms. However, three of the offices are housing multiple people. Additionally, we have rented another office in the "Bowers Complex" on East LaHarpe where 5 people are residing and still have three people working out of the prior Group Home building.

The Chariton Valley building located at 1708 East LaHarpe previously served as a Group Home program supporting individuals with intellectual and developmental disabilities. This program opened after completion of construction in 1989 and was closed on November 1, 2018 when the individuals being supported there moved to new Individualized Supported Living homes. Therefore, this location that is approximately 5,700 square feet is now available for alternative use. Additionally, it is important to note that Chariton Valley owns nearly 2.4 acres of land adjacent to the 1708 East LaHarpe building. Eventually, CVA plans to build an additional building so that all program management and administrative staff can be located at one site.

The entire 1708 East LaHarpe building needs remodeled to convert it for alternative usage, as outlined in the attached architectural drawing. However, this grant request focuses on the front entrance accessibility, employee training/conference rooms, and equipment and furnishings for training/conference rooms. Quality training is paramount to the quality of service received by the individuals CVA supports. Annually, CVA provides over 14,000 hours of staff training with over 11,000 of those hours conducted on-site at our facilities. This includes 23 monthly program staff meetings held by each program. Unfortunately, current facilities do not allow adequate space to meet our needs. Problems include but are not limited to: inadequate space for the number of people in attendance; no space available because it is already booked; identifying cost-effective alternative space for large meetings, meetings are interrupted due to attached storage; ILSD employees are consistently shifted around when completing electronic documentation, etc.

CVA acknowledged these issues in 2017 and began working with an architect to develop plans for construction of one new building to house all administrative and program management staff at one location. Unfortunately, the projected costs, coupled with our need to continue to invest all available funds into employee wages and benefits, have placed that dream out of reach for now.

The remodel of an existing building that is free of debt is certainly the most cost effective option for CVA to address our building infrastructure needs that are not adequately being met currently. Thank you for the consideration of this request.

Chariton Valley Association, Inc.
Grant Request Budget Summary

Item Description	Total Project	CVA Match	Requested Amount
Construction	\$ 209,309.00	\$ 120,171.00	\$89,138.00
Architect Fees	\$ 11,800.00	\$ 11,800.00	\$0.00
Furnishings	\$ 50,000.00	\$ 31,704.34	\$18,295.66
Outdoor Sign	\$ 5,380.00	\$5,380.00	\$0.00
Totals	\$ 276,489.00	\$ 169,055.34	\$107,433.66

Chariton Valley Association, Inc.
 Conference/Training and Multipurpose Rooms & Outdoor Sign Price Quotes

Small Training/Conference Room

Item	Qty	Pro-tech	A to Z	Other	Best Quote
Television	1			\$ 500.00	\$ 500.00
Table	1	\$ 968.32	\$ 4,876.00	\$ -	\$ 968.32
Chairs	20	\$ 4,297.60	\$ 9,330.00	\$ -	\$ 4,297.60
Credenza	1	\$ 572.82	\$ 885.00	\$ -	\$ 572.82
Installation	1	\$ -	\$ 1,702.00	\$ -	\$ -
Total for Room		\$ 5,838.74	\$ 16,793.00	\$ 500.00	\$ 6,338.74

Multipurpose Room

Projector & Mounts	1			\$ 1,107.00	\$ 1,107.00
Projection Screen	1			\$ 459.00	\$ 459.00
Nesting Tables	18	\$ 4,518.54	\$ 8,608.00	\$ -	\$ 4,518.54
Chairs	60	\$ 5,872.38	\$ 4,760.00	\$ -	\$ 5,872.38
Installation	1	\$ -	\$ 1,508.00	\$ -	\$ -
Total for Room		\$ 10,390.92	\$ 14,876.00	\$ 1,566.00	\$ 11,956.92
Total for Both Rooms		\$ 16,229.66	\$ 31,669.00	\$ 2,066.00	\$ 18,295.66

Outdoor Sign

Illuminated Outdoor Sign		D&J's	B&H Graphics	Best Quote
Concrete Base		\$ 4,180.00	\$ 6,250.00	\$ 4,180.00
Total For Sign		\$ 1,200.00	\$ 1,625.00	\$ 1,200.00
		\$ 5,380.00	\$ 7,875.00	\$ 5,380.00

Alteration to Chariton Valley Association, Inc.
Construction Budget - Conf. Rooms

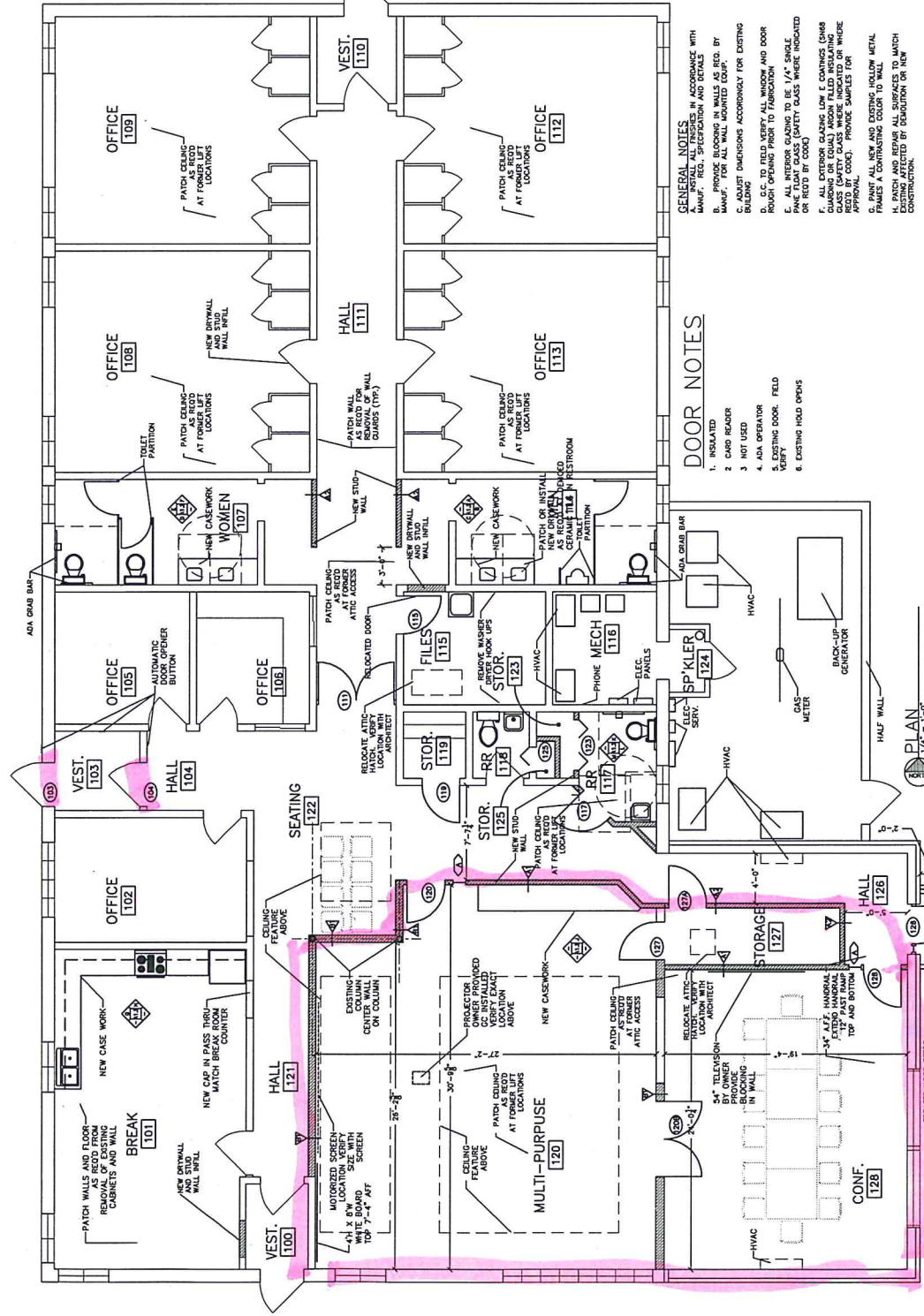
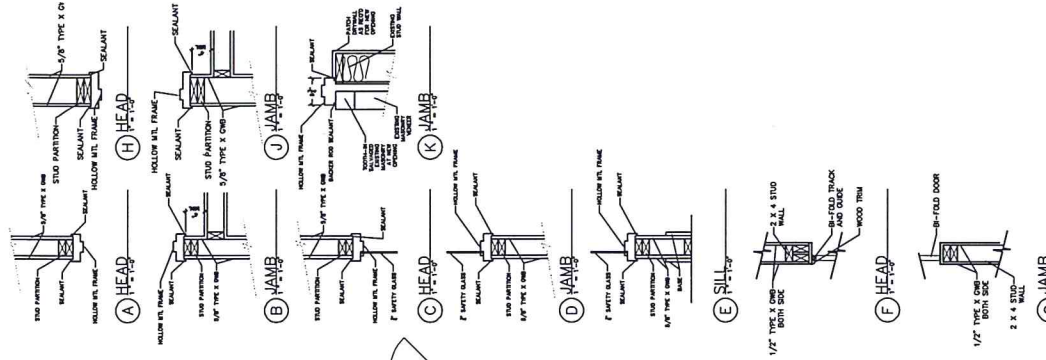
K. A. Shook Design, LLC

	Estimated	Estimated	Actual Bid Totals
	Item	Category	Totals 93.6% of Estimated
	Totals	Totals	Totals
General			
Cleaning	15 HR	\$40.00	\$600
Project manger	45 HR	\$95.00	\$4,275
Superintendent	180 HR	\$60.00	\$10,800
Dumpster	1 Turns	\$800.00	\$800
General Demo	1 LS	\$3,000.00	\$3,000
Permit	1159.2 SF city calc.	\$4.25	\$4,927
			\$24,402
			\$22,840
Carpentry(Conference/Training & Conference Storage Rooms)			
Relocate Attic Hatches	1 EA	\$350.00	\$350
Misc. Wall patch	1 LS	\$750.00	\$750
Stud and drywall wall	1280 SF of Wall	\$8.50	\$10,880
			\$11,980
			\$11,213
Door and Windows(Conference/Training Rooms & Front Entrance)			
Interior Windows	2 EA	\$600.00	\$1,200
HM door and frame	4 EA	\$900.00	\$3,600
HM door and frame - double	1 EA	\$1,700.00	\$1,700
Ex Alum Doors	2	\$1,280.00	\$2,560
Ex Metal Doors	1 EA	\$1,200.00	\$1,200
			\$10,260
			\$9,603
Finishes(Conference/Training Rooms)			
Flooring - mid cost	1506 SF	\$5.25	\$7,907
Gyp Ceiling	1 LS	\$1,000.00	\$1,000
Wall - Pant	1280 SF of Wall	\$1.50	\$1,920
Wall - Pant	1050 SF of Wall	\$1.10	\$1,155
Ceiling - Paint	1506 SF of Ceiling	\$1.10	\$1,657
Base	128 LF	\$2.00	\$256
			\$13,894
			\$13,005
Spec.(Conference/Training Room & Front Entrance)			

**Alteration to Chariton Valley Association, Inc.
Construction Budget - Conf. Rooms**

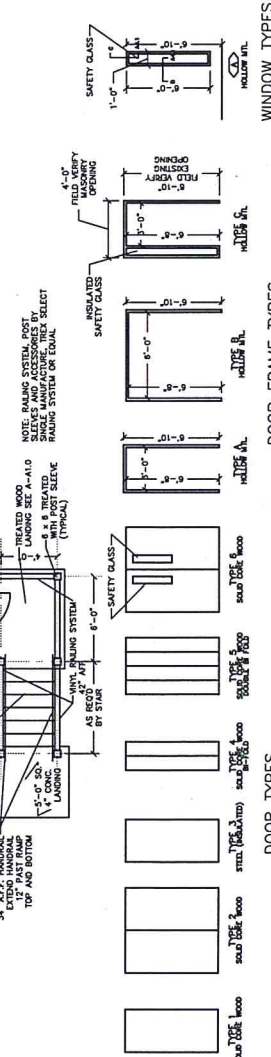
K. A. Shook Design, LLC

		Estimated	Estimated	Actual Bid Totals
General	Item Category	Totals	Totals	93.6% of Estimated
Cabinets	12 LF	\$400.00		
ADA door opener	1 LS	\$9,500.00		
Conf. Counter	12 LF	\$170.00	\$16,340	\$15,294
<u>Plumbing(Conference/Training Rooms)</u>				
Modify sprinklers	8 Each	\$300.00	\$2,400	\$2,246
<u>HVAC(Conference/Training Rooms)</u>				
Standard forced Air	1 LS	\$8,000.00	\$8,000	\$7,488
<u>Electrical(Conference/Training Rooms)</u>				
Delete light fixture	6 EA	\$32.00		
Add Exit sign	1 EA	\$400.00		
New fixture outlets	14 EA	\$350.00		
	12 EA	\$50.00		
Misc. Power and Lighting	1 LS	\$750.00		
Swinch	8 EA	\$65.00		
Data	7 EA	\$85.00		
			\$7,957	\$7,448
	Total		\$95,233	\$89,138



DOOR SCHEDULE

DOOR #	SIZE		DOOR		FRAME		FIRE CRT
	W	H	MAT.	TYPE	FIN.	DETAIL	
103	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
104	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
105	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
106	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
107	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
108	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
109	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
110	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
111	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
112	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
113	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
114	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
115	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
116	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
117	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
118	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
119	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
120	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
121	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
122	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
123	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
124	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
125	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
126	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
127	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
128	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
129	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
130	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
131	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
132	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5
133	3'-0"	8'-0"	WD	6	ST	A	2, 4, 5



DOOR SCHEDULE

DOOR NOTES

WINDOW TYPES

DOOR FRAME TYPES

DOOR TYPES