

**DRAFT**

***AVENUES for Northeast Missouri, Inc.***

***FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
JUNE 30, 2024***

***AVENUES for Northeast Missouri, Inc.***

Hannibal, Missouri

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## INDEPENDENT AUDITORS' REPORT



Board of Directors of  
*AVENUES for Northeast Missouri, Inc.*

### ***Opinion***

We have audited the accompanying financial statements of AVENUES for Northeast Missouri, Inc. (a not-for-profit Agency), which comprise the statement of financial position as of June 30, 2024, 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 AVENUES for Northeast Missouri, Inc. as of June 30, 2024, and the changes in its 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of AVENUES for Northeast Missouri, Inc. 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.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 AVENUES for Northeast Missouri, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

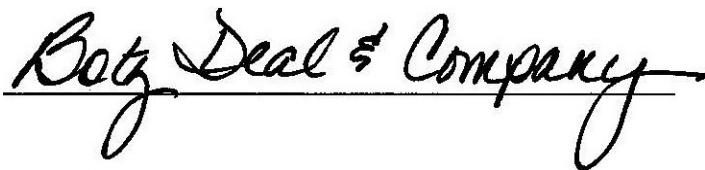
***Auditors' Responsibility for the Audit of the Financial Statements***

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 AVENUES for Northeast Missouri, Inc.'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 AVENUES for Northeast Missouri, Inc.'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.

A handwritten signature in black ink that reads "Betz Deal & Company". The signature is written in a cursive, flowing style and is positioned above a horizontal line.

St. Charles, Missouri  
**DATE**, 2024

***AVENUES of Northeast Missouri, Inc.*****STATEMENT OF FINANCIAL POSITION****JUNE 30, 2024****ASSETS****CURRENT ASSETS**

Cash	\$ 117,640
Certificates of deposit - cash equivalents	78,888
Grants and accounts receivable	76,787
Prepaid expenses	10,553
<b>TOTAL CURRENT ASSETS</b>	<b>283,868</b>

**FIXED ASSETS**

Land	24,600
Buildings and improvements	444,470
Furniture and equipment	89,657
Construction in progress	25,000
Operating lease - right-of-use asset	13,157
<b>Total</b>	<b>596,884</b>
Less: accumulated depreciation and amortization	196,287
<b>TOTAL FIXED ASSETS, NET</b>	<b>400,597</b>
<b>TOTAL ASSETS</b>	<b>\$ 684,465</b>

**LIABILITIES AND NET ASSETS****CURRENT LIABILITIES**

Accounts payable	\$ 10,354
Accrued salaries and wages	13,181
Notes payable - current portion	8,444
Operating lease liability - current	2,600
<b>TOTAL CURRENT LIABILITIES</b>	<b>34,579</b>

**NONCURRENT LIABILITIES**

Notes payable - noncurrent portion	246,674
Operating lease liability- net of current portion	6,144
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>252,818</b>

**NET ASSETS**

Without donor restrictions:	
Undesignated	387,905
With donor restrictions	9,163
<b>TOTAL NET ASSETS</b>	<b>397,068</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 684,465</b>

The accompanying notes are an integral part of these financial statements.

***AVENUES for Northeast Missouri, Inc.***STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Grant revenue	\$ 716,120	\$ 12,050	\$ 728,170
Contributions	94,243	-	94,243
Special events	783	-	783
Marriage/divorce fees	43,340	-	43,340
Interest earned	2,046	-	2,046
Net assets released from restrictions:			
Satisfaction of time restrictions	18,160	(18,160)	-
<b>TOTAL REVENUE AND SUPPORT</b>	<u>874,692</u>	<u>(6,110)</u>	<u>868,582</u>
<b>EXPENSES</b>			
Program services	758,476	-	758,476
Management and general	181,654	-	181,654
Fundraising	268	-	268
<b>TOTAL EXPENSES</b>	<u>940,398</u>	<u>-</u>	<u>940,398</u>
<b>CHANGE IN NET ASSETS</b>	(65,706)	(6,110)	(71,816)
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>453,611</u>	<u>15,273</u>	<u>468,884</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 387,905</u>	<u>\$ 9,163</u>	<u>\$ 397,068</u>

The accompanying notes are an integral part of these financial statements.

***AVENUES for Northeast Missouri, Inc.***STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services	Management & General	Fundraising	Total
Salaries and wages	\$ 445,324	\$ 106,928	\$ -	\$ 552,252
Payroll taxes	32,152	8,180	-	40,332
Employee benefits	57,431	7,892	-	65,323
Advertising	225	-	-	225
Contracted services	17,314	-	-	17,314
Client services	67,539	-	-	67,539
Depreciation	12,313	2,956	-	15,269
Dues and subscriptions	1,333	-	-	1,333
Information technology	9,009	2,163	-	11,172
Insurance	18,755	4,503	-	23,258
Interest expense	11,710	2,812	-	14,522
Miscellaneous	-	7,511	-	7,511
Office equipment	-	1,830	-	1,830
Office expense	4,600	1,105	-	5,705
Postage	70	-	-	70
Professional fees	-	17,013	-	17,013
Rent	8,590	2,062	-	10,652
Repair and maintenance	8,877	2,132	-	11,009
Special events	-	-	268	268
Staff development	2,568	-	-	2,568
Travel	28,031	6,730	-	34,761
Utilities	32,636	7,836	-	40,472
TOTAL EXPENSES	<u>\$ 758,476</u>	<u>\$ 181,654</u>	<u>\$ 268</u>	<u>\$ 940,398</u>

The accompanying notes are an integral part of these financial statements.

***AVENUES of Northeast Missouri, Inc.***  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from funding agencies and donors	\$ 936,584
Cash received from special events	783
Cash paid to suppliers and employees	(938,359)
Interest paid	(14,522)
Interest received	2,046
NET CASH PROVIDED (USED)	
BY OPERATING ACTIVITIES	<u>(13,468)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of fixed assets	<u>(27,800)</u>
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**CASH FLOWS FROM FINANCING ACTIVITIES**

Payments on debt	<u>(7,953)</u>
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**NET INCREASE (DECREASE) IN CASH** (49,221)

**CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR** 245,749

**CASH AND CASH EQUIVALENTS - END OF YEAR** \$ 196,528

Cash	\$ 117,640
Certificates of deposit - cash equivalents	78,888
TOTAL CASH	<u><u>\$ 196,528</u></u>

**RECONCILIATION OF CHANGE IN NET ASSETS**  
**TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

**CHANGE IN NET ASSETS** \$ (71,816)

**ADJUSTMENTS TO RECONCILE CHANGE**  
**IN NET ASSETS TO NET CASH PROVIDED**  
**(USED) BY OPERATING ACTIVITIES**

Depreciation	15,269
(Increase) decrease in assets:	
Grants and accounts receivable	70,831
Prepaid expenses	(2,405)
Increase (decrease) in liabilities:	
Accounts payable	(27,858)
Accrued salaries and wages	2,511
TOTAL ADJUSTMENTS	<u>58,348</u>

**NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES** \$ (13,468)

The accompanying notes are an integral part of these financial statements.



***AVENUES for Northeast Missouri, Inc.***  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**1. DESCRIPTION OF OPERATIONS**

Abuse Victims Education Network Unified to Ensure Safety for Northeast Missouri, Inc., aka AVENUES for Northeast Missouri, Inc. (the Agency) is a domestic violence and sexual assault shelter and outreach program dedicated to serving individuals who have been traumatized by violence in Northeast Missouri. AVENUES for Northeast Missouri, Inc. serves the counties of Adair, Clark, Knox, Lewis, Marion, Monroe, Pike, Ralls, Schuyler, Scotland and Shelby. The Agency's services and programs are supported through state and local (regional) grants, in-kind and financial donations, and federal subaward contracts from state and local partnerships.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation** - Financial statement presentation follows the recommendations of the FASB Accounting Standard Codification Topic 958, Not-For-Profit Entities.

**Net Assets** - Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Revenue and Revenue Recognition** - Grant revenue under cost-reimbursable contracts are recognized when the condition is met. Program service fees received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

**Donated Services** - No amounts have been reflected in the financial statements for donated services. The Agency generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Agency at the residents' facilities.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

**Accounts Receivable** - Receivables consist of grant, contract, or other revenue earned and not yet received. An allowance for doubtful accounts is not deemed necessary by management as, historically, few balances have been written off. The Agency considers a receivable to be past due after thirty days. As of June 30, 2024, there were no past due receivables.

**Fixed Assets** - Acquisitions of fixed assets over \$250 with useful lives greater than one year are capitalized. Fixed assets are recorded at cost or fair market value at time of donation and depreciated over estimated useful lives as follows:

Major Group	Method	Life
Furniture and equipment	Straight-line	5 - 10 years
Building and improvements	Straight-line	39 years

Depreciation expense was \$15,269 for the year ended June 30, 2024.

**Concentration of Cash** - The Agency maintains its cash and cash equivalents at three commercial banks. All of the Agency's deposits were insured by the Federal Deposit Insurance Corporation (FDIC) as of June 30, 2024.

**Concentration of Credit Risk** - For the year ended June 30, 2024, the Agency received approximately 81% of its revenue from federal, state and local agencies. At June 30, 2024, approximately 90% of the receivables was due from federal, state and local agencies.

**Advertising** - The Agency follows the policy of charging advertising to expense when incurred. Advertising costs amounted to \$225 for the year ended June 30, 2024.

**Cash and Cash Equivalents** - For purposes of the statement of cash flows, the Agency considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

**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.

**Income Taxes** - The Agency is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Agency has also been classified as an entity that is not a private foundation within the meaning of Section 509(a).

**Expense Allocation** - The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities. Accordingly, expenses require allocation on a reasonable basis that is consistently applied. The expenses allocated include salaries and benefits, payroll taxes, depreciation, rent, office expense, information technology, travel, utilities, repair and maintenance and insurance which are allocated on the basis of estimates of time and effort. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Agency.

**3. LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash	\$	117,640
Certificates of deposit		78,888
Grants and accounts receivable		76,787
Less: donor-imposed restrictions - purpose		(5,163)
Less: donor-imposed restrictions - time		(4,000)
<b>TOTAL</b>	<b>\$</b>	<b><u>264,152</u></b>

The Agency has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**4. LEASE LIABILITY**

The Agency leases its Adair County office space under an operating lease. On June 1, 2021, a three-year lease was signed for \$250 per month.

The Agency also leases its Pike County office space under an operating lease. On September 1, 2022, a five-year lease was signed for \$250 per month.

Rent expense was \$10,652 for the year ended June 30, 2024.

The Agency implemented ASU 2016-02, *Leases* during fiscal year 2023. As a result, a lease liability and a right-of-use asset was recorded for \$18,629 at July 1, 2022. The lease liability is based on the present value of future lease payments using the Agency's incremental borrowing rate as the discount rate which was 5.47% at the time of implementation. As of June 30, 2024, the value of the lease liability was \$8,744. The value of the right-of-use asset at June 30, 2024 is \$13,157 less accumulated amortization of \$4,413.

Future minimum lease payments under noncancellable operating leases for the years ending June 30, are as follows:

<u>Year</u>	<u>Payments</u>
2025	\$ 3,000
2026	3,000
2027	3,000
2028	500
Total	<u>9,500</u>
Less: discounts to net present value	<u>(756)</u>
Net operating lease liability	<u><u>\$ 8,744</u></u>

**5. PROMISSORY NOTE**

On July 1, 2022, the Agency obtained a promissory note in the amount of \$270,000 for the purchase of a new building. The loan has a variable interest rate and matures July 1, 2042. Beginning August 1, 2022 the Agency is required to make 60 monthly payments of principal and interest of \$1,865 at an interest rate of 5.47%. Beginning August 1, 2027 the Agency is required to make monthly payments of principal and interest of \$1,915 at an interest rate of 5.87%. The balance of the note as of June 30, 2024 is \$255,118.

Future minimum payments for the year ended June 30 are as follows:

<u>Year</u>	<u>Payments</u>
2024	\$ 8,444
2025	8,925
2026	9,432
2027	9,637
2028	10,235
Thereafter	<u>208,445</u>
Total	<u>\$ 255,118</u>

**6. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following purposes or periods as of June 30, 2023:

Time restrictions:

United Way of Greater St. Louis	\$ 4,000
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Purpose restrictions:

Program	<u>5,163</u>
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TOTAL NET ASSETS WITH  
DONOR RESTRICTIONS

\$ <u>9,163</u>
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**7. RETIREMENT PLAN**

In March of 2021, the Agency established a Section 403(b) pension plan for the benefit of its employees. The Plan is offered to all employees. There is no agency match. Retirement plan expense was \$-0- for the year ended June 30, 2024.

**8. INCOME TAX**

FASB Accounting Standards Codification Topic 740, Income Taxes provides for the recognition of tax benefits related to uncertain tax positions. For the year ended June 30, 2024, management believes there are no material uncertain tax positions. The Agency files form 990 Return of Agency Exempt From Income Tax, annually. Returns prior to 2021 are closed.

9. **SUBSEQUENT EVENTS**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through the date of the Independent Auditors' Report, the date the financial statements were available to be issued.

10. **CONTINGENCIES**

The Agency receives financial assistance from government and local agencies that is subject to reviews and audits. These reviews and audits could lead to requests for reimbursement or withholding of future funding for expenditures disallowed under or other noncompliance with the terms of the grants. The Agency has not been notified of any noncompliance that would require reimbursement as of June 30, 2024.