

DEVELOPMENTAL SERVICES OF FRANKLIN COUNTY

AUDITED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2014 and 2013

DEVELOPMENTAL SERVICES OF FRANKLIN COUNTY  
CONTENTS

	Page
<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>1</b>
 <b>FINANCIAL STATEMENTS</b>	
Statements of Net Position	3
Statements of Revenue and Support, Expenses, and Change in Net Position	5
Statements of Cash Flows	7
Notes to Financial Statements	9
 <b>SUPPLEMENTAL INFORMATION</b>	
Schedule of Operating Revenue and Support, Expenses, and Change in Net Position - Budget and Actual	15
Board of Directors and Officers	22



**TOCHTROP & ASSOCIATES, P.C.**  
*Certified Public Accountants*

2 Wainwright/Suite 200  
P.O. Box 1578  
Washington, MO 63090

Telephone (636) 239-6400  
Fax (636) 239-9992

**INDEPENDENT AUDITOR'S REPORT**

**The Board of Directors  
Developmental Services of Franklin County**

We have audited the accompanying financial statements of Developmental Services of Franklin County (DSFC) as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, as listed in the table of contents.

**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.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 DSFC'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 DSFC's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of DSFC, as of June 30, 2014 and 2013, and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplemental Information*

Management's Discussion and Analysis has been omitted. Such information, although not part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

### *Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements of DSFC. The schedule of operating revenue and support, expenses, and change in net position - budget and actual and board of directors and officers are presented for the purpose of additional analysis and is not a required part of the financial statements. The 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 them.

*Tochtrop & Associates*  
Tochtrop & Associates, P.C.  
Washington, Missouri

September 9, 2014

DEVELOPMENTAL SERVICES OF FRANKLIN COUNTY  
STATEMENTS OF NET POSITION  
JUNE 30, 2014 AND 2013

ASSETS	<u>2014</u>	<u>2013</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,720,901	2,601,121
Receivables:		
Accounts	517,971	555,109
Property taxes	96,710	100,263
Due from Franklin County		
Transportation Council	7,108	2,236
Prepaid expenses	97,045	81,815
Advances to clients	-	578
Deposits on leased property	<u>2,777</u>	<u>2,777</u>
<b>TOTAL CURRENT ASSETS</b>	<u>3,442,512</u>	<u>3,343,899</u>
<b>NONCURRENT ASSETS</b>		
Capital assets:		
Land	250,578	250,578
Construction in progress	23,500	-
Other capital assets, net of accumulated depreciation:		
Group Home building	46,572	52,530
Group Home furnishings and equipment	40,048	53,506
Administration building	446,908	465,953
Leasehold improvements	1,810	1,980
Office furnishings and equipment	<u>125,547</u>	<u>178,174</u>
<b>TOTAL NONCURENT ASSETS</b>	<u>934,963</u>	<u>1,002,721</u>
<b>TOTAL ASSETS</b>	<u>\$ 4,377,475</u>	<u>4,346,620</u>

The accompanying notes are an integral part of the financial statements

DEVELOPMENTAL SERVICES OF FRANKLIN COUNTY  
STATEMENTS OF NET POSITION  
JUNE 30, 2014 AND 2013  
Continued

LIABILITIES AND NET ASSETS

	<u>2014</u>	<u>2013</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 257,371	260,607
Accrued payroll liabilities	136,437	125,766
Accrued retirement plan payable	1,324	545
Compensated absences - current portion	<u>58,670</u>	<u>59,639</u>
<b>TOTAL CURRENT LIABILITIES</b>	453,802	446,557
<b>NONCURRENT LIABILITIES</b>		
Compensated absences	<u>19,556</u>	<u>19,879</u>
<b>TOTAL LIABILITIES</b>	<u>473,358</u>	<u>466,436</u>
<b>NET POSITION</b>		
Invested in capital assets	934,963	1,002,721
Unrestricted	<u>2,969,154</u>	<u>2,877,463</u>
<b>TOTAL NET POSITION</b>	<u>3,904,117</u>	<u>3,880,184</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 4,377,475</u>	<u>4,346,620</u>

The accompanying notes are an integral part of the financial statements

DEVELOPMENTAL SERVICES OF FRANKLIN COUNTY  
STATEMENTS OF REVENUE AND SUPPORT, EXPENSES, AND CHANGE IN NET POSITION  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<b>OPERATING REVENUE AND SUPPORT</b>		
Missouri Department of Social Services	\$ 3,349,242	3,064,703
Property taxes	1,783,330	1,754,977
Missouri Department of Mental Health	899,752	877,995
Missouri Department of Elementary and Secondary Education	160,681	159,462
Charges for services	23,291	23,291
Consulting services	21,322	5,400
Developmental Disabilities Resource Board	7,850	7,575
Community integration, net	7,216	851
Miscellaneous	6,829	8,759
Recreation, net	<u>-</u>	<u>529</u>
<b>TOTAL OPERATING REVENUE AND SUPPORT</b>	<u>6,259,513</u>	<u>5,903,542</u>
<b>OPERATING EXPENSES</b>		
Supported services	1,705,237	1,698,955
Administration	1,106,257	944,577
Agency funding	998,881	1,071,456
Supported services - administration	737,991	773,764
Service coordination	674,466	645,108
Residential - Sullivan house group home	401,288	376,000
Behavioral support	265,571	225,931
Education and family support - early intervention	246,664	234,064
Long range expenses	<u>129,830</u>	<u>97,539</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>6,266,185</u>	<u>6,067,394</u>
<b>LOSS FROM OPERATIONS</b>	<u>\$ (6,672)</u>	<u>(163,852)</u>

The accompanying notes are an integral part of the financial statements

DEVELOPMENTAL SERVICES OF FRANKLIN COUNTY  
 STATEMENTS OF REVENUE AND SUPPORT, EXPENSES, AND CHANGE IN NET POSTION  
 FOR THE YEARS ENDED JUNE 30, 2014 AND 2013  
 Continued

	<u>2014</u>	<u>2013</u>
OTHER INCOME (EXPENSE)		
Rent - Highway 47 building	\$ 18,600	15,500
Interest income	12,005	20,657
Insurance claims, net	-	161
American Recovery and Reinvestment Act Grant:		
Grant expenses	-	(95,794)
Loss on retirement of capital assets	<u>-</u>	<u>(1,800)</u>
 TOTAL OTHER INCOME (EXPENSE)	 <u>30,605</u>	 <u>(61,276)</u>
 CHANGE IN NET POSTION	 23,933	 (225,128)
 NET POSITION, JULY 1	 <u>3,880,184</u>	 <u>4,105,312</u>
 NET POSITION, JUNE 30	 <u>\$ 3,904,117</u>	 <u>3,880,184</u>

The accompanying notes are an integral part of the financial statements

DEVELOPMENTAL SERVICES OF FRANKLIN COUNTY  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from services provided	\$ 4,507,070	4,233,732
Receipts from property taxes	1,786,883	1,765,862
Miscellaneous receipts	6,829	8,759
Payments to or for the benefit of employees	(4,360,848)	(4,154,330)
Payments to agencies funded	(998,881)	(1,071,456)
Payments to suppliers and providers	<u>(818,259)</u>	<u>(706,169)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>122,794</u>	<u>76,398</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Rent - Highway 47 building	18,600	15,500
Insurance claims, net	-	161
(Increase) decrease in due from:		
Franklin County Transportation Council	(4,872)	(2,236)
American Recovery and Reinvestment Act Grant:		
Payments for agency expenses	<u>-</u>	<u>(95,794)</u>
<b>NET CASH PROVIDED BY (USED IN)</b>		
<b>NONCAPITAL FINANCING ACTIVITIES</b>	<u>13,728</u>	<u>(82,369)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	<u>(28,747)</u>	<u>(288,172)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease in certificates of deposit	-	650,000
Interest income	<u>12,005</u>	<u>26,224</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>12,005</u>	<u>676,224</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	119,780	382,081
<b>CASH AND CASH EQUIVALENTS, JULY 1</b>	<u>2,601,121</u>	<u>2,219,040</u>
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<u><u>\$ 2,720,901</u></u>	<u><u>2,601,121</u></u>

The accompanying notes are an integral part of the financial statements

DEVELOPMENTAL SERVICES OF FRANKLIN COUNTY  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013  
(Continued)

	<u>2014</u>	<u>2013</u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Loss from operations	\$ (6,672)	(163,852)
Adjustments to reconcile loss from operations to net cash provided by operating activities:		
Depreciation	96,505	84,223
(Increase) decrease in current assets:		
Accounts receivable	37,138	94,195
Property tax receivable	3,553	10,885
Prepaid expenses	(15,230)	429
Advances to clients	578	(269)
Increase (decrease) in current liabilities:		
Accounts payable	(3,236)	41,747
Accrued payroll liabilities	10,671	9,344
Accrued retirement plan payable	779	(658)
Compensated absences	(1,292)	354
	<u>129,466</u>	<u>240,250</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 122,794</u>	<u>76,398</u>

The accompanying notes are an integral part of the financial statements

DEVELOPMENTAL SERVICES OF FRANKLIN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Developmental Services of Franklin County (DSFC) is a political subdivision formed under the "Senate Bill 40" legislation in Franklin County in 1987. Under this legislation, money generated through a county property tax is designated to provide services for persons with developmental disabilities. The significant accounting policies consistently applied by DSFC in the preparation of the accompanying financial statements are summarized below:

**1. The Reporting Entity**

In evaluating DSFC as a reporting entity, management has addressed all component units for which DSFC may or may not be financially accountable and, as such, be includable within DSFC's financial statements. In accordance with GASB Statement No. 14, DSFC (the primary government) is financially accountable if it appoints a voting majority of an entity's governing board and 1) it is able to impose its will on the entity or 2) there is a potential for the entity to provide specific financial benefit to or impose specific financial burden on DSFC. Additionally, the primary government is required to consider other entities for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting organization's financial statements to be misleading or incomplete. DSFC does not have any component units.

**2. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The accounts of DSFC are maintained using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Property taxes are recognized as revenues in the year for which they are received. Grants and similar items are recognized as revenue as soon as all eligible requirements imposed by the provider have been met.

DSFC includes all of its activities in one enterprise fund. Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises--where the governing body has decided that periodic determination of revenues and expenses is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Private-sector standards of accounting and financial reporting issued after December 1, 1989, generally are followed in the financial statements to the extent that those standards do not conflict with or contradict guidance of GASB.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with principal ongoing operations. The principal operating revenues of DSFC are charges for services. Operating expenses include cost of services, administrative expenses, and depreciation on property and equipment. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

DEVELOPMENTAL SERVICES OF FRANKLIN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

NOTE A - SUMMARY OF ACCOUNTING POLICIES (Continued)

2. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

When both restricted and unrestricted resources are available for use, it is DSFC's policy to use restricted resources first, then unrestricted resources as they are needed.

3. Cash, Cash Equivalents, and Investments

For cash flow statement purposes, DSFC considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires that all investments be reported in the financial statements at fair value. Fair value is established as readily determinable current market value for equity and debt securities. State statutes authorize DSFC to invest in obligations of U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements.

4. Capital Assets

Capital assets, which include land, group home building, furnishings, and equipment, leasehold improvements, and office furnishings and equipment, are stated at cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation is computed on the straight-line method using asset lives as follows in accordance with the Missouri Department of Mental Health's guidelines:

<u>Assets</u>	<u>Years</u>
Group home building	30
Group home furnishings and equipment	5 - 15
Administration building	10 - 30
Leasehold improvements	15
Office furnishings and equipment	5 - 10

5. Receivables

In the opinion of management, all receivables are collectible in full; therefore no allowance for doubtful accounts is provided.

6. Compensated Absences

It is DSFC's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred. There is no liability for unpaid accumulated sick leave since DSFC does not have a policy to pay any amounts when employees separate from service.

DEVELOPMENTAL SERVICES OF FRANKLIN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

**NOTE A - SUMMARY OF ACCOUNTING POLICIES (Continued)**

**7. Property Taxes**

DSFC received a tax levy at June 30, 2014 and 2013 of \$.0100 and \$.0939, respectively, per \$100 of assessed value of Franklin County's real estate and personal property. The January 1, 2013 and 2012, assessed values were \$1,769,359,364 and \$1,850,904,474, respectively. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due and payable at that time. All unpaid taxes levied November 1 become delinquent January 1 of the following year.

**8. Prepaid Expenses**

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid expenses.

**9. Budgets and Budgetary Accounting**

DSFC follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Prior to July 1, the proposed budget is submitted to the Board of Directors for the upcoming fiscal year. The budget includes proposed expenditures and the means of financing them.
- b. Prior to July 1, the budget is adopted by the Board of Directors.
- c. Unused appropriations lapse at the end of the year.
- d. The budget amounts shown in the financial statements are the original and final authorized amounts as revised during the year.
- e. The budget is adopted on a basis consistent with that used for the financial statements.

**10. Use of Estimates**

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

**NOTE B - CASH, CASH EQUIVALENTS, AND INVESTMENTS**

DSFC's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with DSFC or trustee institution. The value of the securities must amount to the total of DSFC's cash not insured by the Federal Deposit Insurance Corporation (FDIC).

At June 30, 2014, the carrying amount of DSFC's deposits was \$2,720,901 and the bank balance was \$2,880,257. Of the bank balance \$250,000 was insured by FDIC and \$2,630,257 was collateralized with securities held by the pledging financial institution in DSFC's name.

DEVELOPMENTAL SERVICES OF FRANKLIN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

**NOTE B - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)**

At June 30, 2013, the carrying amount of DSFC's deposits was \$2,601,121 and the bank balance was \$2,647,586. Of the bank balance \$250,000 was insured by FDIC and \$2,397,586 was collateralized with securities held by the pledging financial institution in DSFC's name.

**NOTE C - CAPITAL ASSETS**

Capital asset activity for June 30, 2014 was as follows:

	June 30 <u>2013</u>	<u>Increases</u>	<u>Decreases</u>	June 30 <u>2014</u>
<i>Capital assets not being depreciated:</i>				
Land	\$ 240,578	--	--	240,578
Group Home land	10,000	--	--	10,000
Construction in progress	<u>--</u>	<u>23,500</u>	<u>--</u>	<u>23,500</u>
Total capital assets not being depreciated	<u>250,578</u>	<u>23,500</u>	<u>--</u>	<u>274,078</u>
<i>Capital assets being depreciated:</i>				
Group Home building	178,724	--	--	178,724
Group Home furnishings & equipment	108,724	--	--	108,724
Building	480,968	--	--	480,968
Leasehold improvements	2,547	--	--	2,547
Office furnishings & equipment	<u>350,717</u>	<u>5,247</u>	<u>--</u>	<u>355,964</u>
Total capital assets being depreciated	<u>1,121,680</u>	<u>5,247</u>	<u>--</u>	<u>1,126,927</u>
<i>Less accumulated depreciation for:</i>				
Group Home building	(126,194)	(5,958)	--	(132,152)
Group Home furnishings & equipment	(55,218)	(13,458)	--	(68,676)
Building	(15,015)	(19,045)	--	(34,060)
Leasehold improvements	(567)	(170)	--	(737)
Office furnishings & equipment	<u>(172,543)</u>	<u>(57,874)</u>	<u>--</u>	<u>(230,417)</u>
Total accumulated depreciation	<u>(369,537)</u>	<u>(96,505)</u>	<u>--</u>	<u>(466,042)</u>
Total capital assets being depreciated, net	<u>752,143</u>	<u>(91,258)</u>	<u>--</u>	<u>660,885</u>
Total capital assets, net	<u>\$1,002,721</u>	<u>(67,758)</u>	<u>--</u>	<u>934,963</u>

Depreciation expense was charged to functions/programs at June 30, 2014 as follows:

Administration	\$77,089
Residential - Sullivan House Group Home	<u>19,416</u>
Total depreciation expense	<u>\$96,505</u>

DEVELOPMENTAL SERVICES OF FRANKLIN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

NOTE C - CAPITAL ASSETS (Continued)

Capital asset activity for June 30, 2013 was as follows:

	June 30 <u>2012</u>	<u>Increases</u>	Retirements <u>Transfers</u>	June 30 <u>2013</u>
<i>Capital assets not being depreciated:</i>				
Land	\$240,578	--	--	240,578
Group Home land	10,000	--	--	10,000
Construction in progress	<u>1,386</u>	<u>--</u>	<u>(1,386)</u>	<u>--</u>
Total capital assets not being depreciated	<u>251,964</u>	<u>--</u>	<u>(1,386)</u>	<u>250,578</u>
<i>Capital assets being depreciated:</i>				
Group Home building	178,724	--	--	178,724
Group Home furnishings & equipment	105,224	3,500	--	108,724
Building	262,051	217,531	1,386	480,968
Leasehold improvements	2,547	--	--	2,547
Office furnishings & equipment	<u>289,885</u>	<u>67,141</u>	<u>(6,309)</u>	<u>350,717</u>
Total capital assets being depreciated	<u>838,431</u>	<u>288,172</u>	<u>(4,923)</u>	<u>1,121,680</u>
<i>Less accumulated depreciation for:</i>				
Group Home building	(120,236)	(5,958)	--	(126,194)
Group Home furnishings & equipment	(41,885)	(13,333)	--	(55,218)
Building	(2,151)	(12,864)	--	(15,015)
Leasehold improvements	(397)	(170)	--	(567)
Office furnishings & equipment	<u>(125,154)</u>	<u>(51,898)</u>	<u>4,509</u>	<u>(172,543)</u>
Total accumulated depreciation	<u>(289,823)</u>	<u>(84,223)</u>	<u>4,509</u>	<u>(369,537)</u>
Total capital assets being depreciated, net	<u>548,608</u>	<u>203,949</u>	<u>( 414)</u>	<u>752,143</u>
Total capital assets, net	<u>\$800,572</u>	<u>203,949</u>	<u>(1,800)</u>	<u>1,002,721</u>

Depreciation expense was charged to functions/programs at June 30, 2013 as follows:

Administration	\$64,932
Residential - Sullivan House Group Home	<u>19,291</u>
Total depreciation expense	<u>\$84,223</u>

DEVELOPMENTAL SERVICES OF FRANKLIN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

**NOTE D - MAJOR REVENUE SOURCES**

DSFC receives a significant portion of its revenue from other governmental agencies including the Missouri Department of Social Services, Missouri Department of Mental Health, and Missouri Department of Elementary & Secondary Education. A listing of the major revenues by program is as follows:

	<u>2014</u>	<u>2013</u>
Supported living	\$2,184,857	2,155,231
Service coordination	1,235,272	1,091,500
Sullivan House group home	400,082	405,809
Behavioral support	177,967	79,826
Early intervention	160,681	159,462
Rainbow Activity Center	131,375	90,257
EMPAC Group, Inc.	115,282	56,118
Special needs	4,158	56
Sheltered Industries of Meramec Valley	--	45,620
Sheltered Workshop, Inc.	<u>--</u>	<u>6,894</u>
	<u>\$4,409,674</u>	<u>4,090,773</u>

**NOTE E - RETIREMENT PLAN**

DSFC has a defined contribution retirement plan, which covers employees at least 21 years old. For the years 2012 and 2011 total wages amounted to \$3,013,625 and \$2,931,185 and eligible wages totaled \$2,963,160 and \$2,817,577 respectively. DSFC's contributions for the 2012 and 2011 plan years, which were paid during the 2013 and 2012 fiscal years amounted to \$210,490 and \$205,183 respectively. There is no liability for employer contributions since DSFC is not legally obligated to make contributions.

**NOTE F - INTERGOVERNMENTAL AGREEMENT**

DSFC has an agreement with the Division of Mental Retardation and Developmental Disabilities of the Department of Mental Health to fund or certify the State share of services it provides. Based on authorized amounts of services to be provided, DSFC's share of match was \$358,719 and \$364,958 for the fiscal years ending June 30, 2014 and 2013, respectively. The funds for this certified match must be from local funds and not from federal sources or donations. DSFC has sufficient local revenue to fund the certified match.

**NOTE G - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through September 9, 2014, the date which the financial statements were available for issue. No subsequent events were identified.

SUPPLEMENTAL INFORMATION

DEVELOPMENTAL SERVICES OF FRANKLIN COUNTY  
SUPPLEMENTAL INFORMATION  
SCHEDULE OF OPERATING REVENUE AND SUPPORT, EXPENSES, AND CHANGE IN NET POSITION  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014

	Original	Final		Over
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	(Under) <u>Budget</u>
<b>OPERATING REVENUE AND SUPPORT</b>				
Missouri Department of				
Social Services	\$ 3,623,538	3,689,546	3,349,242	(340,304)
Property taxes	1,756,367	1,756,367	1,783,330	26,963
Missouri Department of				
Mental Health	886,416	911,558	899,752	(11,806)
Missouri Department of				
Elementary & Secondary				
Education	161,500	161,500	160,681	(819)
Charges for services	23,291	23,291	23,291	-
Consulting services	-	-	21,322	21,322
Developmental Disabilities				
Resource Board	10,000	10,000	7,850	(2,150)
Community integration, net	-	-	7,216	7,216
Miscellaneous	-	-	6,829	6,829
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL OPERATING REVENUE AND SUPPORT</b>	<u>6,461,112</u>	<u>6,552,262</u>	<u>6,259,513</u>	<u>(292,749)</u>
 <b>OPERATING EXPENSES SUPPORTED SERVICES</b>				
Wages	1,253,134	1,278,197	1,249,946	(28,251)
Employee benefits	179,915	179,915	171,094	(8,821)
Payroll taxes	95,865	97,782	92,534	(5,248)
Retirement	78,783	78,783	78,319	(464)
Mileage & meals	75,000	75,000	62,007	(12,993)
Recreation	11,800	11,800	14,957	3,157
Unemployment claims	15,000	15,000	10,288	(4,712)
Transportation	8,302	8,302	8,080	(222)
Conferences & training	10,961	10,961	5,241	(5,720)
Recreation transportation	4,687	4,687	4,228	(459)
Advertising	2,551	2,551	2,756	205
Special Olympics	-	-	2,338	2,338
Record checks & physicals	1,278	1,278	1,630	352
Worker's compensation	1,700	1,700	826	(874)
Miscellaneous	1,200	1,200	684	(516)
Inventives	-	-	287	287
Books & dues	-	-	22	22
Contingency	2,500	2,500	-	(2,500)
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>\$ 1,742,676</u>	<u>1,769,656</u>	<u>1,705,237</u>	<u>(64,419)</u>

DEVELOPMENTAL SERVICES OF FRANKLIN COUNTY  
SUPPLEMENTAL INFORMATION  
SCHEDULE OF OPERATING REVENUE AND SUPPORT, EXPENSES, AND CHANGE IN NET POSITION  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014  
(Continued)

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
<b>OPERATING EXPENSES</b>				
<b>ADMINISTRATION</b>				
Wages	\$ 452,319	501,384	494,479	(6,905)
Employee benefits	137,063	137,063	143,073	6,010
Insurance - liability	86,167	86,167	80,836	(5,331)
Depreciation	78,887	78,887	77,089	(1,798)
Repairs & maintenance	49,970	49,970	50,813	843
Rent	45,676	45,676	45,211	(465)
Computer maintenance	48,000	48,000	41,250	(6,750)
Payroll taxes	34,602	38,355	35,347	(3,008)
Retirement	25,977	25,977	25,976	(1)
Professional fees	25,000	25,000	24,316	(684)
Office supplies	18,000	18,000	21,066	3,066
Books & dues	12,064	12,064	13,017	953
Telephone	10,000	10,000	12,017	2,017
Mileage & meals	4,500	4,500	8,674	4,174
Conferences & training	6,725	6,725	7,062	337
Utilities	6,780	6,780	6,448	(332)
CARF Survey	13,725	13,725	6,100	(7,625)
Postage	7,725	7,725	4,893	(2,832)
Insurance - property	7,500	7,500	3,341	(4,159)
Public awareness	3,750	3,750	2,444	(1,306)
Executive Director				
discretionary	3,500	3,500	1,950	(1,550)
Miscellaneous	500	500	446	(54)
Incentives	-	-	256	256
Advertising	275	275	153	(122)
Record checks & physicals	<u>100</u>	<u>100</u>	<u>-</u>	<u>(100)</u>
	\$ 1,078,805	1,131,623	1,106,257	(25,366)

DEVELOPMENTAL SERVICES OF FRANKLIN COUNTY  
SUPPLEMENTAL INFORMATION  
SCHEDULE OF OPERATING REVENUE AND SUPPORT, EXPENSES, AND CHANGE IN NET POSITION  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2014  
(Continued)

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Over</u> <u>(Under)</u> <u>Budget</u>
OPERATING EXPENSES				
AGENCY FUNDING				
EMPAC Group, Inc.:				
Operations	\$ 388,993	388,993	386,065	(2,928)
Federal pass-through	115,506	118,971	112,030	(6,941)
Rainbow Activity Center:				
Operations	227,263	231,809	161,655	(70,154)
Franklin County Transportation Council, Inc.:				
Operations	280,500	280,500	154,899	(125,601)
Gateway Center for the Arts	84,300	85,986	84,300	(1,686)
Exceptional Equestrians	39,840	40,636	39,525	(1,111)
Consumer services	40,000	40,000	23,466	(16,534)
Developmental Disabilities Resource Board	13,400	13,668	9,735	(3,933)
Gasconade County Special Services	8,000	8,160	7,763	(397)
TEMCO, Inc.	6,741	6,875	6,635	(240)
River Bluff Industries	6,500	6,630	5,681	(949)
Outside provider match	10,300	10,300	5,047	(5,253)
OHCDs special needs	-	-	2,080	2,080
Contingency	138,770	146,758	-	(146,758)
	<u>\$ 1,360,113</u>	<u>1,379,286</u>	<u>998,881</u>	<u>(380,405)</u>

DEVELOPMENTAL SERVICES OF FRANKLIN COUNTY  
 SUPPLEMENTAL INFORMATION  
 SCHEDULE OF OPERATING REVENUE AND SUPPORT, EXPENSES, AND CHANGE IN NET POSITION  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2014  
 (Continued)

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
<b>OPERATING EXPENSES</b>				
<b>SUPPORTED SERVICES-</b>				
<b>ADMINISTRATION</b>				
Wages	\$ 547,934	558,893	526,208	(32,685)
Employee benefits	91,246	91,246	88,039	(3,207)
Payroll taxes	41,917	42,755	40,276	(2,479)
Retirement	38,605	38,605	38,605	-
Mileage & meals	26,474	26,474	25,004	(1,470)
Unemployment claims	-	-	7,957	7,957
Staff training	2,000	2,000	7,037	5,037
Books & dues	2,135	2,135	2,240	105
Conferences & training	4,350	4,350	2,153	(2,197)
Record checks & physicals	233	233	345	112
Incentives	-	-	127	127
Contingency	3,500	3,500	-	(3,500)
Educational supplies	500	500	-	(500)
	<u>758,894</u>	<u>770,691</u>	<u>737,991</u>	<u>(32,700)</u>
<b>SERVICE COORDINATION</b>				
Wages	490,894	460,693	474,834	14,141
Employee benefits	63,244	63,244	64,767	1,523
Payroll taxes	37,553	35,243	35,862	619
Retirement	30,121	30,121	30,120	(1)
Rent	28,000	28,000	29,613	1,613
Mileage & meals	21,000	21,000	19,679	(1,321)
Telephone	11,000	11,000	7,145	(3,855)
Conferences & training	10,500	10,500	6,457	(4,043)
Utilities	2,400	2,400	3,111	711
Advertising	500	500	1,379	879
Books & dues	1,500	1,500	977	(523)
Repairs & maintenance	3,300	3,300	258	(3,042)
Incentives	-	-	177	177
Record checks & physicals	36	36	82	46
Miscellaneous	-	-	5	5
Unemployment claims	5,000	5,000	-	(5,000)
Contingency	3,000	3,000	-	(3,000)
	<u>\$ 708,048</u>	<u>675,537</u>	<u>674,466</u>	<u>(1,071)</u>

DEVELOPMENTAL SERVICES OF FRANKLIN COUNTY

SUPPLEMENTAL INFORMATION

SCHEDULE OF OPERATING REVENUE AND SUPPORT, EXPENSES, AND CHANGE IN NET POSITION

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2014

(Continued)

	Original	Final		Over
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	(Under) <u>Budget</u>
OPERATING EXPENSES				
RESIDENTIAL-SULLIVAN				
HOUSE GROUP HOME				
Wages	\$ 238,057	242,818	260,740	17,922
Employee benefits	26,093	26,093	35,606	9,513
Payroll taxes	18,211	18,576	19,984	1,408
Depreciation	19,196	19,196	19,416	220
Retirement	16,347	16,347	16,347	-
Food	15,000	15,000	16,117	1,117
Utilities	8,251	8,251	6,984	(1,267)
Mileage & meals	3,800	3,800	5,676	1,876
Supplies	3,895	3,895	4,071	176
Repairs & maintenance	16,827	16,827	3,733	(13,094)
Telephone	2,812	2,812	2,700	(112)
Unemployment claims	4,000	4,000	2,198	(1,802)
Transportation	4,056	4,056	2,060	(1,996)
Insurance - property	1,250	1,250	1,701	451
Cable subscriptions	1,260	1,260	1,653	393
Office supplies	475	475	551	76
Advertising	400	400	459	59
Recreation	450	450	440	(10)
Miscellaneous	424	424	374	(50)
Record checks & physicals	255	255	280	25
Conferences & training	2,000	2,000	130	(1,870)
Postage	55	55	45	(10)
Incentives	-	-	23	23
Contingency	1,500	1,500	-	(1,500)
Worker's compensation	1,117	1,117	-	(1,117)
	<u>\$ 385,731</u>	<u>390,857</u>	<u>401,288</u>	<u>10,431</u>

DEVELOPMENTAL SERVICES OF FRANKLIN COUNTY  
 SUPPLEMENTAL INFORMATION  
 SCHEDULE OF OPERATING REVENUE AND SUPPORT, EXPENSES, AND CHANGE IN NET POSITION  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2014  
 (Continued)

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
<b>BEHAVIORAL SUPPORT</b>				
Wages	\$ 194,792	198,687	184,030	(14,657)
Employee benefits	36,677	36,677	22,610	(14,067)
Payroll taxes	14,902	15,200	11,688	(3,512)
Retirement	9,547	9,547	9,547	-
Rent	9,300	9,300	9,300	-
Repairs & maintenance	4,500	4,500	5,948	1,448
Vehicle expense	11,900	11,900	4,171	(7,729)
Supplies	3,600	3,600	3,599	(1)
Utilities	12,000	12,000	3,398	(8,602)
Mileage & meals	3,000	3,000	3,094	94
Educational supplies	3,680	3,680	2,950	(730)
Unemployment claims	-	-	1,848	1,848
Conferences & training	1,500	1,500	1,646	146
Telephone	-	-	1,450	1,450
Advertising	300	300	167	(133)
Record checks & physicals	-	-	125	125
Contingency	<u>12,000</u>	<u>12,000</u>	<u>-</u>	<u>(12,000)</u>
	<u>317,698</u>	<u>321,891</u>	<u>265,571</u>	<u>(56,320)</u>
<b>OPERATING EXPENSES</b>				
<b>EDUCATION AND FAMILY</b>				
<b>SUPPORT-EARLY INTERVENTION</b>				
Wages	166,000	169,320	174,273	4,953
Employee benefits	23,017	23,017	22,097	(920)
Mileage & meals	19,000	19,000	15,314	(3,686)
Payroll taxes	12,699	12,953	13,029	76
Retirement	11,620	11,620	11,576	(44)
Therapy services	12,000	12,000	8,110	(3,890)
Therapy supplies	3,000	3,000	934	(2,066)
Conferences & training	2,700	2,700	873	(1,827)
Record checks & physicals	200	200	194	(6)
Advertising	200	200	139	(61)
Books & dues	200	200	125	(75)
Contingency	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>
	<u>\$ 252,136</u>	<u>255,710</u>	<u>246,664</u>	<u>(9,046)</u>

DEVELOPMENTAL SERVICES OF FRANKLIN COUNTY

SUPPLEMENTAL INFORMATION

SCHEDULE OF OPERATING REVENUE AND SUPPORT, EXPENSES, AND CHANGE IN NET POSITION

BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2014

(Continued)

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Over (Under) <u>Budget</u>
OPERATING EXPENSES				
LONG RANGE EXPENSES				
EMPAC Group, Inc.:				
Support employment	\$ 50,000	50,000	50,000	-
Renovations	-	45,728	45,728	-
Move	25,000	25,000	-	(25,000)
Administration equipment	65,000	65,000	24,782	(40,218)
Dental services	5,000	5,000	4,933	(67)
Sullivan House equipment	7,237	7,237	1,800	(5,437)
Executive Director				
discretionary	5,000	5,000	1,481	(3,519)
Other	5,948	5,948	995	(4,953)
Architect	150,000	150,000	111	(149,889)
Minivans	25,000	25,000	-	(25,000)
	<u>338,185</u>	<u>383,913</u>	<u>129,830</u>	<u>(254,083)</u>
TOTAL OPERATING EXPENSES	<u>6,942,286</u>	<u>7,079,164</u>	<u>6,266,185</u>	<u>(812,979)</u>
INCOME (LOSS) FROM				
OPERATIONS	<u>(481,174)</u>	<u>(526,902)</u>	<u>(6,672)</u>	<u>520,230</u>
OTHER INCOME (EXPENSE)				
Rent - Highway 47 building	18,600	18,600	18,600	-
Interest income	26,306	26,306	12,005	(14,301)
TOTAL OTHER INCOME				
(EXPENSE)	<u>44,906</u>	<u>44,906</u>	<u>30,605</u>	<u>(14,301)</u>
CHANGE IN NET POSITION	<u>\$ (436,268)</u>	<u>(481,996)</u>	<u>23,933</u>	<u>505,929</u>

DEVELOPMENTAL SERVICES OF FRANKLIN COUNTY  
SUPPLEMENTAL INFORMATION  
BOARD OF DIRECTORS AND OFFICERS  
FOR THE YEAR ENDED JUNE 30, 2014

<u>Name</u>	<u>Position</u>	<u>Term Expires</u> <u>July</u>
Donald Cognata	Vice-Chair	2017
Ken Schriewer	Director	2017
Chris Schull	Chair	2017
Robert Engemann	Treasurer	2016
Linda Sentivany	Director	2016
Dixie Van Leer	Director	2016
Julie Conner	Director	2015
Walter Murray, Jr.	Secretary	2015
David Whitlock	Director	2015
Ronald E. Kruse	Executive Director	Appointed
Darleen Hainline	Associate Director	Appointed