

**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:

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

Corporate Information:

- (X) Board Member List

Agency Financial Information:

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

Please return completed application and accompanying documents to:

Adair County SB40
1107 Country Club Drive314
Kirksville, MO 63501

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

A.

Legal Name of Requesting Agency:		
Name: Learning Opportunities/Quality Works, Inc.		
Address: 201 N Locust	Phone:573-735-4282	
City: Monroe City	State:MO	Zip:63456
E-mail: whays@loqw.com	Website: www.loqw.com	

B.

Board Chair: Mary Kendrick		
Address:2770 Laredo	Phone:573-248-6916	
City:Monroe City	State: MO	Zip: 63456

C.

Agency Director: Wendy Hays		
Address: 201 N Locust	Phone:573-735-4282	
City: Monroe City	State:MO	Zip:63456

D.

Total Amount of Funds Requested from ACSDDDB:
Funding Period: July 1, 2021-June 30, 2022

E.

General purpose for which funds are requested: <input checked="" type="checkbox"/> Establish a new program or service <input checked="" type="checkbox"/> Expand an existing program or service <input type="checkbox"/> Maintain an existing program or service <input type="checkbox"/> Other

F.

Present annual budget of requesting agency	\$2,500,000
Cash reserves on hand	\$300,000
Amount necessary to maintain six (6) month reserve:	\$1,250,000
Based on total expenses from the 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? <u>Yes</u> No

H.

List grants previously funded by ACSDDDB:
Tiered Supports - This program focused on developing resources to increase supports to individuals and families by enhancing the skills of the direct support staff. As a result of this grant, we have developed a tracking system to better identify needs of the individuals, and discuss these concerns at the monthly Tiered Supports meeting, held in partnership with the Kirksville behavior resource team. We have implemented a data collection system, through Positive/Negative supports and monthly report on our DSP's interactions with individuals they support. We were given the opportunity in the past year to have staff receive training as Registered Behavior Technicians, as a result of this project. We have completed the training for a Crisis Intervention Trainer.
Workplace Supports "Train the Trainer" - This program continues to provide a curriculum for training new employees and ongoing training for current staff.
Local Match for Kirksville & Adair County Area vehicles
Accessible Ramp & Pad for Kirksville Office and Conference Room upgrades Building improvements have greatly improved accessibility into our building for individuals and family members, community partners, and others. Conference Room upgrades have helped us improve communication and training with the Kirksville team, allowed us more efficiently connect Kirksville with other locations via WebEx and other similar programs. It has also created a space usable for meeting with individuals and families supported by the organization and Adair County SB40 Board.

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.

Kirksville City/Chamber Community Video Program: The City of Kirksville is partnering with CGI Communications to create a series of professionally produced videos highlighting our community. Their goal is to highlight all that Kirksville has to offer to residents, visitors and business owners. LOQW has been approached by CGI to participate in this project. LOQW believes our participation in this project may allow us to reach more potential individuals who are in need of services in the Kirksville area and contribute to a project that helps encourage more people to live and work in the Kirksville area. The cost to create a video is \$2,500-\$3,200. An example can be found here <https://presentation.zone/pr/auto.php?permaID=x4yyB43>

APSE Conference: LOQW would like to take 2 individuals we support and 1 staff person from Adair County to the APSE Conference in Columbia, MO which is July 22-23. The cost per person is \$125. The APSE Conference brings together individuals and organizations working towards the Employment First Initiative.

HotSpots: An additional need that we have identified in Adair County is the need for hotspots for our Kirksville office. Due to the COVID-19 Pandemic, LOQW has explored and provided remote services to individuals with disabilities. This can look many different ways, based on the need of the individual, but there are two common things that are needed for the success of these services. The first is technology-- i.e. chromebooks, computers, etc. and the second is access to reliable internet. There are several individuals that we work with that do not have the latter. We currently have a hotspot that we use in that office. This allow us to take reliable internet access into the individuals' home while we are providing a service to them. Staff then return it to the office for the next person to utilize. Our Kirksville employees have gone above and beyond during the COVID-19 Pandemic utilizing technology and providing remote services. With this experience, we have found that we want to continue some of these useful tools for the individuals that benefit from it. In order to be successful, we have a need for two additional hotspots in the Kirksville office. This will allow more staff to utilize hotspots with their individuals at the same time. We are very proud of our Kirksville employees for being innovative and resourceful and want to encourage them to continue to do so. The cost of a HotSpot is \$250 each, there is a \$15 set up fee and there is a \$30 monthly fee for each one. Total cost for a year of this would be \$1250

Additional Info/Upcoming Project: An additional use for these hotspots that is upcoming and a project we are planning and wanted to share with the Adair County Board is our plan to partner with UMKC on increasing self-advocacy activities in our

region. We plan to work closely with them to develop goals for self-advocacy and move forward with those. One specific aspect of this that is related to hotspots in technology is our hope to facilitate the use of "**Tech Ambassadors**" within our agency. This is a program that promotes how adaptive technology use enhances lives and independence for people with developmental disabilities. Five Tech Ambassadors will be selected within our agency to discuss how they use supportive technology at home, at school, at work and in the community.

J. Information regarding individuals to be served:

1) Number of persons with developmental disabilities from Adair County presently served in existing program (if applicable): 55.

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

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

0 - 4 2 5 - 15 5 16 - 20 40 21 - 55 8 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	\$4,825	Prospective
Total projected funding	\$4,825	

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.

Mary Kendrick Date: _____
 Signature of Board Chair

[Signature] Date: 5-20-21
 Signature of Executive Director



**Learning Opportunities/ Quality Works,
Inc.**

201 North Locust Street | P.O. Box 254
Monroe City, Mo 63456

Phone: (573) 735-4282 | Fax: (573)
735-2580

Website: www.loqw.com

Learning the skills today... for the opportunities of tomorrow.

**LOQW, Inc. Board of Director
July 2020**

President

Mary Kendrick
2770 Laredo
Monroe City, Mo 63456

Manchester Tank
mary.kendrick@mantank.com
573-248-6916

Vice President

Kayla Murphy
309 Belle Avenue
Monroe City, MO 63456

Monroe City R-1 Schools
kmurphy@monroe.k12.mo.us
573-823-0791

Secretary/Treasurer

Marsha Kelley
26403 Monroe Rd 587
Monroe City, MO 63456
marsha.kelley1958@yahoo.com

Applebee Tree
105 N. Main, Monroe City
573-600-0058

Board Members

Shelley Buhlig
806 Park
Monroe City, MO 63456

Hannibal Regional Hospital
Shelley.Buhlig@hrhonline.org

J. R. Latta
219 Bird Street
Hannibal, MO 63401
Shriners Hospitals

Dept. of Labor (retired)
jr_latta@yahoo.com
573/248-4000 (cell)



It is the mission of Learning Opportunities/Quality Works, Inc. to positively impact the lives of individuals through support, advocacy and connection to resources.

Budget Review 2020-2021

Income Summary		2020-2021
	Budgeted	
Adair County	\$	-
Macon SB40	\$	67,000.00
SB40 POS		
Adair County	\$	1,000.00
Macon -Work Exp	\$	10,000.00
Marion	\$	38,280.00
Monroe	\$	10,000.00
Shelby - Work Exp	\$	-
Monroe County SB40	\$	43,795.00
Marion County SB40	\$	60,000.00
MODOT	\$	20,000.00
Nutrition Center	\$	1,200.00
Interest	\$	200.00
Miscellaneous Donations	\$	7,000.00
United Way	\$	2,000.00
General Mills Grant	\$	16,750.00
Quality Works	\$	60,000.00
Covid Help Cares Act	\$	49,776.72
Covid Help DMH	\$	54,716.00
Covid Help Monroe County	\$	15,000.00
Covid Help Marion County	\$	15,000.00
Covid Help Adair County SB40	\$	23,335.95
Covid Help Macon County	\$	25,217.09
YES SB40 Macon - Macon	\$	-
Yes SB40 Monroe City	\$	-
Ticket To Work		
TCM	\$	215,000.00
HRC Purchase of Service	\$	29,000.00
KRC Purchase of Service	\$	-
Medicaid Waiver-Hannibal	\$	610,000.00
Medicaid Waiver-Kirksville	\$	350,000.00
Vocational Rehabilitation - Hannibal	\$	195,000.00
Vocational Rehabilitation - Kirksville	\$	114,000.00
Vocational Rehabilitation - YES	\$	60,000.00
Total Revenue	\$	2,093,270.76

Expense Summary:	2020-2021
Depreciation	\$ 60,000.00

Marketing	\$ 1,500.00
Consulting/Professional Services	\$ 23,000.00
Equipment	\$ 8,000.00
Financial/Interest Expense	\$ 12,000.00
Gas for Vans	\$ 30,000.00
Insurance-Agency	\$ 60,000.00
Insurance-Work Comp	\$ 50,000.00
Insurance-Health and Life	\$ 175,000.00
License-Permits	\$ 3,200.00
Memberships (set works)	\$ 17,500.00
Maintenance-Property	
Offices	\$ 10,000.00
Mowing/Snow Removal	\$ 7,000.00
Bug Spray	\$ 3,000.00
Maintenance-Equipment	
Maintenance-Vehicle	\$ 20,000.00
Vehicle Purchase	\$ -
Miscellaneous.....	\$ 6,000.00
Petty Cash	\$ 450.00
Phone/Internet	\$ 30,000.00
Postage	\$ 3,000.00
Rents and Leases	\$ 22,000.00
Reimbursements VR	\$ 4,000.00
Supplies/Materials	\$ 20,000.00
Lodging	\$ 5,000.00
Meals/Client Expense	\$ 6,000.00
Mileage	\$ 25,000.00
Meetings/Training	\$ 8,000.00
Unemployment	\$ 5,500.00
Utilities	\$ 30,000.00
Staff Wages	\$ 1,558,905.00
Client Wages	\$ 90,000.00
401k / 403(b) Match	\$ 18,600.00
Payroll Taxes	\$ 140,000.00
Covid Expense	
Total Expense	\$ 2,452,655.00

Summary	
Total Income	\$ 2,093,270.76
Total Expense	\$ 2,452,655.00
Total Income Less Expense	\$ (359,384.24)

ORGANIZATION BUDGET

This form is to be filled out reflecting the revenue and expenses of the entire organization.

AGENCY NAME:

Learning Opportunities Quality Works, Inc.

REVENUE	Fiscal Last Year Actual 2019-2020	Fiscal This Year Budgeted 2020-2021	Fiscal Next Year Proposed 2021-2022
Allocation from this United Way	\$ 6,945.00	\$ 2,000.00	\$ 10,000.00
Allocated by Other United Ways	\$ -		
Other Funders (Shared below by segment)			
*Individuals			
*Corporate/Company		\$ 11,750.00	
*Foundations			
*Legacies & Bequests (Unrestricted)			
*Government	\$ 2,123,478.97	\$ 1,609,275.00	\$ 2,138,500.00
Special Fundraising Events (Listed by Event)			
Covid Grants		\$ 188,045.76	
*			
*			
*			
*			
*			
Contributed by Associated Organizations	\$ -		
Membership Dues	\$ -		
Program Services Fees	\$ 66,265.93	\$ 60,000.00	\$ 60,000.00
Sales of Materials	\$ -		
Investment Income	\$ 399.47	\$ 200.00	\$ 200.00
Miscellaneous Revenue	\$ 26,206.50	\$ 7,000.00	\$ 7,000.00
Other (please specify):			
TCM Lease	\$ 208,861.35	\$ 215,000.00	\$ 225,750.00
*			
*			
*			
*			
*			
TOTAL REVENUE	\$2,432,157.22	\$2,093,270.76	\$2,215,700.00

EXPENSES	Fiscal Last Year Actual 2019-2020	Fiscal This Year Budgeted 2020-2021	Fiscal Next Year Proposed 2021-2022
Salaries (Listed below individually)	\$ 1,619,617.42	\$ 1,558,905.00	\$ 1,645,415.00
admin support	\$ 242,942.61	\$ 233,835.75	\$ 246,812.25
Supervisors	\$ 404,904.36	\$ 389,726.25	\$ 411,353.75
direct Support	\$ 971,770.45	\$ 935,343.00	\$ 9,249.00
consumers	\$ 90,089.65	\$ 90,000.00	\$ 90,000.00
*			
*			
Covid Exp	\$ 37,154.11		

Financial Expenses	\$ 9,480.28	\$ 12,000.00	\$ 12,000.00
Depreciation	\$ 60,095.75	\$ 60,000.00	\$ 60,000.00
Employee Benefits	\$ 210,908.17	\$ 199,100.00	\$ 199,100.00
Payroll Taxes, etc.	\$ 124,841.82	\$ 124,712.40	\$ 131,633.20
Professional Fees	\$ 90,720.35	\$ 133,000.00	\$ 133,000.00
Supplies	\$ 33,142.09	\$ 28,000.00	\$ 28,000.00
Telephone	\$ 29,134.07	\$ 26,000.00	\$ 26,000.00
Postage & Shipping	\$ 3,296.19	\$ 3,000.00	\$ 3,000.00
Occupancy	\$ 48,404.46	\$ 50,000.00	\$ 50,000.00
Rental & Maintenance of Equipment	\$ 21,890.27	\$ 22,000.00	\$ 22,000.00
Printing & Publications	\$ 825.72	\$ 1,500.00	\$ 1,500.00
Travel	\$ 76,664.39	\$ 75,000.00	\$ 75,000.00
Conferences/Conventions & Meetings	\$ 20,232.81	\$ 19,000.00	\$ 19,000.00
Specific Assistance to Individuals	\$ 3,443.36	\$ 4,000.00	\$ 4,000.00
Membership Dues	\$ 20,411.36	\$ 20,700.00	\$ 20,700.00
Awards & Grants	\$ -		
Miscellaneous	\$ 5,769.39	\$ 6,450.00	\$ 6,450.00
Payments to Affiliated Organizations			
Board Designations for Specified Activities for Future Years			
TOTAL EXPENSES	\$2,506,121.66	\$2,433,367.40	\$1,548,798.20

EXCESS (DEFICIT)	Fiscal Last Year Actual 2019-2020	Fiscal This Year Budgeted 2020-2021	Fiscal Next Year Proposed 2021-2022
		\$ (73,964.44)	\$ (340,096.64)

Payroll Protection money received for 2019-2021

\$742,585

Learning Opportunites/Quality Works Balance Sheet As of April 30, 2021

Apr 30, 21

ASSETS

Current Assets

Checking/Savings

001 - LOQW Money

11021 - Macon-Atlanta Bank

11022 - Petty cash

20 - Hannibal - Petty Cash

50 - Monroe City - Petty Cash

Total 11022 - Petty cash

11025 - C.D. Unemployment Security

11029 - C.D.- 90352

11030 - C.D. - 90555

11031 - C.D. - 90346

11032 - F & M Bank

11033 - HNB Bank CD

Total 001 - LOQW Money

11023 - Alliant Savings Account

Total Checking/Savings

Accounts Receivable

1105A - A/R - NEW

1105-10 - A/R Grants

1105-2 - A/R Voc Rehab

1105-3 - A/R Contract Sites

1105-4 - A/R Shred Shed

1105-5 - A/R Donations

1105-6 - A/R SB40

1105-7 - A/R P.O.S

1105-99 - A/R - OTHER

Total 1105A - A/R - NEW

Total Accounts Receivable

Other Current Assets

11053 - Fees Receivables

Total Other Current Assets

Total Current Assets

1,030,372.77

69.09

109.00

178.09

11,349.90

5,550.65

5,568.05

4,794.38

27,145.01

78,683.12

1,163,641.97

108,559.30

1,272,201.27

5,308.32

27,520.00

621.52

1,091.40

-366.75

366.75

6,353.46

50.55

40,945.25

40,945.25

208,678.90

208,678.90

1,521,825.42

**Learning Opportunites/Quality Works
Balance Sheet
As of April 30, 2021**

	Apr 30, 21
Fixed Assets	
1201 - Vehicles - Net	
12011 - Original Value Vehicles	573,394.71
12012 - Accum Depreciation - Vehicles	-523,674.69
120126 - 2018 Dodge Grand Caravan	21,699.00
12025 - 2019 Ford Escape VIN 3312	19,900.00
12026 - 2017 Buick Encore	11,100.00
12027 - 2017 Buick Verano	14,800.00
12028 - 2016 Hyundai Elantra	12,500.00
12029 - 2014 Chev Malibu LS	10,550.00
Total 1201 - Vehicles - Net	140,269.02
12013 - Hannibal Office Building	
120141 - Accum Depr - Hannibal Office	-55,528.35
12013 - Hannibal Office Building - Other	92,728.18
Total 12013 - Hannibal Office Building	37,199.83
120132 - Hannibal Office Building (2)	193,120.76
120133 - Accum Depr - Hannibal Bldg 2	-12,600.77
1202 - Equipment	
12021 - Original Value - Program Equip	25,768.96
12022 - Accum. Depreciation - Equipment	-25,260.62
Total 1202 - Equipment	508.34
1203 - Office Equipment	
12031 - Office Equipment	58,708.94
12032 - Accum Depreciation -Office Equip	-58,950.94
Total 1203 - Office Equipment	-242.00
1205 - Building Net	
12051 - Original Value - Building	72,517.18
Total 1205 - Building Net	72,517.18
13060 - Kirksville Building	157,204.00
13061 - Accum Depr Kville Bldg	-27,042.73
Total Fixed Assets	560,933.63

**Learning Opportunites/Quality Works
Balance Sheet
As of April 30, 2021**

2:21 PM
05/20/21
Accrual Basis

	Apr 30, 21
Other Assets	
13 - Deferred Assets	
1302 - Leasehold Improvement Net	
13021 - Origianl Value	229,817.12
13025 - Acc Depr - MC Building	-76,913.45
13052 - Acum Depr Shelbina Bldg	-19,292.30
Total 1302 - Leasehold Improvement Net	133,611.37
1303 - Prepaid Expenses	
13031 - Insurance	12,945.02
Total 1303 - Prepaid Expenses	12,945.02
Total 13 - Deferred Assets	146,556.39
1401 - Deposits - Fees	
14013 - Utilities - Deposits	594.00
Total 1401 - Deposits - Fees	594.00
Total Other Assets	147,150.39
TOTAL ASSETS	2,229,909.44
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 - Accounts Payable	10,915.11
Total Accounts Payable	10,915.11
Other Current Liabilities	
2100 - Payroll Liabilities	
2103 - Short Term Liability	166.86
2100 - Payroll Liabilities - Other	120.77
Total 2100 - Payroll Liabilities	287.63
21020 - Accounts Payable (Adjusting)	
2105 - Other Payroll Payables	
210510 - Accrued Payroll	84,805.00
21052 - 125 Tax Savings Plan	463.75
210531 - YMCA Deductions	340.66
21055 - Health Insurance	
210552 - Health Ins. - Employee	4,958.17
Total 21055 - Health Insurance	4,958.17
Total 21055 - Health Insurance	4,958.17
Total 21020 - Accounts Payable (Adjusting)	8,185.43

**Learning Opportunites/Quality Works
Balance Sheet
As of April 30, 2021**

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05/20/21
Accrual Basis

	Apr 30, 21
21058 · Wage Garnishments	124.62
21059 · United Way	139.83
Total 2105 · Other Payroll Payables	90,832.03
210909 · Notes Payable - PPP CARES Act	742,585.19
Total Other Current Liabilities	841,890.28
Total Current Liabilities	852,805.39
Long Term Liabilities	
210500 · Notes Payable - MC Bidg	47,125.66
Total Long Term Liabilities	47,125.66
Total Liabilities	899,931.05
Equity	
3 · StockHolders Equity	
32 · Retained Earnings	578,665.15
328300 · Fun Balance (06-07)	578,665.15
Total 32 · Retained Earnings	578,665.15
Total 3 · StockHolders Equity	578,665.15
3010 · Unrestrict (retained earnings) Net Income	818,073.67
Total Equity	1,329,978.39
TOTAL LIABILITIES & EQUITY	2,229,909.44

Learning Opportunites/Quality Works Profit & Loss

July 2020 through April 2021

Jul '20 - Apr 21

5500 · Utilities		
5500-03 · Utilities - Shredding	837.06	
5500-20 · Utilities - Hannibal	9,439.16	
5500-30 · Utilities - Kirksville	3,615.09	
5500-50 · Utilities - Monroe City	6,634.31	
5500-90 · Utilities - Shelbina	2,687.51	
Total 5500 · Utilities	23,213.13	
5700 · Staff Wages		
5700-02 · Staff Wages - OverTime	5,224.82	
5700-06 · Staff Wages - Vacation	39,265.98	
5700-07 · Staff Wages - Sick	23,473.13	
5700 · Staff Wages - Other	1,221,869.84	
Total 5700 · Staff Wages	1,289,833.77	
5800 · Consumer Wages	70,390.73	
5900 · 403B	8,845.09	
5901 · 401K Expense	7,798.84	
6560 · Payroll Expenses	110,414.60	
Total Expense	1,987,670.33	
Net Ordinary Income	-56,653.84	
Other Income/Expense		
Other Expense		
COVIDEX · COVID 19 Expenses	10,106.59	
Total Other Expense	10,106.59	
Net Other Income	-10,106.59	
Net Income	-66,760.43	

Learning Opportunites/Quality Works Profit & Loss

July 2020 through April 2021

Jul '20 - Apr 21

5350 · Supplies		797.53
5350-03 · Supplies - Shredding		6,916.15
5350-10 · Supplies - Admin		3,731.83
5350-20 · Supplies - Hannibal		36.00
5350-24 · Supplies - YES Monroe City		1.56
5350-25 · Supplies - Hannibal YES		2,295.45
5350-30 · Supplies - Kirksville		2,769.93
5350-40 · Supplies - Macon		4,432.16
5350-50 · Supplies - Monroe City		828.07
5350-90 · Supplies - Shelby		21,808.68
Total 5350 · Supplies		107.99
5400 · Travel-Lodging		107.99
5400-10 · Travel Lodging - Admin		107.99
Total 5400 · Travel-Lodging		107.99
5410 · Travel-Meals		2,563.55
5410-10 · Travel Meals - Admin		29.50
5410-20 · Travel Meals - Hannibal		65.41
5410-30 · Travel Meals - Kirksville		186.76
5410-40 · Travel-Meals - Macon		198.37
5410 · Travel-Meals - Other		3,043.59
Total 5410 · Travel-Meals		9,674.92
5420 · Travel-Transportation		9,674.92
5450 · Training		4,086.68
5450-10 · Training - Admin		444.00
5450-20 · Training - Hannibal		458.25
5450-30 · Training - Kirksville		130.00
5450-40 · Training - Macon		300.00
5450-50 · Training - Monroe City		5,418.93
Total 5450 · Training		5,202.55
5490 · Unemployment		5,202.55
5490-10 · Unemployment - Admin		5,202.55
Total 5490 · Unemployment		5,202.55

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05/20/21

Accrual Basis

Learning Opportunites/Quality Works Profit & Loss

July 2020 through April 2021

Jul '20 - Apr 21

5300 - Telephone	
5300-10 - Phone - Admin	14,101.84
5300-20 - Phone - Hannibal	-273.78
5300-30 - Phone - Kirksville	3,333.26
5300-50 - Phone - Monroe City	251.44
5300-90 - Phone - Shelby	4,317.53
Total 5300 - Telephone	21,730.29
5310 - Postage & Shipping	
5310-10 - Postage - Admin	1,117.60
5310-20 - Postage - Hannibal	136.60
5310-30 - Postage - Kirksville	55.00
5310-40 - Postage - Macon	692.75
5310-50 - Postage - Monroe City	34.20
5310-64 - Postage - TCM Macon	116.95
5310-90 - Postage & Shipping - Shelbyna	294.00
Total 5310 - Postage & Shipping	2,447.10
5320 - Rents & Leases	
5320-03 - Rents & Leases - Shredding	5,000.00
Total 5320 - Rents & Leases	5,000.00
5322 - Rent&Lease Office Equip	
5322-10 - Rent&Lease Office Equip - Admin	9,642.16
5322-20 - Rent&Lease Of Equip - Han	1,181.14
5322-30 - Rent&Lease Of Equip - Kville	272.08
5322-40 - Rents &Lease Office Equip Macon	272.08
5322-90 - Rents&Leases Office Equip-Shelb	272.10
Total 5322 - Rent&Lease Office Equip	11,639.56
5340 - Reimbursements	
5340-20 - Reimbursements - VR Hannibal	152.32
5340-30 - Reimbursements - K-ville VR	148.81
5340 - Reimbursements - Other	-208.72
Total 5340 - Reimbursements	92.41

**Learning Opportunites/Quality Works
Profit & Loss
July 2020 through April 2021**

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05/20/21

Accrual Basis

	Jul '20 - Apr 21
5273 - Maint. Mowing/Snow	
5273-20 - Maint.-Mowing/Snow - Hannibal	2,630.00
5273-50 - Maint.-Mowing/Snow - Monroe Cit	1,320.00
5273-90 - Maint. Mowing/Snow Shelbina	520.00
Total 5273 - Maint. Mowing/Snow	4,470.00
5274 - Spraying	
5274-03 - Spraying - Shred Shed	173.00
5274-20 - Spraying - 5274-20	546.00
5274-30 - Spraying - Kirksville	356.00
5274-40 - Spraying - Macon	258.00
5274-50 - Spraying - Monroe City	307.50
5274-90 - Spraying - Shelbina	349.60
Total 5274 - Spraying	1,990.10
5275 - Maint-Vehicles -	
5275-03 - Maint-Vehicles - Shredding	137.26
5275-10 - Maint-Vehicles - Admin	1,171.58
5275-20 - Maint-Vehicles - Hannibal	4,160.21
5275-30 - Maint-Vehicles - Kirksville	2,216.69
5275-40 - Maint-Vehicles - Macon	1,825.87
5275-50 - Maint-Vehicles - Monroe City	8,759.16
5275-90 - Maint-Vehicles - Shelbina	1,110.72
Total 5275 - Maint-Vehicles -	19,381.49
5290 - Miscellaneous -	
5290-10 - Miscellaneous - Admin	2,343.16
5290-20 - Miscellaneous - Hannibal	1,914.85
5290 - Miscellaneous - - Other	5.00
Total 5290 - Miscellaneous -	4,263.01
5291 - Petty Cash Expense -	
5291-20 - Petty Cash Expense - Hannibal	150.00
5291-50 - Petty Cash Expense - MonroeCity	150.00
5291 - Petty Cash Expense - - Other	50.00
Total 5291 - Petty Cash Expense -	350.00
5292 - Miscellaneous - Medical	
5292-20 - Misc. Medical - Hannibal	491.00
5292-30 - Misc Medical - K-ville	135.00
Total 5292 - Miscellaneous - Medical	626.00

Learning Opportunites/Quality Works Profit & Loss

July 2020 through April 2021

	Jul '20 - Apr 21
5230 · Insurance-Work Comp	
5230-10 · Insurance Work Comp-Admin	29,198.00
Total 5230 · Insurance-Work Comp	29,198.00
5240 · Health Insurance	
5240-10 · Health Insurance- Admin	45,100.72
5240-20 · Health Insurance- Hannibal	48,067.79
5240-30 · Health Insurance -Kirksville	9,606.76
5240-40 · Health Insurance - Macon	28,606.60
5240-50 · Health Insurance - Monroe City	13,206.06
5240-90 · Health Insurance - Shelby	5,970.26
Total 5240 · Health Insurance	150,558.19
5250 · Licenses/Permits	
5250-10 · Licenses/Permits - Admin	996.30
5250-30 · Licenses/Permits - Kirksville	323.62
5250-40 · Licenses/Permits - Macon	65.50
5250-50 · Licenses/Permits - Monroe City	34.86
Total 5250 · Licenses/Permits	1,420.28
5260 · Membership/Dues	
5260-10 · Membership/Dues - Admin	10,405.17
5260-20 · Membership/Dues - Hannibal	1,645.00
5260-30 · Membership/Dues - Kirksville	1,700.00
5260-40 · Memberships/Dues - Macon	1,565.00
5260-50 · Membership/Dues - Monroe City	1,685.00
5260-90 · Membership/Dues - Shelby	1,500.00
Total 5260 · Membership/Dues	18,500.17
5270 · Maintenance-Building -	
5270-20 · Maintenance-Building - Hannibal	2,349.00
5270-30 · Maintenance-Building - Kirksvil	1,041.95
5270-40 · Maintenance-Building - Macon	294.41
5270-50 · Maintenance-Building -MonroeCty	1,143.52
Total 5270 · Maintenance-Building -	4,828.88
5272 · Maintenance-Office Equipment	
5272-90 · Maint- Office Equip - Shelby	38.75
Total 5272 · Maintenance-Office Equipment	38.75

**Learning Opportunites/Quality Works
Profit & Loss
July 2020 through April 2021**

2:21 PM
05/20/21
Accrual Basis

	Jul '20 - Apr 21
5003 - Depreciation	
520310 - Depr. - Vehicles	32,208.10
520320 - Depr. - Program Equip.	1,375.00
520330 - Depr. - Office Equipment	3,717.40
520430 - Depr. - Building	12,136.40
Total 5003 - Depreciation	49,436.90
5100 - Marketing	
5100-10 - Marketing Administration	531.31
5100-40 - Marketing - Macon	70.00
5100-50 - Marketing - MC	19.99
Total 5100 - Marketing	621.30
5150 - Equipment Purchase	
5150-03 - Equipment Purchase - Shred Shed	711.40
5150-10 - Equipment Purchase Admin	2,725.35
5150-20 - Equipment Purchase-Hannibal	6,297.23
5150-30 - Equipment Purchase - Kirksville	2,139.56
5150-40 - Equipment Purchase - Macon	1,412.49
5150-50 - Equipment Purchase - MC	2,890.93
Total 5150 - Equipment Purchase	16,176.96
5160 - Financial/Interest Expense	
5160-10 - Financial/Interest Exp Admin	1,282.91
5160-50 - Financial/Interest Exp-MC	2,039.56
Total 5160 - Financial/Interest Expense	3,322.47
5200 - Gas	
5200-03 - Gas-Shredding	607.94
5200-10 - Gas-Admin	7,995.46
5200-20 - Gas-Hannibal	2,523.10
5200-30 - Gas-Kirksville	2,869.39
5200-40 - Gas-Macon	4,497.66
5200-50 - Gas-Monroe City	1,836.09
5200-90 - Gas - Shelbina	1,169.09
5200 - Gas - Other	47.00
Total 5200 - Gas	21,545.73
5220 - Insurance	
5220-10 - Insurance Admin	47,440.02
5221-10 - Insurance - Bond	340.00
Total 5220 - Insurance	47,780.02

Learning Opportunites/Quality Works Profit & Loss

July 2020 through April 2021

Jul '20 - Apr 21

4300 · P.O.S.	1,366.19
4300-20 · HRC - POS - Hannibal	62,021.51
4300 · P.O.S. - Other	63,387.70
Total 4300 · P.O.S.	63,387.70
4400 · Medicaid Waiver	
4400-03 · Med Waiver - Shedding	-499.20
4400-20 · Med Waiver - Hannibal	-15,652.69
4400-30 · Med Waiver - Kirksville	-3,235.24
4400-40 · Med Waiver - Macon	-3,923.73
4400-50 · Med Waiver - Monroe City	-2,106.78
4400-90 · Med Waiver - Shelby Co.	-2,019.10
4400 · Medicaid Waiver - Other	812,566.18
Total 4400 · Medicaid Waiver	785,129.44
4500 · Vocational Rehab	
4500-20 · Voc Rehab - Hannibal	183,420.00
4500-30 · Voc Rehab - Kirksville	103,156.68
4500-40 · Voc Rehab - Macon	26,870.00
4500-50 · Voc Rehab - Monroe City	1,700.00
4500-90 · Voc Rehab - Shelby	26,781.50
4500-95 · Voc. Rehab. Moberly	1,385.00
4500YES · VR YES	47,357.70
4500 · Vocational Rehab - Other	-2,799.00
Total 4500 · Vocational Rehab	387,871.88
Total 4 · Revenues	1,892,873.71
4809 · Other Income	
480951 · Other - Interest	120.78
480953 · Other-Miscellaneous	38,022.00
Total 4809 · Other Income	38,142.78
Total Income	1,931,016.49
Gross Profit	1,931,016.49
Expense	
4001 · Reconciliation Discrepancies	-1,955.10
5000 · Consulting - Admin	18,455.00

Learning Opportunites/Quality Works Profit & Loss

July 2020 through April 2021

Jul '20 - Apr 21

Ordinary Income/Expense	
Income	
4 - Revenues	
4000 - Grants	
4140 - MODOT - Contract	15,924.96
4140-10 - MODOT Contract - Admin	
Total 4140 - MODOT - Contract	15,924.96
4000 - Grants - Other	16,750.00
Total 4000 - Grants	32,674.96
4110 - Macon CO SB40	
4110-40 - Macon Co SB40	247,492.95
Total 4110 - Macon CO SB40	247,492.95
4120 - Monroe CO SB40	63,875.00
4130 - Marion CO SB40	
4130-20 - Marion CO SB40 - Hannibal	60,000.00
4160-50 - Nutrition Center - Monroe City	1,025.00
Total 4130 - Marion CO SB40	61,025.00
4170 - United Way	
4170-10 - United Way M.T. Area	2,975.00
Total 4170 - United Way	2,975.00
4180 - Ticket To Work	
4180-20 - Ticket To Work Hannibal	9,153.00
Total 4180 - Ticket To Work	9,153.00
4200 - Miscellaneous	
4200-10 - Miscellaneous - Admin	190,805.21
4202-10 - Miscellaneous Donations	1,350.67
Total 4200 - Miscellaneous	192,155.88
4250 - Quality Works	
4250-03 - Quality Works - Shredding	13,567.85
4250-20 - Quality Works - Hannibal	15,804.87
4250-30 - Quality Works - Kirksville	6,718.32
4250-50 - Quality Works - Monroe City	11,041.86
Total 4250 - Quality Works	47,132.90

Learning Opportunities / Quality Works, Inc.

Monroe City, Missouri

Financial Statements

For the Years Ended June 30, 2020 and 2019

Learning Opportunities / Quality Works, Inc.
Monroe City, Missouri
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June 30, 2020 and 2019

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100 North Sixth Street • P.O. Box 796 • Hannibal, Missouri 63401-0796 • Phone (573) 221-5998 • Fax (573) 221-2044

Independent Auditor's Report

To the Board of Directors
Learning Opportunities / Quality Works, Inc.
Monroe City, Missouri

We have audited the accompanying financial statements of Learning Opportunities / Quality Works, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, 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.

Auditor's 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 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 the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Learning Opportunities / Quality Works, Inc. as of June 30, 2020 and 2019, 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.

Wade Stables P.C.

Wade Stables P.C.
Certified Public Accountants
October 28, 2020
Hannibal, Missouri

Learning Opportunities / Quality Works, Inc.
 Monroe City, Missouri
 Statements of Financial Position
 June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 828,633	\$ 597,092
Certificates of deposit	104,993	102,847
Accounts receivable:		
Governmental	146,226	296,845
Total Current Assets	<u>\$ 1,079,852</u>	<u>\$ 996,784</u>
Other Assets		
Utility deposits	<u>\$ 594</u>	<u>\$ 594</u>
Capital Assets		
Buildings	\$ 753,287	\$ 745,387
Office equipment	65,441	58,709
Program equipment	25,769	25,769
Vehicles	563,508	575,845
	<u>\$ 1,408,005</u>	<u>\$ 1,405,710</u>
Accumulated depreciation	(706,821)	(689,730)
	<u>\$ 701,184</u>	<u>\$ 715,980</u>
Prepaid Expenses		
Insurance	<u>\$ 14,519</u>	<u>\$ 12,945</u>
Total Assets	<u><u>\$ 1,796,149</u></u>	<u><u>\$ 1,713,358</u></u>
Liabilities And Net Assets		
Current Liabilities		
Accounts payable	\$ 11,273	\$ 13,102
Accrued payroll and withholdings	92,923	85,727
Current portion of long-term debt	7,253	12,308
Note Payable - PPP Loan	339,660	-
Total Current Liabilities	<u>\$ 451,109</u>	<u>\$ 111,137</u>
Long-term Debt	<u>44,983</u>	<u>144,803</u>
Total Liabilities	<u>\$ 496,092</u>	<u>\$ 255,940</u>
Net Assets		
Unrestricted	<u>1,300,057</u>	<u>1,470,363</u>
Total Liabilities and Net Assets	<u><u>\$ 1,796,149</u></u>	<u><u>\$ 1,726,303</u></u>

See accompanying notes to financial statements.

Learning Opportunities / Quality Works, Inc.
 Monroe City, Missouri
 Statements of Activities
 For the Years Ended June 30, 2020 and 2019

	2020	2019
Unrestricted Net Assets		
Public Support		
United Way	\$ 6,945	\$ 6,724
Grants	-	30,276
Donations	4,407	1,522
Total Public Support	\$ 11,352	\$ 38,522
Program-Related Revenues		
Program service contract income	\$ 2,296,541	\$ 2,481,282
Total Program-Related Revenues	\$ 2,296,541	\$ 2,481,282
Other Revenues		
Miscellaneous	\$ 21,769	\$ 15,762
Interest income	2,297	917
Gain on capital assets	2,650	-
Total Other Revenues	\$ 26,716	\$ 16,679
Total Unrestricted Support and Revenues	\$ 2,334,609	\$ 2,536,483
Expenses		
Program services	\$ 2,194,924	\$ 2,260,072
Supporting services		
Management and general	309,991	336,603
Total Expenses	\$ 2,504,915	\$ 2,596,675
Change in Unrestricted Net Assets	\$ (170,306)	\$ (60,192)
Unrestricted Net Assets, July 1	1,470,363	1,530,555
Unrestricted Net Assets, June 30	\$ 1,300,057	\$ 1,470,363

See accompanying notes to financial statements.

Learning Opportunities / Quality Works, Inc.
 Monroe City, Missouri
 Statement of Functional Expenses
 Year Ended June 30, 2020

	2020		
	<u>Program Services</u>	<u>General</u>	<u>Total</u>
Expenses:			
Salaries and wages	\$ 1,528,096	\$ 188,866	\$ 1,716,962
Retirement	14,356	4,288	18,644
Payroll taxes	113,176	13,988	127,164
Health Insurance	169,048	20,894	189,942
Total Salaries and Related Expenses	\$ 1,824,676	\$ 228,036	\$ 2,052,712
Consulting	-	205	205
Licenses / permits	768	939	1,707
Memberships / dues	14,964	3,741	18,705
Supplies	15,336	3,366	18,702
Telephone	24,071	4,930	29,001
Utilities	34,316	-	34,316
Repairs & maintenance	17,443	-	17,443
Depreciation	70,859	-	70,859
Marketing	397	224	621
Insurance	50,410	38,028	88,438
Interest expense & finance charges	8,109	1,544	9,653
Travel	28,660	4,282	32,942
Vehicle expense	35,527	13,140	48,667
Postage & shipping	1,801	1,104	2,905
Training	3,593	4,218	7,811
Rents & leases	19,854	2,206	22,060
Reimbursements	3,416	-	3,416
Miscellaneous expense	6,914	684	7,598
Covid expense	33,810	3,344	37,154
Total Expenses	\$ 2,194,924	\$ 309,991	\$ 2,504,915

See accompanying notes to financial statements.

Learning Opportunities / Quality Works, Inc.
 Monroe City, Missouri
 Statement of Functional Expenses
 Year Ended June 30, 2019

	2019		
	Program Services	General	Total
Expenses:			
Salaries and wages	\$ 1,589,598	\$ 196,467	\$ 1,786,066
Retirement	12,454	3,720	16,174
Payroll taxes	118,231	14,613	132,844
Health Insurance	164,509	20,333	184,842
Total Salaries and Related Expenses	\$ 1,884,792	\$ 235,133	\$ 2,119,926
Consulting	-	10,350	10,350
Licenses / permits	1,432	1,751	3,185
Memberships / dues	13,498	3,374	16,872
Supplies	17,210	3,778	20,988
Small equipment	4,753	1,758	6,511
Telephone	20,411	4,181	24,592
Utilities	29,151	-	29,151
Repairs & maintenance	24,752	-	24,752
Depreciation	74,253	-	74,253
Marketing	728	409	1,137
Insurance	50,671	38,226	88,897
Interest expense & finance charges	14,789	2,817	17,606
Travel	43,711	6,532	50,243
Vehicle expense	42,650	15,775	58,425
Postage & shipping	1,847	1,132	2,979
Training	7,227	8,484	15,711
Rents & leases	19,952	2,217	22,168
Reimbursements	1,311	-	1,311
Miscellaneous expense	6,934	686	7,620
Total Expenses	\$ 2,260,072	\$ 336,603	\$ 2,596,675

See accompanying notes to financial statements.

Learning Opportunities / Quality Works, Inc.
 Monroe City, Missouri
 Statements of Cash Flows
 For the Years Ended June 30, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities		
Change in Net Assets	\$ (170,306)	\$ (60,192)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	70,859	74,253
Gain on sale of fixed assets	(2,650)	-
(Increase) Decrease in accounts receivable	150,619	(115,650)
(Increase) Decrease in prepaid expenses	(1,574)	(12,945)
Increase (Decrease) in accounts payable	(1,829)	(5,415)
Increase (Decrease) in accrued payroll and related taxes	7,196	(12,418)
Net Cash Provided by Operating Activities	\$ 52,314	\$ (132,367)
Cash Flows from Investing Activities		
Proceeds from sales of capital assets	\$ 2,650	\$ -
Purchases of capital assets	(56,231)	-
Capitalized interest on certificates of deposits	(1,977)	(714)
Net Cash Provided by Investing Activities	\$ (55,558)	\$ (714)
Cash Flows from Financing Activities		
Payments of notes payable	\$ (104,875)	\$ (129,375)
Proceeds from PPP Loan	339,660	-
Net Cash Provided by Financing Activities	\$ 234,785	\$ (129,375)
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 231,541	\$ (262,456)
Cash and Cash Equivalents as of Beginning of Year	597,092	859,548
Cash and Cash Equivalents as of End of Year	\$ 828,633	\$ 597,092
Supplemental Data		
Interest paid	\$ 6,512	\$ 12,948
Income tax paid	\$ -	\$ -

See accompanying notes to financial statements.

Learning Opportunities / Quality Works, Inc.
Monroe City, Missouri
Notes to Financial Statements
June 30, 2020 and 2019

1. Summary of Significant Accounting Policies

Organization and Nature of Activities

Learning Opportunities / Quality Works, Inc. (the "Organization") is a not-for-profit corporation that operates a facility for the training of developmentally disabled/mentally handicapped adults (ages 18 and over). Clients are referred to the Organization by school districts or other agencies at the same hourly rate as approved by the Department of Mental Health in their POS bidding.

The Organization provides meaningful employment opportunities for individuals with developmental disabilities in an effort to teach and train appropriate work skills, attitudes, and behaviors in order for an individual to reach his or her highest level of employment potential and achieve an enhanced sense of worth and dignity through productive employment.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Support and Revenue

Learning Opportunities / Quality Works, Inc. receives its grant and contract support primarily from the State Department of Mental Health. Support received from those grants and contracts is recognized on a "net funded" basis whereby State Department of Mental Health, Division of Mental Retardation and Developmental Disabilities funding is recognized on a last-dollar-in basis. Related expenses incurred are "netted" first by client fees in determining grant funds to be recognized. Learning Opportunities / Quality Works, Inc. receives client fees for billable client services and recognizes these fees and income when earned.

Basis of Presentation

Financial statement presentation follows the Not-for-Profit Entities topics of the FASB Accounting Standards Codification. Under these topics, the Organization is required to report information regarding its financial position and activities according to three classes of net position: unrestricted net position, temporarily restricted net position, and permanently restricted net position.

Accounts Receivable

The Organization uses the direct write off method of accounting for uncollectible accounts receivable. There were no charge-offs during the year ended June 30, 2020 and 2019.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Learning Opportunities / Quality Works, Inc. has not received any contributions with donor-imposed restrictions that would result in temporarily or permanently restricted net assets. Donated material and equipment are recorded as contributions at their estimated value when received. Donated services have not been reflected in the financial statements since no objective basis is available to measure the value of such services.

Learning Opportunities / Quality Works, Inc.
Monroe City, Missouri
Notes to Financial Statements
June 30, 2020 and 2019

1. Summary of Significant Accounting Policies (Concluded)

Use of 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.

Capital Assets

Land, buildings and equipment purchased by the Organization are recorded at cost. Land, buildings and equipment donated to the Organization are recorded at fair market value when received. The Organization has a formal policy to maintain a depreciation schedule on all property with a cost exceeding \$500. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets as follows:

Building and improvements	30 - 40 years
Furniture and equipment	5 - 10 years
Vehicles	10 years

Depreciation expense was \$70,859 and \$74,253 for the years ended June 30, 2020 and 2019, respectively.

Income Taxes

Learning Opportunities / Quality Works, Inc., a nonprofit organization operating under section 501(c)(3) of the Internal Revenue Code, is generally exempt from federal, state and local income taxes and, accordingly, no provision for income taxes is included in the financial statements. IRS Form 990, *Return of Organization Exempt from Income Tax*, for the year ended June 30, 2020 and prior years have been filed or will be timely filed. Learning Opportunities / Quality Works, Inc's income tax filings are subject to audit by various taxing authorities and are open for audit for 2017 to 2020.

Donated Services

No amounts have been included in the financial statements for donated members or volunteer services since no objective basis of measurement of such services is available.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis on the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

2. Certificates of Deposit

The Organization had certificates of deposit for \$104,993 and \$102,847 at June 30, 2020 and 2019, respectively that had an original maturity greater than three months.

Learning Opportunities / Quality Works, Inc.

Monroe City, Missouri

Notes to Financial Statements

June 30, 2020 and 2019

3. Notes Payable

	<u>2020</u>	<u>2019</u>
Note payable - MA Bank, secured by real estate. Due in monthly payments of \$745, including interest at 3.75% until maturity on September 4, 2030. Original amount financed \$100,771.	\$ 52,236	\$ 68,028
Note payable - MA Bank, secured by real estate. Due in monthly payments of \$340, including interest at 7.25% until maturity on July 23, 2030. Original amount financed \$51,200. This note was paid off during year ending June 30, 2020.	-	19,485
Note Payable - F&M Bank and Trust Company, secured by real estate. Due in monthly payments of \$464 including interest at 4.25% until maturity on April 10, 2037. Original amount financed \$75,000. This note was paid off during year ending June 30, 2020.	-	69,598.00
Total Debt	\$ 52,236	\$ 157,111
Less: Current portion	(7,253)	(12,308)
Long-term debt	<u>\$ 44,983</u>	<u>\$ 144,803</u>

The following table summarizes the future principal amounts due:

Year Ended June 30	
2021	\$ 7,253
2022	7,383
2023	7,665
2024	7,958
2025	8,261
2026	8,576
2027	5,140
	<u>\$ 52,236</u>

On April 17, 2020, the Organization entered into a loan agreement with MA Bank through the Paycheck Protection Program offered by the U.S. Small Business Administration in response to the COVID-19 pandemic. The amount of the loan is \$339,660 and calls for monthly payments of accrued interest beginning October 17, 2020, at an interest rate of 1.0% with the principal due April 17, 2022. However, this loan is eligible to be forgiven if certain qualifications are met including maintaining employment levels and using the funds for the limited purposes prescribed in the loan program guidelines. The Organization expects to have this loan fully forgiven at the end of the loan forgiveness period with is 24 weeks following the loan disbursement date. Because of this the entire loan is shown as current.

Learning Opportunities / Quality Works, Inc.
Monroe City, Missouri
Notes to Financial Statements
June 30, 2020 and 2019

4. Lines of Credit

The Organization has available a \$50,000 revolving line of credit with MA Bank. This agreement is dated October 7, 2011 and has a maturity date of December 31, 2049. The interest rate on this note is based on changes in an index which is the U.S. Prime Rate, with a minimum of 5.25%. The interest rate at June 30, 2020 was 6.25%. The unused portion of the line of credit was \$50,000 at June 30, 2020 and 2019. The purpose of this line is for operating capital. The line of credit is secured by a deed of trust advance clause on 201 N. Locust Street, Monroe City, MO building as well as a first lien on all accounts receivable and general intangibles.

5. Retirement Plan

The Organization provides a 403(b) retirement plan (the "Plan") for full-time employees. The Plan is a defined contribution plan with a salary reduction feature. An employee is eligible to participate in the Plan as of any entry date, provided they are in eligible employment, attained age 19 and completed one year of service. The Organization matches 100% of eligible employee contributions of up to three percent of the participating employee's annual compensation. The total employer contributions were \$18,644 and \$16,174 for the years ended June 30, 2020 and 2019, respectively.

6. Revenue Concentration

The Organization is dependent on both state aid and other grants to provide necessary revenues to maintain operations. A significant drop in either revenue could adversely affect the Organization.

7. Program and Contracted Revenue

The Organization has contracted to provide services in connection with developmentally disabled/mentally handicapped adults with the Missouri Department of Mental Health, Division of Mental Retardation and Developmental Disabilities. Services to be provided include supported employment, mobile crew, enclave and job coaching. This funding also includes a fixed amount for transportation costs.

8. Contingent Liability - Contract Awards

The Organization receives financial assistance from the Missouri Department of Mental Health that is subject to annual review and audit. These reviews and audits could lead to request for reimbursement or to withholding of future funding for expenditures disallowed under or other noncompliance with the terms of the contract. The Organization is not aware of any noncompliance that might require the Organization to provide reimbursement.

9. Related Party Transactions

There are no related party transactions to report.

10. Subsequent Events

Subsequent events have been evaluated through October 28, 2020, which is the date the financial statements were available to be issued.

11. Recent Accounting Pronouncements

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments – Overall Recognition and Measurement of Financial Assets and Liabilities*. The update impacts all organizations that hold financial assets and liabilities and changes how these organizations recognize, measure, present, and disclose information about certain financial instruments. The Organization adopted this standard for the fiscal year ended June 30, 2020, and the standards did not materially impact the Organization's financial position.

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12. Impact of COVID-19 Pandemic

The spread of COVID-19 has severely impacted many local economies around the globe. Businesses have been forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Stock markets have experience great volatility and a significant weakening.

Governments and banks have responded with monetary and fiscal interventions to stabilize economic conditions. The Organization received a loan through the Paycheck Protection Program of \$339,660 to maintain its employment levels as well as cover utilities, as needed. The Organization will apply for loan forgiveness in the year ending June 30, 2021, and believes that it will meet all of the requirements to achieve full loan forgiveness.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Organization for future periods.

