

**Episcopal Presbyterian Health Trust  
Responsive Grants  
New Grant Request: August 21, 2019**

<b>Organization</b>	Center for Head Injury Services
<b>Grant Request</b>	\$30,114
<b>Purpose of Grant</b>	Program support
<b>Use of Funds</b>	Counseling and rehabilitation support services
<b>Persons Served</b>	30-40 individuals
<b>Grant Period</b>	7/1/19 – 6/30/20

**Report Summary**

The Center for Head Injury Services has been helping people with cognitive impairments to be a part of the community, perform employment-related tasks, find and keep a job, and live independently. Serving more than 700 people a year, they offer a continuum of services for people with brain injuries, autism and other cognitive impairments in three core areas: Medical Therapy Services, Employment and Vocational Services, and Day and Community Support Services. Since moving to a new facility in 2016, demand for their services has increased, with a broader array of disabilities being addressed.

The Center provides physical, occupational and speech therapies to people in the metro area who have been diagnosed with a developmental disability or who have sustained a head injury before the age of 22. Almost all (98%) of the Center’s clients receive Medicaid or Social Security Disability payments, the Center’s definition of poverty.

EPHT funds would be used for counseling services to clients living in St. Louis City. The services would be offered at the organization’s satellite location on Morganford Ave. in the City. Clients would be referred to the program through the Center’s public agency and nonprofit partners (e.g. St. Louis Office for Developmental Disabilities Resources, Association on Aging with Developmental Disabilities, Preferred Family Healthcare Caring Solutions, MERS Goodwill, or Easter Seals Midwest)

**Outcomes**

The project seeks to help individuals with developmental disabilities increase their social and emotional coping skills so they can more easily interact with their communities.

There are no clear metrics of success in the proposal nor does the proposal outline how many sessions the clients will have.

**Financial Summary**

The organization’s funding seems fairly stable. The majority of its income comes from program fees. Donations and grants accounted for approximately 20% of revenue in 2017 and 14% of revenue in 2018. It is paying a significant amount each year for its facility, and owning the facility gives the organization a sizable and valuable asset to borrow against to help with any cash flow issues that might arise.

The Center are showing an increase in net assets from 2017 to 2018, but also have a negative cash flow position during that same period. This is reflective of investments in their facility.

**Funding Rationale**

Staff recommends partial funding for the program of its focus on a vulnerable population with limited resources. This program is worthy of support.

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<b>Staff Recommendations</b>	
At \$430,000 in grants	\$26,250
At \$270,000 in grants	\$10,000
At \$195,000 in grants	\$10,000

**Previous Funding**

2018 – Outdoor Therapy Area (\$10,000)

2017 – Medical Therapy Equipment (\$18,673)

**Total Program Budget:**           \$ 97,724  
**Trust Requested Grant:**       \$ 30,114  
**Trust allocation:**               30.8%  
**Cost per person (EPHT):**       \$ 752.85



Common Grant Application Cover Sheet				
Grantmaker to whom this application is submitted:				
Application date:	July 24, 2019			
Organization's legal name: (as shown on IRS Letter of Determination)	Center for Head Injury Services			
Doing business as: (if different from legal name)				
EIN #:	43-1554015			
Address:	11828 Lackland Road			
City:	St. Louis	State:	MO	ZIP code: 63146
Org. Telephone #:	314-983-9230	Org. Fax #:	314-983-9235	
Org. Website:	<a href="http://www.headinjuryctr-stl.org">http://www.headinjuryctr-stl.org</a>	Org. Email Address:	info@headinjuryctr-stl.org	
Executive Director: (or top executive)	Ms. Donna Gunning, Executive Director <small>(Please include prefix and title)</small>	Phone #:	314-983-9230	
		Email address:	dgunning@headinjuryctr-stl.org	
Main contact(s) for this proposal:	Ms. Sue Kaiser, Director of Development <small>(Please include prefix and title)</small>	Phone #:	314-983-9230	
		Email address:	skaiser@headinjuryctr-stl.org	
Board President:	James (Jay) Smith IV	Phone #:	636-537-4825	
		Email address:	jaysmithiv@sbcglobal.net	

Organization's tax exempt status/IRS designation (e.g., 501(c)(3), 501(c)(9), etc.)	(Attach a copy of the IRS Letter of Determination- NOTE- this is not the state sales and use tax exemption certificate. If there has been a name change provide copies of the amended state certificate of incorporation and amended IRS Letter of Determination.)
If not a 501(c)(3) nonprofit, then who is the fiscal agent?	(Attach a copy of the written agreement from fiscal agent plus fiscal agent's contact information and EIN.)

Organization's mission statement:
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Helping people with brain injuries, autism and other disabilities reach their maximum potential by developing skills, creating opportunities and shaping brighter futures.

Type of request (check one): Note: not all funders support each type of request. Check with individual grantmaker.			
<input type="checkbox"/> Capacity Building Support		<input checked="" type="checkbox"/> Project/Program Support <input type="checkbox"/> New Project <input type="checkbox"/> Existing Project <input checked="" type="checkbox"/> Expansion of Existing Project	
<input type="checkbox"/> Capital Campaign		<input type="checkbox"/> Other (explain)	
<input type="checkbox"/> General Operating Support			
Project/campaign name: (if general operating please indicate)		Center for Head Injury Services Counseling for Citizens of St. Charles County	
Proposal summary: In 100 words or less summarize the purpose of this request.			
This grant request is for funding of the Center's counseling and rehabilitation support services for individuals with developmental disabilities and their families residing in the City of St. Louis.			
Funding period requested: (be specific)	7 / 1 / 2019 through 6 / 30 /2020	Amount requested:	\$30,114
Total project budget for this period: (not required if general operating request)	\$97,724	Organizational annual budget:	\$4,857,368
Organization fiscal year:	7 / 1 / 2019 through 6 / 30 /2020		
Geographic area(s) served by county. Please provide % served from the City of St. Louis.	City of St. Louis  (For this project. If general operations support, for this organization).		

Does your organization receive funding from a giving federation? Please list all that apply. (e.g., United Way, Arts and Education Council, Jewish Federation, etc.)	No
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<p><b>Agreement</b></p> <p><i>I certify, to the best of my knowledge, that all information included in this proposal is correct. The tax exempt status of this organization is still in effect. If a grant is awarded to this organization, then the proceeds of that grant will not be distributed or used to benefit any organization or individual supporting or engaged in unlawful activities.</i></p> <p><i>In compliance with the USA Patriot Act and other counterterrorism laws, I certify that all funds received from this funder will be used in compliance with all applicable anti-terrorist financing and asset control laws, statutes, and executive orders.</i></p>
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Signature & Title of Authorized Representative (e.g. Executive Director)

July 24, 2019

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Date

## NARRATIVE

### SECTION A: ORGANIZATION INFORMATION

#### 1. Brief summary of organization's history.

In 1986, the first brain injury program was created by family members and concerned professionals from the St. Louis Chapter of the National Head Injury Foundation, out of the need for specialized services for people recovering from a brain injury. At the time, most people with a brain injury lived in a nursing home or institution or spent their days at home alone with nothing to do. The Center launched a cognitive enrichment program which was the first of its kind in Missouri and the Midwest. In 1990, this program incorporated independently. As services expanded, the organization became known as the Center for Head Injury Services (the Center). Today, the Center offers a comprehensive continuum of specialized, highly effective services for children, youth and adults with brain injuries, autism and other disabilities. The Center is an independent, internationally CARF-accredited non-profit that meets the Better Business Bureau's Charity Accountability Standards. The Center has a successful track record of launching new programs to meet the needs of the people we serve and designing innovative new service approaches to fill gaps in the service community. Our social enterprise business, Destination Desserts has won numerous awards and is nationally recognized as the "first of its kind" business created for training by offering bakery, food prep and customer service training utilizing our dessert food truck. The truck also serves as our mobile billboard message to the community about the benefits of a diversified workforce.

In 2015, with a grant from the Productive Living Board for St. Louis County Citizens with Developmental Disabilities (PLB), the Center started a counseling program for individuals with developmental disabilities residing in St. Louis County.

#### 2. Brief description of the organization's current programs, activities, number served annually, and recent accomplishments.

**Therapy and Counseling Services** – The Center offers continued rehabilitation services to maximize quality of life and increase independence. Our licensed physical, occupational and speech therapists provide skilled therapy treatments and our licensed counselors offer individual, family and group counseling sessions.

**Employment and Vocational Services** – The Center is dedicated to assisting people with finding meaningful, paid employment. Our employment services include vocational evaluation, skills assessments, career exploration, vocational training, individualized job placement, on-site job supports and continuing job retention. The Center also actively prepares youth for their transition from school to work.

**Community Support Services** – This program offers a holistic approach to support the needs of those wanting to gain the skills to live independently, maintain employment and safely engage in the community.

**Social Enterprises** – The Center owns and operates social enterprises (Destination Desserts, Wags in a Bag and Destination Café (spring 2019)) as a means of providing training and employment opportunities for people with disabilities. All of the products are handmade, packaged and sold by an integrated workforce. Proceeds support the Center.

**Day Programs** - The Center offers an Adult Day Program for individuals recovering from severe brain injuries and other cognitive and neurological diagnoses and the Midwest Adult Autism Project (MAAP) for adults with severe autism.

**Adaptive Equipment Services** – The Center helps people get the equipment and devices they need to become and stay independent. Adaptive equipment can help a person with activities of daily living, such as bathing, toileting, eating, mobility and engaging in their community. The Center offers adaptive equipment to children and youth in the City of St. Louis and in St. Louis and St. Charles Counties.

The Center serves approximately 700 individuals annually.

Recent accomplishments:

- 2018, recognized with the Better Business Bureau Torch Award for exceptional standards for ethical business practices and service to our customers, employees, suppliers, and communities.
- 2017, The Center received its seventh consecutive three-year accreditations from the Commission on Accreditation of Rehabilitation Facilities (CARF), an independent, international quality accrediting system for health and human services.

Your answers will provide a valuable perspective on our potential grantees' capacity to address the issues of diversity, equity, and inclusion (DEI). See User Guide for more information and examples.

**3. List any internal or external efforts your organization is currently undertaking to incorporate diversity, equity, and/or inclusion (DEI) into its policies and practices. Are there DEI initiatives your organization hopes to undertake?**

- We have a policy and training that ensures a cultural and diversity sensitive environment for clients, staff and other stakeholders.
- If a barrier to program participation is identified, we have a process for addressing the identified barrier to services, therefore, no one is turned away based on discrimination or prejudice. We will assist clients in obtaining translation services if that is required to provide them services.
- We are an equal opportunity and harassment free workplace committed to compliance with Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act and all other applicable federal, state and local laws.
- One of our goals is to develop a more racially/culturally diverse board of directors.

**4. How are the demographics of the community/clients your organization serves reflected in the composition of your staff, board, and/or volunteers? Are there ways that your organization strives to incorporate the perspective of the community/clients your organization serves?**

*(Examples of demographics that may apply to your work include age, ability, national origin, religion, sexual orientation, socio-economic level, veteran status, or personal experience with issue (e.g., previous client of your organization)).*

- Last year, 22% of our clients were African American and 65% were Caucasian with 1.5% Bi-racial and 1.5% Hispanic. Our staff roughly reflects the demographics of our clientele. Our goal is to have a more racially diverse board.
- Diversity of abilities is one of our core values in our role in the community. We hire former clients to work in our social enterprises and do not discriminate in hiring based on a person's abilities. One of our board members has a brain injury and several of our board members have family members with cognitive disabilities.

**SECTION C: DESCRIPTION OF COMMUNITY/CLIENT NEEDS & STRENGTHS**

**5. What are the community/client needs or problems that will be addressed by this project? Why is this issue important?**

The Center provides community support, employment and counseling services to individuals with developmental disabilities who reside in St. Louis County through a grant from the Productive Living Board. The Center provides community support and employment resources to individuals with developmental disabilities who reside in the City of St. Louis through funding from the St. Louis Office for Developmental Disabilities Resources (DDR), however, the DDR does not provide funding for counseling services for these individuals. Counseling services is a significant part of holistic care and helps individuals cope with issues related to independent living and obtaining and retaining employment.

Many individuals with developmental disabilities lack the skills necessary to develop confidence to live independently, sustain employment, and create meaningful relationships in their lives, often creating isolation and disconnect with their community.

The Center's counseling program enables individuals to develop, learn and gain insight into self-esteem, anxiety, depression, anger management, communication, healthy relationships, among other presenting issues. These newly acquired skills assist the individual in creating positive relationships, regulating emotions, practicing coping skills, coming to terms with past traumas and easing into new life transitions. This goal-orientated, outcome-based program enhances the lives of individuals and their families to reach their maximum potential through individual and group therapy sessions. With funding from EPHT, we will be able to offer these services to our clients residing in the City of St. Louis.

**6. Identify 3-5 strengths of the community/clients that your organization serves AND explain how those strengths might contribute to the success of this project.**

Clients contribute to the program's success by exhibiting the following strengths:

1. A willingness to change.
2. Dedication to keeping appointments and doing homework assignments.
3. The ability to develop realistic goals.

**SECTION D: PROJECT INFORMATION**

**7. Describe who will be served by this grant? Please include what percentage of those served live in poverty and how you define poverty.**

This program will be able to serve 30-40 individuals with developmental disabilities residing in the City of St. Louis. The great majority of these clients will be involved in an employment and/or independent living program either through the Center or another social service agency.

We define poverty as individuals receiving Medicaid or Social Security Disability payments.

Approximately, 98% of the Center's clients receive these government benefits.

**8. How many will be served with funding from this grant?**

30-40 individuals with developmental disabilities who reside in the City of St. Louis.

**9. What are your project goals? (Operating or capital requests: what are your agency's major goals?)**

The project's goal is to expand counseling services to the City of St. Louis so individuals with developmental disabilities who are receiving employment and independent living services can increase their social and emotional coping skills so they can more easily interact with their communities.

**10. What activities do you intend to engage in or provide to achieve the aforementioned goals? Please provide an in-depth description of the activities/services, including: 1) how much, 2) how often, 3) how long activities/services will be provided. For expanded project requests, distinguish between current and expanded activities/services.**

Individuals will receive a 50-minute counseling session monthly, bi-monthly or weekly depending upon client's needs. Individual sessions will consist of 1 client with 1 staff. In some instances, individuals will take part in group counseling sessions.

**11. What are the anticipated short-term and long-term measurable outcomes that would be achieved by this grant?**

By participating in this program, individuals will gain a greater understanding of what it means to have a full productive healthy life with reduced negative thoughts and patterns and increased positive feelings and interaction with others, thus increasing success in their home and work environments. Individual and/or group counseling offers extensive benefits to the client by addressing personal struggles, teaching coping skills, providing educational instructions, and exploring possible solutions to the unique challenges individuals with disabilities encounter in their daily life. This counseling program will fill a current service void for the City of St. Louis residents with developmental disabilities who need counseling services to remove barriers that impede their goals toward independence.

**12. What is the timeline for implementing this grant?**

We are prepared to serve clients in the St. Louis City office within 30 days of receiving the grant.

**13. What are the organization's most significant interactions with other organizations and initiatives? For project requests, address this question with respect to that project only. (e.g., who are the other partners, what is your past experience collaborating with each organization, what is their role in this project, and what is their expertise, etc.?)**

Client referrals will come from the Center's employment/vocational and community supports programs, City of St. Louis Office for Developmental Disabilities Resources, the Department of Mental Health, Preferred Family Healthcare, the Association on Aging with Developmental Disabilities and independent living agencies, such as; Community Living Inc., Caring Solutions, and vocational programs, such as Vocational Rehabilitation, MERS Goodwill, and Easter Seals Midwest, among other agencies serving individuals with disabilities.

**14. What other agencies or projects are doing similar work in the region and how are you different?**

To the best of our knowledge, there are no agencies in the City of St. Louis providing counseling services to individuals with developmental disabilities.

**15. Who are the key staff members, board members, and/or volunteers who will ensure the success of the project/organization and what are their qualifications?**

The Center's experienced and licensed staff will have the ability to provide counseling services to participants in individual, couple, or family sessions. Staff are Licensed or Provisionally Licensed Professional Counselors and most are Certified Rehabilitation Counselors.

Donna Gunning, M.Ed, CRC, LPC, Executive Director  
Cindy Jung, MA, PLPC Director of Counseling Services/Lead Therapist  
Polly Sharp, MA, LPC, Counselor  
Jennifer Clark Penney, MA, CRC, PLPC, Counselor

**16. What staff, board, or volunteer training and professional development needs are required to implement this project, if any? Please be specific (e.g. trainings on cultural competency, effective use of social media, or fundraising techniques).**

Licensed Professional Counselors and Certified Rehabilitation Counselors are required to obtain a certain number of continuing educational units throughout the year.

**17. How does this request fit within your organization’s long-term goals? (We define long-term as the time-period beyond this grant). How does this project support your organization’s implementation of its strategic plan?**

The Center’s long-term goals are to provide a comprehensive continuum of services for all our consumers including employment and vocational services, independent living services and therapy and counseling services to people with disabilities in the St. Louis area and to continue to innovate, think “out of the box” and provide services that will help our consumers meet their personal and professional goals.

**18. What is your long-term funding plan once funding from this funder ends? (For project requests, address this question with respect to that project only).**

Our Director of Development works closely with board and staff to identify potential individual, corporate and foundation funders. We use direct mail, our website and social media to reach out to our constituency. Annual fundraising events include Gray Matters Trivia Night and Gray Matters Golf Tournament.

**19. Describe the extent to which your project/organization is based on evidence-based, best, or promising practices.**

The Center’s counseling program is CARF accredited and adheres to CARF standards. Although, all programming will be individualized and tailored for each client, staff will utilize evidence-based and strength-based practices when structuring intervention methodologies.

**SECTION E: EVALUATION**

**20. What tools and processes does your organization use to measure whether or not your program is achieving its goals and outcomes? Describe the measurement tools (e.g., intake sheets, participation checklists, pre/post surveys, client questionnaires follow-up surveys, co-design evaluation tools/co-collect data with your clients/community members, etc.).**

The Center's program evaluation has been accredited by CARF International site surveys since 1999. Program evaluations are heavily weighted in CARF standards and to determine the highest level of accreditation, a three-year approval. The Center has always received a three-year accreditation. The program evaluation system measures quality, efficiency, satisfaction and effectiveness.

Measurement: Intake packets are completed at the first session. Sign-in sheets are signed by both the client and therapist at each session. Consumers create individual goals and a treatment plan is done by the third session. An outcome measurement tool is created to measure the client's individual goals and is completed at each session after the goals are determined. Satisfaction surveys are done bi-annually.

**21. How will the evaluation results be used to inform/strengthen future programming and organizational operations?**

Information from the evaluation results will be used to identify challenges and issues relating to the development of goals and objectives for the program. It will help us in developing realistic targets and strategies and to assess the effectiveness of implemented strategies going forward.

**SECTION F: BUDGET NARRATIVE JUSTIFICATION**

**22. After completing the CGA budget template (NOTE: check both tabs of the spreadsheet), please provide a description of each expense and revenue line item listed on the program/project budget. Indicate whether this is a new expense for your project or if funding is being requested to cover a current/existing expense. For example, if you list personnel expenses, please state whether these funds will be used for new or existing staff positions. Explain how the numbers are being calculated.**

\$18,750 or 250 units (50 minute sessions) @ \$75 per session. Serves 30 individual clients approximately once or twice a month.

\$7,000 for client transportation (\$233 x 30 clients) to therapy sessions at our Morgan Ford Road site.

\$3,864 for 3 laptops @ \$1,288 ea. for counselors

\$500 for printing, copying, postage

**QUESTIONS FOR CAPITAL CAMPAIGN REQUESTS**

**SECTION G: CAPITAL CAMPAIGN REQUESTS (this additional information is required)**

**23. Discuss the feasibility and cost of the capital campaign and its implications in relation to the organization's ongoing operations expenses.**

**24. Specify support received to date and the number of prospects approached and/or identified.**

**25. Identify potential naming opportunities.**

**26. Indicate the board's financial participation in the campaign (percent participating and amount contributed).**

**27. Describe plans for funding the ongoing maintenance of the new capital project.**

**28. Detail financing (e.g., loans, tax credits, etc.) that might be undertaken in addition to raising funds from the public.**

29. Indicate whether the campaign is open or in its quiet phase and when the campaign began. Also indicate if timing is a factor or if a “window of opportunity” exists that could impact the success of the campaign.

**REQUIRED ATTACHMENTS**

1. Copy of the current IRS Letter of Determination indicating tax-exempt status.
2. List of current board of directors. Include the following information for each board member:
  - Professional affiliations (*name of organization of employment and title*)
  - ZIP code of residence (*e.g. 63105, 63135*)
3. If applicable: Letter of support from each collaborating organization that explains their role and is signed by the top executive(s) of that organization.
4. If applicable: Memorandum of Understanding or contract between the organization and the fiscal agent/fiscal sponsor.
5. Financials  
*NOTE: financial statements are to be prepared according to generally accepted accounting procedures (GAAP)*
  - Project budget (*must use Excel CGA Project Budget template included as part of this application*)
  - Internally prepared income statement for current fiscal year. (*You may use Excel CGA Organizational Budget template included in this application or your own personal template.*)

**AND**

  - i. Complete copy of organization’s audited/reviewed/compiled financial statements for the last fiscal year (which should include two (2) years of financial information).

**OR**

  - ii. Organization’s most recently filed Form 990, plus internally prepared financial statements for the past two (2) years. **Must include:**
    - \* Statement of activities (income statement)
    - \* Statement of financial position (balance sheet)
    - \* Statement of cash flow
6. **Additional Attachments:** Individual grantmakers may choose to request additional attachments. Please check with the individual grantmaker.

Please read the following statements and check both the boxes certifying that this application is complete according to the requirements set forth by the grantmaker.

- I have reviewed the website or spoken with the grantmaker to whom I am submitting this application and have reviewed their mission, funding interests, process, and requirements to determine if my request is a funding fit.
- I have included in this application any additional materials and attachments required by this funder.



## Missouri CGA - Project Budget (Required)

Episcopal Presbyterian Health Trust	Insert Agency Name Here	
Expenses	Total Project Expenses	Amount Requested from Funder
Salary and Benefits	\$ 77,551	\$ 18,750
Contract Services (consulting, professional, fundraising)	\$ 864	\$ -
Occupancy (rent, utilities, maintenance)	\$ 4,247	\$ -
Training & Professional Development	\$ -	\$ -
Insurance	\$ 487	\$ -
Travel		\$ 7,000
Equipment		\$ 3,864
Supplies	\$ 77	\$ -
Printing, Copying & Postage	\$ -	\$ 500
Evaluation	\$ -	\$ -
Marketing	\$ -	\$ -
Conferences, meetings, etc.	\$ -	\$ -
Administration	\$ 13,449	\$ -
*Other - _____	\$ 336	\$ -
*Other - _____ telephone _____	\$ 191	\$ -
<b>TOTAL EXPENSES</b>	<b>\$ 97,202</b>	<b>\$ 30,114</b>
Revenues	Committed	Pending
<b>Contributions, Gifts, Grants, &amp; Earned Revenue</b>		
Local Government	\$ 63,045	\$ -
State Government	\$ 22,117	\$ -
Federal Government	\$ -	\$ -
Individuals	\$ -	\$ 3,500
TBD	\$ -	\$ 3,500
*Foundation - _____	\$ -	\$ -
*Foundation - _____	\$ -	\$ -
*Foundation - _____	\$ -	\$ -
*Corporation- _____	\$ -	\$ -
*Corporation- _____	\$ -	\$ -
*Corporation- _____	\$ -	\$ -
*Federation- _____	\$ -	\$ -
*Other - _____	\$ -	\$ -
Membership Income	\$ -	\$ -
Program Service Fees	\$ -	\$ -
Products	\$ -	\$ -
Fundraising Events (net)	\$ -	\$ 5,000
Investment Income	\$ -	\$ -
In-Kind Support	\$ -	\$ -
*Other - _____	\$ -	\$ -
<b>TOTAL REVENUES</b>	<b>\$ 85,162.00</b>	<b>\$ 12,000.00</b>

\*Please specify for contributions over \$1,000.



## Missouri CGA - Organizational Budget (Optional)

Episcopal Presbyterian Health Trust	Center for Head Injury Svcs
Expenses	
Salary & Benefits	\$ 3,764,676
Contract Services (consulting, professional, fundraising)	\$ 162,324
Occupancy (rent, utilities, & maintenance)	\$ 275,696
Training & Professional Development	\$ 20,949
Insurance	\$ 33,833
Travel	\$ 68,100
Equipment	\$ 29,705
Supplies	\$ 68,960
Printing, Copying & Postage	\$ 7,134
Evaluation	\$ -
Marketing	\$ 2,882
Conferences, meetings, etc.	\$ 1,877
Depreciation	\$ 98,241
Administration	\$ -
*Other - _____ cost of goods sold _____	\$ 146,434
*Other - _____	\$ 8,073
<b>TOTAL EXPENSES:</b>	<b>\$ 761,884.00</b>

Revenues	Committed	Pending
<b>Contributions, Gifts, Grants, &amp; Earned Revenue</b>		
Local Government	\$ 2,209,216	\$ -
State Government	\$ 1,556,156	\$ -
Federal Government	\$ 15,332	\$ -
Individuals	\$ 26,500	\$ 15,000
*Foundation - ___ anonymous _____	\$ 185,000	\$ -
*Foundation - ___ various _____	\$ 8,000	\$ -
*Foundation - ___ Saigh Fd. _____	\$ 5,000	\$ -
*Foundation - ___ Pettus Fd. _____	\$ 12,000	\$ -
Foundation - Autism Speaks		\$10,000
*Corporation-__ various _____	\$ 19,000	\$ -
*Corporation-_____	\$ -	\$ -
*Corporation-_____	\$ -	\$ -
*Federation-_____	\$ -	\$ -
*Other - _____	\$ -	\$ -
Membership Income	\$ -	\$ -
Program Service Fees	\$ 233,320	\$ -
Products	\$ 491,664	\$ -
Fundraising Events (net)	\$ 30,000	\$ 41,000
Investment Income	\$ 180	\$ -
In-Kind Support	\$ -	\$ -
*Other - _____	\$ -	\$ -
<b>TOTAL REVENUES:</b>	<b>\$ 4,791,368.00</b>	<b>\$ 66,000.00</b>

\*Please specify for contributions over \$1,000.



# CENTER FOR HEAD INJURY SERVICES

Financial Statements and Independent Auditors' Report

**YEARS ENDED JUNE 30, 2018 AND 2017**



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## Independent Auditors' Report

Board of Directors  
Center for Head Injury Services  
St. Louis, Missouri

We have audited the accompanying financial statements of the Center for Head Injury Services (the "Organization") (a not-for-profit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, 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 the Center for Head Injury Services as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Anders Minkler Huber & Helms LLP*

February 25, 2019

**Center for Head Injury Services  
Statements of Financial Position  
June 30, 2018 and 2017**

**Assets**

	2018	2017
Current Assets		
Cash and cash equivalents	\$ 179,882	\$ 275,125
Accounts receivable, net	456,188	649,130
Prepaid expenses	7,707	11,302
Total Current Assets	643,777	935,557
Property and Equipment, net	3,276,107	2,743,757
Other Assets	100	1,475
Total Assets	\$ 3,919,984	\$ 3,680,789

**Liabilities and Net Assets**

Current Liabilities		
Current maturities of long-term debt	\$ 70,542	\$ 1,855,398
Accounts payable	112,184	326,545
Accrued expenses	35,839	70,990
Total Current Liabilities	218,565	2,252,933
Long-term Debt	2,662,858	534,905
Total Liabilities	2,881,423	2,787,838
Net Assets		
Unrestricted	1,020,730	680,671
Temporary restricted	17,831	212,280
Total Net Assets	1,038,561	892,951
Total Liabilities and Net Assets	\$ 3,919,984	\$ 3,680,789

**Center for Head Injury Services  
Statement of Activities  
Year Ended June 30, 2018**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue, Gains and Other Support			
Contributions	\$ 36,381	\$ -	\$ 36,381
Grants	364,434	17,831	382,265
Special events	105,020	-	105,020
Program fees	3,003,058	-	3,003,058
Other	<u>207,269</u>	<u>-</u>	<u>207,269</u>
	3,716,162	17,831	3,733,993
Net assets released from restrictions:			
Satisfaction of time and usage restrictions	<u>212,280</u>	<u>(212,280)</u>	<u>-</u>
Total Revenues, Gains and Other Support	<u>3,928,442</u>	<u>(194,449)</u>	<u>3,733,993</u>
Expenses			
Program Services			
Adult day program	272,838	-	272,838
Employment/vocational	1,170,110	-	1,170,110
Community placement	316,959	-	316,959
Medical	334,272	-	334,272
Midwest Adult Autism Project	346,574	-	346,574
Social enterprises	<u>443,835</u>	<u>-</u>	<u>443,835</u>
Total Program Services	<u>2,884,588</u>	<u>-</u>	<u>2,884,588</u>
Supporting Activities			
Management and general	524,882	-	524,882
Fundraising	<u>178,913</u>	<u>-</u>	<u>178,913</u>
Total Supporting Activities	<u>703,795</u>	<u>-</u>	<u>703,795</u>
Total Expenses	<u>3,588,383</u>	<u>-</u>	<u>3,588,383</u>
Change in Net Assets	340,059	(194,449)	145,610
Net Assets, Beginning of Year	<u>680,671</u>	<u>212,280</u>	<u>892,951</u>
Net Assets, End of Year	<u>\$ 1,020,730</u>	<u>\$ 17,831</u>	<u>\$ 1,038,561</u>

**Center for Head Injury Services  
Statement of Activities  
Year Ended June 30, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue, Gains and Other Support			
Contributions	\$ 121,465	\$ 203,744	\$ 325,209
Grants	416,073	8,536	424,609
Special events	169,953	-	169,953
Program fees	2,809,689	-	2,809,689
Other	<u>115,415</u>	<u>-</u>	<u>115,415</u>
	<u>3,632,595</u>	<u>212,280</u>	<u>3,844,875</u>
Net assets released from restrictions			
Satisfaction of time and usage restrictions	<u>11,204</u>	<u>(11,204)</u>	<u>-</u>
Total Revenues, Gains and Other Support	<u>3,643,799</u>	<u>201,076</u>	<u>3,844,875</u>
Expenses			
Program Services			
Adult day program	249,594	-	249,594
Employment/ vocational	1,121,385	-	1,121,385
Community placement	250,962	-	250,962
Medical	303,281	-	303,281
Midwest Adult Autism Project	359,777	-	359,777
Social enterprises	<u>388,349</u>	<u>-</u>	<u>388,349</u>
Total Program Services	<u>2,673,348</u>	<u>-</u>	<u>2,673,348</u>
Supporting Activities			
Management and general	536,334	-	536,334
Fundraising	<u>182,913</u>	<u>-</u>	<u>182,913</u>
Total Supporting Activities	<u>719,247</u>	<u>-</u>	<u>719,247</u>
Total Expenses	<u>3,392,595</u>	<u>-</u>	<u>3,392,595</u>
Change in Net Assets	251,204	201,076	452,280
Net Assets, Beginning of Year	<u>429,467</u>	<u>11,204</u>	<u>440,671</u>
Net Assets, End of Year	<u>\$ 680,671</u>	<u>\$ 212,280</u>	<u>\$ 892,951</u>

**Center for Head Injury Services  
Statement of Functional Expenses  
Year Ended June 30, 2018**

	Program Services							Supporting Activities		Total Expenses
	Adult Day Program	Employment/Vocational	Community Placement	Medical	Midwest Adult Autism Project	Social Enterprises	Total	Management and General	Fundraising	
Salaries and wages	\$ 154,032	\$ 892,381	\$ 226,842	\$ 203,683	\$ 232,309	\$ 201,707	\$ 1,910,954	\$ 291,050	\$ 109,435	\$ 2,311,439
Payroll taxes	11,893	69,463	16,299	15,891	18,168	14,500	146,214	21,485	7,964	175,663
Employee benefits	20,196	82,567	39,037	22,202	20,173	22,682	206,857	27,579	14,857	249,293
Advertising	-	-	-	-	-	-	-	-	2,010	2,010
Client assistance	(2,769)	540	-	29,097	-	-	26,868	-	-	26,868
Dues and subscriptions	729	214	974	-	(2)	174	2,089	17,614	4,720	24,423
Equipment	218	2,297	975	215	1,156	4,306	9,167	13,279	112	22,558
Insurance	7,890	9,774	1,649	6,418	9,656	5,947	41,334	16,074	1,472	58,880
Interest expense	13,774	17,063	2,878	11,204	16,858	10,382	72,159	28,062	2,570	102,791
Licenses	92	-	-	6	-	4,156	4,254	121	-	4,375
Maintenance	11,022	11,610	1,958	7,624	11,470	13,802	57,486	19,094	1,749	78,329
Miscellaneous	-	6,279	350	-	-	-	6,629	2,187	-	8,816
Occupancy	-	710	-	8,400	-	-	9,110	-	-	9,110
Postage	-	-	-	-	-	822	822	1,747	77	2,646
Printing	32	433	216	-	-	-	681	2,854	1,037	4,572
Professional fees	2,718	3,353	566	2,202	3,322	3,608	15,769	31,735	2,046	49,550
Seminars	719	116	-	-	395	900	2,130	690	240	3,060
Special events	-	-	-	-	-	-	-	-	25,058	25,058
Subcontractors	20,830	7,484	1,617	9,681	7,213	22,194	69,019	12,893	1,099	83,011
Supplies	2,683	3,981	327	3,291	1,352	93,730	105,364	16,031	1,683	123,078
Telephone	968	9,081	2,552	955	2,343	2,405	18,304	1,159	496	19,959
Training	-	503	107	-	358	297	1,265	2,347	26	3,638
Travel	2,247	36,109	14,722	1,763	790	8,368	63,999	3,217	86	67,302
Utilities	5,810	7,198	4,727	1,213	7,111	4,379	30,438	11,838	1,084	43,360
Total Expense Before Depreciation	253,084	1,161,156	315,796	323,845	332,672	414,359	2,800,912	521,056	177,821	3,499,789
Depreciation	19,754	8,954	1,163	10,427	13,902	29,476	83,676	3,826	1,092	88,594
Total Expenses	<u>\$ 272,838</u>	<u>\$ 1,170,110</u>	<u>\$ 316,959</u>	<u>\$ 334,272</u>	<u>\$ 346,574</u>	<u>\$ 443,835</u>	<u>\$ 2,884,588</u>	<u>\$ 524,882</u>	<u>\$ 178,913</u>	<u>\$ 3,588,383</u>

**Center for Head Injury Services  
Statement of Functional Expenses  
Year Ended June 30, 2017**

	Program Services							Supporting Activities		Total Expenses
	Adult Day Program	Employment/Vocational	Community Placement	Medical	Midwest Adult Autism Project	Destination Desserts	Total	Management and General	Fundraising	
Salaries and wages	\$ 168,305	\$ 751,152	\$ 165,522	\$ 229,490	\$ 218,590	\$ 187,615	\$ 1,720,674	\$ 248,593	\$ 103,497	\$ 2,072,764
Payroll taxes	13,926	61,512	13,087	18,867	18,574	14,473	140,439	19,112	7,957	167,508
Employee benefits	14,271	59,304	17,978	14,455	16,101	22,366	144,475	20,911	12,967	178,353
Advertising	-	-	-	-	-	-	-	-	401	401
Client assistance	857	1,008	-	(10,682)	31	-	(8,786)	-	-	(8,786)
Dues and subscriptions	328	80	1,007	26	45	143	1,629	19,218	1,541	22,388
Equipment	-	-	-	-	41	2,019	2,060	10,139	-	12,199
Insurance	11,066	50,837	11,208	13,540	16,071	14,182	116,904	14,658	6,151	137,713
Interest expense	-	-	-	-	-	1,571	1,571	54,531	-	56,102
Licenses	111	43	-	-	-	4,278	4,432	231	-	4,663
Maintenance	1,281	6,785	1,124	1,059	2,533	3,640	16,422	7,440	550	24,412
Miscellaneous	-	14	2,169	280	15	(674)	1,804	8,240	23	10,067
Occupancy	17,979	114,623	18,922	23,313	42,617	34,044	251,498	20,594	9,253	281,345
Postage	231	-	-	-	-	126	357	2,205	513	3,075
Printing	-	169	-	97	-	1	267	1,122	1,283	2,672
Professional fees	-	-	-	-	8,475	2,556	11,031	56,793	1,931	69,755
Seminars	25	483	-	200	-	1,152	1,860	500	-	2,360
Special events	-	-	-	-	-	-	-	-	23,773	23,773
Subcontractors	10,282	-	-	2,703	22,596	-	35,581	29,037	9,638	74,256
Supplies	879	999	10	1,353	723	65,116	69,080	14,358	419	83,857
Telephone	1,930	5,995	1,707	549	1,327	2,569	14,077	1,449	437	15,963
Training	121	1,485	108	-	333	225	2,272	216	230	2,718
Travel	2,027	42,634	14,139	3,142	756	3,308	66,006	2,691	339	69,036
Utilities	3,574	22,587	3,743	3,526	8,431	6,601	48,462	4,042	1,831	54,335
Total Expense Before Depreciation	247,193	1,119,710	250,724	301,918	357,259	365,311	2,642,115	536,080	182,734	3,360,929
Depreciation	2,401	1,675	238	1,363	2,518	23,038	31,233	254	179	31,666
<b>Total Expenses</b>	<b>\$ 249,594</b>	<b>\$ 1,121,385</b>	<b>\$ 250,962</b>	<b>\$ 303,281</b>	<b>\$ 359,777</b>	<b>\$ 388,349</b>	<b>\$ 2,673,348</b>	<b>\$ 536,334</b>	<b>\$ 182,913</b>	<b>\$ 3,392,595</b>

**Center for Head Injury Services  
Statements of Cash Flows  
Years Ended June 30, 2018 and 2017**

	2018	2017
Cash Flows From Operating Activities		
Change in net assets	\$ 145,610	\$ 452,280
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	88,594	31,666
Loss on disposal of equipment	26,550	71,863
(Increase) decrease in assets:		
Accounts receivable, net	192,942	(172,252)
Grants receivable	-	23,248
Prepaid expenses	3,595	3,578
Other assets	1,375	10,338
Increase (decrease) in liabilities:		
Accounts payable	(214,361)	140,487
Accrued expenses	(35,151)	37,062
Net Cash Provided by Operating Activities	209,154	598,270
Cash Flows From Investing Activities		
Purchases of property and equipment	(647,494)	(1,670,280)
Proceeds from sale of equipment	-	4,642
Net Cash Used in Investing Activities	(647,494)	(1,665,638)
Cash Flows From Financing Activities		
Borrowings on line of credit	-	32,307
Payments on line of credit	-	(150,000)
Proceeds from long-term debt	386,103	1,460,417
Payments on long-term debt	(43,006)	(20,433)
Net Cash Provided By Financing Activities	343,097	1,322,291
Net Increase (Decrease) in Cash and Cash Equivalents	(95,243)	254,923
Cash and Cash Equivalents, Beginning of Year	275,125	20,202
Cash and Cash Equivalents, End of Year	\$ 179,882	\$ 275,125
Supplemental Disclosures of Cash Flow Information		
Cash paid for		
Interest	\$ 102,791	\$ 56,102

**Center for Head Injury Services  
Notes to Financial Statements  
June 30, 2018 and 2017**

**1. Nature of Operations and Basis of Presentation**

**Organization**

Center for Head Injury Services (the "Organization") was established in 1986 and incorporated in 1990 as a not-for-profit organization whose mission is to help people with brain injuries, autism and other disabilities reach their maximum potential by developing skills, creating opportunities and shaping brighter futures. The Organization's principal activities consist of low-cost programs to provide cognitive enrichment; training to improve social, recreational and leisure skills; training in adaptive physical fitness; experience in activities of daily living; family respite; and assistance to the clients to maximize prevocational potential and aid in eventual assimilation into the community. The Organization's clients are drawn from St. Louis City and the surrounding counties in Missouri and Illinois.

In 2016, the Organization launched a capital campaign that concluded in 2017. The purpose of this capital campaign was to raise money for a new building, which the Organization now occupies. The Organization took out a bank loan totaling \$2.2 million to pay for this property. The capital campaign was used to cover additional costs not covered by this loan. The capital campaign raised money through individual donors, as well as grant programs such as the Mabee Foundation. Due to the capital campaign, cash, contributions and property and equipment were significantly higher in 2017.

The Organization offers the following programs:

**Adult Day Program**

The Organization's day programs are tailored to the health and rehabilitation needs of the participants. This is accomplished with a variety of services and supervised activities. Individualized program goals are established to build skills for independence that enable the participants to continue to live and participate in their community.

The services provided in the adult day program for persons with brain injuries or other cognitive impairments include, but are not limited to: health services and medication management as needed, cognitive and physical restorative rehabilitation therapies, training and assistance with activities of daily living and work related skills, therapeutic recreational activities and physical training, and behavioral programming and social skills training. This is accomplished through individualized goal setting and progress monitoring.

**Center for Head Injury Services  
Notes to Financial Statements  
June 30, 2018 and 2017**

**Employment/Vocational Services**

This program gives people who have sustained a brain injury or other neurological impairment the opportunity to evaluate and build their work potential. Our vocational and employment professionals are guided by licensed medical therapists and licensed counselors. They provide work-oriented neuro-rehabilitation activities such as physical and cognitive assessments, assessing work capabilities, treatment to improve physical and mental stamina, neuropsychological evaluations, independent living assessments, compensatory strategy training, accommodation and technology training, social skills training, disability adjustment counseling and behavior therapies. After the person meets their rehabilitation goals, employment specialists continue training as needed in other areas to develop a successful work personality by building work skills in the areas of orientation to work rules and expectations. Employment specialists also provide assistance to improve job seeking and interviewing skills and to obtain employment. Once employed, the Organization provides continuing employment support as needed to assist the individual in maintaining employment.

**Medical Services**

This program includes physical, occupational, speech therapies and counseling services specifically designed to meet participants' individual needs. Neuropsychological evaluations are also available.

Specialized occupational therapy is provided in the home to provide adaptive equipment, devices, and home/vehicle modifications designed to address independence, health/safety in the home and accessibility in the community.

**Midwest Adult Autism Project (MAAP)**

Included in the Organization's day services is the Midwest Adult Autism Project. This program provides integrated therapies designed specifically for persons with severe autism in a structured day program setting. The program serves patients with severe autism who are not eligible to participate in school system provided programs due to age. This program provides continuing speech/communication, sensory, occupational and applied behavioral analysis therapy to improve the young adults' ability to function in their home and community as an alternative to institutional placement.

**Basis of Presentation**

The accompanying financial statements have been prepared in accordance with the provisions of the Financial Accounting Standards Board ("FASB"), Accounting Standards Codification (the "FASB ASC"), which is the source of authoritative, non-governmental accounting principles generally accepted in the United States of America ("GAAP"). All references to authoritative accounting guidance contained in our disclosures are based on the general accounting topics within the FASB ASC.

**Center for Head Injury Services**  
**Notes to Financial Statements**  
**June 30, 2018 and 2017**

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified into three categories of net assets, as applicable, and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. Board designated funds are established by the Board of Directors and represent unrestricted net assets that have been set aside for future needs.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations required to be maintained permanently by the Organization. The income earned on any related investments may also be subject to donor-imposed stipulations. As of June 30, 2018 and 2017, there were no permanently restricted net assets.

**2. Summary of Significant Accounting Policies**

**Use of Estimates**

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

**Fair Value Measurements**

The Organization follows guidance issued by the FASB on fair value measurements, which establishes a framework for measuring fair value, clarifies the definition of fair value within that framework, and expands disclosures about the use of fair value measurements. This guidance applies whenever fair value is the applicable measurement. The three general valuation techniques used to measure fair value are the market approach, cost approach, and income approach.

Carrying amounts of certain financial instruments such as cash and cash equivalents, accounts receivable, grants receivable, prepaid expenses, accounts payable, accrued expenses, and notes payable approximate fair value due to their short maturities or because the terms are similar to market terms. There have been no changes in the methodologies used at June 30, 2018 and 2017.

**Cash and Cash Equivalents**

The Organization considers all short-term investments with an original maturity of three months or less at the time of purchase to be cash and cash equivalents.

**Center for Head Injury Services**  
**Notes to Financial Statements**  
**June 30, 2018 and 2017**

**Accounts Receivable**

Accounts receivable are uncollateralized obligations from supporting governmental agencies due under normal trade terms generally requiring payment within 30 days of the invoice date.

The Organization provides an allowance for doubtful accounts equal to the estimated losses that will be incurred in the collection of accounts receivable. This estimate is based on historical experience coupled with a review of the current status of existing receivables. The allowance and associated accounts receivable are reduced when the receivables are determined to be uncollectible. The allowance for doubtful accounts totaled \$6,000 as of June 30, 2018 and 2017.

**Property and Equipment**

Property and equipment acquisitions with a life of three years or greater and a cost in excess of \$1,000 are capitalized and recorded at cost, while maintenance and repairs are expensed as incurred. Donated assets are recorded at fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose or period of time. When assets are sold or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts. Any gain or loss arising from such disposition is included as income or expense in the year of disposition.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

The estimated lives for computing depreciation on property and equipment are:

<u>Classification</u>	<u>Years</u>
Buildings	40
Furniture and fixtures	5-7
Machinery and equipment	5-7
Vehicles	5

**Long-Lived Asset Impairment**

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended June 30, 2018 and 2017.

**Center for Head Injury Services**  
**Notes to Financial Statements**  
**June 30, 2018 and 2017**

**Support and Revenue**

Contributions, including unconditional promises to give, are recorded as received. All contributions are available for unrestricted use unless specifically restricted by the donor. When a 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. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Donor restricted contributions in which the restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

Government contracts are generally recognized as income in the period that specific services are provided.

**Functional Expense Allocation**

The Organization allocates expenses on a functional basis among various programs and supporting activities. Expenses that can be identified with a specific program and supporting activity are allocated directly according to their natural expenditure classifications. Other expenses that are common to several functions are allocated by various statistical bases.

**Advertising**

The Organization expenses advertising costs as they are incurred. Advertising costs totaled \$2,010 and \$401 for the years ended June 30, 2018 and 2017, respectively.

**Income Taxes**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"), except on net income derived from unrelated business activities as defined in the Code. Accordingly, the Organization files as a tax exempt organization.

The Organization follows guidance issued by the FASB on accounting for income taxes and has evaluated its tax positions, expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings, and believes that no provision for income taxes is necessary to cover any uncertain tax positions. The Organization's returns for tax years 2015 and later remain subject to examination by taxing authorities.

**Reclassifications**

Certain amounts in the 2017 financial statements have been reclassified to conform to the current year presentation.

**Center for Head Injury Services  
Notes to Financial Statements  
June 30, 2018 and 2017**

**Subsequent Events**

The Organization has evaluated subsequent events through February 25, 2019, the date the financial statements were available to be issued.

**Recent Accounting Pronouncements**

**Revenue from Contracts with Customers**

The FASB has issued new guidance on the recognition of revenue from contracts with customers. This guidance requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve this, an entity should apply a five step process to (1) identify the contract(s) with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the entity satisfies a performance obligation. The guidance also requires an entity to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The guidance will be required for the first fiscal year beginning after December 15, 2018. Based on a preliminary analysis, the Organization has not yet determined what impact, if any, this new guidance will have on its financial statements.

**Not-for-profit Entities**

The FASB has issued new guidance on financial reporting for not-for-profit entities. The guidance requires a not-for-profit entity to present on the face of the statement of financial position amounts for two classes of net assets at the end of the period, rather than for the currently required three classes. That is, a not-for-profit entity will report amounts for net assets with donor restrictions and net assets without donor restrictions, as well as the currently required amount for total net assets. The guidance also requires a not-for-profit entity to present on the face of the statement of activities the amount of the change in each of the two classes of net assets rather than that of the currently required three classes. Not-for-profit entities will continue reporting the currently required amount of the change in total net assets for the period. The guidance also requires a not-for-profit entity to continue to present on the face of the statement of cash flows the net amount for operating cash flows using either the direct or indirect method of reporting but no longer requires the presentation or disclosure of the indirect method (reconciliation) if using the direct method. The guidance also requires enhanced disclosures about the following:

**Center for Head Injury Services  
Notes to Financial Statements  
June 30, 2018 and 2017**

- Amounts and purposes of governing board designations, appropriations, etc.,
- Composition of net assets with donor restrictions at the end of the period,
- Qualitative information that communicates how an entity manages its liquid resources,
- Quantitative and additional qualitative information, as necessary, that communicates the availability of an entity's financial assets,
- Amounts of expenses by both their natural classification and their functional classification,
- Method(s) used to allocate costs among program and support functions,
- Underwater endowment funds.

The guidance also requires that the Organization report investment return net of external and direct internal investment expenses and no longer require disclosure of those netted expenses. The guidance also requires that the Organization use, in the absence of explicit donor stipulations, the placed-in-service approach for reporting expirations of restrictions on gifts of cash or other assets to be used to acquire or construct a long-lived asset.

The guidance will be required for the first fiscal year beginning after December 15, 2017. Based on a preliminary analysis, the Organization does expect the new guidance will have a significant impact on its financial statements.

**3. Property and Equipment**

Property and equipment at June 30, is as follows:

	2018	2017
Land	\$ 162,913	\$ 162,914
Buildings	2,584,640	2,039,360
Construction in progress	519,769	516,716
Furniture and fixtures	33,539	18,948
Machinery and equipment	45,120	24,330
Vehicles	146,118	108,885
	3,492,099	2,871,153
Less accumulated depreciation and amortization	215,992	127,396
	<b>\$ 3,276,107</b>	<b>\$ 2,743,757</b>

Depreciation expense for the years ended June 30, 2018 and 2017 totaled \$88,594 and \$31,666, respectively.

**Center for Head Injury Services  
Notes to Financial Statements  
June 30, 2018 and 2017**

**4. Line of Credit**

The Organization has a line of credit agreement ("the "Agreement") of \$150,000, scheduled to expire in September 2018. The agreement was subsequently extended to expire in September 2019. Borrowings are charged interest at the prime rate (5 percent at June 30, 2018), but no less than 4.75 percent per annum, and are secured by the Organization's assets. There were no borrowings outstanding under the line of credit at June 30, 2018 and 2017.

**5. Long-term Debt**

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

	<u>2018</u>	<u>2017</u>
Note payable, secured by vehicle, interest at 5 percent, monthly payments of \$1,884 including interest, maturing in June 2018.	\$ -	\$ 19,785
Note payable, secured by real property on Lackland Road, interest of 4.675 percent, monthly payments of \$14,335, including interest, maturing in March 2022.	2,203,400	1,835,613
Mortgage payable, secured by deed of trust, payable when the Organization sells, trades or disposes of the Morganford property.	<u>530,000</u>	<u>534,905</u>
	2,733,400	2,390,303
Less current maturities	<u>70,542</u>	<u>1,855,398</u>
	<u>\$ 2,662,858</u>	<u>\$ 534,905</u>

Maturities of long-term debt as of June 30, 2018 are as follows:

<u>June 30,</u>	
2019	\$ 70,542
2020	73,911
2021	77,441
2022	1,981,506
Thereafter	<u>530,000</u>
	<u>\$ 2,733,400</u>

**Center for Head Injury Services  
Notes to Financial Statements  
June 30, 2018 and 2017**

**6. Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes or periods:

	June 30, 2018	2017
Time and usage restrictions	\$ 17,831	\$ 212,280

Assets released from restrictions for the years ended June 30, are as follows:

	2018	2017
Released from restrictions of purpose	\$ 212,280	\$ 11,204

**7. Retirement Plans**

The Organization maintains a contributory retirement savings plan under Section 401(k) of the Internal Revenue Code covering substantially all employees who meet certain eligibility requirements. There were no employer contributions to the plan for the years ended June 30, 2018 and 2017.

**8. Risks and Uncertainties**

**Concentrations**

Contributions from three sources were approximately 62 and 64 percent of the Organization's revenue during the years ended June 30, 2018 and 2017, respectively. Accounts receivable from four and five supporting governmental agencies were approximately 74 and 88 percent of the Organization's accounts receivable at June 30, 2018 and 2017, respectively.

**Concentration of Credit Risk**

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash and cash equivalents, accounts receivable, and grants receivable. The Organization maintains its cash primarily with one financial institution. Deposits at this bank are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. The Organization performs ongoing credit evaluations of the supporting government agencies with whom they do business and donors and maintains allowances, as needed, for potential credit losses. Although the Organization is directly affected by the financial stability of these supporting governmental agencies, management does not believe significant credit risk exists at June 30, 2018.

Name	Board Position	Home Address	Phone Numbers	Employer	Employer Phone	Affiliations
<b>James "Jay" Smith, IV</b>	President	17818 Keystone Trail Ct. Chesterfield, MO 63005	636-537-4825 (H) 417-894-0878 (M)	Litton & Giddings Radiological Associates PC P O Box 14049 Springfield, MO 65814	913-749-5300	CPA, Knights of Columbus
<b>Mark Stallmann</b>	Vice President	110 Point West Blvd. St. Charles, MO 63301	636-227-6370 (H) 314-324-9707 (M)	St. Charles Realtors 110 Point West Blvd. St. Charles, MO 63301	636-946-4022 Ext 12	
<b>Jennifer Koenig</b>	Secretary	1435 Burning Tree Dr. Florissant, MO 63033	314-853-3787 (M)	Aegion Corporation 17988 Edison Ave, Chesterfield, MO 63005	636-530-8000	
<b>Jon Cline</b>	Treasurer	25 N Central Ave., Apt 203 Clayton, MO 63105	913-568-1145 (M)	Armstrong Teasdale, LLP 7700 Forsyth Blvd, #1800 St. Louis, MO 63105	314-342-8087 Ext 7487	Attorney at law
<b>Mark Riordan</b>	Past President	1 Lake Forest Ct. E St. Charles, MO 63301	636-443-2339 (H) 636-634-1754 (M)	Stifel Financial Corp. 2342 Technology Dr., #300 O'Fallon, MO 63368	636-939-2676	
<b>Dan Creston</b>	Director	415 Sheffield Estate Dr. Creve Coeur, MO 63141	314-542-4042 (H) 314-575-4192 (M)	Retired from Alpha Packaging	N/A	
<b>Bill Couch</b>	Director	447 Wildflower Ct. Ballwin, MO 63021	314-609-7387 (H)	Community volunteer	N/A	
<b>Barbara Dolan</b>	Director	948 Tuxedo Blvd. St. Louis, MO 63119	314-968-9327 (H) 314-496-0957 (M)	Retired nurse, Veterans Health Administration	N/A	Former RN
<b>Kathy Malarkey</b>	Director	2702 Kenny Ln. Imperial, MO 63052	314-210-8474 (M)	EBS Recruiting 1 Cityplace Dr. #190 Creve Coeur, MO 63141	314-514-9501	
<b>Steve Mastin</b>	Director	106 Lea Meadows Dr. Ballwin, MO 63011	314-265-3171 (M)	Colibri Group 12977 North Outer Forty St. Louis, MO 63141	866-739-7277 Ext 134	
<b>John Rosen</b>	Director	2135 Wedgwood Dr. W Florissant, MO 63033	314-830-1126 (H) 314-322-9782 (M)	Foam Supplies, Inc. 4387 N. Rider Trail Earth City, MO 63045	314-344-3330	
<b>Linda Statler</b>	Director	127 Snake River Dr. O'Fallon, MO 63368	913-530-6665 (M)	Retired from Personal Care Products, Inc.	N/A	Former RN
<b>Ralph Turney</b>	Director	673 Clifden Dr. St. Charles, MO 63304	636-926-0944 (H) 314-605-2205 (M)	Red Arrow, LLC 673 Clifden Dr. St. Charles, MO 63304	314-605-2205	