

ALPS

Adult Day Services



600 N. Daisy Street, Morristown, TN 37814

423.587.9149 • Fax: 423.587.9234

www.alpsadulthoodservices.org

Dear Mayor Cutshaw,

On behalf of ALPS, I would like to express our sincere appreciation for the continued support from the Hamblen County Government. For 39 years, ALPS has been a vital resource for our community, providing essential services that significantly reduce the financial and logistical burden on county-funded programs. In our most recent fiscal year, 60% of our participants called Hamblen County home. Thanks to community support, we were able to offer approximately \$150,000 in service discounts to Hamblen County residents.

We respectfully request continued funding at the increased level approved last year. Serving our community's most vulnerable individuals has always been our privilege, but the financial impact of recent years has been significant. ALPS remains committed to being a responsible steward of every dollar allocated, ensuring that 100% of these funds directly offset sliding scale expenses for those in need. It is important to note that all county allocations and fundraising dollars stay within Hamblen County, benefiting local residents exclusively.

While the official pandemic designation has ended, the economic impact continues. Rising operational costs, including mandated wage restructuring for our frontline caregivers, have placed additional strain on our budget. Without ALPS, the burden on other county-funded services—such as E-911, Volunteer Fire, EMS, and the Sheriff's Department—would undoubtedly increase. By investing in ALPS, the county not only supports family caregivers but also strengthens the broader network of essential services.

We greatly appreciate your time and consideration of this request. Your continued support enables ALPS to fulfill its mission and provide critical care to those who need it most. Please do not hesitate to reach out if further discussion is needed.

Sincerely,

Mahon J. Fritts
Chief Executive Officer

Love Grows Here!

Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

Date **NOV 07 2006**

ALPS Adult Day Services
600 N Daisy Street
Morristown, TN 37814

Person to Contact:

Sally Froehle

ID# 31-08058

Toll Free Telephone Number:

877-829-5500

Employer Identification Number:

58-1726410

Dear Sir or Madam:

This is in response to your request of September 20, 2006 regarding your name change. We have updated our records to show the name change above.

Our records indicate that a determination letter was issued in September 1987 recognized you as exempt from Federal income tax. Our records further indicate that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records also indicate you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Cindy Westcott
Manager, Exempt Organizations
Determinations

ALPS ADULT DAY SERVICES

FINANCIAL STATEMENTS

Year ended December 31, 2023

ALPS ADULT DAY SERVICES

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Purkey, Carter, Compton, Swann & Carter, PLLC

Certified Public Accountants

2335 W. Andrew Johnson Highway
P. O. Box 727
Morristown, Tennessee 37815

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
ALPS Adult Day Services
Morristown, Tennessee

Opinion

We have audited the accompanying financial statements of ALPS Adult Day Services (a non-profit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ALPS Adult Day Services as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ALPS Adult Day Services and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ALPS Adult Day Services' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ALPS Adult Day Services' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ALPS Adult Day Services' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Purkey, Carter, Compton, Swann & Carter, PLLC

Morristown, Tennessee
May 30, 2024

ALPS ADULT DAY SERVICES
STATEMENT OF FINANCIAL POSITION
December 31, 2023

ASSETS

Cash	\$ 729,230
Contracts receivable	34,793
Grants receivable	2,340
Unconditional promises to give	10,413
Prepaid expense	6,212
Property and equipment, net	1,726,235
Utility deposit	<u>1,650</u>

TOTAL ASSETS \$ 2,510,873

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 10,465
Accrued payroll	27,868
Accrued payroll taxes	1,994
Accrued interest	5,156
Economic injury disaster loan	149,900
Deferred revenue	5,500
Debt issuance costs	(3,982)
Mortgage payable	<u>1,216,000</u>

TOTAL LIABILITIES 1,412,901

NET ASSETS

Net assets without donor restrictions:	
Designated by the board for scholarships	1,202
Undesignated	<u>1,046,314</u>

Total net assets without donor restrictions 1,047,516

Net assets with donor restrictions 50,456

TOTAL NET ASSETS 1,097,972

TOTAL LIABILITIES AND NET ASSETS \$ 2,510,873

ALPS ADULT DAY SERVICES
STATEMENT OF ACTIVITIES
Year ended December 31, 2023

REVENUES, GAINS AND OTHER SUPPORT	Without Donor Restrictions	With Donor Restrictions	Total
Contributions of cash and other financial assets			
United Way	\$ 1,238	\$ 3,913	\$ 5,151
Donations	88,281	-	88,281
Grant income	44,406	-	44,406
Local governments	18,500	6,500	25,000
Client fees	981,885	-	981,885
Investment income	13,590	-	13,590
Other income	1,837	-	1,837
Contributions of nonfinancial assets	19,067	-	19,067
Special events revenue	115,809	-	115,809
Less: Cost of direct benefit to donors	(31,524)	-	(31,524)
Unrealized gain on investment	7,394	-	7,394
Realized loss on investment	(5,552)	-	(5,552)
Loss on disposal of fixed asset	(311)	-	(311)
Net assets released from restrictions			
Satisfied by time - United Way	3,163	(3,163)	-
Satisfied by purpose	247	(247)	-
Satisfied by time - Government	6,500	(6,500)	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	1,264,530	503	1,265,033
EXPENSE			
Program services			
Adult day care services	957,506	-	957,506
Supporting services			
Management and general	152,903	-	152,903
Fundraising	102,758	-	102,758
TOTAL EXPENSE	1,213,167	-	1,213,167
CHANGE IN NET ASSETS	51,363	503	51,866
NET ASSETS AT BEGINNING OF YEAR	996,153	49,953	1,046,106
NET ASSETS AT END OF YEAR	\$ 1,047,516	\$ 50,456	\$ 1,097,972

ALPS ADULT DAY SERVICES
STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2023

	Program Services	Supporting Services		Direct Fundraising Costs	Total
	Adult Day Care Services	Management and General	Fundraising		
Salaries	\$ 582,469	\$ 102,978	\$ 80,758	\$ -	\$ 766,205
Employee benefits	27,353	4,836	3,792	-	35,981
Payroll taxes	45,370	8,022	6,290	-	59,682
Total salaries and related expenses	655,192	115,836	90,840	-	861,868
Utilities	27,875	1,161	-	-	29,036
Repairs and maintenance	29,009	1,209	-	-	30,218
Contracted services	-	7,163	-	-	7,163
Interest	65,581	2,733	-	-	68,314
Telephone	5,740	1,015	796	-	7,551
Office expense	12,339	2,181	1,711	-	16,231
Postage and printing	-	372	-	-	372
Investment fees	-	1,183	-	-	1,183
Advertising	15,510	342	811	-	16,663
Professional fees	-	10,613	-	-	10,613
Insurance	14,454	602	-	-	15,056
Activities	4,846	-	-	-	4,846
Travel	15,017	5,006	-	-	20,023
Meals	38,676	-	-	-	38,676
Supplies	4,535	704	8,600	-	13,839
Bad debts	1,932	-	-	-	1,932
Depreciation	66,800	2,783	-	-	69,583
Cost of goods sold - auction	-	-	-	11,067	11,067
Cost of direct benefit to donors	-	-	-	20,457	20,457
TOTAL EXPENSE	\$ 957,506	\$ 152,903	\$ 102,758	\$ 31,524	\$ 1,244,691
Less expenses included with revenue on the statement of activities	-	-	-	(31,524)	(31,524)
Total expenses included in the expense section of the statement of activities	\$ 957,506	\$ 152,903	\$ 102,758	\$ -	\$ 1,213,167

See accompanying notes to financial statements.

ALPS ADULT DAY SERVICES
STATEMENT OF CASH FLOWS
Year ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 51,866
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	69,583
Amortization	1,593
Bad debts	1,932
Loss on disposal of fixed assets	311
Gain on investments	(1,842)
Changes in operating assets:	
Contracts receivable	1,782
Grants receivable	3,585
Unconditional promises to give	(750)
Prepaid expense	(3,673)
Changes in operating liabilities:	
Accounts payable	(1,869)
Accrued wages	4,169
Accrued payroll taxes	(3,823)
Accrued interest	(4,852)
Deferred revenue	500

NET CASH PROVIDED BY OPERATING ACTIVITIES 118,512

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of equipment	(28,719)
Purchase of land improvements	(5,100)
Proceeds from investments	243,241
Purchase of investments	(2,869)

NET CASH PROVIDED BY INVESTING ACTIVITIES 206,553

CASH FLOWS FROM FINANCING ACTIVITIES

Principal payments	(47,322)
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NET INCREASE IN CASH AND RESTRICTED CASH 277,743

CASH AND RESTRICTED CASH AT BEGINNING OF YEAR 451,487

CASH AND RESTRICTED CASH AT END OF YEAR \$ 729,230

Supplemental Disclosures:

Interest paid \$ 72,336

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Alzheimer's Lakeway Program, Inc. was organized as a non-profit corporation under the laws of the State of Tennessee in 1986. The Organization amended its charter to change its name to ALPS Adult Day Services on April 27, 2005. The Organization provides adult day care services for people with memory loss and/or physical problems, provides mutual support of victims, families and friends of Alzheimer's disease and related disorders and promotes public education and local research on these diseases.

Basis of Accounting

The financial statements of ALPS Adult Day Services have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board, Accounting Standards Codification (ASC) Topic 958 *Not-for-Profit Entities*. Under ASC Topic 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

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.

Contributions

The Organization accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in ASC Topic 958. In accordance with ASC Topic 958, contributions received are recorded, depending on the existence or nature of any donor restrictions, as contributions with donor restrictions or contributions without donor restrictions.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization receives amounts from grants and fundraising events that are considered nonreciprocal transactions and accounted for as contributions.

ALPS ADULT DAY SERVICES
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Concentrations of Credit Risk

The Organization's concentrations of credit risk consist principally of contracts and grants receivable and promises to give. Credit is granted to clients located throughout the area. The ability of these clients to perform on their credit is dependent on economic factors affecting the area. The Organization does not require collateral from its customers. Concentrations of credit risk with respect to grants receivable are limited due to the nature of the grant agreements. Concentrations of credit risk with respect to contracts receivable and promises to give are dependent on factors affecting the economy in which contributors live and work.

Contracts Receivable

Contracts receivable are stated at the amount management expects to collect from outstanding balances. Historically, differences between the amounts billed and collected have been insignificant. Accordingly, no provision is made for uncollectible amounts.

Promises to Give

Unconditional promises to give are recognized as revenues in the period the promise is received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional promises to give are recognized when conditions on which they depend are substantially met.

The Organization uses the allowance method to determine uncollectible promises to give, if necessary. The allowance is based on prior years' experience and management's analysis of the specific promises made.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Expenditures for additions and major renewals are capitalized, while those for maintenance and repairs are charged to expenditures as incurred. Depreciation is computed on a straight-line basis over the estimated useful lives of the related assets and is reflected as an expense in the Statement of Functional Expenses. The capitalization threshold for property and equipment is \$500 per unit.

Functional Expenses

The costs of providing program and supporting activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated between Program Services and Supporting Services based on an analysis of those costs identifiable with a specific function or based on an analysis of personnel time and space utilized for the related service.

Income Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is not classified as a private foundation.

ALPS ADULT DAY SERVICES
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Cash and Cash Equivalents

For purposes of the Statement 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. The Organization had no cash equivalents at December 31, 2023.

Contribution of Services and Nonfinancial Assets

Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. During the year ended December 31, 2023, no contributed services met the requirements of ASC Topic 958 for recognition in the financial statements.

Contributed nonfinancial assets are recorded as contributions at their estimated fair values at the date of donation. See Note I – Contributed Nonfinancial Assets for estimated fair value of donations made during the year ended December 31, 2023.

Investments

In accordance with ASC Topic 958, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. During the year ended December 31, 2023, the Organization sold all investments and opened a certificate of deposit at a local credit union.

Advertising

The Organization expenses the cost of advertising as it is incurred. Advertising expense for the year ended December 31, 2023, totaled \$16,663.

Interest Expense

Interest expense is charged to expense in the period in which it is incurred; therefore, no interest has been capitalized during the year ended December 31, 2023.

Property Taxes

The Organization has been exempted from payment of city and county property taxes by the Tennessee State Board of Equalization.

Debt Issuance Costs

ALPS Adult Day Services incurred refinancing loan costs of \$7,965. These costs are being expensed over the remaining life of the loan of 5 years by the straight-line method.

For the year ended December 31, 2023, amortization of debt issuance costs on the loan of \$1,593 is included in interest expense on the Statement of Functional Expenses.

ALPS ADULT DAY SERVICES
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Subsequent Events

The Organization evaluated subsequent events through May 30, 2024, the date the financial statements were available to be issued.

Revenue Recognition

The Organization recognizes revenue when it satisfies a performance obligation by transfer of promised goods or services to customers in an amount that depicts the consideration the Organization expects to be entitled to in exchange for those goods or services. Revenue is not recognized unless the contract has been approved, it identifies each party's rights, it identifies payment terms, it has commercial substance, and it is probable substantially all consideration will be collected by the Organization. The Organization has elected the practical expedients: (1) to account for contracts with similar characteristics as a portfolio of contracts rather than individually; (2) not to adjust the promised amount of consideration for the effects of significant financing component as it expects, at contract inception, that the period between when the Organization transfers a promised good or service to a customer and when the customer pays for that good or service will be on year or less; (3) not to disclose the transaction price allocated to unsatisfied or partially unsatisfied performance obligations as of the end of the reporting period when the performance obligations related to contracts with an expected duration of less than one year.

When either party to a contract has performed, depending on the relationship between the Organization's performance and the customer's payment, the Organization presents a contract asset or contract liability on the statement of financial position. The Organization presents any unconditional rights to consideration separately on the statement of financial position as contracts receivable.

The Organization recognizes client fees over time as performance obligations are satisfied, with fees billed monthly. Client services include access to the Organization's facilities and developmental programs.

The Organization recognizes revenues from fundraising events at a point in time upon transfer of the good or service.

NOTE B – FUNDING

ALPS Adult Day Services receives a substantial amount of support from local governments and public support for operations. A major reduction of funds by the public and grantor agencies, should this occur, may have a significant effect on future operations.

NOTE C – GRANTS RECEIVABLE

Grants receivable of \$2,340 at December 31, 2023, consists of amounts due from the United States Department of Agriculture for the Child and Adult Care Food Program. No allowance for uncollectible accounts receivable was considered necessary.

ALPS ADULT DAY SERVICES
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE D – UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at December 31, 2023, consist of the following:

City of Morristown	\$ 6,500
Greene County – United Way	3,500
Grainger County – United Way	250
Jefferson County – United Way	<u>163</u>
	<u>\$ 10,413</u>

Differences between amounts promised and collected have historically been insignificant. Accordingly, no provision is made for uncollectible amounts. All promises to give are due within one year.

NOTE E – DEFERRED REVENUE

Deferred revenue of \$5,500 at December 31, 2023, consists of a donation for the 2024 golf tournament.

NOTE F – PROPERTY AND EQUIPMENT

Land, buildings, and equipment are stated at cost or estimated fair market value if donated and on December 31, 2023, consisted of the following:

Land	\$ 303,772
Building	2,108,842
Furnishings & equipment	215,455
Vehicle	<u>17,923</u>
	2,645,992
Less accumulated depreciation	<u>(919,757)</u>
Net property & equipment	<u>\$ 1,726,235</u>

Depreciation expense for the year ended December 31, 2023, was \$69,583.

NOTE G – LIQUIDITY

ALPS Adult Day Services has \$766,363 of financial assets, consisting of cash of \$729,230, contracts receivable of \$34,793, and grants receivable of \$2,340, available within one year of the Statement of Financial Position date to meet cash needs for general expenditures. None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the Statement of Financial Position date.

ALPS ADULT DAY SERVICES
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2023

The Organization has unconditional promises to give in the amount of \$10,413 restricted by time and when payment is received can be used for general expenditures. The unconditional promises to give are subject to implied time restrictions but are expected to be collected within one year.

NOTE H – DEBT

The Organization is indebted to Heritage Community Bank for a principal balance of \$1,216,000. The maturity date of the loan is June 10, 2026, with a variable rate of interest. The interest rate at year end is 4.99% per annum and is subject to change every day thereafter. The monthly payment at year end is \$9,224 and is subject to change every day thereafter. Prepayment amounts are allowed and offset the principal amount.

Interest expense incurred during the year for these loans amounted to \$63,362, of which none was capitalized.

As of December 31, 2023, future maturities of the aforementioned debt are as follows:

2024	\$ 51,166
2025	53,778
2026	<u>1,111,056</u>
Total	<u>\$ 1,216,000</u>

NOTE I – CONTRIBUTED NONFINANCIAL ASSETS

For the year ended December 31, 2023, contributed nonfinancial assets recognized within the Statement of Activities included:

Advertising	\$ 8,000
Fundraising supplies	<u>11,067</u>
	<u>\$ 19,067</u>

The Organization recognized contributed nonfinancial assets revenue and a corresponding expense in an amount approximating the estimated value at the time of donation. The Organization received contributed nonfinancial assets of fundraising supplies and advertising. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed fundraising supplies and advertising were utilized in fundraising to provide the Organization with opportunities to promote public awareness and raise funds for operational program services.

Donated advertising is recognized as a contribution based on the amount required to become a fundraising partner.

NOTE J – EMPLOYEE BENEFIT PLANS

The Organization offers a Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) IRA. All employees receiving at least \$5,000 in compensation during a calendar year are eligible to participate in the Plan. The Organization makes a dollar-for-dollar contribution of up to 3% of employees' compensation for the calendar year to all eligible employees. For the year ended December 31, 2023, the Organization's matching contributions to the plan were \$16,136, which is included in employee benefits expense.

The Organization adopted a medical expense reimbursement plan under Internal Revenue Code Section 105 covering full-time employees who have been employed full-time for no less than six months. Pursuant to Internal Revenue Code Section 105, the plan provides for reimbursement of eligible current medical expenses not otherwise covered under insurance or other forms of reimbursement. Reimbursements received by the employees are not taxable and are limited to \$50 per month per employee. Any unused balance cannot be carried over. Medical reimbursement expense for the year ended December 31, 2023, totaled \$8,280, which is included in employee benefits expense.

The Organization offers a group insurance package to employees at the Organization's expense. The insurance package includes short and long-term disability, dental, and vision. Expenses related to the group insurance package totaled \$9,644, which is included in employee benefits expense.

NOTE K – REVENUE FROM CONTRACTS WITH CUSTOMERS

Disclosure of Disaggregated Revenue

For the year ended December 31, 2023, revenues recognized from goods or services transferred to customers at a point in time were \$31,524.

For the years ended December 31, 2023, revenues recognized from goods or services transferred to customers over time were \$981,885.

The Organization's revenues, results of operations, and cash flows are affected by separate factors, including general economic conditions, geographical locations of customers, and type of contract. Contracts with clients are not typically considered long-term due to the structure of client agreements.

Disclosure of Contract Assets, Contract Liabilities and Contracts Receivable

The Organization had no contract assets or contract liabilities from contracts with customers at December 31, 2023 and 2022.

The Organization had contract receivables from contracts with customers at December 31, 2023 and 2022 in the amounts of \$34,793 and \$38,507, respectively. Contracts receivable that are considered bad debts are written off in the year that they are determined to be uncollectible. At December 31, 2023, the Organization believes all contracts receivable are collectible and has not recorded a reserve for bad debts.

ALPS ADULT DAY SERVICES
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE L – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes or periods:

City of Morristown - Annual Appropriation	\$ 6,500
Jefferson County - United Way	163
Grainger County - United Way	250
Greene County - United Way	3,500
Scholarships	39,291
Birding Supplies	<u>752</u>
	<u>\$ 50,456</u>

NOTE M – ECONOMIC INJURY DISASTER LOAN

On June 10, 2020, the Organization obtained an Economic Injury Disaster Loan (EIDL) from the Small Business Administration in the amount of \$149,900, pursuant to Section 7(b) of the Small Business Act. The proceeds from the loan are to be used for working capital purposes. Interest accrues at the rate of 2.75% per annum. Installment payments are due monthly beginning December 8, 2022, in the amount of \$641. The payments are first applied to accrued interest with the remainder treated as a reduction of principal. The balance of principal and interest is payable thirty years from the date of the note.

At December 31, 2023, future maturities of the aforementioned debt are as follows:

2024	\$ 3,615
2025	3,716
2026	3,819
2027	3,926
2028	4,035
Thereafter	<u>130,789</u>
Total	<u>\$ 149,900</u>

Interest expense incurred during the year for this loan amounted to \$4,122, of which none was capitalized.

ALPS Adult Day Services
2025 Budget Morristown
Approved 10-24-2024

2025 Budget	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Total
Average Attendance	25	25	26	27	27	27	27	28	29	30	30	30	331.00
3020 - Revenue-Fees	66,000.00	57,000.00	65,520.00	68,040.00	64,800.00	68,040.00	71,280.00	67,200.00	73,080.00	79,200.00	64,800.00	64,800.00	809,760.00
3026 - Scholarship Fees Used	-400.00	-400.00	-400.00	-400.00	-400.00	-400.00	-400.00	-400.00	-400.00	-400.00	-400.00	-400.00	-4,800.00
3028 - Social Impact founders club	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	780.00
3030 - Advertise-Newsletter-Caregiver	2,000.00	4,000.00											6,000.00
3035 - Donations-Program	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	9,000.00
3045 - USDA	2,337.50	2,125.00	2,210.00	2,524.50	2,409.75	2,295.00	2,524.50	2,499.00	2,465.00	2,932.50	2,295.00	2,167.50	28,785.25
3050 - United Way													0.00
3055 - Government	3,250.00					3,250.00			7,000.00	3,250.00		3,250.00	20,000.00
3060 - Fundraisers	25,000.00	13,500.00	9,000.00	8,000.00	1,000.00	3,500.00	18,500.00	2,500.00	0.00	1,000.00	10,500.00	1,500.00	94,000.00
3070 - Interest & Dividends	1,350.00	1,350.00	1,350.00	1,350.00	1,350.00	1,350.00	1,350.00	1,350.00	1,350.00	1,350.00	1,350.00	1,350.00	16,200.00
3080 - Special Grants					950.00								950.00
	100,352.50	78,390.00	78,495.00	80,329.50	70,924.75	78,850.00	94,069.50	73,964.00	84,310.00	88,147.50	79,360.00	73,482.50	980,675.25
6030 - Activities	450.00	450.00	468.00	486.00	486.00	486.00	486.00	504.00	522.00	540.00	540.00	540.00	5,958.00
6040 - Advertising/Marketing	1,320.00	1,140.00	1,310.40	1,360.80	1,296.00	1,360.80	1,425.60	1,344.00	1,461.60	1,584.00	1,296.00	1,296.00	16,195.20
6043 - Building & Grounds Maintenance	3,150.00	3,150.00	3,150.00	5,150.00	1,150.00	1,150.00	1,150.00	1,150.00	1,150.00	1,150.00	1,150.00	1,150.00	23,800.00
6050 - Bank Service Charges	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	1,800.00
6070 - Custodial	450.00	450.00	450.00	450.00	450.00	450.00	450.00	450.00	450.00	450.00	450.00	450.00	5,400.00
6075 - Equipment	5,000.00	5,000.00	375.00	375.00	375.00	975.00	375.00	375.00	375.00	375.00	375.00	375.00	14,350.00
6080 - Fundraising	10,000.00	1,500.00	2,500.00	6,500.00	500.00	500.00	4,500.00	3,500.00	500.00	11,100.00	500.00	1,250.00	42,850.00
6140 - Insurance	1,100.00	1,100.00	1,100.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	16,800.00
6170 - Licensing	200.00				50.00		50.00			50.00			350.00
6180 - Meals (USDA)	2,357.50	1,947.50	2,345.20	2,324.70	2,103.30	2,435.40	2,435.40	2,410.80	2,378.00	2,706.00	2,214.00	2,214.00	27,871.80
6190 - Miscellaneous/employee Apr.		280.00			280.00			280.00		280.00		3,600.00	4,720.00
6200 - Office Supplies	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1,200.00
6210 - Postage	70.00		70.00		70.00		70.00		70.00		70.00		420.00
6240 - Wages	\$46,099.87	\$40,141.63	\$42,127.71	\$45,145.77	\$45,145.77	\$43,112.75	\$47,178.75	\$63,112.78	\$45,145.77	\$47,178.75	\$41,079.79	\$41,079.79	546,549.13
6245 - Fringe Benefits	6,453.98	5,619.83	5,897.88	6,320.41	6,320.41	6,035.79	6,605.03	8,835.79	6,320.41	6,605.03	5,751.17	5,751.17	76,516.88
6250 Employee Appreciation		280.00			280.00			280.00			280.00		1,120.00
6270 - Professional Fees						1,250.00	1,750.00		3,000.00				6,000.00
interest only	2,310.00	2,310.00	2,310.00	2,310.00	2,310.00	2,310.00	2,310.00	2,310.00	2,310.00	2,310.00	2,310.00	2,310.00	27,720.00
6330 - Special Grants Expense													3,300.00
6335 - Subscriptions/memberships	150.00	200.00	25.00	75.00	25.00	75.00	300.00	2,100.00	25.00	25.00	25.00	25.00	3,050.00
6340 - Telephone	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	275.00	3,300.00
6360 - Travel	250.00	375.00	1,250.00	250.00	3,000.00	1,500.00	250.00	2,950.00	6,000.00	250.00	1,200.00	250.00	17,525.00
6363 - Travel - trans. fees-VA clients	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	800.00	9,600.00
6370 - Utilities	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	18,000.00
6380 - Volunteer/Board	50.00	50.00	50.00	50.00	50.00	50.00	2,500.00	50.00	50.00	50.00	50.00	50.00	3,050.00
6900 - Depreciation Expense	3,300.00	3,300.00	3,300.00	3,300.00	3,300.00	3,300.00	3,300.00	3,300.00	3,300.00	3,300.00	3,300.00	3,300.00	39,600.00
Total Expenses	85,536.35	70,118.96	69,554.19	78,422.68	71,516.48	69,315.74	79,460.78	97,277.37	77,382.78	82,278.78	64,915.96	67,965.96	913,746.01
Net Excess	14,816.15	8,271.04	8,940.81	1,906.82	-591.73	9,534.27	14,608.73	-23,313.37	6,927.22	5,868.73	14,444.04	5,516.54	66,929.24

Red is payroll increase month

Yellow is special circumstance