

**FRIENDS OF JOHNSON COUNTY
MENTAL HEALTH CENTER, INC.**

FINANCIAL STATEMENTS

**Year Ended December 31, 2022
with
Independent Auditors' Report**

FRIENDS OF JOHNSON COUNTY MENTAL HEALTH CENTER, INC.

FINANCIAL STATEMENTS

December 31, 2022

CONTENTS

	<u>Page</u>
Independent Auditors' Report.....	1 – 2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities.....	4
Statement of Functional Expenses	5
Statement of Cash Flows.....	6
Notes to Financial Statements.....	7 – 16



Keller & Owens, LLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors

Friends of Johnson County Mental Health Center, Inc.

Opinion

We have audited the financial statements of **Friends of Johnson County Mental Health Center, Inc.**, which comprise the statement of financial position as of December 31, 2022, 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 accompanying financial statements present fairly, in all material respects, the financial position of **Friends of Johnson County Mental Health Center, Inc.** as of December 31, 2022, 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 (GAAS). 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 **Friends of Johnson County Mental Health Center, Inc.** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, in 2022, **Friends of Johnson County Mental Health Center, Inc.** adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Our opinion is not modified with respect to this matter.

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 **Friends of Johnson County Mental Health Center, Inc.**'s ability to continue as a going concern for 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 GAAS 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.

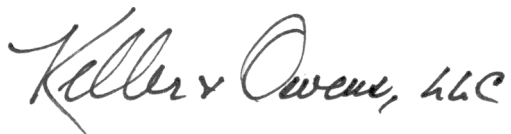
In performing an audit in accordance with GAAS, we:

- 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 **Friends of Johnson County Mental Health Center, Inc.**'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Friends of Johnson County Mental Health Center, Inc.**'s ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited **Friends of Johnson County Mental Health Center, Inc.**'s December 31, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 12, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Overland Park, Kansas
July 20, 2023

FRIENDS OF JOHNSON COUNTY MENTAL HEALTH CENTER, INC.

STATEMENT OF FINANCIAL POSITION
December 31, 2022

(with comparative totals as of December 31, 2021)

	<u>ASSETS</u>	
	<u>2022</u>	<u>2021</u>
Assets:		
Cash and Cash Equivalents:		
Checking	\$ 27,290	\$ 53,217
Certificate of deposit	-	34,135
Money market	155,447	20,010
Total Cash and Cash Equivalents	<u>182,737</u>	<u>107,362</u>
Inventory	7,970	13,490
Interest in Assets Held by Others	<u>83,201</u>	<u>94,961</u>
Total Assets	<u>\$ 273,908</u>	<u>\$ 215,813</u>
	<u>LIABILITIES AND NET ASSETS</u>	
Liabilities:		
Accounts Payable	\$ 11,383	\$ 9,325
Credit Card Payable	<u>10,348</u>	<u>-</u>
Total Liabilities	21,731	9,325
Net Assets:		
Without Donor Restrictions	93,688	60,257
With Donor Restrictions	<u>158,489</u>	<u>146,231</u>
Total Net Assets	<u>252,177</u>	<u>206,488</u>
Total Liabilities and Net Assets	<u>\$ 273,908</u>	<u>\$ 215,813</u>

See accompanying notes

FRIENDS OF JOHNSON COUNTY MENTAL HEALTH CENTER, INC.

STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

(with comparative totals for the year ended December 31, 2021)

	2022			2021 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Revenues:				
Contributions	\$ 21,087	\$ 102,425	\$ 123,512	\$ 69,128
Grant funding	-	41,000	41,000	64,999
Contributions of nonfinancial assets	15,790	272	16,062	24,212
Special events:				
Gross special event revenue	86,458	-	86,458	-
Cost of direct benefits to donors	(19,972)	-	(19,972)	-
Net special event revenue	66,486	-	66,486	-
Investment return, net	(11,259)	-	(11,259)	113
Net assets released from restrictions	131,439	(131,439)	-	-
 Total Revenues	 223,543	 12,258	 235,801	 158,452
Expenses:				
Program services	173,620	-	173,620	129,402
Management and general	16,492	-	16,492	9,950
 Total Expenses	 190,112	 -	 190,112	 139,352
 Change in Net Assets	 33,431	 12,258	 45,689	 19,100
 Net Assets at Beginning of Year	 60,257	 146,231	 206,488	 187,388
 Net Assets at End of Year	 <u>\$ 93,688</u>	 <u>\$ 158,489</u>	 <u>\$ 252,177</u>	 <u>\$ 206,488</u>

See accompanying notes

FRIENDS OF JOHNSON COUNTY MENTAL HEALTH CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2022

(With comparative totals for the year ended December 31, 2021)

	2022				2021
	Program	Management and General	Cost of Direct Benefits to Donors	Total	Total
Contract Services	\$ 75,648	\$ -	\$ -	\$ 75,648	\$ 69,081
Supplies	36,170	968	-	37,138	26,662
Meals and Entertainment	-	-	19,972	19,972	-
Printing	15,147	-	-	15,147	13,496
Promotional	7,500	3,703	-	11,203	3,650
Tuition & Books Assistance	10,745	-	-	10,745	7,659
Consumer Assistance	10,396	-	-	10,396	1,275
Professional Fees	-	9,050	-	9,050	9,950
Clothing	8,931	-	-	8,931	222
Registration Fees	5,387	-	-	5,387	5,570
Rent Assistance	2,594	-	-	2,594	-
Bank Fees	-	2,040	-	2,040	259
Food	756	-	-	756	1,013
License and Permits	-	599	-	599	40
Repairs	346	-	-	346	475
Miscellaneous	-	132	-	132	-
	173,620	16,492	19,972	210,084	139,352
Less expenses included with revenues on the statement of activities					
Cost of direct benefits to donors	-	-	(19,972)	(19,972)	-
Total expenses included in the expense section on the statement of activities	\$ 173,620	\$ 16,492	\$ -	\$ 190,112	\$ 139,352

See accompanying notes

FRIENDS OF JOHNSON COUNTY MENTAL HEALTH CENTER, INC.

STATEMENT OF CASH FLOWS

Year Ended December 31, 2022

(with comparative totals for the year ended December 31, 2021)

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities:		
Cash received from donors	\$ 123,512	\$ 69,128
Cash received from grants	41,000	64,999
Gross special event revenue	86,458	-
Interest received	1,365	152
Cash paid to vendors and others	<u>(176,960)</u>	<u>(119,305)</u>
Net Cash Provided by Operating Activities	<u>75,375</u>	<u>14,974</u>
Cash Flows from Investing Activities:		
Purchase of interest in assets held by others	<u>-</u>	<u>(95,000)</u>
Net Cash Used by Investing Activities	<u>-</u>	<u>(95,000)</u>
Net Change in Cash and Cash Equivalents	75,375	(80,026)
Cash and Cash Equivalents, Beginning of Year	<u>107,362</u>	<u>187,388</u>
Cash and Cash Equivalents, End of Year	<u>\$ 182,737</u>	<u>\$ 107,362</u>

See accompanying notes

FRIENDS OF JOHNSON COUNTY MENTAL HEALTH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

1. ORGANIZATION

Organization – Friends of Johnson County Mental Health Center, Inc. (the “Organization”), a nonprofit corporation, was organized in Kansas in 1990. Its goal is to support the vision and mission of Johnson County Mental Health Center (“JCMHC”), a department of Johnson County, Kansas. Support includes, but is not limited to, the encouragement of charitable giving to aid efforts in the delivery of quality mental health and substance use disorder services to persons in Johnson County, Kansas; the development and engagement of JCMHC staff to utilize research based interventions and best practices; and foster public awareness of support for JCMHC and its clients.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Advertising – Advertising costs are expensed as incurred, and totaled \$11,203 and \$3,650 during the years ended December 31, 2022 and 2021, respectively.

Basis of Accounting – The Organization prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents – For the purpose of the statement of cash flows, the Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, to be cash and cash equivalents.

Comparative Financial Information – The financial statements are presented with certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended December 31, 2021 from which the summarized information was derived.

Concentrations of Risk – The Organization maintains its cash in bank accounts that may exceed federally insured limits at times. The Organization has not experienced any losses in these accounts in the past. Management periodically evaluates the strength of the financial institutions in which funds are deposited and believes the Organization is not exposed to significant credit risks.

FRIENDS OF JOHNSON COUNTY MENTAL HEALTH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Nonfinancial Assets – A substantial number of non-professional volunteers donate significant time to the Organization. These donated services are not recognized in the financial statements because they do not meet the criteria for recognition under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958-605. The Organization records donated professional services at the respective fair values of the services received. The Organization had no professional services donated in 2022 or 2021.

Contributed goods are recorded at fair value at date of donation. Donated goods totaled \$16,062 and \$24,212 in 2022 and 2021, respectively, valued using industry pricing guides. The Organization maintains the donated items in inventory and expenses them when they are used in their various program related aid efforts. There were \$272 of restricted nonfinancial assets donated and distributed in 2022 and \$0 in 2021.

Functional Expense Allocation – The costs of providing the various programs and supporting activities of the entity have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, direct costs have been presented in the particular function to which they apply.

Income Taxes – The Organization is a non-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has been classified as a publicly-supported organization which is not a private foundation within the meaning of Section 509(a)(1) of the code.

The Organization's policy is to record a liability for any tax position that is beneficial to the Organization, including any related interest and penalties, when it is more likely than not the position taken by management with respect to the transaction or class of transactions will be overturned by a taxing authority upon examination. Management believes there are no such positions as of December 31, 2022, and, accordingly, no liability has been accrued.

Interest in Assets Held by Others – The investment of a beneficial interest in a community foundation is reported in the statement of financial position at its net asset value as a practical expedient for measuring fair value. Net investment return is reported in the statement of activities, and consists of unrealized gains and losses. Investment returns, include gains, interest and dividends less external investment expenses.

Inventory – Inventory consists of donated items such as COVID-19 face masks, and Bomba socks. Inventory is stated at the fair value at the time of donation.

FRIENDS OF JOHNSON COUNTY MENTAL HEALTH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor or certain grantor restrictions. They also include any designations by the governing board, of which there were none at December 31, 2022 or 2021.

Net assets with donor restrictions – Net assets subject to donor or certain grantor-imposed restrictions. All donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of donated assets. When a restriction expires, 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.

Recently Issued Accounting Pronouncements – During the year ended December 31, 2022, the Organization adopted the provisions of FASB Accounting Standards Update (“ASU”) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The amendment improves financial reporting by providing new presentation and disclosure requirements for recognized contributed nonfinancial assets. The Organization’s financial statements and related notes reflect the application of the guidance for the fiscal year ending December 31, 2022. The standard is applied on a retrospective basis. No changes were made to net assets from applying the amendment.

Reclassifications – Certain accounts in the prior-year comparative financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements. There was no impact on previously-reported change in net assets.

Revenue and Revenue Recognition – Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Organization records special event revenue at gross on the statement of activities.

FRIENDS OF JOHNSON COUNTY MENTAL HEALTH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events – Management has evaluated events and transactions that have occurred since December 31, 2022, and reflected their effects, if any, in these financial statements through July 20, 2023, the date the financial statements were available to be issued.

3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position at December 31 are as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 182,737	\$ 107,362
Interest in assets held by others	<u>83,201</u>	<u>94,961</u>
Total financial assets at year-end	265,938	202,323
Less: restricted by donors with purpose restrictions	<u>(155,448)</u>	<u>(146,231)</u>
Total financial assets available to meet general expenditures over the next 12 months	<u>\$ 110,490</u>	<u>\$ 56,092</u>

As part of its liquidity management plan, the Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

4. FAIR VALUE MEASUREMENTS

The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three-tier hierarchy of inputs is summarized in the three broad levels below:

- Level 1 – inputs are unadjusted quoted market prices in active independent markets for identical assets and liabilities;
- Level 2 – inputs are directly or indirectly observable estimates from quotes for similar but not identical assets and liabilities, market trades for identical assets not actively traded, or other external independent means;
- Level 3 – inputs are unobservable and reflect assumptions on the part of the reporting entity.

FRIENDS OF JOHNSON COUNTY MENTAL HEALTH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

4. FAIR VALUE MEASUREMENTS (continued)

The following table sets forth information about the levels within the fair value hierarchy at which the Organization's financial assets and liabilities are measured on a recurring basis at December 31:

	<u>2022</u>	<u>2021</u>
Interest in Assets Held by Others:		
Level 1	\$ -	\$ -
Level 2	83,201	94,961
Level 3	<u>-</u>	<u>-</u>
 Total	 <u>\$ 83,201</u>	 <u>\$ 94,961</u>

The following is a description of the valuation methodology used for fair value measurements.

Interest in assets held by others – Net asset value is provide by the community foundation, taking into account the Organization's proportionate net asset share in investment pools. The value of the pools is derived from the fair value of investments within those pools, which are valued using a combination of various methodologies depending upon the type of investments within the pool. See note 5 for a description of the nature, characteristics, and risk of the various classes of investments within each pool. As allowed by FASB ASC 820-10-35-54B, the entire interest is classified within level 2 of the fair value hierarchy as the Organization has the ability to redeem its investment in the near term.

If the Organization were to redeem its pooled investment interest in the community foundation, the community foundation would liquidate the pooled funds at the nearest month-end, wait a couple of days to ensure all earnings from the pools have been applied and credited, and disburse the entirety of the funds shortly thereafter.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at reporting date.

FRIENDS OF JOHNSON COUNTY MENTAL HEALTH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

4. FAIR VALUE MEASUREMENTS (continued)

Investment return is comprised of the following at December 31:

	2022	2021
Interest and dividends	\$ 2,181	\$ 152
Investment fees	(864)	(39)
Net realized gains	965	-
Net unrealized losses	(13,541)	-
Investment Return, net	\$ (11,259)	\$ 113

5. INTEREST IN ASSETS HELD BY OTHERS

The beneficial interest in a community foundation consists of the following at December 31:

Money Market Pool	\$ 8,453	\$ 9,461
Short-Term Fixed Income Pool	29,740	33,250
Intermediate-Term Fixed Income Pool	12,664	14,250
Equity Pool – Domestic	23,209	27,550
Equity Pool – International	9,135	10,450
Total Interest in Assets Held by Others	\$ 83,201	\$ 94,961

Below is a description of the nature, characteristics, and risk of the various classes of investments indicated above:

Money Market Pool – The purpose of the Money Market Pool is to provide liquidity for participating charitable funds and organizations in funding grant-making and payment of fees and administrative costs while providing desired principal stability. The long-term investment objective of the Money Market Pool is to seek a competitive market return to preserve and grow the portfolio, provide cash flows to meet charitable needs now and those in the future. The performance objective of the Money Market Pool is to meet or exceed the performance of the 90-Day Treasury Bill, a truly “liquid” money market benchmark. As such, the Money Market Pool is highly liquid, which enables donors to access funds for grants in a timely manner. The Money Market Pool invests primarily in bank deposits and high-quality institutional money market funds. The money market fund's holdings include U.S. dollar denominated money market securities of domestic and foreign issuers rated in the highest category by at least two nationally recognized rating services, U.S. Government securities, and repurchase agreements.

FRIENDS OF JOHNSON COUNTY MENTAL HEALTH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

5. INTEREST IN ASSETS HELD BY OTHERS (continued)

Short-Term Fixed Income Pool – The purpose of the Short-Term Fixed Income Pool is to provide capital preservation and current income to help meet spending requirements of donor portfolios. The Short-Term Fixed Income Pool will utilize a passive, cost effective approach with a secondary objective to provide broad exposure to U.S. income markets. The Short-Term Fixed Income Pool is diversified across U.S. Treasury notes and bonds, corporate bonds, bank loans, mortgage-backed securities, and U.S. Treasury Inflation-Protected Securities. The Short-Term Fixed Income Pool will have a lower average effective duration than broad fixed income market benchmarks such as the Barclays U.S. Aggregate Bond Index, hence limiting overall interest rate risk.

Intermediate-Term Fixed Income Pool – The purpose of the Intermediate-Term Fixed Income Pool is to provide capital preservation and current income to help meet spending requirements of donor portfolios. The Intermediate-Term Fixed Income Pool will utilize a passive, cost effective approach with a secondary objective to provide broad exposure to U.S. income markets. The Intermediate-Term Fixed Income Pool is diversified across U.S. Treasury notes and bonds, corporate bonds, bank loans, mortgage-backed securities, and U.S. Treasury Inflation-Protected Securities. The average effective duration and interest rate risk of the Intermediate-Term Fixed Income Pool will be commensurate with broad fixed income benchmarks such as the Barclays U.S. Aggregate Bond Index.

Equity Pool – The long-term investment objective of the Equity Pool is to obtain broad equity market exposure utilizing a passive, cost effective approach that is diversified across market capitalizations and regions. A secondary objective is to provide cash flows to fund distributions and to preserve the purchasing power of the funds to meet charitable needs now and in the future. The Equity Pool has been divided into Domestic and International Pools.

FRIENDS OF JOHNSON COUNTY MENTAL HEALTH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

6. INVENTORY

Inventory consisted of the following items as of December 31:

	2022	2021
Medical	\$ 3,060	\$ 1,020
Personal care	4,910	12,470
Total Inventory	\$ 7,970	\$ 13,490

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at December 31:

Zero Reasons Why Campaign	\$ 51,803	\$ 22,526
Client Scholarship Fund	13,208	9,769
Co-Responders	16,657	5,655
David Wiebe Staff Development	2,137	2,079
H&R Block Grant	-	25,000
KC Regional Covid-19 Staffing Challenge	40,000	-
UHC Empowering Health Grant	1,000	-
MCRT	1,393	1,363
MHFA & ASIST	813	6,876
Prevention Services	2,619	4,140
Sources of Strength	10,476	14,775
Strengthening Families Program	1,387	1,234
Tiffany's Warriors	3,695	-
Suicide Prevention Coalition	1,926	20,618
Prairie Village Foundation	1,000	1,000
KC Regional Covid-19 Grant	10,375	31,196
Total Net Assets with Donor Restrictions	\$ 158,489	\$ 146,231

FRIENDS OF JOHNSON COUNTY MENTAL HEALTH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

7. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors. Net assets released from restrictions during the years ended December 31 were for the following:

	2022	2021
Zero Reasons Why Campaign	\$ 1,872	\$ 127
Client Scholarship Fund	-	370
Co-Responders	273	2,483
David Wiebe Staff Development	2	-
H&R Block Grant	25,000	-
UHC Empowering Health Grant	-	20,096
MCRT	-	30
MHFA & ASIST	6,063	-
Prevention Services	1,596	-
Sources of Strength	49,760	28,632
Strengthening Families Program	355	1,264
Tiffany's Warriors	86	-
Suicide Prevention Coalition	25,611	16,813
KC Regional Covid-19 Grant	20,821	28,804
SAMHSA Grant – gun locks	-	4,999
Total Net Assets Released From Restrictions	\$ 131,439	\$ 103,618

8. DONATED SUPPLIES

Donated supplies are stated at the values described in Note 2 and include the following at December 31:

Medical supplies	\$ 2,040	\$ 5,100
Linens	-	340
Personal care	13,750	17,016
Other donated assets	272	1,756
Total Donated Property and Supplies	\$ 16,062	\$ 24,212

FRIENDS OF JOHNSON COUNTY MENTAL HEALTH CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

9. CONCENTRATION OF REVENUE RISK

During 2022, the Organization received contributions and grant funding from one foundation and one individual that accounted for approximately 25% and 13% of total revenue, respectively. During 2021, the Organization received grant funding from one entity which accounted for approximately 46% of total revenue.

10. RELATED PARTY TRANSACTIONS

A spouse of a board member owns the company that catered the special event. Bids were taken from other vendors as part of the selection process. Total expense incurred in relation to the catering was approximately \$5,000 in 2022.

The Organization received approximately \$12,000 in donations in 2022 from members of their board.

The Organization received \$10,000 of support in 2022 from JCMHC. The gift is restricted for the purpose of providing educational opportunities for JCMHC clients.

11. NEW ACCOUNTING PRONOUNCEMENTS

ASU 2016-13, Financial Instruments – Credit Losses

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. This standard requires application of the current expected credit loss (“CECL”) methodology for the measurement of credit losses on financial assets measured at amortized cost. The CECL methodology replaces the previous incurred loss methodology. It also modifies the accounting for available-for-sale debt securities, which must be individually assessed for credit losses when fair value is less than the amortized cost basis. This standard is effective for annual reporting periods beginning after December 15, 2020. The standard is applied on a modified retrospective approach.

In November 2019, the FASB issued ASU No. 2019-10, *Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates*, which deferred the effective date of the new CECL standard. The new standard is effective for fiscal years beginning after December 15, 2022.

The Organization is evaluating the effect that these standards will have on its financial statements and related disclosures.