

**Crisis Assistance Center, Inc.**  
**(dba Community Assistance Center)**

Financial Statements  
and Single Audit Reports  
for the year ended December 31, 2020

**Crisis Assistance Center, Inc.**  
**(dba Community Assistance Center)**

Table of Contents

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	Page
<b>Independent Auditors' Report</b>	1
<b>Financial Statements:</b>	
Statements of Financial Position as of December 31, 2020 and 2019	3
Statement of Activities for the year ended December 31, 2020	4
Statement of Activities for the year ended December 31, 2019	5
Statements of Cash Flows for the years ended December 31, 2020 and 2019	6
Statement of Functional Expenses for the year ended December 31, 2020	7
Statement of Functional Expenses for the year ended December 31, 2019	8
Notes to Financial Statements for the years ended December 31, 2020 and 2019	9
<b>Supplementary Information:</b>	
Schedule of Expenditures of Federal Awards for the year ended December 31, 2020	15
Notes to Schedule of Expenditures of Federal Awards for the year ended December 31, 2020	17
<b>Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i></b>	18
<b>Independent Auditors' Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by the Uniform Guidance</b>	20
Schedule of Findings and Questioned Costs for the year ended December 31, 2020	22
Corrective Action Plan	24

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## Independent Auditors' Report

To the Board of Directors of  
Crisis Assistance Center, Inc.:

### Report on the Financial Statements

We have audited the accompanying financial statements of Crisis Assistance Center, Inc. (dba Community Assistance Center), which comprise the statements of financial position as of December 31, 2020 and 2019 and the related statements of activities, of cash flows, and of functional expenses 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our 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' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Assistance Center as of December 31, 2020 and 2019 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information included in the schedule of expenditures of federal awards for the year ended December 31, 2020 as required by Title 2 U. S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Report Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 26, 2021 on our consideration of Community Assistance Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Community Assistance Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Assistance Center's internal control over financial reporting and compliance.

*Blazek & Vetterling*

April 26, 2021

**Crisis Assistance Center, Inc.**  
**(dba Community Assistance Center)**

Statements of Financial Position as of December 31, 2020 and 2019

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	<u>2020</u>	<u>2019</u>
ASSETS		
Cash	\$ 839,856	\$ 571,066
Contributions receivable <i>(Note 3)</i>	536,021	593,163
Prepaid expenses	26,444	18,567
Resale store inventory	55,575	89,554
Certificates of deposit	208,629	205,874
Property, net <i>(Note 4)</i>	<u>318,020</u>	<u>345,131</u>
TOTAL ASSETS	<u>\$ 1,984,545</u>	<u>\$ 1,823,355</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued liabilities	\$ 16,142	\$ 35,611
Accrued payroll liabilities	44,715	32,602
Deferred revenue	11,411	4,326
Refundable advances:		
Paycheck Protection Program <i>(Note 2)</i>	151,800	
Government grants	<u>200,956</u>	
Total liabilities	<u>425,024</u>	<u>72,539</u>
Net assets:		
Without donor restrictions	866,992	1,025,551
With donor restrictions <i>(Note 5)</i>	<u>692,529</u>	<u>725,265</u>
Total net assets	<u>1,559,521</u>	<u>1,750,816</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,984,545</u>	<u>\$ 1,823,355</u>

*See accompanying notes to financial statements.*

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**Crisis Assistance Center, Inc.**  
**(dba Community Assistance Center)**

Statement of Activities for the year ended December 31, 2020

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	WITHOUT DONOR <u>RESTRICTIONS</u>	WITH DONOR <u>RESTRICTIONS</u>	<u>TOTAL</u>
REVENUE:			
Contributions:			
Government grants – other (Note 7)		\$ 892,148	\$ 892,148
Government grants – commodities (Notes 6 and 7)		160,343	160,343
In-kind other than government commodities (Note 6)	\$ 760,843		760,843
United Way		407,647	407,647
Montgomery County		269,124	269,124
Other	241,168	316,561	557,729
Special events	63,516		63,516
Direct donor benefit costs of special events	(8,505)		(8,505)
Resale store sales	58,880		58,880
Cost of donated goods sold	(60,621)		(60,621)
Interest	3,626		3,626
Gain on sale of property	7,436		7,436
	<u>1,066,343</u>	<u>2,045,823</u>	<u>3,112,166</u>
Total revenue			
Net assets released from restrictions:			
Program expenditures	1,359,610	(1,359,610)	
Expiration of time restrictions	<u>718,949</u>	<u>(718,949)</u>	
Total	<u>3,144,902</u>	<u>(32,736)</u>	<u>3,112,166</u>
EXPENSES:			
Program services	2,916,636		2,916,636
Management and general	214,632		214,632
Fundraising	<u>172,193</u>		<u>172,193</u>
Total expenses	<u>3,303,461</u>		<u>3,303,461</u>
CHANGES IN NET ASSETS	(158,559)	(32,736)	(191,295)
Net assets, beginning of year	<u>1,025,551</u>	<u>725,265</u>	<u>1,750,816</u>
Net assets, end of year	<u>\$ 866,992</u>	<u>\$ 692,529</u>	<u>\$ 1,559,521</u>

*See accompanying notes to financial statements.*

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**Crisis Assistance Center, Inc.**  
**(dba Community Assistance Center)**

Statement of Activities for the year ended December 31, 2019

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	WITHOUT DONOR <u>RESTRICTIONS</u>	WITH DONOR <u>RESTRICTIONS</u>	<u>TOTAL</u>
REVENUE:			
Contributions:			
Government grants – other ( <i>Note 7</i> )		\$ 168,280	\$ 168,280
Government grants – commodities ( <i>Notes 6 and 7</i> )		74,220	74,220
In-kind ( <i>Note 6</i> )	\$ 581,303		581,303
United Way		378,992	378,992
Montgomery County		219,124	219,124
Other	77,728	287,540	365,268
Special events	107,630		107,630
Direct donor benefit costs of special events	(29,462)		(29,462)
Resale store sales	62,651		62,651
Cost of donated goods sold	(62,651)		(62,651)
Investment return	<u>6,081</u>		<u>6,081</u>
Total revenue	743,280	1,128,156	1,871,436
Net assets released from restrictions:			
Program expenditures	588,263	(588,263)	
Expiration of time restrictions	<u>618,064</u>	<u>(618,064)</u>	
Total	<u>1,949,607</u>	<u>(78,171)</u>	<u>1,871,436</u>
EXPENSES:			
Program services	1,633,434		1,633,434
Management and general	185,477		185,477
Fundraising	<u>145,585</u>		<u>145,585</u>
Total expenses	<u>1,964,496</u>		<u>1,964,496</u>
CHANGES IN NET ASSETS	(14,889)	(78,171)	(93,060)
Net assets, beginning of year	<u>1,040,440</u>	<u>803,436</u>	<u>1,843,876</u>
Net assets, end of year	<u>\$ 1,025,551</u>	<u>\$ 725,265</u>	<u>\$ 1,750,816</u>

*See accompanying notes to financial statements.*

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**Crisis Assistance Center, Inc.**  
**(dba Community Assistance Center)**

Statements of Cash Flows for the years ended December 31, 2020 and 2019

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	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Changes in net assets	\$ (191,295)	\$ (93,060)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation	25,547	26,643
Gain on disposal of property	(7,436)	
Changes in operating assets and liabilities:		
Contributions receivable	57,142	32,970
Prepaid expenses	(7,877)	(7,931)
Resale store inventory	33,979	(77,079)
Accounts payable and accrued liabilities	(7,356)	16,083
Deferred revenue	7,085	
Refundable advances	<u>352,756</u>	<u>          </u>
Net cash provided (used) by operating activities	<u>262,545</u>	<u>(102,374)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net change in certificates of deposit	(2,755)	(4,396)
Proceeds from sale of property	<u>9,000</u>	<u>          </u>
Net cash provided (used) by investing activities	<u>6,245</u>	<u>(4,396)</u>
<b>NET CHANGE IN CASH</b>	<b>268,790</b>	<b>(106,770)</b>
Cash, beginning of year	<u>571,066</u>	<u>677,836</u>
Cash, end of year	<u>\$ 839,856</u>	<u>\$ 571,066</u>

*See accompanying notes to financial statements.*

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**Crisis Assistance Center, Inc.**  
**(dba Community Assistance Center)**

Statement of Functional Expenses for the year ended December 31, 2020

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	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL EXPENSES
Direct assistance	\$ 2,080,641			\$ 2,080,641
Salaries and related costs	682,060	\$ 144,987	\$ 118,273	945,320
Professional fees and contract services	559	44,636	8,613	53,808
Supplies	25,279	3,632	6,967	35,878
Marketing and advertising	12,552	1,676	18,691	32,919
Repair and maintenance	21,535	2,770	2,015	26,320
Depreciation	18,394	3,832	3,321	25,547
Information technology and communications	11,889	3,311	5,019	20,219
Insurance	14,628	1,987	1,445	18,060
Utilities	13,155	2,491	2,100	17,746
Postage and printing	9,081	1,696	1,079	11,856
Professional development	3,921	532	725	5,178
Bank and credit card fees	1,239	2,562	1,022	4,823
Travel, meetings and related meals	646	337	1,363	2,346
Other	<u>21,057</u>	<u>183</u>	<u>1,560</u>	<u>22,800</u>
Total expenses	<u>\$ 2,916,636</u>	<u>\$ 214,632</u>	<u>\$ 172,193</u>	3,303,461
Direct donor benefit costs of special events – meal costs and venue rental				8,505
Cost of donated goods sold				<u>60,621</u>
Total				<u>\$ 3,372,587</u>

*See accompanying notes to financial statements.*

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**Crisis Assistance Center, Inc.**  
**(dba Community Assistance Center)**

Statement of Functional Expenses for the year ended December 31, 2019

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	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL EXPENSES
Direct assistance	\$ 951,513			\$ 951,513
Salaries and related costs	539,182	\$ 138,087	\$ 103,140	780,409
Professional fees and contract services	494	35,680	16,228	52,402
Supplies	33,829	1,590	3,883	39,302
Marketing and advertising	5,328	290	2,297	7,915
Repair and maintenance	15,998	1,625	1,718	19,341
Depreciation	23,464	1,641	1,538	26,643
Information technology and communications	12,351	1,226	3,017	16,594
Insurance	14,160	1,504	1,591	17,255
Utilities	13,018	1,797	1,728	16,543
Postage and printing	4,681	462	3,873	9,016
Professional development	8,115	812	928	9,855
Bank and credit card fees	4,156	111	314	4,581
Travel, meetings and related meals	5,382	448	4,531	10,361
Other	<u>1,763</u>	<u>204</u>	<u>799</u>	<u>2,766</u>
Total expenses	<u>\$ 1,633,434</u>	<u>\$ 185,477</u>	<u>\$ 145,585</u>	1,964,496
Direct donor benefit costs of special events – meal costs and venue rental				29,462
Cost of donated goods sold				<u>62,651</u>
Total				<u>\$ 2,056,609</u>

*See accompanying notes to financial statements.*

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**Crisis Assistance Center, Inc.**  
**(dba Community Assistance Center)**

Notes to Financial Statements for the years ended December 31, 2020 and 2019

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**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization – Crisis Assistance Center, Inc. (dba Community Assistance Center) is a Texas nonprofit organization incorporated in 1981. Community Assistance Center provides emergency assistance and services to qualified residents of Montgomery County, Texas. Community Assistance Center provides assistance with basic needs and crisis intervention, including rent or mortgage assistance, utility assistance, food, clothing and transportation vouchers, and other assistance, as well as community education and self-sufficiency programs.

The Unique Resale Shop sells donated goods to provide a low-cost source of clothing, furniture, books, toys, and household goods to families served by Community Assistance Center and others in the community. The Unique Resale Shop is also the mainstay of the Voucher Assistance Program, providing donated goods to its neighbors in need throughout Montgomery County.

Federal income tax status – Community Assistance Center is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code and is classified as a public charity under §509(a)(1) and §170(b)(1)(A)(vi).

Cash – At times, bank deposits exceed the federally insured limit per depositor per institution.

Contributions receivable that are expected to be collected within one year are reported at net realizable value. Amounts expected to be collected in future years are discounted to estimate the present value of future cash flows, if material. Discounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of discounts is included in contributions revenue. An allowance for contributions receivable is provided when it is believed balances may not be collected in full. The amount of loss on contributions recognized each period and the resulting adequacy of the allowance at the end of each period is determined using a combination of historical loss experience and individual account-by-account analysis of contributions receivable balances. It is possible that management's estimate regarding collectability will change in the near term resulting in a change in the carrying value of contributions receivable.

Resale store inventory includes resale shop inventory as well as inventory used in the Voucher Assistance Program and is carried at the lower of cost or net realizable value. Cost is fair value at date of gift for contributed inventory. Donated resale store clothing and home goods are valued at estimated fair value at the date of gift.

Certificates of deposit are non-negotiable bank time deposits valued at face value plus accrued interest.

Property is reported at cost if purchased or at fair value at the date of gift if donated. Generally, acquisitions of property and equipment in excess of \$5,000 are capitalized. Depreciation is provided using the straight-line method over estimated useful lives of 3 to 39 years.

Net asset classification – Net assets, revenue, gains and losses are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Net assets without donor restrictions* are not subject to donor-imposed restrictions even though their use may be limited in other respects such as by contract or board designation.

- *Net assets with donor restrictions* are subject to donor-imposed restrictions. Restrictions may be temporary in nature, such as those that will be met by the passage of time or use for a purpose specified by the donor, or may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets are released from restrictions when the stipulated time has elapsed, or purpose has been fulfilled, or both.

Contributions are recognized as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are classified as *with donor restrictions*. Conditional contributions are subject to one or more barriers that must be overcome before Community Assistance Center is entitled to receive or retain funding. Conditional contributions are recognized as revenue at fair value when the conditions have been met. Funding received before conditions are met is reported as refundable advances.

Special event revenue is the total amount paid by attendees of an event and includes elements of both contributions and exchange transactions. Special event revenue is recognized when the event occurs. Amounts received in advance are reported as deferred revenue. Direct donor benefit costs represent the cost of goods and services provided to attendees of the special events.

Donated materials and services – Donated materials are recognized at fair value as contributions when an unconditional commitment is received from the donor. The related expense is recognized as the item is used or sold. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Retail store sales are recognized as revenue at the sales price net of any discounts and estimated returns when goods are sold to a customer. Payment is due at point of sale. The nature of these services does not give rise to contract costs or any variable considerations, warranties or other obligations. There are no receivables or deferred revenues associated with this revenue.

Cost of donated goods sold is based on the estimated fair value of the donated goods that are sold in the resale store.

Functional allocation of expenses – Expenses are reported by their functional classification. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the organization exists. Fundraising activities include the solicitation of contributions of money, securities, materials, facilities, other assets, and time. Management and general activities are not directly identifiable with specific program or fundraising activities. Expenses that are attributable to more than one activity are allocated among the activities benefitted. Salaries and related costs are allocated on the basis of estimated time and effort expended. Depreciation and utilities are allocated based on square footage. Insurance, information technology and communications, and other shared costs are allocated based on full-time equivalents.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts reported as revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

Reclassifications – Government grant commodities have been reclassified from *without donor restrictions* to *with donor restrictions* for the year ended December 31, 2019. The reclassification had no impact on total changes in net assets.

## NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of December 31 comprise the following:

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash	\$ 839,856	\$ 571,066
Contributions and grants receivable	535,021	593,163
Certificates of deposit	<u>208,629</u>	<u>205,874</u>
Total financial assets available for general expenditure	<u>\$ 1,583,506</u>	<u>\$ 1,370,103</u>

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Community Assistance Center considers general expenditures to include all expenditures related to providing emergency assistance and services, and the supporting costs undertaken to support those activities.

Community Assistance Center manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund short-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. Community Assistance Center desires to target a year-end balance of reserves of undesignated *net assets without donor restrictions* at approximately six months of expected expenditures. To achieve these targets, the entity forecasts its future cash flows, monitors its liquidity monthly, and monitors its reserves annually.

### *Refundable Advance – Paycheck Protection Program*

In April 2020, Community Assistance Center received \$151,800 under the Small Business Administration’s Paycheck Protection Program (PPP). Management expects all of the PPP loan to be forgiven as Community Assistance Center met the eligibility requirements and used the loan to fund qualified payroll and other eligible costs. The loan is considered to be a conditional contribution and will be recognized as contribution revenue upon forgiveness by the bank. Any amounts not forgiven bear interest at 1% and are due in 2022.

## NOTE 3 – CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following:

	<u>2020</u>	<u>2019</u>
United Way	\$ 324,146	\$ 380,992
Montgomery County	164,343	164,343
Government grants	39,598	43,022
Other contributions	<u>7,934</u>	<u>4,806</u>
Total contributions receivable	<u>\$ 536,021</u>	<u>\$ 593,163</u>

At December 31, 2020, all contributions receivable are due within one year.

#### NOTE 4 – PROPERTY

Property consists of the following:

	<u>2020</u>	<u>2019</u>
Land	\$ 242,069	\$ 157,709
Buildings	307,468	470,928
Equipment, furniture, and fixtures	<u>139,622</u>	<u>139,622</u>
Total property, at cost	689,159	768,259
Accumulated depreciation	<u>(371,139)</u>	<u>(423,128)</u>
Property, net	<u>\$ 318,020</u>	<u>\$ 345,131</u>

#### NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose:		
Utility direct assistance	\$ 160,421	\$ 145,176
Disaster relief (Imelda and COVID-19)	27,799	28,465
Other	15,820	8,289
Subject to passage of time for future operating periods	<u>488,489</u>	<u>543,335</u>
Total net assets with donor restrictions	<u>\$ 692,529</u>	<u>\$ 725,265</u>

#### NOTE 6 – IN-KIND CONTRIBUTIONS

Contributed food, clothing and housewares are received for the food pantry and for the Voucher Assistance Program. In addition, all of the items sold in the Unique Resale Shop are contributed by the general public. Other in-kind goods and services are also received for use in program operations and fundraising. The fair value of these contributions is based on the estimated fair value of each item and is recognized in the financial statements as in-kind contributions. In-kind contributions at December 31 are as follows:

	<u>2020</u>	<u>2019</u>
Program services:		
Food	\$ 845,507	\$ 437,461
Clothing, housewares and other items	30,904	68,307
Unique Resale Shop donated inventory	26,367	139,355
Other in-kind contributions	<u>18,408</u>	<u>10,400</u>
Total in-kind contributions	<u>\$ 921,186</u>	<u>\$ 655,523</u>

A substantial number of volunteers have contributed significant amounts of time in connection with programs, administration, and fundraising for which no amount has been recorded in the financial statements because the donated services did not meet the criteria for recognition under generally accepted accounting principles. The hours contributed by volunteers approximated 10,289 in 2020 and 13,252 in 2019, primarily in the food pantry, Unique Resale Shop and Voucher Assistance Program. The Independent

Sector and Bureau of Labor Statistics estimated the value of one hour of volunteer service in the United States at \$27.20 in 2020 and \$25.43 in 2019. Using these rates, the estimated value of volunteer services not recognized in these financial statements is approximately \$279,861 for 2020 and \$336,998 for 2019.

**NOTE 7 – GOVERNMENT GRANTS**

Community Assistance Center is the recipient of government grants from various federal agencies. Should these awards not be renewed, a replacement for this source of support may not be forthcoming and related expenses would not be incurred. Government grants include the following:

	<u>2020</u>	<u>2019</u>
U. S. Department of Housing and Urban Development	\$ 427,643	\$ 116,676
U. S. Department of Treasury	310,871	
U. S. Department of Homeland Security	<u>153,634</u>	<u>51,604</u>
Total government grants – other	892,148	168,280
U. S. Department of Agriculture commodities	112,990	74,220
U. S. Department of Homeland Security commodities	<u>47,353</u>	<u>          </u>
Total government grants	<u>\$ 1,052,491</u>	<u>\$ 242,500</u>

Community Assistance Center’s government grants require fulfillment of certain conditions as set forth in the awards and are subject to review and audit by the awarding agencies. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds as a result of non-compliance by Community Assistance Center with the terms of the awards. Management believes such disallowances, if any, would not be material to Community Assistance Center’s financial position or changes in net assets.

At December 31, 2020, conditional government grants of approximately \$763,000 have not been recognized because the conditions on which they depend have not yet been met. Conditions include performance of allowable activities and incurring allowable expenses.

**NOTE 8 – EMPLOYEE BENEFIT PLAN**

All employees of Community Assistance Center are eligible to participate in a SIMPLE IRA retirement plan upon employment. Participating employees receive an employer matching contribution of up to 3% of the employee’s annual wages. Community Assistance Center’s contribution to this plan totaled approximately \$17,000 during 2020 and \$15,000 during 2019.

**NOTE 9 – SUBSEQUENT EVENTS**

In March 2020, the Director-General of the World Health Organization declared a pandemic related to the global outbreak of the new coronavirus COVID-19 and a national emergency was declared in the United States. In fiscal year 2020, Community Assistance Center curtailed in-person program activities and cancelled or postponed in-person events. The extent of the impact of COVID-19 on Community Assistance Center’s future operational and financial performance will depend on developments such as the duration and spread of the outbreak, and the impact on Community Assistance Center’s donors, partners, employees,

and vendors, all of which are uncertain and cannot be predicted. While Community Assistance Center expects this event to negatively impact operating results, the financial impact cannot be reasonably estimated at this time.

Management has evaluated subsequent events through April 26, 2021, which is the date that the financial statements were available for issuance. As a result of this evaluation, no other events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.

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## Community Assistance Center

### Schedule of Expenditures of Federal Awards for the year ended December 31, 2020

<u>FEDERAL GRANTOR</u> <u>Program Title &amp; Period</u>	<u>Assistance</u> <u>Listing #</u>	<u>Contract</u> <u>Number</u>	<u>Award</u> <u>Amount</u>	<u>Revenue</u>	<u>Allowable</u> <u>Federal</u> <u>Expenditures</u>
U. S. DEPARTMENT OF AGRICULTURE					
Passed through Montgomery County Food Bank:					
#1 COVID-19-Coronavirus Food Assistance Program – Food Commodities (Note 2)					
06/01/20 – 12/31/20	10.130	N/A	N/A	\$ 45,898	\$ 45,898
Total Assistance Listing #10.130				<u>45,898</u>	<u>45,898</u>
Passed through Montgomery County Food Bank:					
#2 Emergency Food Assistance Program – Food Distribution Cluster Food Commodities (Note 2)					
01/01/20 – 12/31/20	10.569	N/A	N/A	<u>67,092</u>	<u>67,092</u>
Total Assistance Listing #10.569				<u>67,092</u>	<u>67,092</u>
Total U. S. Department of Agriculture				<u>112,990</u>	<u>112,990</u>
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Passed through Montgomery County, Texas:					
#3 COVID-19-Community Development Block Grants/Entitlement Grants – CDBG Entitlement Grants Cluster					
06/09/20 – 12/30/20	14.218	CARES ACT CDBG-CV	\$422,988	<u>51,254</u>	<u>51,254</u>
Total Assistance Listing #14.218				<u>51,254</u>	<u>51,254</u>
Passed through Montgomery County, Texas:					
#4 COVID-19-Emergency Solutions Grant Program					
06/09/20 – 06/22/22	14.231	CARES ACT ESG-CV	\$775,483	<u>263,686</u>	<u>263,686</u>
Total Assistance Listing #14.231				<u>263,686</u>	<u>263,686</u>
#5 Continuum of Care Program					
04/01/19 – 03/31/20	14.267	TX0214L6E001811	\$129,946	35,040	35,040
04/01/20 – 03/31/21	14.267	TX0214L6E001912	\$133,852	<u>77,663</u>	<u>77,663</u>
Total Assistance Listing #14.267				<u>112,703</u>	<u>112,703</u>
Total U. S. Department of Housing and Urban Development				<u>427,643</u>	<u>427,643</u>

(continued)

## Community Assistance Center

Schedule of Expenditures of Federal Awards for the year ended December 31, 2020 *(continued)*

<u>FEDERAL GRANTOR</u> <u>Program Title &amp; Period</u>	<u>Assistance</u> <u>Listing #</u>	<u>Contract</u> <u>Number</u>	<u>Award</u> <u>Amount</u>	<u>Revenue</u>	<u>Allowable</u> <u>Federal</u> <u>Expenditures</u>
 U. S. DEPARTMENT OF THE TREASURY					
Passed through Montgomery County, Texas:					
#6 COVID-19-Coronavirus Relief Fund					
03/01/20 – 12/31/20	21.019	P044160196	\$1,530,000	<u>310,871</u>	<u>310,871</u>
Total Assistance Listing #21.019				<u>310,871</u>	<u>310,871</u>
Total U. S. Department of the Treasury				<u>310,871</u>	<u>310,871</u>
 U. S. DEPARTMENT OF HOMELAND SECURITY					
Passed through the United Way of Greater Houston:					
#7 Emergency Food and Shelter National Board Program					
10/01/18 – 03/31/20	97.024	EFSP Phase 36	\$58,369	12,424	12,424
01/01/20 – 05/31/21	97.024	EFSP Phase 37	\$100,900	76,118	76,118
Covid-19-Emergency Food and Shelter National Board Program					
01/27/20 – 05/31/21	97.024	EFSP CARES	\$175,000	<u>65,092</u>	<u>65,092</u>
Total Assistance Listing #97.024				<u>153,634</u>	<u>153,634</u>
Passed through Montgomery County Food Bank:					
#8 Disaster Grants – Public Assistance (Presidentially Declared Disasters)					
Food Commodities (Note 2)					
06/01/20 – 12/31/20	97.036	N/A	N/A	<u>47,353</u>	<u>47,353</u>
Total Assistance Listing #97.036				<u>47,353</u>	<u>47,353</u>
Total U. S. Department of Homeland Security				<u>200,987</u>	<u>200,987</u>
 TOTAL FEDERAL AWARDS				 <u>\$ 1,052,491</u>	 <u>\$ 1,052,491</u>

*See accompanying notes to schedules of expenditures of federal awards.*

## Community Assistance Center

Notes to Schedule of Expenditures of Federal Awards for the year ended December 31, 2020

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### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation – The schedule of expenditures of federal awards is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U. S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Federal expenditures include allowable costs funded by federal grants. Allowable costs are subject to the cost principles of the Uniform Guidance and include costs that are recognized as expenses in Community Assistance Center’s financial statements in conformity with generally accepted accounting principles. Community Assistance Center has elected not to use the 10% de minimis rate. Community Assistance Center does not have any subrecipients.

Because the schedule presents only a selected portion of the operations of Community Assistance Center, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Community Assistance Center.

### NOTE 2 – FOOD COMMODITIES

Food commodities are expended when distributed to clients. Distributed food is reported in the schedule of expenditures of federal awards under the Coronavirus Food Assistance Program, the Emergency Food Assistance Program, and Disaster Grants – Public Assistance (Presidentially Declared Disasters) and is valued at the weighted-average wholesale value of one pound of donated product based on the national per pound price as provided by the most recent Feeding America Product Valuation Survey (\$1.74 in 2020).

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**Independent Auditors' Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance With *Government Auditing Standards***

To the Board of Directors of  
Crisis Assistance Center, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Crisis Assistance Center, Inc. (dba Community Assistance Center), which comprise the statement of financial position as of December 31, 2020 and the related statements of activities, of cash flows, and of functional expenses for the year then ended, and the related notes to the financial statements and have issued our report thereon dated April 26, 2021.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Community Assistance Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Assistance Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Community Assistance Center's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as finding #2020-001 that we consider to be a significant deficiency.

Community Assistance Center's response to the finding identified in our audit is described in the accompanying Corrective Action Plan. Community Assistance Center's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Community Assistance Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Community Assistance Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Blazek & Vetterling*

April 26, 2021

**Independent Auditors' Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by the Uniform Guidance**

To the Board of Directors of  
Crisis Assistance Center, Inc.:

**Report on Compliance for Each Major Federal Program**

We have audited Crisis Assistance Center, Inc.'s (dba Community Assistance Center) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Community Assistance Center's major federal programs for the year ended December 31, 2020. Community Assistance Center's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Community Assistance Center's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U. S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community Assistance Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Community Assistance Center's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Community Assistance Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as finding #2020-002. Our opinion on each major federal program is not modified with respect to this matter.

Community Assistance Center's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. Community Assistance Center's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

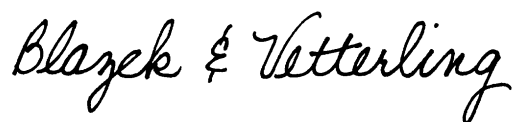
Management of Community Assistance Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Community Assistance Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Community Assistance Center's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as finding #2020-002, that we consider to be a significant deficiency.

Community Assistance Center's response to the noncompliance finding identified in our audit is described in the accompanying Corrective Action Plan. Community Assistance Center's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



April 26, 2021

# Community Assistance Center

Schedule of Findings and Questioned Costs for the year ended December 31, 2020

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## Section I – Summary of Auditors’ Results

### Financial Statements

Type of auditors’ report issued:  unmodified  qualified  adverse  disclaimer

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  yes  none reported

Noncompliance material to the financial statements noted?  yes  no

### Federal Awards

Internal control over major programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  yes  none reported

Type of auditors’ report issued on compliance for major programs:  unmodified  qualified  adverse  disclaimer

Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)?  yes  no

Identification of major programs:

<u>Assistance Listing #</u>	<u>Name of Federal Program or Cluster</u>
14.231	COVID-19-Emergency Solutions Grant Program
21.019	COVID-19-Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B federal programs: \$750,000

Auditee qualified as a low-risk auditee?  yes  no

## Section II – Financial Statement Findings

### **Finding #2020-001** – Significant Deficiency

**Criteria:** Management is responsible for establishing and maintaining an effective system of internal control. Certain responsibilities such as authorization of transactions, recording of transactions in the accounting records, custody of and access to accounts, and supervisory reviews should be assigned to separate individuals.

**Condition and context:** There is a lack of segregation of duties over cash receipts as the Executive Director has access to cash receipts and also solicits contributions.



**Effect:** Without an effective system of controls, errors in financial reporting or misappropriations of assets could occur and not be identified and corrected.

**Recommendation:** Implement policies and procedures to ensure that duties related to cash receipts have been properly segregated.

**Views of responsible officials and planned corrective actions:** Management agrees with the finding. See Corrective Action Plan.

### **Section III – Federal Award Findings and Questioned Costs**

#### **Finding #2020-002 – Significant Deficiency and Other Noncompliance**

##### ***Applicable federal program:***

U. S. Department of the Treasury  
Passed through Montgomery County, Texas  
Assistance Listing #: 21.019 – COVID-19-Coronavirus Relief Fund  
Contract Number: P044160196  
Contract Year: 03/01/20 – 12/31/20

**Criteria:** Allowable costs – *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, §200.430 requires that charges to awards for salaries and wages be based on records that accurately reflect the work performed. These records must 1) be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable and properly allocated; 2) reasonably reflect the total activity for which the employee is compensated; 3) comply with the established accounting policies and practices of the agency; and 4) support the distribution of the employee’s salary or wages among specific activities or cost objectives if the employee works on more than one activity. Community Assistance Center’s procedures for allocating payroll costs are not sufficient to ensure that costs are appropriately allocated amongst federal and other funding streams.

**Condition and context:** There are no written policies and procedures related to the process of preparing and compiling time studies or other actual time and effort inputs utilized for allocating payroll costs. Salaries for three of six employees were allocated based on grant budgets or on targets of time and effort spent on each grant program rather than based on personnel activity reports or other actual time and effort inputs.

**Cause:** The finding occurred as a result of the lack of written policies and procedures for preparing and compiling time studies or personnel activity reports, and inappropriate procedures for allocating based on budgets or targets amongst federal and other funding streams.

**Effect:** Allocation of payroll costs may not properly reflect the time and effort expended on the specific federal program.

**Questioned costs:** \$13,805

**Recommendation:** Community Assistance Center should establish written policies and procedures and provide training to its employees on the policies and procedures for preparing and compiling personnel activity reports or time studies in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, §200.430.

**Views of responsible officials and planned corrective actions:** Management agrees with the finding. See Corrective Action Plan.



**BOARD OF DIRECTORS**

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*Assistant Treasurer*

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Nick Davis  
Bill Dougherty  
Brian Garcia  
Donald Petrillo

**CHIEF EXECUTIVE OFFICER**

Jennifer Landers

**Our Mission:**

*Providing resources to meet basic needs and improve quality of life for our neighbors in Montgomery County:*

**Our Vision:**

*Strengthening Montgomery County one neighbor at a time.*

**CORRECTIVE ACTION PLAN**

April 26, 2021

**U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPEMENT**

Crisis Assistance Center, Inc. (dba Community Assistance Center) respectfully submits the following Corrective Action Plan for the year ended December 31, 2020. The audit was performed by: Blazek & Vetterling, 2900 Wesleyan, Suite 200, Houston, Texas, 77027.

The findings from the December 31, 2020 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

**FINDINGS -FINANCIAL STATEMENT FINDINGS AND FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**Finding#2020-001 - Significant Deficiency**

*Recommendation:* Implement policies and procedures to ensure that duties related to cash receipts have been properly segregated.

*Planned corrective action:* Management agrees with the auditors' comments. We have changed our procedures and mail is now delivered to personnel other than the Executive Director.

*Responsible officer:* Executive Director, Jennifer Landers

*Estimated completion date:* July 31, 2021

**Finding #2020-002 - Significant Deficiency and Other Noncompliance**

*Applicable federal program:*

U. S. Department of the Treasury  
Passed through Montgomery County, Texas  
Assistance Listing #: 21.019 – COVID-19-Coronavirus Relief Fund  
Contract Number: P044160196  
Contract Year: 03/01120 – 12/31/20

*Recommendation:* Community Assistance Center should establish written policies and procedures and provide training to its employees on the policies and procedures for preparing and compiling personnel activity reports or time studies in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, §200.430.

*Planned corrective action:* Management agrees with the auditors' comments. We are currently working with our HR/Payroll provider to implement a new timesheet system where staff can clock-in/out of programs/grants ensuring that we are generating proper time and effort reports per *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, §200.430. Community Assistance Center will update its policies and procedures to reflect the change in the Allocation of Expenses Policy and Disbursement of Funds Policy.

*Responsible officer:* Executive Director, Jennifer Landers

*Estimated completion date:* July 31, 2021

If the U. S. Department of Housing and Urban Development has questions regarding this plan, call Jennifer Landers at (936) 494-4410.

Sincerely



Jennifer Landers  
Executive Director