

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

Financial Statements
and Independent Auditors' Report
for the years ended December 31, 2021 and 2020

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

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Crisis Assistance Center, Inc. (dba Community Assistance Center), which comprise the statements of financial position as of December 31, 2021 and 2020, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Community Assistance Center as of December 31, 2021 and 2020, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Community Assistance Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Community Assistance Center's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 and *Government 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.

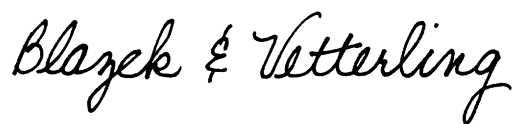
In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- 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 Community Assistance Center'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 Community Assistance Center'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 Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2022 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.



April 18, 2022

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

Statements of Financial Position as of December 31, 2021 and 2020

| | <u>2021</u> | <u>2020</u> |
|---|----------------------------|----------------------------|
| ASSETS | | |
| Cash | \$ 2,043,431 | \$ 839,856 |
| Contributions and grants receivable <i>(Note 3)</i> | 615,978 | 536,021 |
| Prepaid expenses | 8,465 | 26,444 |
| Resale store inventory | 73,296 | 55,575 |
| Certificates of deposit | 209,334 | 208,629 |
| Property, net <i>(Note 4)</i> | <u>298,184</u> | <u>318,020</u> |
| TOTAL ASSETS | <u>\$ 3,248,688</u> | <u>\$ 1,984,545</u> |
| LIABILITIES AND NET ASSETS | | |
| Liabilities: | | |
| Accounts payable and accrued liabilities | \$ 18,005 | \$ 16,142 |
| Accrued payroll liabilities | 53,202 | 44,715 |
| Deferred revenue – special event | 25,358 | 11,411 |
| Refundable advances: | | |
| Paycheck Protection Program <i>(Note 2)</i> | | 151,800 |
| Government grants | <u>1,604,709</u> | <u>200,956</u> |
| Total liabilities | <u>1,701,274</u> | <u>425,024</u> |
| Net assets: | | |
| Without donor restrictions | 762,887 | 866,992 |
| With donor restrictions <i>(Note 5)</i> | <u>784,527</u> | <u>692,529</u> |
| Total net assets | <u>1,547,414</u> | <u>1,559,521</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 3,248,688</u> | <u>\$ 1,984,545</u> |

See accompanying notes to financial statements.

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

Statement of Activities for the year ended December 31, 2021

| | WITHOUT DONOR <u>RESTRICTIONS</u> | WITH DONOR <u>RESTRICTIONS</u> | <u>TOTAL</u> |
|---|--------------------------------------|-----------------------------------|---------------------|
| REVENUE: | | | |
| Contributions: | | | |
| Government financial grants <i>(Note 7)</i> | | \$ 1,433,443 | \$ 1,433,443 |
| Government grants – in-kind commodities <i>(Notes 6 and 7)</i> | | 147,617 | 147,617 |
| In-kind <i>(Note 6)</i> | \$ 366,345 | | 366,345 |
| United Way | | 354,313 | 354,313 |
| Montgomery County | | 224,174 | 224,174 |
| Other | 281,706 | 261,954 | 543,660 |
| Special events | 228,224 | | 228,224 |
| Direct donor benefit costs of special events | (71,355) | | (71,355) |
| Resale store sales | 92,005 | | 92,005 |
| Cost of donated goods sold | (92,005) | | (92,005) |
| Interest | 894 | | 894 |
| | <u>805,814</u> | <u>2,421,501</u> | <u>3,227,315</u> |
| Total revenue | | | |
| Net assets released from restrictions: | | | |
| Program expenditures | 1,828,346 | (1,828,346) | |
| Expiration of time restrictions | <u>501,157</u> | <u>(501,157)</u> | |
| Total | <u>3,135,317</u> | <u>91,998</u> | <u>3,227,315</u> |
| EXPENSES: | | | |
| Program services | 2,725,615 | | 2,725,615 |
| Management and general | 299,242 | | 299,242 |
| Fundraising | <u>214,565</u> | | <u>214,565</u> |
| Total expenses | <u>3,239,422</u> | | <u>3,239,422</u> |
| CHANGES IN NET ASSETS | (104,105) | 91,998 | (12,107) |
| Net assets, beginning of year | <u>866,992</u> | <u>692,529</u> | <u>1,559,521</u> |
| Net assets, end of year | <u>\$ 762,887</u> | <u>\$ 784,527</u> | <u>\$ 1,547,414</u> |

See accompanying notes to financial statements.

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

Statement of Activities for the year ended December 31, 2020

| | WITHOUT DONOR <u>RESTRICTIONS</u> | WITH DONOR <u>RESTRICTIONS</u> | <u>TOTAL</u> |
|---|--------------------------------------|-----------------------------------|---------------------|
| REVENUE: | | | |
| Contributions: | | | |
| Government financial grants <i>(Note 7)</i> | | \$ 892,148 | \$ 892,148 |
| Government grants – in-kind commodities <i>(Notes 6 and 7)</i> | | 160,343 | 160,343 |
| In-kind <i>(Note 6)</i> | \$ 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 |
| Total revenue | <u>1,066,343</u> | <u>2,045,823</u> | <u>3,112,166</u> |
| 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.

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

Statements of Cash Flows for the years ended December 31, 2021 and 2020

| | <u>2021</u> | <u>2020</u> |
|--|---------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Changes in net assets | \$ (12,107) | \$ (191,295) |
| Adjustments to reconcile changes in net assets to net cash provided by operating activities: | | |
| Depreciation | 19,836 | 25,547 |
| Gain on disposal of property | | (7,436) |
| Changes in operating assets and liabilities: | | |
| Contributions and grants receivable | (79,957) | 57,142 |
| Prepaid expenses | 17,979 | (7,877) |
| Resale store inventory | (17,721) | 33,979 |
| Accounts payable and accrued liabilities | 10,350 | (7,356) |
| Deferred revenue | 13,947 | 7,085 |
| Refundable advances | <u>1,251,953</u> | <u>352,756</u> |
| Net cash provided by operating activities | <u>1,204,280</u> | <u>262,545</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Net change in certificates of deposit | (705) | (2,755) |
| Proceeds from sale of property | <u> </u> | <u>9,000</u> |
| Net cash provided (used) by investing activities | <u>(705)</u> | <u>6,245</u> |
| NET CHANGE IN CASH | 1,203,575 | 268,790 |
| Cash, beginning of year | <u>839,856</u> | <u>571,066</u> |
| Cash, end of year | <u>\$ 2,043,431</u> | <u>\$ 839,856</u> |

See accompanying notes to financial statements.

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

Statement of Functional Expenses for the year ended December 31, 2021

| | <u>PROGRAM SERVICES</u> | <u>MANAGEMENT AND GENERAL</u> | <u>FUNDRAISING</u> | <u>TOTAL EXPENSES</u> |
|--|-----------------------------|---------------------------------------|--------------------|---------------------------|
| Direct assistance | \$ 1,882,172 | | | \$ 1,882,172 |
| Salaries and related costs | 725,346 | \$ 142,810 | \$ 170,313 | 1,038,469 |
| Professional fees and contract services | | 108,133 | 5,787 | 113,920 |
| Supplies | 19,987 | 3,935 | 4,693 | 28,615 |
| Repair and maintenance | 20,287 | 3,915 | 3,671 | 27,873 |
| Postage and printing | 16,946 | 3,337 | 3,979 | 24,262 |
| Information technology and communications | 14,696 | 2,836 | 2,659 | 20,191 |
| Depreciation | 14,438 | 2,786 | 2,612 | 19,836 |
| Insurance | 14,213 | 2,743 | 2,572 | 19,528 |
| Utilities | 11,720 | 2,262 | 2,121 | 16,103 |
| Marketing and advertising | 186 | 952 | 10,725 | 11,863 |
| Professional development | | 8,452 | 116 | 8,568 |
| Bank and credit card fees | 1,814 | 3,685 | | 5,499 |
| Travel, meetings and related meals | 206 | 4,930 | 70 | 5,206 |
| Other | <u>3,604</u> | <u>8,466</u> | <u>5,247</u> | <u>17,317</u> |
| Total expenses | <u>\$ 2,725,615</u> | <u>\$ 299,242</u> | <u>\$ 214,565</u> | 3,239,422 |
| Direct donor benefit costs of special events – meal costs and venue rental | | | | 71,355 |
| Cost of donated goods sold | | | | <u>92,005</u> |
| Total | | | | <u>\$ 3,402,782</u> |

See accompanying notes to financial statements.

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

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

| | 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 |
| Repair and maintenance | 21,535 | 2,770 | 2,015 | 26,320 |
| Postage and printing | 9,081 | 1,696 | 1,079 | 11,856 |
| Information technology and communications | 11,889 | 3,311 | 5,019 | 20,219 |
| Depreciation | 18,394 | 3,832 | 3,321 | 25,547 |
| Insurance | 14,628 | 1,987 | 1,445 | 18,060 |
| Utilities | 13,155 | 2,491 | 2,100 | 17,746 |
| Marketing and advertising | 12,552 | 1,676 | 18,691 | 32,919 |
| 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.

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

Notes to Financial Statements for the years ended December 31, 2021 and 2020

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 our 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 contribution 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 are 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 the estimated fair value at date of gift for contributed inventory.

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

Recent financial accounting pronouncement – Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, will require contributed nonfinancial assets to be presented as a separate line item in the statement of activities, apart from contributions of cash and other financial assets, and will require disclosure about the measurement and use of types of contributed nonfinancial assets. The ASU will be effective for fiscal years beginning after June 15, 2021 and requires retrospective application. Community Assistance Center will adopt this ASU in fiscal year 2022.

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>2021</u> | <u>2020</u> |
|--|---------------------|---------------------|
| Financial assets: | | |
| Cash | \$ 2,043,431 | \$ 839,856 |
| Contributions and grants receivables | 615,978 | 535,021 |
| Certificates of deposit | <u>209,334</u> | <u>208,629</u> |
| Total financial assets available for general expenditure | <u>\$ 2,868,743</u> | <u>\$ 1,583,506</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 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.

In April 2020, Community Assistance Center received \$151,800 under the Small Business Administration’s Paycheck Protection Program (PPP). In May 2021, this loan was forgiven and has been recognized as a contribution with donor restrictions.

NOTE 3 – CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and grants receivable consist of the following:

| | <u>2021</u> | <u>2020</u> |
|---|-------------------|-------------------|
| United Way | \$ 351,112 | \$ 324,146 |
| Montgomery County | 219,124 | 164,343 |
| Government grants | 26,975 | 39,598 |
| Other contributions | <u>18,767</u> | <u>7,934</u> |
| Total contributions and grants receivable | <u>\$ 615,978</u> | <u>\$ 536,021</u> |

At December 31, 2021 and 2020, all contributions receivable are due within one year.

NOTE 4 – PROPERTY

Property consists of the following:

| | <u>2021</u> | <u>2020</u> |
|------------------------------------|-------------------|-------------------|
| Land | \$ 242,069 | \$ 242,069 |
| Buildings | 307,468 | 307,468 |
| Equipment, furniture, and fixtures | <u>139,622</u> | <u>139,622</u> |
| Total property, at cost | 689,159 | 689,159 |
| Accumulated depreciation | <u>(390,975)</u> | <u>(371,139)</u> |
| Property, net | <u>\$ 298,184</u> | <u>\$ 318,020</u> |

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows:

| | <u>2021</u> | <u>2020</u> |
|---|-------------------|-------------------|
| Subject to expenditure for specified purpose: | | |
| Utility direct assistance | \$ 181,860 | \$ 160,421 |
| Disaster relief (Imelda and COVID-19) | 15,131 | 27,799 |
| Other | 14,049 | 15,820 |
| Subject to passage of time for future operating periods | <u>573,487</u> | <u>488,489</u> |
| Total net assets with donor restrictions | <u>\$ 784,527</u> | <u>\$ 692,529</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. Additionally, Montgomery County donates two office spaces in Splendora and Willis. 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>2021</u> | <u>2020</u> |
|--------------------------------------|-------------------|-------------------|
| Program services: | | |
| Food | \$ 338,879 | \$ 845,507 |
| Clothing, housewares and other items | 146,844 | 30,904 |
| Unique Resale Shop donated inventory | 24,651 | 26,367 |
| Office space | 2,500 | |
| Other | <u>1,088</u> | <u>18,408</u> |
| Total in-kind contributions | <u>\$ 513,962</u> | <u>\$ 921,186</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 13,691 in 2021 and 10,289 in 2020, 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 \$28.54 in 2021 and \$27.20 in 2020. Using these rates, the estimated value of volunteer services not recognized in these financial statements is approximately \$390,748 for 2021 and \$279,861 for 2020.

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>2021</u> | <u>2020</u> |
|--|---------------------|---------------------|
| U. S. Department of Housing and Urban Development – Continuum of Care Program | \$ 720,156 | \$ 427,642 |
| U. S. Department of the Treasury – Coronavirus Relief Fund | 410,594 | 310,871 |
| U. S. Small Business Administration | 153,574 | |
| U. S. Department of Homeland Security – Emergency Food and Shelter Program | <u>149,119</u> | <u>153,635</u> |
| Total government financial grants | 1,433,443 | 892,148 |
| U. S. Department of Agriculture commodities | 135,889 | 112,990 |
| U. S. Department of Homeland Security commodities | <u>11,728</u> | <u>47,353</u> |
| Total government grants | <u>\$ 1,581,060</u> | <u>\$ 1,052,491</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, 2021, conditional government grants of approximately \$3,356,000 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 \$16,000 during 2021 and \$17,000 during 2020.

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 18, 2022, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.