

Community Assistance Center, Inc.

FINANCIAL STATEMENTS

For the Years Ended December 31, 2019 and 2018
with
Independent Auditor's Report

Community Assistance Center, Inc.
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For the Years Ended December 31, 2019 and 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Assistance Center, Inc.
Sandy Springs, Georgia

We have audited the accompanying financial statements of Community Assistance Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 auditor's 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

Accountant's Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Assistance Center, Inc. as of December 31, 2019 and 2018, 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.

Geeslin Group LLC

GEESLIN GROUP LLC

June 19, 2020
Peachtree City, Georgia

Community Assistance Center, Inc.
STATEMENTS OF FINANCIAL POSITION

December 31, 2019 and 2018

	2019	2018
Unrestricted cash and cash equivalents	\$ 856,130	\$ 609,986
Unrestricted cash and cash equivalents - board designated	6,000	6,000
Restricted cash and cash equivalents	137,468	160,980
Promises to give - unrestricted, current portion	24,626	34,077
Promises to give - restricted, current portion	42,618	133,243
Prepaid expenses and other assets	19,887	14,858
Inventory	162,065	96,801
Total current assets	1,248,794	1,055,945
Promises to give - unrestricted, noncurrent portion	8,109	7,500
Promises to give - restricted, noncurrent portion	129,536	152,999
Loan costs, net of accumulated amortization	23,378	26,495
Total noncurrent assets	161,023	186,994
Property and equipment	3,772,195	3,736,636
Accumulated depreciation	(746,042)	(636,251)
Net property and equipment	3,026,153	3,100,385
Total assets	\$ 4,435,970	\$ 4,343,324
Accounts payable and accrued expenses	\$ 33,162	\$ 34,824
Mortgages payable, current maturities	32,095	31,011
Total current liabilities	65,257	65,835
Mortgages payable, net of current maturities	893,294	925,265
Total liabilities	958,551	991,100
Without donor restrictions		
Undesignated	3,161,797	2,899,002
Designated by the Board for operating reserve	6,000	6,000
Total net assets without donor restriction	3,167,797	2,905,002
With donor restrictions		
Purpose restrictions	309,622	447,222
Total net assets	3,477,419	3,352,224
Total liabilities and net assets	\$ 4,435,970	\$ 4,343,324

See accompanying notes.

Community Assistance Center, Inc.

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2019 and 2018

	2019		2018	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and Revenue				
Support				
Grants	\$ 196,380	\$ 376,373	\$ 572,753	\$ 592,154
Contribution	2,044,615	96,297	2,140,912	2,597,510
Fundraising	41,296	-	41,296	58,048
Net assets released from restrictions	611,787	(611,787)	-	-
Total support	<u>2,894,078</u>	<u>(139,117)</u>	<u>2,754,961</u>	<u>3,247,712</u>
Retail income	172,342	-	172,342	118,158
Less related expenses	<u>(7,540)</u>	<u>-</u>	<u>(7,540)</u>	<u>(5,711)</u>
Net thrift store sales	<u>164,802</u>	<u>-</u>	<u>164,802</u>	<u>112,447</u>
Gross special events revenue - A Vintage Affair	225,774	-	225,774	109,553
Less cost of direct benefits to donors	<u>(23,719)</u>	<u>-</u>	<u>(23,719)</u>	<u>(7,780)</u>
Net revenue - A Vintage Affair	<u>202,055</u>	<u>-</u>	<u>202,055</u>	<u>101,773</u>
Other revenue				
Interest income	<u>3,008</u>	<u>1,517</u>	<u>4,525</u>	<u>3,957</u>
Total revenue, support, and gains, net	<u>3,263,943</u>	<u>(137,600)</u>	<u>3,126,343</u>	<u>3,465,889</u>
Expenses				
Program services expense	2,597,365	-	2,597,365	2,496,216
Management and general	112,473	-	112,473	209,864
Fundraising and development	291,310	-	291,310	246,604
Total expenses	<u>3,001,148</u>	<u>-</u>	<u>3,001,148</u>	<u>2,952,684</u>
Change in Net Assets	262,795	(137,600)	125,195	513,205
Net Assets, Beginning of Year	<u>2,905,002</u>	<u>447,222</u>	<u>3,352,224</u>	<u>2,839,019</u>
Net Assets, End of Year	<u>\$ 3,167,797</u>	<u>\$ 309,622</u>	<u>\$ 3,477,419</u>	<u>\$ 3,352,224</u>

See accompanying notes.

Community Assistance Center, Inc.

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended December 31, 2019 and 2018

	2019				2018	
	Program Services	Fundraising and Development	Management and General	Expenses Included with Revenue on Statement of Activity	Total	Total
Payroll	\$ 323,050	\$ 56,650	\$ 222,822	\$ -	\$ 602,522	\$ 496,063
Payroll taxes	25,144	4,409	17,343	-	46,896	38,848
Total personnel costs	348,194	61,059	240,165	-	649,418	534,911
Program expenses	1,873,754	-	-	-	1,873,754	1,847,036
Contract labor	8,607	414	617	-	9,638	-
Direct fundraising costs	-	33,392	-	23,719	57,111	31,010
Retail expense	-	-	-	7,540	7,540	5,711
Depreciation and amortization	115,621	5,567	8,286	-	129,474	122,537
Insurance	30,840	1,808	8,017	-	40,665	33,410
Interest	38,959	1,876	2,792	-	43,627	81,323
Legal and accounting	-	-	17,742	-	17,742	21,196
Miscellaneous	3,707	178	471	-	4,356	4,339
Equipment rental expense	8,885	428	637	-	9,950	10,820
Office equipment	3,733	179	267	-	4,179	-
Office supplies	5,710	275	409	-	6,394	3,996
Postage and delivery	2,022	97	145	-	2,264	1,829
Printing	5,470	263	392	-	6,125	8,248
Repairs and maintenance	19,602	944	1,405	-	21,951	20,579
Security	5,953	287	427	-	6,667	5,792
Seminars and licenses	4,147	200	1,341	-	5,688	2,035
Special events	3,670	177	263	-	4,110	1,469
Technology	42,621	2,052	3,055	-	47,728	28,558
Telephone and internet	9,154	441	656	-	10,251	10,362
Travel	872	42	63	-	977	452
Utilities	42,455	2,044	3,043	-	47,542	47,951
Vehicle expenses	7,810	-	-	-	7,810	3,863
Waste disposal expense	6,858	330	492	-	7,680	6,408
Moving expense	5,807	280	416	-	6,503	20,029
Volunteer expense	2,914	140	209	-	3,263	4,323
Capital campaign expense	-	-	-	-	-	107,988
Total expenses by function	2,597,365	112,473	291,310	31,259	3,032,407	2,966,175
Less expenses included with revenues on the statement of activities						
Retail expense	-	-	-	(7,540)	(7,540)	(5,711)
Cost of direct benefits to donors	-	-	-	(23,719)	(23,719)	(7,780)
Total expenses included in the expense section on the statement of activities	\$ 2,597,365	\$ 112,473	\$ 291,310	\$ -	\$ 3,001,148	\$ 2,952,684

See accompanying notes.

Community Assistance Center, Inc.

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 125,195	\$ 513,205
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation and amortization	129,474	122,537
Changes in operating assets and liabilities		
Promises to give	122,930	(69,700)
Inventory	(65,264)	41,032
Prepaid expenses and other assets	(5,029)	(1,874)
Accounts payable and other liabilities	(1,662)	(167,000)
Net Cash provided by Operating Activities	<u>305,644</u>	<u>438,200</u>
Cash Flows from Investing Activities		
Purchases of property and equipment	<u>(52,125)</u>	<u>(49,982)</u>
Net Cash used for Investing Activities	<u>(52,125)</u>	<u>(49,982)</u>
Cash Flows from Financing Activities		
Principal payments on mortgages payable	<u>(30,887)</u>	<u>(808,649)</u>
Net Cash used for Financing Activities	<u>(30,887)</u>	<u>(808,649)</u>
Net changes in unrestricted and restricted cash and cash equivalents	222,632	(420,431)
Unrestricted and restricted cash and cash equivalents, beginning of the year	<u>776,966</u>	<u>1,197,397</u>
Unrestricted and restricted cash and cash equivalents, end of the year	<u>\$ 999,598</u>	<u>\$ 776,966</u>
<u>Supplemental Disclosure of Cash Flow Information</u>		
Cash paid during the year for		
Interest	<u>\$ 43,627</u>	<u>\$ 81,323</u>

See accompanying notes.

Community Assistance Center, Inc.

NOTES TO FINANCIALS STATEMENTS

For the Years Ended December 31, 2019 and 2018

NOTE A – NATURE OF ORGANIZATION

Organization: The Community Assistance Center, Inc. (“CAC” or “the Organization”) provides assistance to local members of the Sandy Springs and Dunwoody Communities who are in need by providing financial support, helping to meet basic needs and promoting self-reliance. CAC brings the community together to assist families and individuals of Sandy Springs and Dunwoody facing unexpected financial crisis situations. Community Assistance Center, Inc. originally known as Community Action Center, was founded by eight religious congregations who saw a need to centralize assistance to local families and individuals seeking help in the Sandy Springs and Dunwoody communities. CAC was formally dedicated in October 11, 1987 and opened its doors for the first time on November 2, 1987 on the campus of Mt. Vernon Presbyterian Church. A year later the Center received its 501(c)(3) status on September 12, 1988. CAC is now supported by member congregations, public and private grants, businesses, individuals, schools and civic organizations. The Organization is volunteer-driven with more than 300 regularly scheduled volunteers. CAC operates a Food Pantry and a Thrift Boutique. CAC offers assistance to individuals and families with money management classes, referrals for other services, and adult education classes to learn new job and life skills such as computer classes and English for Successful Living. CAC receives an average of 400 calls a month for assistance and the Food Pantry receives an average of 1,200 visits a month. Overall, CAC impacts approximately 6,000 lives a year.

NOTE B – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation: The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Financial Statement Presentation: As required by the “Financial Statements of Not-For-Profit Organizations” topic of FASB Accounting Standards Codification, the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The Organization had net assets with donor restrictions of \$309,622 and \$447,222 on December 31, 2019 and 2018, respectively.

Cash and Cash Equivalents: For the purpose of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents.

Donated Services:

Numerous volunteers have donated significant amounts of time to CAC’s specific assistance programs and fund-raising events. No amounts have been reflected in the financial statements for these donated services because they do not meet the criteria for recognition under Financial Accounting Standards Board ASC 958-605, “Revenue Recognition” of Not-for Profit Entities.

Community Assistance Center, Inc.

NOTES TO FINANCIALS STATEMENTS

For the Years Ended December 31, 2019 and 2018

NOTE B - SIGNIFICANT ACCOUNTING POLICIES – Continued

Promises to Give: The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. CAC determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. All amounts promised in the past have been collected; therefore, the Organization anticipates all pledges to give will be collected and no allowance for uncollectible pledges has been recorded.

Income Tax Status: The Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for income taxes is required. The Organization believes that it has appropriate support for any tax positions taken, and as such does not have any uncertain tax positions that are material to the financial statements during the year ended December 31, 2019 or any tax year still open to taxing authorities.

Functional Allocation of Expenses: The costs of providing the programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among programs and supporting services benefited.

Property and Equipment: Acquisitions of property and equipment in excess of \$500 are capitalized. Property and equipment are recorded at cost, if purchased, or at estimated market value, if received by contribution. Depreciation is calculated over the estimated useful lives of the respective assets using a straight-line method as shown below:

	Years
Building and Improvements	10 - 39
Office and Other Equipment	7
Computer Equipment	3

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Community Assistance Center, Inc.

NOTES TO FINANCIALS STATEMENTS

For the Years Ended December 31, 2019 and 2018

NOTE B - SIGNIFICANT ACCOUNTING POLICIES – Continued

Net Assets: Net assets, revenues, 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. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Donor restricted net assets were available at December 31, 2019 and 2018, for the following purposes:

<u>Fund Description</u>	<u>2019</u>	<u>2018</u>
Capital Campaign Fund	\$ 172,055	\$ 239,081
Youth Enrichment Program Fund	71,125	69,987
Atlanta Foundation	15,002	9,053
Food Fund	12,351	19,744
City of Sandy Springs EA	10,428	29,863
Kennedy Foundation	9,363	9,363
Solar Panel Grant	7,200	-
Financial Assistance	6,667	6,667
Shumard Holidays	2,182	505
Tom Heart	1,193	1,723
Garden	1,166	2,500
Signage Fund-Methodist Grant	858	858
Couchman Foundation - Thirft Boutique	27	14,094
Sandy Springs Society	5	1,937
Emergency Assistance CF- Fund	-	117
Jewish Federation of Greater Atlanta	-	51
Sparks Foundation	-	10,002
Atlanta Community Food Bank	-	25,677
Volunteer Income Tax Assistance	-	6,000
Total	<u>\$ 309,622</u>	<u>\$ 447,222</u>

Community Assistance Center, Inc.

NOTES TO FINANCIALS STATEMENTS

For the Years Ended December 31, 2019 and 2018

NOTE B - SIGNIFICANT ACCOUNTING POLICIES – Continued

Loan Costs: The Organization capitalized loan costs of \$31,170 during 2017. These costs are being amortized on a straight-line basis which approximates the interest yield method. Amortization expense was \$3,117 in 2019 and 2018 and will remain the same annually through the life of the loan. In the statement of functional expenses, this amount is included within “depreciation and amortization.”

NOTE C – 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. The Organization had \$757,220 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash and cash equivalents. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization’s financial assets available within one year of the balance sheet date for designated expenditures are as follows:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 999,598	\$ 776,966
Promises to give - current portion	<u>67,244</u>	<u>167,320</u>
Total liquid assets	1,066,842	944,286
Net assets with restrictions	<u>309,622</u>	<u>447,222</u>
Financial assets available to meet cash needs within one year	<u>\$ 757,220</u>	<u>\$ 497,064</u>

NOTE D – INVENTORY AND DONATED GOODS

Clothing and household items are valued at thrift store prices and food is valued at an average cost determined by periodic sampling at various online sources. Donated gift cards are recorded at face amount. The estimated value of donated goods received and recognized as revenue by CAC was \$1,553,921 and \$1,479,375 in 2019 and 2018, respectively.

Community Assistance Center, Inc.

NOTES TO FINANCIALS STATEMENTS

For the Years Ended December 31, 2019 and 2018

NOTE E – FAIR VALUE MEASUREMENTS

The Organization adopted SFAS No. 157, “Fair Value Measurements,” which establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices to unobservable inputs (level 3 measurements) The three levels of the fair value hierarchy under FASB Statement No. 157 are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the entity has the ability to access.

Level 2 – Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or, inputs that are derived principally from, or corroborated by observable market data by correlation or other means. If the asset or liability has a specified contractual term, the Level 2 input must be observable for substantially the full term of the asset or liability. There were no Level 2 investments.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. There were no Level 3 investments.

The asset’s or liability’s fair value measurement level within the fair value hierarchy is based on the lowest of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair market values for the Organization’s mortgages payable are not readily determinable and are assumed to be materially different than the carrying value based on current market conditions. The Organization believes that determining the fair market value of the mortgages payable would be cost prohibitive.

The estimated fair value of donated goods is discussed in Note D. All other financial instruments are carried at amounts that approximate estimated fair value.

NOTE F – CONCENTRATIONS

The Organization received 50% of its total contributions in the year ended December 31, 2019 from eighteen donors and 50% from six donors for the year ended December 31, 2018. All these donors were individually smaller than 10% of total contributions received in 2019.

Community Assistance Center, Inc.

NOTES TO FINANCIALS STATEMENTS

For the Years Ended December 31, 2019 and 2018

NOTE G - OPERATING LEASES

CAC leases office equipment under operating leases with terms of four and five years ending in 2023. Rental expense for the year ended December 31, 2019 was \$9,950. Minimum future lease payments on these operating leases at December 31, 2019 are as follows:

Year	Amount
2020	\$ 20,928
2021	20,748
2022	19,848
2023	11,663
Total	<u>\$ 73,187</u>

NOTE H – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2019	2018
Building - Hightower	\$ 860,818	\$ 860,818
Hightower building improvements	174,432	174,432
Building - Roswell Rd.	1,775,000	1,775,000
Roswell Rd. Bldg Improvements	671,238	663,286
Machinery and equipment	104,832	75,411
Furniture and fixtures	28,834	28,834
Computer equipment	51,024	52,838
Satellite Building Improvements	8,075	8,075
Software	8,615	8,615
Vehicles	89,327	89,327
Less accumulated depreciation	<u>(746,042)</u>	<u>(636,251)</u>
Total	<u>\$ 3,026,153</u>	<u>\$ 3,100,385</u>

Depreciation expense for the year ended December 31, 2019, was \$126,357.

NOTE I – RELATED PARTY TRANSACTIONS

During 2019, the husband of the CEO of CAC was paid \$5,000 for his supervision of the VITA Program. This supervision and payment were approved by the Board of Directors.

Community Assistance Center, Inc.

NOTES TO FINANCIALS STATEMENTS

For the Years Ended December 31, 2019 and 2018

NOTE J – MORTGAGES PAYABLE

In 2017 CAC refinanced their building with a mortgage loan from a financial institution. The outstanding principal balance due on this loan as of December 31, 2019 was \$261,493. This loan has a fixed interest rate of 4.85% and is secured by the property held on Hightower Trail. The payments of principal and interest are \$1,849 per month.

Additionally, in 2017 CAC purchased the property that houses the CAC Boutique at 8607 Roswell Road. This property was purchased with a mortgage from a financial institution and had an outstanding principal balance at December 31, 2019 of \$663,896. This loan has an interest rate of 4.5% for the first 60 months, while months 61 through 120 will have a rate equal to the five-year treasury rate plus 250 basis points. The current principal and interest payments are \$4,361 per month.

Aggregate maturities of long-term debts for the years ending December 31 follows:

2020	\$ 32,096
2021	33,755
2022	35,359
2023	37,039
2024	<u>787,140</u>
Total	<u>\$925,389</u>

NOTE K– SUBSEQUENT EVENTS

Management has evaluated events and transactions that occurred between December 31, 2019 and the date of the auditor's report, which is the date that the financial statements were available to be issued for possible recognition or disclosure in the financial statements.

On January 30, 2020 the World Health Organization declared the recent coronavirus disease 2019 ("COVID-19") outbreak was a global health emergency. On March 2020, the World Health Organization raised the COVID-19 outbreak to "pandemic" status. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and impact on donors and employees, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain.