

Note from the Center for People in Need

Total expenses for 2021 include \$214,475 in depreciation and, due to high service volumes, \$230,791 of distributed goods that were counted as inventory in 2020. If we exclude these non-cash expenses, the Center would have ended the year with a surplus of \$34,517.

CENTER FOR PEOPLE IN NEED

Independent Auditor's Report

Financial Statements

and

Additional Information

December 31, 2021 and 2020

CENTER FOR PEOPLE IN NEED

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Thomas, Kunc & Black, LLP

Independent Auditor's Report

To the Board of Directors
The Center for People in Need
Lincoln, Nebraska

Opinion

We have audited the accompanying financial statements of The Center for People in Need (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Center for People in Need, Inc. 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 audit 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Center for People in Need and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 The Center for People in Need '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 The Center for People in Need '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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Statements of Program Expenses by Services 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.

Other Reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2022, on our consideration of Center for People in Need'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 the Center for People in Need'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 Center for People in Need's internal control over financial reporting and compliance.

Thomas, Kunc and Black, LLP

Lincoln, Nebraska
April 20, 2022

CENTER FOR PEOPLE IN NEED
 Statements of Financial Position
 Years Ended December 31, 2021 and 2020

Assets

	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and cash equivalents	\$ 900,019	1,060,764
Grants receivable	105,475	90,304
Accounts receivable	5,900	166
Inventory	289,520	520,311
Prepaid expenses	69,035	67,787
Total current assets	<u>1,369,949</u>	<u>1,739,332</u>
Property and equipment (net)	<u>3,026,793</u>	<u>3,178,392</u>
Total assets	<u>\$ 4,396,742</u>	<u>4,917,724</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable	\$ 21,191	42,262
Deferred revenue	31,282	111,117
Accrued payroll and payroll taxes	83,580	84,696
Accrued paid time off	82,674	90,374
Other accrued expenses	-	511
Total current liabilities	<u>218,727</u>	<u>328,960</u>
Net assets - unrestricted:		
Net assets without donor imposed restrictions	4,053,907	4,503,013
Net assets with donor imposed restrictions	<u>124,108</u>	<u>85,751</u>
	<u>4,178,015</u>	<u>4,588,764</u>
Total liabilities and net assets	<u>\$ 4,396,742</u>	<u>4,917,724</u>

See accompanying notes to financial statements and independent auditor's report.

CENTER FOR PEOPLE IN NEED
 Statements of Activities and Changes in Net Assets
 Year Ended December 31, 2021

	Net assets without donor imposed restrictions	Net assets with donor imposed restrictions	Total
Revenues:			
Contributions	\$ 739,139	81,927	821,066
Grant revenue	583,500	814,271	1,397,771
C.A.R.E.S. Acts grants	-	-	-
PPP loan forgiveness	-	-	-
Family Medical Leave Act	-	-	-
Rental revenue	379,413	-	379,413
Miscellaneous	23,067	19,341	42,408
In-kind goods	5,183,949	-	5,183,949
In-kind services	18,330	-	18,330
Interest	137	-	137
Total revenues	<u>6,927,535</u>	<u>915,539</u>	<u>7,843,074</u>
Net assets released from restrictions	877,182	(877,182)	-
	<u>7,804,717</u>	<u>38,357</u>	<u>7,843,074</u>
Expenses:			
Program services	7,004,115	-	7,004,115
Supporting services:			
Management and general	1,064,003	-	1,064,003
Fundraising	185,705	-	185,705
Total expenses	<u>8,253,823</u>	<u>-</u>	<u>8,253,823</u>
Change in net assets	(449,106)	38,357	(410,749)
Net assets - unrestricted at beginning of year	<u>4,503,013</u>	<u>85,751</u>	<u>4,588,764</u>
Net assets - unrestricted at end of year	<u>\$ 4,053,907</u>	<u>124,108</u>	<u>4,178,015</u>

See accompanying notes to financial statements and independent auditor's report.

CENTER FOR PEOPLE IN NEED
Statement of Activities and Changes in Net Assets
Year Ended December 31, 2020

	Net assets without donor imposed restrictions	Net assets with donor imposed restrictions	Total
Revenues:			
Contributions	\$ 742,900	139,454	882,354
Grant revenue	577,000	698,988	1,275,988
C.A.R.E.S. Acts grants	12,000	380,630	392,630
PPP loan forgiveness	387,900	-	387,900
Family Medical Leave Act	16,880	-	16,880
Rental revenue	388,740	-	388,740
Miscellaneous	17,578	18,639	36,217
In-kind goods	6,774,047	-	6,774,047
In-kind services	16,064	-	16,064
Interest	1,969	-	1,969
Total revenues	<u>8,935,078</u>	<u>1,237,711</u>	<u>10,172,789</u>
Net assets released from restrictions	<u>1,263,548</u>	<u>(1,263,548)</u>	<u>-</u>
	<u>10,198,626</u>	<u>(25,837)</u>	<u>10,172,789</u>
Expenses:			
Program services	8,220,787	-	8,220,787
Supporting services:			
Management and general	1,149,939	-	1,149,939
Fundraising	186,852	-	186,852
Total expenses	<u>9,557,578</u>	<u>-</u>	<u>9,557,578</u>
Change in net assets	641,048	(25,837)	615,211
Net assets - unrestricted at beginning of year	<u>3,861,965</u>	<u>111,588</u>	<u>3,973,553</u>
Net assets - unrestricted at end of year	<u>\$ 4,503,013</u>	<u>85,751</u>	<u>4,588,764</u>

See accompanying notes to financial statements and independent auditor's report.

CENTER FOR PEOPLE IN NEED
Statement of Functional Expenses
Year Ended December 31, 2021

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 813,604	484,567	135,058	1,433,229
Payroll tax expense	62,073	38,855	10,332	111,260
Employee benefits	127,856	107,242	19,040	254,138
Advertising	868	4,105	-	4,973
Assistance to others	51,386	-	-	51,386
Assistance to others - in-kind	5,418,509	2,207	1,826	5,422,542
Occupancy	98,638	77,507	1,657	177,802
Supplies	148,860	15,855	137	164,852
Professional fees	136,694	45,401	-	182,095
Bank charges	-	5,244	-	5,244
Conferences and meetings	-	392	-	392
Depreciation	52,347	162,128	-	214,475
Insurance	46,301	20,285	2,020	68,606
Postage and shipping expenses	110	1,866	3,738	5,714
Printing and publications	4,046	42,845	7,575	54,466
Publications and dues	1,894	2,710	932	5,536
Repairs and maintenance	27,067	19,332	-	46,399
Travel	4,738	7,024	-	11,762
Other	-	2,530	150	2,680
Bad debts	-	1,102	-	1,102
Information technology	9,124	22,806	3,240	35,170
Total functional expenses	\$ 7,004,115	1,064,003	185,705	8,253,823

See accompanying notes to financial statements and independent auditor's report.

CENTER FOR PEOPLE IN NEED
Statement of Functional Expenses
Year Ended December 31, 2020

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 937,080	610,410	135,550	1,683,040
Payroll tax expense	71,699	51,089	10,370	133,158
Employee benefits	154,272	82,314	15,150	251,736
Advertising	-	-	-	-
Assistance to others	256,541	-	-	256,541
Assistance to others - in-kind	6,253,736	-	-	6,253,736
Occupancy	96,682	69,971	1,254	167,907
Supplies	174,539	33,262	1,259	209,060
Professional fees	122,426	39,632	-	162,058
Bank charges	-	4,937	-	4,937
Conferences and meetings	425	220	240	885
Depreciation	38,238	134,712	-	172,950
Insurance	46,298	19,633	1,708	67,639
Postage and shipping expenses	228	2,448	5,654	8,330
Printing and publications	3,669	42,203	9,068	54,940
Publications and dues	4,169	2,789	1,581	8,539
Repairs and maintenance	34,660	22,274	-	56,934
Travel	12,139	4,588	2	16,729
Other	4,689	4,675	-	9,364
Bad debts	-	252	-	252
Information technology	9,297	24,530	5,016	38,843
Total functional expenses	<u>\$ 8,220,787</u>	<u>1,149,939</u>	<u>186,852</u>	<u>9,557,578</u>

See accompanying notes to financial statements and independent auditor's report.

CENTER FOR PEOPLE IN NEED
 Statements of Cash Flows
 Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ (410,749)	615,211
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	214,475	172,950
Changes in assets and liabilities:		
Grants receivable	(15,171)	120,354
Accounts receivable	(5,734)	23,636
Inventory	230,791	(520,311)
Prepaid expenses	(1,248)	(30,873)
Construction in progress deposit	-	29,971
Accounts payable	(21,071)	(23,044)
Deferred revenue	(79,835)	78,650
Accrued payroll and payroll taxes	(1,116)	12,587
Accrued paid time off	(7,700)	9,101
Other accrued expenses	(511)	(1,290)
Total adjustments	312,880	(128,269)
Net cash flows from operating activities	(97,869)	486,942
Cash flows from investing activities:		
Purchase of property and equipment	(62,876)	(81,454)
Net cash flows from investing activities	(62,876)	(81,454)
Net increase (decrease) in cash and cash equivalents	(160,745)	405,488
Cash and cash equivalents at beginning of year	1,060,764	655,276
Cash and cash equivalents at end of year	\$ 900,019	1,060,764
Supplemental Cash Flow Information:		
Cash paid for interest	\$ -	-
Cash paid for income taxes	\$ -	-

See accompanying notes to financial statements and independent auditor's report.

CENTER FOR PEOPLE IN NEED
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

- (1) Organization and summary of significant accounting policies:
- (a) Organization:

The Center for People in Need (Center) is a nonprofit Nebraska corporation providing opportunities for families as they address socio-economic barriers limiting their path to success. The Center's mission is to provide services and programs to low-income people that address their basic needs and help them achieve economic independence.
 - (b) Financial statement presentation:

The accompanying financial statements of the Center have been prepared on the accrual basis of accounting and conform to the accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations.

Generally accepted accounting principles require nonprofit organizations to report information regarding its financial position and activities according to two classes of net assets: "net assets without donor imposed restrictions", which represents the expendable resources that are available for operations at management's discretion and "net assets with donor imposed restrictions", which represents resources whose use by the organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled or otherwise removed by actions of the organization. In the accompanying financial statements, net assets that have similar characteristics have been combined into similar categories.
 - (c) Cash and cash equivalents:

Cash and cash equivalents consist of cash and investments with original maturities of 90 days or less.
 - (d) Receivables:

Grant and accounts receivable represent amounts that have been billed under agency contracts but not collected as of the date of the financial statements. All grant and accounts receivable represent amounts owed by government agencies. Accounts receivable are stated at the amount management expects to be collected from the outstanding balances.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Conditional promises to give are not included as support until the conditions are substantially met. There were no conditional promises to give for the years ending December 31, 2021 and 2020.
 - (e) Donated inventory:

Generally accepted accounting principles in the United States of America requires the receipt of donated goods to be recorded at fair market value at the date of receipt. In addition, undistributed donated goods should be recorded as an asset on the Statement of Financial Position.
 - (f) Property and equipment:

Property and equipment are capitalized at cost. Donations of equipment are recorded as a contribution at their estimated fair value. Buildings, improvements and equipment are depreciated using the straight-line method over the estimated useful lives of the assets, which is 5 to 40 years. The Center's capitalization policy is to capitalize purchases and donations of property and equipment with fair market that exceeds \$5,000 and has a useful life of greater than one year.
 - (g) Deferred income:

Funds received for particular purposes are deemed to be earned and reported as revenues when the Center has incurred expenditures in connection with the specific restrictions. Amounts received but not yet earned are reported as deferred income.

See independent auditor's report.

CENTER FOR PEOPLE IN NEED
Notes to Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

(1) Organization and summary of significant accounting policies (Continued):

(h) Accrued paid time off:

Employees of the Center are entitled to paid time off depending on job classification and length of service. In accordance with the accounting principles generally accepted in the United States of America, the fair market value of the liability has been recorded.

(i) Income taxes:

The Center is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Center qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). As such, income earned in the performance of its exempt purpose is not subject to income tax. However, any income earned through activities not related to its exempt purpose is subject to income tax at normal corporate rates. The Center was not required to file Form 990-T for the years ending December 31, 2021 and 2020 and any such taxes owed, if any, are anticipated by management to be insignificant.

The Center believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Center's financial position, statements of activities or cash flows. Accordingly, the Center has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2021 and 2020.

The Center is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Center believes it is no longer subject to income tax examinations for fiscal years ending December 31, 2018 and prior.

The Center's policy is to classify income tax related interest and penalties in interest expense and other expenses, respectively.

(j) Net Assets:

Net Assets Without Donor Restrictions:

Net assets without donor restrictions are available for use at the discretion of the Board of Directors (Board) and / or management for general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. For example, the Board may designate a portion of net assets without donor restrictions as a quasi-endowment (an amount to be treated by management as if it were part of the donor restricted endowment) for the purpose of securing the Center's long-term financial viability.

Net Assets With Donor Restrictions:

Net assets with donor restrictions consist of assets whose use is limited by donor imposed, time and/or purpose restrictions.

The Center reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires; that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Center to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy.

See independent auditor's report.

CENTER FOR PEOPLE IN NEED
Notes to Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

(1) Organization and summary of significant accounting policies (Continued):

(k) Revenue recognition:

The Center's predominant revenue is from contributions (both of financial assets and in-kind) or grants. These contributions and grants are principally awarded to the Center for the benefit of the public rather than as a fee for service transaction. As such, for this revenue the Center typically follows the guidance for revenue recognition of the *Not-for-Profit Entities section of the Financial Accounting Standards Board's Accounting Standards Codification* (the Codification).

Certain other revenue of the organization, predominantly rental revenue, is considered a reciprocal transaction and therefore, the Center relies upon the guidance of Topic 606 of the Codification. The Center holds formal contracts for rental income (as described in Note 5). The Center's performance obligation is to provide the specified property to the tenant on an ongoing basis. The Center fulfills the performance obligation and records the related revenue monthly due to the continuing utilization of the asset by the lessee. This revenue recognition pattern matches the anticipated receipt of the ongoing monthly rental payments specified in the contract. Therefore, absent timing differences for delayed or prepaid contractual monthly payments, there are no identifiable contract assets or liabilities related to the revenue. As of December 31, 2021, and 2020, there were no significant contract assets or liabilities.

See Note 5 for a description of the anticipated performance obligation and timing of receipts under these contracts. The Center does not incur significant costs to obtain the rental revenue contracts, it does not have any significant financing components to the contract, and it does not have any anticipated impairment losses, therefore, the Center has not adjusted its revenue recognition methodology for these elements.

(l) Advertising Costs:

Advertising costs of the Center are expensed as occurred. Advertising expense was \$4,973 and \$0 for the years ended December 31, 2021 and 2020.

(l) Expense allocation:

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited principally by time-studies and direct identification of programs benefited.

(m) Use of 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 the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) Inventories:

Inventory on hand as of December 31, 2021 and 2020 consist of the following:

	2021	2020
Food	\$ 158,477	381,757
Distributable goods	82,720	94,000
Diapers	48,323	44,554
Total	\$ 289,520	520,311

See independent auditor's report.

CENTER FOR PEOPLE IN NEED
Notes to Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

(3) Property and equipment:

Property and equipment at December 31, 2021 and 2020 consist of the following:

	Estimated Useful Lives	2021	2020
Building	27.5 years	\$ 3,669,523	3,669,523
Building improvements	5 - 40 years	1,760,337	1,697,461
Furniture, fixtures, and equipment	5 - 7 years	236,034	236,034
Vehicles	5 - 7 years	41,260	41,260
Organizational costs	5 years	9,624	9,624
		<u>5,716,778</u>	<u>5,653,902</u>
Less accumulated depreciation		<u>(2,689,985)</u>	<u>(2,475,510)</u>
		<u>\$ 3,026,793</u>	<u>3,178,392</u>

(4) In-kind donations:

Donated services, materials, and equipment are reflected as contributions in the accompanying statements at their estimated fair market values at date of receipt. Donations of services are recognized at fair market value if the services received require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The Center received donated services in the amount of \$20,156 and \$16,065 for the year ended December 31, 2021 and 2020, respectively.

The Center receives a substantial amount of goods as in-kind donations for several of its programs. The financial statements for the years ended December 31, 2021 and 2020, as presented, include \$5,182,123 and \$6,253,736 respectively, as revenue and support titled "In-kind goods" on the Statements of Activities. The related expenses are titled "Assistance to others - in-kind" on the Statements of Functional Expenses.

	Program Services	Management and General	Fundraising	Total
For the year end December 31, 2021				
Assistance to others - in-kind	\$ 5,183,949	-	1,826	5,185,775
Professional fees	-	14,297	-	14,297
Occupancy	-	2,207	-	2,207
	<u>5,183,949</u>	<u>16,504</u>	<u>1,826</u>	<u>5,202,279</u>
Total in-kind expenses				
For the year end December 31, 2020				
Assistance to others - in-kind	\$ 6,253,736	-	-	6,253,736
Professional fees	-	16,064	-	16,064
	<u>6,253,736</u>	<u>16,064</u>	<u>-</u>	<u>6,269,800</u>
Total in-kind expenses				

See independent auditor's report.

CENTER FOR PEOPLE IN NEED
Notes to Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

(5) Rental revenue:

The Center received rental revenue on two leases from Unit 3 of the building and lease of the Center's sign. The rental revenue totaled \$379,413 and \$388,740 for the years ended December 31, 2021 and 2020, respectively. The lease on Unit 3 will expire June 2022 and the lease on the sign will expire May 2040.

The leases provide for minimum rent, which includes operating costs (i.e. utilities) and parking. The cost of one sublease is determined by fees for actual use of the space per month. The future anticipated fees for this sublease are not quantifiable.

Beginning in March 2014, the Center leased a house from NeighborWorks, Inc. The Center had a sublease agreement for the house with a client. The Center's sublease specified that the tenant would pay a monthly rental payment of \$550, which was remittable by the Center directly to NeighborWorks, Inc. The lease was set to expire in February 2024. This lease agreement was cancelled in December 2020 and the Center is no longer associated with this lease. See also Note 10.

The future minimum rental revenue from the office and house leases is as follows:

<u>Year ended:</u>	<u>2021</u>	<u>2020</u>
December 31, 2021	\$ -	385,700
December 31, 2022	194,300	200,900
December 31, 2023	10,000	16,600
December 31, 2024	10,000	11,100
December 31, 2025	10,000	10,000
December 31, 2026	10,000	10,000
Thereafter	<u>152,500</u>	<u>152,500</u>
	<u>\$ 386,800</u>	<u>786,800</u>

(6) Related party transactions:

The Center's primary donor has a strong connection to the Greater Kansas City Community Foundation (the Foundation) which provides funding to the Center. The Center was awarded grants from the Foundation in the amount of \$500,000 and \$522,000 for the years ended December 31, 2021 and 2020, respectively.

In August 2020, the Center signed a memorandum of understanding with the Junior League of Lincoln (League) starting the "Junior League of Lincoln Diaper Bank". As part of the Memorandum, the Center agreed to join the National Diaper Bank Network, maintain, store and distribute the diapers, apply for grants and other funding needed for operations and supply data on the diaper distribution to the League.

(7) Concentration of credit risk:

The Center maintains cash on deposit in a checking account and a "Short Term Federal Investment Trust" (STFIT) account at one financial institution located in Nebraska. The checking account at this institution is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the years ended December 31, 2021 and 2020.

The "Short Term Federal Investment Trust" (STFIT) account is secured (not insured) by U.S. government obligations and U.S. government agency investments.

See independent auditor's report.

CENTER FOR PEOPLE IN NEED
Notes to Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

(7) Concentration of credit risk (Continued):

Amounts in excess of those insured by the FDIC were as follows as of December 31:

	2021	2020
FDIC insured account:		
Total cash deposited	\$ 49,845	69,360
Portion insured by FDIC	(49,845)	(69,360)
Uninsured cash balance	\$ -	-
STFIT secured account		
Total cash deposited	\$ 834,195	1,013,058
Portion insured by FDIC	-	-
Uninsured cash balance	\$ 834,195	1,013,058

(8) Concentration of revenues:

The Center received grants from Greater Kansas City Community Foundation representing 18.93% and 15.36% of total revenue less in-kind contributions for 2021 and 2020, respectively.

The Center receives a significant amount of in-kind contributions during a given year. During 2021 and 2020, the Center received in-kind donations from two organizations which represented 51.80 and 48.96% of total revenue, respectively.

(9) Deferred income:

Deferred revenue consists of deferred grants, contributions and rental income and were as follows as of December 31:

	2021	2020
Rental income	\$ 31,282	31,117
Grants and contributions	-	80,000
Total	\$ 31,282	111,117

(10) Commitments:

Lease and other agreements:

The Center has copier leases and related service contracts on other copiers through May 2022. The monthly lease payment for equipment is \$2,502 plus any overage costs on excess usage. Lease expense under the contract was \$46,634 and \$43,808 for the years ended December 31, 2021 and 2020, respectively.

As discussed in Note 5, the Center leased a house from NeighborWorks, Inc. for the benefit of one of the Center's clients. The lease required the assignment of rents from the sublease which were \$550 per month. The lease did not have provision for additional financial commitment for the Center beyond remittance of sublease rental payments. The lease was set to expire in February 2024 or automatically if the sublessee abandoned the property. This lease agreement was cancelled in December 2020 and the Center is no longer associated with this lease.

The Center has telephone and internet equipment leases and related service commitments through December 2023. The monthly lease payment for equipment and internet service plus other fees is \$1,585 including taxes. Lease expense under the contract was \$19,127 and \$19,061 for the years ended December 31, 2021 and 2020, respectively.

See independent auditor's report.

CENTER FOR PEOPLE IN NEED
Notes to Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

(10) Commitments (Continued):

Required future minimum rental payments under the above commitments as of December 31 are as follows:

<u>Year ended:</u>	<u>2021</u>	<u>2020</u>
December 31, 2021	\$ -	49,222
December 31, 2022	31,710	31,710
December 31, 2023	19,201	19,201
December 31, 2024	-	-
December 31, 2025	-	-
December 31, 2026	-	-
Thereafter	-	-
	<u>\$ 50,911</u>	<u>100,133</u>

(11) Net Assets Without Donor Restrictions:

The Center's net assets without donor restrictions is comprised of the following amounts at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Net assets without restrictions	\$ 4,053,907	4,503,013
Total net assets without donor imposed restrictions	<u>\$ 4,053,907</u>	<u>4,503,013</u>

(12) Net Assets With Donor Restrictions:

The Center's net assets with donor restrictions is comprised of the following amounts at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
People Obtaining Prosperity	\$ 22,381	26,700
Computer lab	10,980	10,980
Diaper Bank	80,235	29,419
Toyland for Kids program	9,616	3,587
Commodities Supplement Food Program	-	1,338
C.A.R.E.S. Act	-	3,000
Lincoln Community Foundation CARES	-	10,727
Administration	896	-
Total net assets with donor imposed restrictions	<u>\$ 124,108</u>	<u>85,751</u>

See independent auditor's report.

CENTER FOR PEOPLE IN NEED
Notes to Financial Statements (Continued)
Years Ended December 31, 2021 and 2020

(13) Liquidity and Availability of Resources:

The Center's financial assets available within one year of the statements of financial position date for general expenditure are as follows:

	2021	2020
Cash and cash equivalents	\$ 900,019	1,060,764
Grants receivable	105,475	90,304
Accounts receivable	5,900	166
Less those unavailable for general expenditures within one year, due to:		
Net Assets With Donor Restrictions	(124,108)	(85,751)
Total financial assets available to management for general expenditure within one year	\$ 887,286	1,065,483

(14) Pension Plan:

The Center provides a 403(b) defined contribution plan to eligible employees upon the date of hire. The Center matches up to 1% of eligible employee's salary after six months of service and additional employee contributions are optional. The Center's expense under this plan for the years ended December 31, 2021 and 2020 was \$12,063 and \$14,364, respectively.

(15) Beneficial interest of endowment funds:

Donors established six endowment funds (the Funds) with the Lincoln Community Foundation, Inc. as the holding entity for the benefit of Center for People in Need. Under the terms of the endowment agreement, an annual distribution will be made in November of each year. The distributions are based on each Funds' earnings.

In accordance with the *Transfer of Assets to a Non-Profit Entity or Charitable Trust that Raises or Holds Contributions for Others* paragraphs of the *Not-for-Profit Entities* topic of the FASB Accounting Standards Codification, the total endowment is not recorded by the Center. Instead, the distributions to the Center will be recorded in the year of receipt. The Center received distributions of \$47,643 and \$47,961 from the Fund for general operating purposes for the years ended December 31, 2021 and 2020, respectively.

(17) Financial statement presentation:

Amounts for 2020 have been reclassified in some cases to conform to current statement presentation.

(18) Subsequent events:

In preparing these financial statements, the Center has evaluated events and transactions for potential recognition or disclosure through April 20, 2022, the date the financial statements were available to be issued.

See independent auditor's report.

SUPPLEMENTARY INFORMATION

CENTER FOR PEOPLE IN NEED
Statement of Program Expenses by Services
Year Ended December 31, 2021

	Food Distribution	Prison Re-Entry	Truckloads	People Obtaining Prosperity	English Language Learning	Others	Total Program Expenses
Salaries	\$ 252,568	316,098	18,042	86,184	73,149	67,563	813,604
Payroll tax expense	19,687	24,182	871	6,593	5,596	5,144	62,073
Employee benefits	39,087	56,972	1,693	12,478	11,835	5,791	127,856
Advertising	-	868	-	-	-	-	868
Assistance to others	-	2,006	-	7,725	-	41,655	51,386
Assistance to others - in-kind	5,181,594	-	163,020	-	-	73,895	5,418,509
Occupancy	15,125	35,450	32,867	-	3,075	12,121	98,638
Supplies	77,789	37,559	738	81	27	32,666	148,860
Professional fees	126,694	-	-	-	-	10,000	136,694
Conferences and meetings	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	52,347	52,347
Insurance	8,534	16,821	13,381	850	1,256	5,459	46,301
Postage and shipping expenses	-	-	-	110	-	-	110
Printing and publications	173	2,716	77	86	400	594	4,046
Publications and dues	492	361	-	-	-	1,041	1,894
Repairs and maintenance	15,330	13,800	(2,190)	-	-	127	27,067
Travel	3,664	518	143	-	413	-	4,738
Other	-	-	-	-	-	-	-
Information technology	-	-	9,124	-	-	-	9,124
	<u>5,740,737</u>	<u>507,351</u>	<u>237,766</u>	<u>114,107</u>	<u>95,751</u>	<u>308,403</u>	<u>7,004,115</u>

See accompanying notes to financial statements and independent auditor's report on supplementary information.

CENTER FOR PEOPLE IN NEED
Statement of Program Expenses by Services
Year Ended December 31, 2020

	Food Distribution	Prison Re-Entry	Truckloads	People Obtaining Prosperity	English Language Learning	Others	Total Program Expenses
Salaries	\$ 417,089	271,504	36,364	94,309	53,152	64,662	937,080
Payroll tax expense	31,881	20,770	2,782	7,253	4,066	4,947	71,699
Employee benefits	53,199	52,387	6,107	14,891	16,853	10,835	154,272
Advertising	-	-	-	-	-	-	-
Assistance to others	-	4,877	-	8,566	-	243,098	256,541
Assistance to others - in-kind	6,247,933	-	5,803	-	-	-	6,253,736
Occupancy	14,732	31,964	27,739	-	3,692	18,555	96,682
Supplies	66,236	55,075	17,448	1,644	-	34,136	174,539
Professional fees	112,426	-	-	-	-	10,000	122,426
Conferences and meetings	-	-	-	-	-	425	425
Depreciation	-	-	-	-	-	38,238	38,238
Insurance	9,450	15,154	11,627	838	1,124	8,105	46,298
Postage and shipping expenses	-	37	-	118	-	73	228
Printing and publications	132	1,972	384	75	341	765	3,669
Publications and dues	368	2,275	-	-	-	1,526	4,169
Repairs and maintenance	20,127	7,282	3,677	-	-	3,574	34,660
Travel	10,800	241	594	-	288	216	12,139
Other	-	-	-	-	-	4,689	4,689
Information technology	-	-	9,125	-	-	172	9,297
	<u>6,984,373</u>	<u>463,538</u>	<u>121,650</u>	<u>127,694</u>	<u>79,516</u>	<u>444,016</u>	<u>8,220,787</u>

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