

CENTER FOR PEOPLE IN NEED, INC.

INDEPENDENT AUDITOR'S REPORT

FINANCIAL STATEMENTS

For the Years Ended
December 31, 2017 and 2016

CENTER FOR PEOPLE IN NEED, INC.

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Thomas, Kunc & Black, LLP

To the Board of Directors
Center for People In Need, Inc.
Lincoln, Nebraska

We have audited the accompanying financial statements for the Center for People In Need, Inc. (a nonprofit organization), which comprises the statements of financial position as of December 31, 2017 and 2016, 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.

Auditor'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 qualified opinion.

Basis for Qualified Opinion

As described in Note A5 to the financial statements, Center for People in Need, Inc. does not record its donated inventory as an asset on its statements of financial position. Accounting principles generally accepted in the United States of America require donated inventory be recognized as revenue and related inventory at fair value as it is received and expensed as distributed. The effect on the accompanying financial statements of the failure to record donated inventory has not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, 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, 2017 and 2016 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 17 and 18 are 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.

Lincoln, Nebraska
April 7, 2018

Thomas, Kunc and Black, LLP

CENTER FOR PEOPLE IN NEED, INC.

STATEMENTS OF FINANCIAL POSITION

December 31,

ASSETS

	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 217,961	\$ 287,001
Grants receivable	133,550	180,106
Accounts receivable	6,740	-
Prepaid expenses	32,511	36,430
	<u>390,762</u>	<u>503,537</u>
Total current assets		
Property and equipment, net	<u>3,708,503</u>	<u>3,955,636</u>
Total assets	<u>\$ 4,099,265</u>	<u>\$ 4,459,173</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 48,510	\$ 118,135
Deferred revenue	7,375	38,092
Accrued wages and payroll taxes	65,045	62,238
Accrued paid time off	55,296	55,510
	<u>176,226</u>	<u>273,975</u>
Total current liabilities		
NET ASSETS		
Unrestricted	3,841,768	3,956,890
Temporarily restricted	81,271	228,308
	<u>3,923,039</u>	<u>4,185,198</u>
Total net assets		
Total liabilities and net assets	<u>\$ 4,099,265</u>	<u>\$ 4,459,173</u>

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

CENTER FOR PEOPLE IN NEED, INC.

STATEMENT OF ACTIVITIES

For the year ended December 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue and support:				
Contributions	\$ 362,619	\$ 109,081	\$ -	\$ 471,700
Grant revenue	1,263,579	935,578	-	2,199,157
Rental revenue	395,245	-	-	395,245
Miscellaneous income	10,928	14,788	-	25,716
Interest income	6	-	-	6
Loss on disposal of equipment	(180)	-	-	(180)
In-kind goods	7,950,696	-	-	7,950,696
In-kind services	146,100	-	-	146,100
	<u>10,128,993</u>	<u>1,059,447</u>	<u>-</u>	<u>11,188,440</u>
Total revenue and support				
	10,128,993	1,059,447	-	11,188,440
Net assets released from restrictions	1,206,484	(1,206,484)	-	-
	<u>11,335,477</u>	<u>(147,037)</u>	<u>-</u>	<u>11,188,440</u>
Expenses:				
Program services	10,808,047	-	-	10,808,047
Supporting services:				
Management and general	492,274	-	-	492,274
Fundraising	150,278	-	-	150,278
	<u>11,450,599</u>	<u>-</u>	<u>-</u>	<u>11,450,599</u>
Total expenses				
	11,450,599	-	-	11,450,599
Change in net assets	(115,122)	(147,037)	-	(262,159)
Net assets at beginning of year	3,956,890	228,308	-	4,185,198
Net assets at end of year	<u>\$ 3,841,768</u>	<u>\$ 81,271</u>	<u>\$ -</u>	<u>\$ 3,923,039</u>

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

CENTER FOR PEOPLE IN NEED, INC.

STATEMENT OF ACTIVITIES

For the year ended December 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and support:				
Contributions	\$ 342,253	\$ 205,450	\$ -	\$ 547,703
Grant revenue	990,000	1,174,559	-	2,164,559
Rental revenue	390,550	-	-	390,550
Miscellaneous income	6,602	14,566	-	21,168
Interest income	39	-	-	39
Gain on disposal of equipment	155	-	-	155
In-kind goods	7,972,089	-	-	7,972,089
In-kind services	145,068	-	-	145,068
	<u>9,846,756</u>	<u>1,394,575</u>	<u>-</u>	<u>11,241,331</u>
Total revenue and support				
	9,846,756	1,394,575	-	11,241,331
Net assets released from restrictions	1,341,910	(1,341,910)	-	-
	<u>11,188,666</u>	<u>52,665</u>	<u>-</u>	<u>11,241,331</u>
Expenses:				
Program services	10,966,034	-	-	10,966,034
Supporting services:				
Management and general	608,622	-	-	608,622
Fundraising	22,423	-	-	22,423
	<u>11,597,079</u>	<u>-</u>	<u>-</u>	<u>11,597,079</u>
Total expenses				
	11,597,079	-	-	11,597,079
Change in net assets	(408,413)	52,665	-	(355,748)
Net assets at beginning of year	4,365,303	175,643	-	4,540,946
	<u>4,365,303</u>	<u>175,643</u>	<u>-</u>	<u>4,540,946</u>
Net assets at end of year	<u>\$ 3,956,890</u>	<u>\$ 228,308</u>	<u>\$ -</u>	<u>\$ 4,185,198</u>

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

CENTER FOR PEOPLE IN NEED, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2017

	Program Services	Management and General	Fundraising	Totals
Salaries expense	\$ 1,488,140	\$ 243,281	\$ 93,955	\$ 1,825,376
Payroll tax expense	116,182	19,710	8,333	144,225
Employee benefits	272,830	29,773	13,200	315,803
Assistance to others	76,871	-	-	76,871
Assistance to others - in-kind	7,950,696	-	-	7,950,696
Occupancy	166,855	28,016	1,414	196,285
Supplies	332,047	4,147	233	336,427
Professional fees	20,301	21,782	400	42,483
Bank charges	-	5,526	-	5,526
Conferences and meetings	315	177	-	492
Depreciation	191,592	90,160	-	281,752
Insurance	56,732	6,971	1,676	65,379
Postage and shipping expense	750	286	8,892	9,928
Printing and publications	37,606	10,680	16,175	64,461
Publications and dues	4,513	4,923	1,329	10,765
Repairs and maintenance	13,910	3,306	-	17,216
Travel	4,016	-	58	4,074
Other	40,151	16,705	-	56,856
Information technology	34,540	6,831	4,613	45,984
	<u>\$ 10,808,047</u>	<u>\$ 492,274</u>	<u>\$ 150,278</u>	<u>\$ 11,450,599</u>

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

CENTER FOR PEOPLE IN NEED, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2016

	Program Services	Management and General	Fundraising	Totals
Salaries expense	\$ 1,484,275	\$ 318,932	\$ 3,717	\$ 1,806,924
Payroll tax expense	113,633	24,962	284	138,879
Employee benefits	191,802	35,960	-	227,762
Assistance to others	161,254	-	-	161,254
Assistance to others - in-kind	7,971,635	454	-	7,972,089
Occupancy	206,501	31,314	-	237,815
Supplies	320,793	11,590	469	332,852
Professional fees	120,996	19,346	-	140,342
Bank charges	-	4,177	-	4,177
Conferences and meetings	279	185	-	464
Depreciation	167,336	111,559	-	278,895
Insurance	69,771	3,985	-	73,756
Postage and shipping expense	5,015	2,927	5,782	13,724
Printing and publications	57,947	24,103	12,171	94,221
Publications and dues	8,015	4,938	-	12,953
Repairs and maintenance	17,607	743	-	18,350
Travel	4,440	139	-	4,579
Other	5,743	1,517	-	7,260
Information technology	58,992	11,791	-	70,783
	<u>\$ 10,966,034</u>	<u>\$ 608,622</u>	<u>\$ 22,423</u>	<u>\$ 11,597,079</u>
Total functional expenses				

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

CENTER FOR PEOPLE IN NEED, INC.

STATEMENTS OF CASH FLOWS

For the year ended December 31,

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Decrease in net assets	\$ (262,159)	\$ (355,748)
Adjustments to reconcile decrease in net assets to net cash (used) provided by operating activities:		
Depreciation	281,752	278,895
Loss (gain) on disposal of equipment	180	(155)
(Increase) decrease in operating assets:		
Grants receivable	46,556	146,603
Accounts receivable	(6,740)	2,493
Prepaid expenses	3,919	11,058
Increase (decrease) in operating liabilities:		
Accounts payable	(69,625)	(15,711)
Deferred revenue	(30,717)	4,325
Accrued wages and payroll taxes	2,807	2,130
Accrued paid time off	(214)	3,530
Due to others	-	(30,000)
	<u>(34,241)</u>	<u>47,420</u>
Net cash (used) provided by operating activities		
Cash flows from investing activities:		
Purchase of property and equipment	(34,799)	(110,875)
Proceeds from the sale of equipment	-	155
	<u>(34,799)</u>	<u>(110,720)</u>
Net cash used by investing activities		
Net decrease in cash and cash equivalents	(69,040)	(63,300)
Cash and cash equivalents at beginning of year	<u>287,001</u>	<u>350,301</u>
Cash and cash equivalents at end of year	<u>\$ 217,961</u>	<u>\$ 287,001</u>
Supplemental disclosures of cash flows information:		
Cash paid during the year for:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>

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

CENTER FOR PEOPLE IN NEED, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2017 and 2016

NOTE A – SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

1. Organization

Center for People In Need, Inc. (the Organization) is a non-profit Nebraska corporation providing opportunities for families and youth as they address socio-economic barriers limiting their paths to success. The Organization accomplishes this through bringing extra resources to agencies that serve people in need and advocating for systematic changes.

2. Basis of presentation

The financial statement presentation follows the recommendation of the Financial Accounting Standards Board and reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, which represents the expendable resources that are available for operations at management's discretion; temporarily restricted net assets, which represents resources restricted by donors as to purpose or by the passage of time; and permanently restricted net assets, which represents resources whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization. The Organization had no permanently restricted net assets at December 31, 2017 and 2016.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of donor restrictions.

3. Cash equivalents

For purposes of the Statements of Cash Flows, the Organization considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

4. Receivables

Accounts receivable represent amounts that have been billed under agency contracts but not collected as of the date of the financial statements. All 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, 2017 and 2016.

See independent auditor's report.

CENTER FOR PEOPLE IN NEED, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 2017 and 2016

NOTE A – SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES –
Continued

5. Donated inventory

Generally accepted accounting principles require 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. The Organization's Board of Directors is familiar with the requirements of accounting standards. The Board has elected to omit the recording of undistributed donated goods as an asset because they believe the costs to quantify and value the inventory would outweigh the benefit. The effect of this omission on the financial statements is unknown.

6. Compensated absences

Employees of the Organization are entitled to paid time off depending on job classification and length of service.

7. Property, equipment, and depreciation

Property and equipment are stated at cost if purchased, or at estimated fair value if donated, less accumulated depreciation. The Organization expenses all capital expenditures of less than \$5,000 unless the Board determines the asset will provide valued resources to office staff or clients in future years. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets (3 to 40 years).

8. 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.

9. Income tax status

The Organization is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization 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 Organization was not required to file Form 990-T for the year ending December 31, 2016 and any such taxes owed for 2017, if any, are anticipated by management to be insignificant.

See independent auditor's report.

CENTER FOR PEOPLE IN NEED, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 2017 and 2016

NOTE A – SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES –
Continued

9. Federal income taxes – Continued

Management also believes its 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 Organization's financial position, activities or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2017 and 2016.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax period in progress. The Organization believes it is no longer subject to income tax examinations prior to fiscal years ending December 31, 2014.

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

10. Use of estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

NOTE B – PROPERTY AND EQUIPMENT

Property and equipment as of December 31, is as follows:

	<u>2017</u>	<u>2016</u>
Building improvements	\$ 1,676,149	\$ 1,641,349
Building	3,669,523	3,669,523
Equipment	221,114	270,135
Vehicles	29,260	10,000
	<u>5,596,046</u>	<u>5,591,007</u>
Less accumulated depreciation	<u>(1,887,543)</u>	<u>(1,635,371)</u>
	<u>\$ 3,708,503</u>	<u>\$ 3,955,636</u>

See independent auditor's report.

CENTER FOR PEOPLE IN NEED, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 2017 and 2016

NOTE C – 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 Organization received donated services in the amount of \$146,100 and \$145,068, respectively, during the years ended December 31, 2017 and 2016.

The Organization receives a substantial amount of goods as in-kind donations for several of its programs. The financial statements for the years ended December 31, 2017 and 2016, as presented, include \$7,950,696 and \$7,972,089, 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.

The valuation of the in-kind donations used for recording the revenues and expenses are an estimate based on information received from a national reporting service, Gifts In-Kind, which receives the goods from various well-known retailers.

Inventory retained in the Organization’s warehouse is not recorded as an asset on the financial statements. The in-kind goods are received in batches, which contain a variety of items that are not valued separately. All in-kind goods are reflected as revenues and program expenses in the year received.

NOTE D – RENTAL REVENUE

The Organization received rental revenue on two leases from Unit 1 and one lease from Unit 2, of its building, totaling \$395,245 and \$390,550 for the years ended December 31, 2017 and 2016, respectively. These leases begin to expire June, 2015 through March, 2019. 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 is non-quantifiable.

Beginning in March, 2014, the Organization leased a house from Neighborhoods, Inc. The Organization has a sublease agreement for the house with a client. The Organization’s sublease specifies that the tenant will pay a monthly rental payment of \$550, which is remittable by the Organization directly to Neighborhoods, Inc. The lease will expire in February, 2024. See also Note G.

See independent auditor’s report.

CENTER FOR PEOPLE IN NEED, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 2017 and 2016

NOTE D – RENTAL REVENUE – Continued

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

<u>Year</u>	<u>Amount</u>
2018	\$ 380,450
2019	98,750
2020	6,600
2021	6,600
2022	6,600
Thereafter	<u>7,700</u>
Total rental revenue	<u><u>\$ 506,700</u></u>

NOTE E – RELATED PARTY TRANSACTIONS

The Building Strong Families Fund provides grant administration functions for the Greater Kansas City Community Foundation (the Foundation). The Organization was awarded grants from the Foundation in the amount of \$1,230,000 and \$990,000 for the years ended December 31, 2017 and 2016, respectively.

The Executive Director provides services to the Organization at no cost. The amount is recognized as an in-kind services contribution and salary expense in the Statements of Activities and Functional Expenses in the amount of \$146,100 and \$145,068 for the years ended December 31, 2017 and 2016, respectively. In-kind salary expense was allocated to the following functional expense categories:

	<u>2017</u>	<u>2016</u>
Program services	\$ 102,270	\$ 101,548
Management and general	<u>43,830</u>	<u>43,520</u>
	<u><u>\$ 146,100</u></u>	<u><u>\$ 145,068</u></u>

NOTE F – CONCENTRATIONS

Cash

The Organization maintains cash balances at one financial institution located in Nebraska. Accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for the years ended December 31, 2017 and 2016. Amounts in excess of those insured by the FDIC are as follows as of December 31:

See independent auditor's report.

CENTER FOR PEOPLE IN NEED, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 2017 and 2016

NOTE F – CONCENTRATIONS – Concentrations

	<u>2017</u>	<u>2016</u>
Total cash on deposit	\$ 185,077	\$ 319,771
Portion insured by FDIC	<u>(250,000)</u>	<u>(250,000)</u>
Uninsured cash balance	<u>\$ -</u>	<u>\$ 69,771</u>

At various points throughout both the years ended December 31, 2017 and 2016, the Organization’s cash deposited with this financial institution exceeded federally insured limits. The Organization has not experienced any losses on such accounts and management believes the risk is mitigated by maintaining all deposits in a high quality institution.

Revenues

The Organization received grants from Greater Kansas City Community Foundation representing 40.8% and 29.4% of total revenue less in-kind contributions for 2017 and 2016, respectively.

The Organization receives a significant amount of in-kind contributions during a given year. During 2017 and 2016, the Organization received in-kind donations from two organizations which represented 79.7% and 79.7% of total revenue, respectively.

NOTE G – COMMITMENTS

Lease agreements

The Organization 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 \$45,868 and \$66,306 for the years ended December 31, 2017 and 2016, respectively.

As discussed in Note D, the Organization leases a house from Neighborhoods, Inc. for the benefit of one of the Organization’s clients. The lease requires the assignment of rents from the sub-lessee which are \$550 per month. The lease does not have provision for additional financial commitment for the Organization beyond remittance of sublease rental payments. The lease will expire in February, 2024 or automatically if the sub-lessee abandons the property. The Organization did not receive any payments from the sub-lessee for 2017.

See independent auditor’s report.

CENTER FOR PEOPLE IN NEED, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 2017 and 2016

NOTE G – COMMITMENTS – Continued

Required future minimum rental payments under these leases are as follows:

<u>Year</u>	<u>Amount</u>
2018	\$ 37,395
2019	36,621
2020	36,621
2021	36,621
2022	16,607
Thereafter	<u>7,698</u>
	<u>\$ 171,563</u>

NOTE H – RESTRICTED NET ASSETS

The Organization had temporarily restricted net assets for the following purposes at December 31:

	<u>2017</u>	<u>2016</u>
People Obtaining Prosperity	\$ 2,962	\$ 102,360
Client assistance	8,529	5,397
Client giveaway	-	1,237
Computer lab	7,881	-
Financial literacy	30,011	36,831
Mother's Day	6,686	10,847
Refugee fund	150	150
Tools for Education	8,805	28,343
Toyland for Kids program	13,206	38,539
Women In Need program	<u>3,041</u>	<u>4,604</u>
Total temporarily restricted net assets	<u>\$ 81,271</u>	<u>\$ 228,308</u>

NOTE I – BENEFICIAL INTEREST OF ENDOWMENT FUND

During 2014, a donor established The Trocone Fund for Center for People in Need (the Fund) held with the Lincoln Community Foundation, Inc. as the holding entity. Under the terms of the endowment agreement an annual distribution will be made in November and will be at a distribution rate yet to be determined by the Foundation.

See independent auditor's report.

CENTER FOR PEOPLE IN NEED, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 2017 and 2016

NOTE I – BENEFICIAL INTEREST OF ENDOWMENT FUND – Continued

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 Organization. Instead, the distributions to the Organization will be recorded in the year of receipt. The Organization received \$35,325 and \$32,232 distribution from the Fund for general operating purposes for the years ended December 31, 2017 and 2016, respectively.

NOTE J – SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through April 7, 2018, the date the financial statements were available to be issued. No events or transactions were noted to that date which requires further disclosure.

See independent auditor's report.

Supplemental Information

CENTER FOR PEOPLE IN NEED, INC.

STATEMENTS OF PROGRAM SERVICES EXPENSES

For the year ended December 31, 2017

	Truckloads	Neighborhood			Prison Re-Entry	People		Total Program Expenses
		Thanksgiving	Food	Entry		Obtaining Prosperity	Other	
Salaries expense	\$ 376,546	\$ 40,214	\$ 234,384	\$ 428,031	\$ 76,593	\$ 332,372	\$ 1,488,140	
Payroll tax expense	29,837	3,214	18,789	32,746	5,860	25,736	116,182	
Employee benefits	52,064	5,089	31,339	86,160	14,307	83,871	272,830	
Assistance to others	-	-	-	8,252	26,170	42,449	76,871	
Assistance to others - in-kind	3,075,969	8,605	4,773,176	-	-	92,946	7,950,696	
Occupancy	62,441	3,502	29,885	35,507	-	35,520	166,855	
Supplies	122,873	18,980	42,967	83,968	-	63,259	332,047	
Professional fees	-	-	-	5,901	-	14,400	20,301	
Conferences and meetings	148	-	123	-	-	44	315	
Depreciation	84,526	11,270	70,438	-	-	25,358	191,592	
Insurance	21,144	103	8,187	14,080	795	12,423	56,732	
Postage and shipping expense	245	8	205	104	96	92	750	
Printing and publications	10,360	1,340	9,000	2,052	224	14,630	37,606	
Publications and dues	840	226	-	2,600	-	847	4,513	
Repairs and maintenance	9,167	52	2,295	1,214	-	1,182	13,910	
Travel	1,358	199	663	1,403	-	393	4,016	
Other	15,831	2,108	13,172	4,298	-	4,742	40,151	
Information technology	8,567	854	5,556	12,556	874	6,133	34,540	
Total program expenses	\$ 3,871,916	\$ 95,764	\$ 5,240,179	\$ 718,872	\$ 124,919	\$ 756,397	\$ 10,808,047	

See independent auditor's report.

CENTER FOR PEOPLE IN NEED, INC.

STATEMENTS OF PROGRAM SERVICES EXPENSES

For the year ended December 31, 2016

	Truckloads	Neighborhood			Prison Re-Entry	People		Total Program Expenses
		Thanksgiving	Food	Americorp		Obtaining Prosperity	Other	
Salaries expense	\$ 373,431	\$ 28,062	\$ 139,499	\$ 216,639	\$ 391,121	\$ 81,767	\$ 253,756	\$ 1,484,275
Payroll tax expense	28,920	2,194	10,848	16,572	29,921	6,256	18,922	113,633
Employee benefits	44,257	2,997	18,540	3,164	72,537	14,412	35,895	191,802
Assistance to others	-	-	34,617	-	1,666	28,766	96,205	161,254
Assistance to others - in-kind	2,884,851	9,896	4,809,061	-	-	-	267,827	7,971,635
Occupancy	64,424	3,131	32,716	9,623	45,244	-	51,363	206,501
Supplies	218,696	662	58,677	15	15,616	87	27,040	320,793
Professional fees	-	-	5,071	-	69,756	-	46,169	120,996
Conferences and meetings	139	19	70	-	-	-	51	279
Depreciation	83,668	11,156	41,834	-	-	-	30,678	167,336
Insurance	17,824	93	8,496	8,590	18,607	1,072	15,089	69,771
Postage and shipping expense	2,195	293	1,097	-	359	190	881	5,015
Printing and publications	17,450	2,191	8,838	262	2,758	318	26,130	57,947
Publications and dues	7,000	11	-	305	-	-	699	8,015
Repairs and maintenance	14,668	58	1,397	-	1,359	-	125	17,607
Travel	1,834	161	588	40	1,160	-	657	4,440
Other	1,313	152	634	287	1,492	-	1,865	5,743
Information technology	14,198	1,179	5,241	10,544	15,437	1,883	10,510	58,992
Total program expenses	\$ 3,774,868	\$ 62,255	\$ 5,177,224	\$ 266,041	\$ 667,033	\$ 134,751	\$ 883,862	\$ 10,966,034

See independent auditor's report.