

CENTER FOR PEOPLE IN NEED, INC.

INDEPENDENT AUDITOR'S REPORT

FINANCIAL STATEMENTS

For the Years Ended  
December 31, 2018 and 2017

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, 2018 and 2017, 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 A4 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, 2018 and 2017 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 18 and 19 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 2, 2019

*Thomas, Kane and Black, LLP*

CENTER FOR PEOPLE IN NEED, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2018 and 2017

ASSETS

	<u>2018</u>	<u>2017</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 344,894	\$ 217,961
Grants receivable	133,081	133,550
Accounts receivable	14,203	6,740
Prepaid expenses	<u>31,785</u>	<u>32,511</u>
Total current assets	<u>523,963</u>	<u>390,762</u>
Property and equipment, net	<u>3,454,828</u>	<u>3,708,503</u>
Total assets	<u>\$ 3,978,791</u>	<u>\$ 4,099,265</u>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 70,743	\$ 48,510
Deferred revenue	1,750	7,375
Accrued wages and payroll taxes	62,474	65,045
Accrued paid time off	<u>61,640</u>	<u>55,296</u>
Total current liabilities	<u>196,607</u>	<u>176,226</u>
<b>NET ASSETS</b>		
Net assets without donor restrictions	3,721,434	3,841,768
Net assets with donor restrictions	<u>60,750</u>	<u>81,271</u>
Total net assets	<u>3,782,184</u>	<u>3,923,039</u>
Total liabilities and net assets	<u>\$ 3,978,791</u>	<u>\$ 4,099,265</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, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and support:			
Contributions	\$ 397,600	\$ 107,299	\$ 504,899
Grant revenue	1,056,057	993,219	2,049,276
Rental revenue	398,400	-	398,400
Miscellaneous income	17,665	18,762	36,427
In-kind goods	5,246,940	-	5,246,940
In-kind services	<u>38,550</u>	<u>-</u>	<u>38,550</u>
 Total revenue and support	 7,155,212	 1,119,280	 8,274,492
 Net assets released from restrictions	 <u>1,139,801</u>	 <u>(1,139,801)</u>	 <u>-</u>
	<u>8,295,013</u>	<u>(20,521)</u>	<u>8,274,492</u>
 Expenses:			
Program services	7,383,935	-	7,383,935
Supporting services:			
Management and general	858,744	-	858,744
Fundraising	<u>172,668</u>	<u>-</u>	<u>172,668</u>
 Total expenses	 <u>8,415,347</u>	 <u>-</u>	 <u>8,415,347</u>
 Change in net assets	 (120,334)	 (20,521)	 (140,855)
 Net assets at beginning of year	 <u>3,841,768</u>	 <u>81,271</u>	 <u>3,923,039</u>
 Net assets at end of year	 <u>\$ 3,721,434</u>	 <u>\$ 60,750</u>	 <u>\$ 3,782,184</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>Without Donor Restrictions</u>	<u>With Donor Restrictions</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	<u>146,100</u>	<u>-</u>	<u>146,100</u>
 Total revenue and support	 10,128,993	 1,059,447	 11,188,440
 Net assets released from restrictions	 <u>1,206,484</u>	 <u>(1,206,484)</u>	 <u>-</u>
	<u>11,335,477</u>	<u>(147,037)</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	<u>150,278</u>	<u>-</u>	<u>150,278</u>
 Total expenses	 <u>11,450,599</u>	 <u>-</u>	 <u>11,450,599</u>
 Change in net assets	 (115,122)	 (147,037)	 (262,159)
 Net assets at beginning of year	 <u>3,956,890</u>	 <u>228,308</u>	 <u>4,185,198</u>
 Net assets at end of year	 <u>\$ 3,841,768</u>	 <u>\$ 81,271</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 FUNCTIONAL EXPENSES

For the year ended December 31, 2018

	Program Services	Management and General	Fundraising	Totals
Salaries expense	\$ 1,175,319	\$ 337,816	\$ 111,843	\$ 1,624,978
Payroll tax expense	91,441	28,135	8,556	128,132
Employee benefits	258,751	68,024	15,653	342,428
Assistance to others	70,029	-	-	70,029
Assistance to others - in-kind	5,246,941	-	-	5,246,941
Occupancy	144,169	69,890	1,634	215,693
Supplies	224,654	13,646	11,308	249,608
Professional fees	34,748	19,503	812	55,063
Bank charges	-	4,196	-	4,196
Conferences and meetings	316	720	-	1,036
Depreciation	41,383	234,504	-	275,887
Insurance	44,984	20,377	1,575	66,936
Postage and shipping expense	319	692	5,292	6,303
Printing and publications	11,778	28,088	10,218	50,084
Publications and dues	7,209	3,474	1,769	12,452
Repairs and maintenance	9,056	7,753	558	17,367
Travel	6,138	1,738	126	8,002
Other	5,981	2,967	-	8,948
Bad debt	-	140	-	140
Information technology	10,719	17,081	3,324	31,124
	<u>10,719</u>	<u>17,081</u>	<u>3,324</u>	<u>31,124</u>
Total functional expenses	<u>\$ 7,383,935</u>	<u>\$ 858,744</u>	<u>\$ 172,668</u>	<u>\$ 8,415,347</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>
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 years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Decrease in net assets	\$ (140,855)	\$ (262,159)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Depreciation	275,887	281,752
Loss on disposal of equipment	-	180
(Increase) decrease in operating assets:		
Grants receivable	469	46,556
Accounts receivable	(7,463)	(6,740)
Prepaid expenses	726	3,919
Increase (decrease) in operating liabilities:		
Accounts payable	22,233	(69,625)
Deferred revenue	(5,625)	(30,717)
Accrued wages and payroll taxes	(2,571)	2,807
Accrued paid time off	<u>6,344</u>	<u>(214)</u>
Net cash provided (used) by operating activities	<u>149,145</u>	<u>(34,241)</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(22,212)</u>	<u>(34,799)</u>
Net cash used by investing activities	<u>(22,212)</u>	<u>(34,799)</u>
Net increase (decrease) in cash and cash equivalents	126,933	(69,040)
Cash and cash equivalents at beginning of year	<u>217,961</u>	<u>287,001</u>
Cash and cash equivalents at end of year	<u>\$ 344,894</u>	<u>\$ 217,961</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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

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. 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.

3. 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, 2018 and 2017.

4. 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.

5. Compensated absences

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

See independent auditor's report.

CENTER FOR PEOPLE IN NEED, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 2018 and 2017

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

6. 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).

7. 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 Organization'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 Organization 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 Organization to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy.

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.

See independent auditor's report.

CENTER FOR PEOPLE IN NEED, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 2018 and 2017

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

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, 2017 and any such taxes owed for 2018, if any, are anticipated by management to be insignificant.

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, 2018 and 2017.

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.

11. Recently adopted reporting principles

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The Organization adopted the provisions of this new principle during the year ended December 31, 2018 and the presentation of the December 31, 2017 has been reclassified to accommodate this principle. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources.

See independent auditor's report.

CENTER FOR PEOPLE IN NEED, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 2018 and 2017

NOTE B – PROPERTY AND EQUIPMENT

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

	<u>2018</u>	<u>2017</u>
Building improvements	\$ 1,692,387	\$ 1,676,149
Building	3,669,523	3,669,523
Equipment	214,695	221,114
Vehicles	<u>29,260</u>	<u>29,260</u>
	5,605,865	5,596,046
Less accumulated depreciation	<u>(2,151,037)</u>	<u>(1,887,543)</u>
	<u>\$ 3,454,828</u>	<u>\$ 3,708,503</u>

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 \$38,550 and \$146,100, respectively, during the years ended December 31, 2018 and 2017.

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, 2018 and 2017, as presented, include \$5,246,940 and \$7,950,696, 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.

See independent auditor’s report.

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 2018 and 2017

NOTE D – RENTAL REVENUE

The Organization received rental revenue from Unit 1 and Unit 2 of the building and also for the center’s sign. The rental revenue totaled \$398,400 and \$395,245 for the years ended December 31, 2018 and 2017, respectively. These leases started expiring June, 2015 and continue to expire through May, 2020. 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.

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

<u>Year</u>	<u>Amount</u>
2019	\$ 116,750
2020	9,725
2021	6,600
2022	6,600
2023	6,600
Thereafter	<u>1,100</u>
Total rental revenue	<u>\$ 147,375</u>

NOTE E – RELATED PARTY TRANSACTIONS

During 2018 and 2017, the Organization provided administrative and accounting functions to the Building Strong Families Fund at no cost. 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 \$1,035,913 and \$1,230,000 for the years ended December 31, 2018 and 2017, respectively.

The former Executive Director provided 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 \$38,550 and \$146,100 for the years ended December 31, 2018 and 2017, respectively. In-kind salary expense was allocated to the following functional expense categories:

	<u>2018</u>	<u>2017</u>
Program services	\$ -	\$ 102,270
Management and general	<u>38,550</u>	<u>43,830</u>
	<u>\$ 38,550</u>	<u>\$ 146,100</u>

See independent auditor’s report.

CENTER FOR PEOPLE IN NEED, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 2018 and 2017

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, 2018 and 2017. Amounts in excess of those insured by the FDIC are as follows as of December 31:

	<u>2018</u>	<u>2017</u>
Total cash on deposit	\$ 340,182	\$ 185,077
Portion insured by FDIC	<u>(250,000)</u>	<u>(250,000)</u>
Uninsured cash balance	<u>\$ 90,182</u>	<u>\$ -</u>

At various points throughout both the years ended December 31, 2018 and 2017, 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 34.7% and 40.8% of total revenue less in-kind contributions for 2018 and 2017, respectively.

The Organization receives a significant amount of in-kind contributions during a given year. During 2018 and 2017, the Organization received in-kind donations from two organizations which represented 55.3% 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 \$30,003 and \$45,868 for the years ended December 31, 2018 and 2017, 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.

See independent auditor's report.



CENTER FOR PEOPLE IN NEED, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 2018 and 2017

NOTE G – COMMITMENTS – Continued

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

<u>Year</u>	<u>Amount</u>
2019	\$ 36,621
2020	36,621
2021	36,620
2022	16,607
2023	6,600
Thereafter	<u>1,100</u>
	<u>\$ 134,169</u>

NOTE H – RESTRICTED NET ASSETS

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

	<u>2018</u>	<u>2017</u>
People Obtaining Prosperity	\$ -	\$ 2,962
Client assistance	13,276	8,529
CHE	3,488	-
Computer lab	17,211	7,881
Financial literacy	23,945	30,011
Mother's Day	-	6,686
Refugee fund	-	150
Tools for Education	-	8,805
Toyland for Kids program	1,469	13,206
Women In Need program	<u>1,361</u>	<u>3,041</u>
Total net assets with donor restrictions	<u>\$ 60,750</u>	<u>\$ 81,271</u>

NOTE I – LIQUIDITY

The following reflects the Organization's liquid financial assets as of the December 31, 2018 and 2017, respectively, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. The Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

See independent auditor's report.

CENTER FOR PEOPLE IN NEED, INC.

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 2018 and 2017

NOTE I – LIQUIDITY – Continued

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 344,894	\$ 217,961
Grants and accounts receivable	147,284	140,290
Less those unavailable for general expenditures within one year, due to:		
Restricted by donor with time or purpose restrictions	<u>(60,750)</u>	<u>(81,271)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 431,428</u>	<u>\$ 276,980</u>

NOTE J – PENSION PLAN

Beginning in 2018, the Organization provides a 403(b) defined contribution plan to eligible employees upon the date of hire. The Organization matches up to 1% of eligible employee's salary after six months of service and additional employee contributions are optional. The Organization's expense under this plan for the year ended December 31, 2018 was \$13,825.

NOTE K – 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.

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 \$40,050 and \$35,325 distribution from the Fund for general operating purposes for the years ended December 31, 2018 and 2017, respectively.

NOTE J – SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through April 2, 2019, 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, 2018

	Truckloads	Thanksgiving	Neighborhood Food	Prison Re-Entry	Accessing College Through Technology	Other	Total Program Expenses
Salaries expense	\$ 180,309	\$ 10,318	\$ 152,436	\$ 416,507	\$ 84,669	\$ 331,080	\$ 1,175,319
Payroll tax expense	14,176	789	12,235	31,863	6,477	25,901	91,441
Employee benefits	36,231	1,903	29,054	94,272	14,970	82,321	258,751
Assistance to others	-	-	-	14,601	26,643	28,785	70,029
Assistance to others - in-kind	818,685	5,083	4,392,543	-	-	30,630	5,246,941
Occupancy	31,782	-	30,718	41,883	-	39,786	144,169
Supplies	30,733	14,461	40,701	58,991	529	79,239	224,654
Professional fees	-	-	-	792	-	33,956	34,748
Conferences and meetings	189	-	-	-	-	127	316
Depreciation	-	-	-	-	-	41,383	41,383
Insurance	9,092	119	8,332	14,402	890	12,149	44,984
Postage and shipping expense	-	-	-	146	50	123	319
Printing and publications	683	95	324	2,449	296	7,931	11,778
Publications and dues	1,200	-	213	4,105	-	1,691	7,209
Repairs and maintenance	4,439	-	893	1,971	-	1,753	9,056
Travel	2,703	63	896	1,460	-	1,016	6,138
Other	299	-	-	129	-	5,553	5,981
Information technology	-	-	-	7,705	-	3,014	10,719
Total program expenses	\$ 1,130,521	\$ 32,831	\$ 4,668,345	\$ 691,276	\$ 134,524	\$ 726,438	\$ 7,383,935

See independent auditor's report.

CENTER FOR PEOPLE IN NEED, INC.

STATEMENTS OF PROGRAM SERVICES EXPENSES

For the year ended December 31, 2017

	Truckloads	Thanksgiving	Neighborhood Food	Prison Re-Entry	Accessing College Through Technology	Other	Total Program Expenses
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.