

THE CANBY CENTER
FINANCIAL STATEMENTS
Year Ended December 31, 2020



KERN ▲ THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

THE CANBY CENTER
FINANCIAL STATEMENTS
Year Ended December 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Canby Center
Canby, Oregon

We have audited the accompanying financial statements of The Canby Center (a non-profit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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.

Auditors' 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Canby Center as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Kern & Thompson, LLC

Portland, Oregon
March 16, 2022

THE CANBY CENTER
STATEMENT OF FINANCIAL POSITION

December 31, 2020

ASSETS

Current assets:

Cash and cash equivalents	\$ 897,618
Accounts receivable	591
Total current assets	<u>898,209</u>

Property and equipment

Building	284,240
Land	187,650
Equipment and furniture	142,023
Leasehold improvements	202,070
	<u>815,983</u>
Less accumulated depreciation	(123,871)
Net property and equipment	<u>692,112</u>

Total assets	\$ <u>1,590,321</u>
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LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 14,390
Payroll liabilities	7,633
Note payable	100,518
Total current liabilities	<u>122,541</u>

Net assets

Without donor restrictions	948,202
With donor restrictions	519,578

Total net assets	<u>1,467,780</u>
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Total liabilities and net assets	\$ <u>1,590,321</u>
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See notes to financial statements.

THE CANBY CENTER
STATEMENT OF ACTIVITIES
Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support			
Grants and contributions	\$ 757,211	\$ 753,717	\$ 1,510,928
Payroll Protection Program	76,284	-	76,284
Rental income	2,400	-	2,400
Donated food and clothing	-	-	-
Interest	1,141	-	1,141
Other	4,090	-	4,090
	<u>841,126</u>	<u>753,717</u>	<u>1,594,843</u>
Net assets released from restrictions	<u>351,626</u>	<u>(351,626)</u>	<u>-</u>
Total revenues, gains and other support	<u>1,192,752</u>	<u>402,091</u>	<u>1,594,843</u>
Expenses			
Program services	537,458	-	537,458
Supporting services			
Management and general	154,399	-	154,399
Fundraising	178,654	-	178,654
Total expenses	<u>870,511</u>	<u>-</u>	<u>870,511</u>
Net operating income	322,241	402,091	724,332
Donated food and clothing	1,596,496	-	1,596,496
Distributed food and clothing	<u>(1,596,496)</u>	<u>-</u>	<u>(1,596,496)</u>
	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	322,241	402,091	724,332
Net assets, beginning of year	<u>625,961</u>	<u>117,487</u>	<u>743,448</u>
Net assets, end of year	<u>\$ 948,202</u>	<u>\$ 519,578</u>	<u>\$ 1,467,780</u>

See notes to financial statements.

THE CANBY CENTER
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2020

	PROGRAM SERVICES	SUPPORTING SERVICES		Total
		Manage- ment and General	Fundraising	
Payroll and related expenses	\$ 167,464	\$ 106,914	\$ 138,863	\$ 413,241
Community and student programs	214,158	-	-	214,158
Repairs and maintenance	10,148	-	-	10,148
Insurance	-	11,581	-	11,581
Office expense	19,044	4,876	12,362	36,282
Occupancy	22,237	2,780	2,780	27,797
Facility expense	40,936	10,234	-	51,170
Computer expense	17,052	4,263	-	21,315
Professional fees	-	12,404	21,194	33,598
Development	-	-	2,108	2,108
Depreciation	35,642	-	-	35,642
Miscellaneous	10,777	1,347	1,347	13,471
Total operating expenses	\$ 537,458	\$ 154,399	\$ 178,654	\$ 870,511

See notes to financial statements.

THE CANBY CENTER
STATEMENT OF CASH FLOWS
Year Ended December 31, 2020

Cash flows from operating activities:	
Change in net assets	\$ 724,332
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	35,642
Changes in assets and liabilities:	
Accounts payable	14,120
Payroll liabilities	497
Net cash provided by operating activities	<u>774,591</u>
Cash flows from investing activities:	
Purchase of equipment	<u>(61,315)</u>
Cash flows from financing activities:	
Payment of long-term debt	<u>(59,990)</u>
Net change in cash	653,286
Cash, beginning of year	<u>244,332</u>
Cash, end of year	<u>\$ 897,618</u>
 Supplemental disclosure of cash flow information	
Cash paid for interest	<u>\$ 1,141</u>

See notes to financial statements.

THE CANBY CENTER
NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE A – DESCRIPTION OF ORGANIZATION

The Canby Center (TCC) is a faith-based, relationship driven 501(c)3 non-profit with a model which seeks to engage clients in their own growth within a loving community. The Canby Center's mission as a nonprofit organization is "In God's love, we renew dignity and inspire learning for youth and families". The focus of TCC's programs is to provide poverty-alleviating, dignity-strengthening resources and education for youth and families. TCC programs include no-cost food pantries, lunches, youth food programming, clothing, medical, dental, vision, and housing assistance. In addition, TCC facilitates youth mentoring, tutoring, and literacy programs, as well as adult life skills and personal finance training.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** – Net assets that are not subject to donor-imposed stipulations. The Board of Directors may designate net assets without donor restrictions for specific purposes.
- **Net Assets With Donor Restrictions** – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time, or net assets with donor restrictions that are not subject to appropriation or expenditure.

Expenses are reported as a decrease in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expiration of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting, which recognizes revenue when earned and expenses when incurred.

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions with donor restrictions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. Otherwise, when a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Functional Allocation of Expenses

The costs of providing the programs and supporting services have been summarized in the statement of Activities. Directly identifiable expenses are charged to programs and supporting services when incurred. Certain costs have been allocated among the programs and supporting services benefited based primarily on estimates of time and effort

THE CANBY CENTER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For financial reporting purposes, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

In-kind Donations

The Organization receives contributions of food and clothing that are reflected as in-kind donations. For the year ended December 31, 2020, the value used to record donated items was \$2.33 per pound for clothing and \$1.66 per pound for food. During the year, approximately 950,000 pounds of donated goods were received by the Organization.

In addition, a substantial number of volunteers have donated significant amounts of their time to the Organization and its educational programs; however, these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation computed on the straight-line method over the estimated useful lives of the various assets. Expenditures for additions, major renewals, and betterments are capitalized, and expenditures for repairs and maintenance are charged to income as incurred. Donated assets are reflected as contributions at their estimated fair value at the date of receipt.

Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Organization operates as a nonprofit corporation and has received tax-exempt status under Code Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is included in the accompanying financial statements.

NOTE C – RESTRICTIONS ON NET ASSETS

Restrictions on net assets consist of amounts received with purpose restrictions to carry out specific program activities as follows:

Capital campaign	\$	311,250
Community assistance		57,974
Staffing		44,838
COVID-19 relief		39,586
Other purpose restrictions		65,930
	\$	<u>519,578</u>

THE CANBY CENTER

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

December 31, 2020

NOTE D – CONCENTRATION OF CREDIT RISK

The Organization maintains its cash and cash equivalents at financial institutions insured by the Federal Deposit Insurance Corporation. Balances may exceed insured limits at various times. At December 31, 2020, balances exceeded FDIC insured limits by approximately \$486,000.

NOTE E – LONG-TERM DEBT

Note payable to Kenagy Investments, LLC in monthly installments of \$3,329, including interest at 4.0%; secured by real property; maturity with balloon payment in August 2023.

The note was paid in full and title conveyed to the Organization on December 1, 2021.

NOTE F – LIQUIDITY

The following chart represents the Organization's financial assets available for general expenditures within one year of December 31, 2020:

Financial assets at year-end:	
Cash and cash equivalents	\$ 897,618
Total financial assets	<u>897,618</u>
Less amounts unavailable for general expenditure within one year:	
Net assets with donor restrictions	<u>(519,578)</u>
Financial assets available to meet cash needs within one year	<u>\$ 378,040</u>

NOTE G – UNCERTAINTY

Beginning in March 2020, an outbreak of a coronavirus necessitated that many employees work from home and provided for social distancing measure. The effects of these events may continue for some time, including disruptions to or restrictions on employees' ability to work and on the ability of funders and members to fully participate in programs and continue their current level of financial support to the Organization. At the present time, the ultimate future effects of these issues are unknown.

NOTE H – SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 16, 2022, which is the date the financial statements were available to be issued.