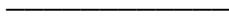


**THE CANBY CENTER**



**FINANCIAL STATEMENTS**

**December 31, 2021 and 2020**

**(See Independent Accountant's Audit Report)**

THE CANBY CENTER  
(a 501(c)(3) Organization)

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**INDEPENDENT ACCOUNTANT'S AUDIT REPORT**

To the Board of Directors  
The Canby Center  
Canby, Oregon

***Opinion***

We have audited the accompanying financial statements of The Canby Center (a nonprofit organization) which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, 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 The Canby Center as of December 31, 2021 and the results of the change 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.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Canby Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Canby Center'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 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 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, including omissions, 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, 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 Organization'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 Organization'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. We will do so in a separate communication.

***Other Matter***

The financial statements as of December 31, 2020 and for the year then ended were audited by Kern Thompson, LLC. The firm's unqualified report was issued March 16, 2022. The issued opinion stated that the financial statements were presented fairly, in all material respects in accordance with principles generally accepted in the United States.

This report is intended solely for the information and use of the Company's management, donors and prospective donors and is not intended to be and should not be used by anyone other than these specified parties.

*Van Beek & Co., LLC*

Tigard, Oregon  
November 9, 2022

THE CANBY CENTER  
STATEMENT OF FINANCIAL POSITION  
December 31, 2021 and 2020  
(See Independent Accountant's Audit Report)

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	<u>2021</u>	<u>2020</u>
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 506,594	\$ 894,063
Marketable securities	196,640	
Promises to give	493,692	
Other assets	1,842	591
Cash equivalents restricted for capital campaign (note 8)	2,491,827	3,555
Property and equipment, net	<u>702,245</u>	<u>692,112</u>
Total assets	<u>\$4,392,840</u>	<u>\$ 1,590,321</u>
 <b>LIABILITIES AND NET ASSETS:</b>		
Accounts payable	\$ 14,983	\$ 14,390
Payroll liabilities	14,422	7,633
Note payable		<u>100,518</u>
Total liabilities	<u>29,405</u>	<u>122,541</u>
Net assets		
Without donor restrictions	1,019,512	948,202
With donor restrictions	<u>3,343,923</u>	<u>519,578</u>
Total net assets	<u>4,363,435</u>	<u>1,467,780</u>
Total liabilities and net assets	<u>\$4,392,840</u>	<u>\$ 1,590,321</u>

The accompanying notes are an integral  
part of the financial statements.

THE CANBY CENTER  
STATEMENT OF ACTIVITIES  
for the years ended December 31, 2021 and 2020  
(See Independent Accountant's Audit Report)

	<u>2021</u>	<u>2020</u>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>		
Revenues, gains and other support:		
Grants and contributions	\$ 681,371	\$ 757,211
In-kind donations	1,844,014	1,596,496
Payroll protection program		76,284
Investment income	14,108	1,141
Other	8,376	6,490
	<u>2,547,869</u>	<u>2,437,622</u>
Net assets released from restrictions (note 2)	<u>414,556</u>	<u>351,626</u>
Total revenues, gains and other support without donor restrictions	<u>2,962,425</u>	<u>2,789,248</u>
Expenses:		
Program services	2,446,362	2,164,520
Supporting services:		
Management and general	131,341	122,675
Fundraising	313,412	179,812
Total expenses	<u>2,891,115</u>	<u>2,467,007</u>
Increase in net assets without donor restrictions	71,310	322,241
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:</b>		
Grants and contributions:		
Capital campaign (note 8)	3,061,275	351,811
Other programs	177,626	401,906
Net assets released from restrictions (note 2)	<u>(414,556)</u>	<u>(351,626)</u>
Increase in net assets with donor restrictions	2,824,345	402,091
Increase in net assets	2,895,655	724,332
Net assets, beginning of year	<u>1,467,780</u>	<u>743,448</u>
Net assets, end of year	<u>\$4,363,435</u>	<u>\$ 1,467,780</u>

The accompanying notes are an integral part of the financial statements.

**THE CANBY CENTER**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
for the years ended December 31, 2021 and 2020  
(See Independent Accountant's Audit Report)

	2021				2020			
	Program Services	Supporting Services			Program Services	Supporting Services		
		Management & General	Fundraising	Total		Management & General	Fundraising	Total
Payroll and related expenses	\$ 322,769	\$ 99,903	\$ 155,312	\$ 577,984	\$ 167,464	\$ 106,914	\$ 138,863	\$ 413,241
In-kind food and clothing	1,844,014			1,844,014	1,596,496			1,596,496
Community and student programs	84,582			84,582	214,158			214,158
Capital campaign			102,311	102,311				
Insurance	7,183	911	911	9,005	9,265	1,158	1,158	11,581
Office expense	24,352	9,461	19,710	53,523	19,044	4,876	12,362	36,282
Occupancy	14,814	1,702	1,702	18,218	22,237	2,780	2,780	27,797
Facility expense	57,252			57,252	61,318			61,318
Computer expense	12,313	9,026	3,372	24,711	17,052	4,263		21,315
Professional fees	25,249	7,560		32,809		12,404	21,194	33,598
Development	5,762	1,093	1,422	8,277			2,108	2,108
Depreciation	42,980			42,980	35,642			35,642
Fundraising - direct			26,565	26,565				
Miscellaneous	5,092	1,685	2,107	8,884	10,777	1,347	1,347	13,471
<b>Total operating expenses</b>	<b>\$ 2,446,362</b>	<b>\$ 131,341</b>	<b>\$ 313,412</b>	<b>\$ 2,891,115</b>	<b>\$ 2,164,520</b>	<b>\$ 122,675</b>	<b>\$ 179,812</b>	<b>\$ 2,467,007</b>

The accompanying notes are an integral part of the financial statements.

THE CANBY CENTER  
STATEMENT OF CASH FLOWS  
for the years ended December 31, 2021 and 2020  
(See Independent Accountant's Audit Report)

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
Cash received from grants, contributions and other support without donor restrictions	\$ 574,613	\$ 763,701
Cash received from grants and contributions with donor restrictions	699,866	753,717
Cash received from paycheck protection program		76,284
Cash paid to suppliers and employees	(994,635)	(815,299)
Interest paid, net	<u>(2,336)</u>	<u>(3,812)</u>
Net cash provided by operating activities	<u>277,508</u>	<u>774,591</u>
<b>Cash flows from investing activities:</b>		
Acquisition of property and equipment	(53,113)	(61,315)
Proceeds from sale of/investment gains from donated marketable securities without donor restrictions	<u>126,494</u>	<u>          </u>
Net cash provided by (used in) investing activities	<u>73,381</u>	<u>(61,315)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from sale of donated securities restricted for long-term purpose (note 8)	1,850,432	
Principal payments on long-term debt	<u>(100,518)</u>	<u>(59,990)</u>
Net cash provided by (used in) financing activities	<u>1,749,914</u>	<u>(59,990)</u>
Net increase in cash, cash equivalents and restricted cash	2,100,803	653,286
Cash, cash equivalents and restricted cash, beginning of year	<u>897,618</u>	<u>244,332</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 2,998,421</u>	<u>\$ 897,618</u>
<b>Reconciliation of net assets to net cash provided</b>		
<b>by operating activities:</b>		
Change in net assets	\$ 2,895,655	724,332
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	42,980	35,642
Stock donation liquidated upon receipt, reported as investing activity	(126,494)	
Stock donation liquidated upon receipt, reported as financing activity	(1,850,432)	
Stock donation, not liquidated	(196,640)	
Changes in account balances which affect operating activities:		
Promises to give	(493,692)	
Other Assets	(1,251)	
Accounts payable	593	14,120
Accrued liabilities	<u>6,789</u>	<u>497</u>
Net cash provided by operating activities	<u>\$ 277,508</u>	<u>\$ 774,591</u>

The accompanying notes are an integral part of the financial statements.

THE CANBY CENTER  
NOTES TO FINANCIAL STATEMENTS  
(See Independent Accountant's Audit Report)

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1. **THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Nature of Activities:

The Canby Center (“the Organization”), a 501(3)(c) non-profit organization since 2008, is a faith-based, relationship-driven organization which seeks to engage clients in their own growth within a loving community. The Organization’s mission is “In God’s love, we renew dignity and inspire learning for youth and families.” The focus of the Organization’s programs is to provide poverty-alleviating, dignity-strengthening resources and education for youth and families. They do so by providing no-cost food pantries, lunches, youth food programing, clothing, medical, dental, vision, and housing assistance. Furthermore, they aid in providing mentoring, tutoring and literacy programs including adult skills and professional finance training. The Organization is supported primarily through in-kind donations, grants and cash contributions. In addition, the Organization has a sizable volunteer community to aid in the variety of services the Organization provides.

Following is a summary of the Organization’s 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 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 release from restrictions.

Basis of Accounting:

The Organization prepares its financial statements on the accrual basis of accounting, which recognizes contributions, grants and other support when received or pledged (see Revenue Recognition below), and expenses when incurred.

THE CANBY CENTER  
NOTES TO FINANCIAL STATEMENTS, Continued  
(See Independent Accountant's Audit Report)

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1. **THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**, Continued:

Revenue Recognition

The Organization recognizes contributions when cash, securities, other assets, unconditional promise to give, or notifications of beneficial interest are received.

Conditional promises to give are those with a measurable performance or other barrier, and/or a right of return and are not recognized until the conditions on which they depend has been substantially met. Consequently, at December 31, 2021, contributions totaling approximately \$540,000 have not been recognized in the accompanying statement of activities because the conditions on which they depend has not yet been met. The contributions depend on the Organization raising additional support to the Capital Campaign (note 8), which will be matched dollar-for-dollar by the donor.

Contributions of food and clothing are included in unrestricted contributions in the accompanying statement of activities. Food was valued at \$4.34 and \$2.33 per pound and clothing was valued at \$1.67 and \$1.66 per pound for the years ended December 31, 2021 and 2020, respectively. The Organization received 916,000 and 950,000 pounds of donated goods for the years ended December 31, 2021 and 2020, respectively.

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 statement since these services do not meet the criteria for recognition as contributed services.

Cash Equivalents:

The Organization considers all highly liquid investments available for current use with an interest maturity of three months or less to be cash equivalents. Cash equivalents consist of the following at December 31, 2021:

LPL Financial sweep accounts	\$ 506,022
LPL Financial money market accounts	826,095
Columbia Bank sweep account	<u>1,159,710</u>
	<u>\$2,491,827</u>

There were no cash equivalents at December 31, 2020.

Marketable Securities

Marketable securities are reported as "available for sale securities" and stated at their fair market value (note 5). Realized and unrealized gains and losses are reported as investment income in the accompanying statement of activities. Realized gain and losses are determined on the basis of the cost or amortized cost of the specific securities sold.

THE CANBY CENTER  
NOTES TO FINANCIAL STATEMENTS, Continued  
(See Independent Accountant’s Audit Report)

1. **THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**, Continued:

Promises to Give:

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Management believes all promises to give are collectible and, therefore, no allowance for uncollectible accounts has been provided.

Donated Goods:

The Organization receives donations of food and clothing throughout the year, which are quickly redistributed to families in need; the amount of these goods on hand at any time is insignificant. As such, the in-kind donations are recorded as program expense as they are received. Management believes that the effect of this accounting departure on the Organization’s financial statements is not material.

Property and Equipment:

Property, vehicle and equipment are stated at cost. Maintenance and repairs of a routine nature are charged to income as incurred; additions and improvements are capitalized. The Organization records depreciation using the straight-line method over the estimated useful life of the related assets, but does not assign salvage values. Gains and losses from sales or retirements are included in operations. Receipts of donated assets (if any) are reflected as contributions at their estimated fair value at the date of receipt.

Concentrations of Risk:

Cash and Cash Equivalents:

The Organization’s cash and cash equivalents subjects the Organization to concentrations of potential credit risk. The Organization limits its risk by depositing its cash with established financial institutions. The Columbia Bank accounts are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. The Clackamas Federal account is insured up to \$250,000 by the National Credit Union Association (“NCUA”). The LPL Financial and Columbia accounts are fully insured. The Organization’s cash consists of the following at December 31:

	<u>2021</u>	<u>2020</u>
Columbia Bank checking and savings	\$ 258,253	\$ 745,721
Clackamas Federal Credit Union	248,341	148,341
LPL Financial	1,332,117	3,556
Columbia Demand Deposit Sweep	1,159,710	
Less uncleared checks	<u>(616)</u>	
	<u>\$ 2,997,805</u>	<u>\$ 897,618</u>

THE CANBY CENTER  
NOTES TO FINANCIAL STATEMENTS, Continued  
(See Independent Accountant's Audit Report)

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1. **THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**, Continued:

Concentrations of Risk, Continued:

Significant Donors

The Organization received capital campaign contributions totaling approximately \$2,027,000 (36% of revenues) from two donors during the year ended December 31, 2021. There were no donors who contributed donations greater than 10% of revenues during the year ended December 31, 2020.

Use of Estimates:

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

Income taxes:

The Organization is exempt from federal and state taxation under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no income tax provision is recorded.

Functional Allocation of Expenses:

The costs of program and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Certain costs (i.e., occupancy, insurance, office expense) are allocated on a square footage basis, while other costs (i.e., payroll expenses) are allocated on the basis of time and effort.

Reclassifications:

Certain amounts reported in the Company's 2020 financial statements have been reclassified to conform to 2021 financial statement presentation. The reclassifications had no effect on the previously reported 2020 net income.

Subsequent Events:

Subsequent events that could affect the Company's financial statements and related disclosures have been evaluated through November 9, 2022, the date the financial statements were available for distribution.

THE CANBY CENTER  
NOTES TO FINANCIAL STATEMENTS, Continued  
(See Independent Accountant's Audit Report)

2. **RESTRICTIONS ON NET ASSETS:**

Restrictions on net assets consist of donations received with purpose restrictions to carry out specific program activities. Amounts restricted are as follows at December 31:

	<u>2021</u>	<u>2020</u>
Capital campaign	\$3,110,141	\$ 311,250
Community assistance	70,210	57,974
Staffing	93,561	44,838
COVID-19 relief	23,924	39,586
Other purposes restrictions	<u>46,087</u>	<u>65,930</u>
	<u>\$3,343,923</u>	<u>\$ 519,578</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes as follows for the years ended:

	<u>2021</u>	<u>2020</u>
Capital campaign	\$ 262,385	\$ 40,561
Community assistance	46,914	108,140
Staffing	7,777	7,879
COVID-19 and wildfire relief	21,151	182,647
Other purposes restrictions	<u>76,329</u>	<u>12,400</u>
	<u>\$ 414,556</u>	<u>\$ 351,626</u>

3. **LIQUIDITY:**

The following reflects the Organization's financial assets, reduced by amounts not available for general use such as donor restrictions that have a designated use for specific programs activities for the year ended December 31:

	<u>2021</u>	<u>2020</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 2,998,421	\$ 897,618
Promises to give	493,692	
Marketable securities	<u>196,640</u>	
Total financial assets	3,688,753	<u>897,618</u>
Less those unavailable for general expenditures within one year, due to donor restrictions	<u>(3,343,923)</u>	<u>(519,578)</u>
Financial assets available to meet cash needs within one year	<u>\$ 344,830</u>	<u>\$ 378,040</u>

THE CANBY CENTER  
NOTES TO FINANCIAL STATEMENTS, Continued  
(See Independent Accountant's Audit Report)

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3. **LIQUIDITY**, Continued:

The Organization is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure 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 short-term obligations come due. In addition, the Organization invests cash in excess of daily requirements in short term investments.

4. **PROPERTY, VEHICLES & EQUIPMENT**:

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

	<u>2021</u>	<u>2020</u>
Building	\$ 284,240	\$ 284,240
Land	187,650	187,650
Equipment and furniture	99,842	69,503
Leasehold improvement	202,070	202,070
Vehicle	72,520	72,520
Construction in progress (note 8)	<u>22,774</u>	<u>          </u>
	869,096	815,983
Less accumulated depreciation	<u>166,851</u>	<u>123,871</u>
	<u>\$ 702,245</u>	<u>\$ 692,112</u>

Depreciation expense charged to operations totaled \$42,980 and \$35,642 for the years ended December 31, 2021 and 2020, respectively.

5. **INVESTMENTS AND FAIR VALUE MEASUREMENTS**:

Fair Value Measurements:

FASB ASC 820, Fair Value Measurements and Disclosures, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1:

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

THE CANBY CENTER  
NOTES TO FINANCIAL STATEMENTS, Continued  
(See Independent Accountant's Audit Report)

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5. **INVESTMENTS AND FAIR VALUE MEASUREMENTS**, Continued:

Fair Value Measurements, Continued:

Level 2:

Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3:

Inputs to the valuation methodology are unobservable but are significant to the fair value measurement.

An asset's fair value measurement level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques must maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Mutual funds: Shares held by the Organization are valued by management at unadjusted quoted prices in active markets at the end of the year (Level 1). The Organization's investments in mutual funds totaled \$139,140 and was reported in marketable securities on the statement of financial position at December 31, 2021.

Mortgage security fund: Shares held by the Organization are valued by management at unadjusted quoted prices in active markets at the end of the year (Level 1). The Organization's investment in a mortgage security fund totaled \$57,500 and was reported in marketable securities in the statement of financial position at December 31, 2021.

The methods described above could produce fair value calculations that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes the valuation methods are appropriate and consistent with other marketable securities, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement.

6. **LONG-TERM DEBT**:

The note payable to Kenagy Investments, LLC in monthly payments of \$3,329, including interest at 4.0%, was paid in full in December 2021.

7. **RETIREMENT PLAN**:

The Organization sponsors a defined contribution retirement plan ("Simple IRA") for its eligible employees. The plan requires the Organization to match 100% of participant salary deferrals up to a maximum of 3% of each participant's compensation.

Contributions charged to operations under this plan totaled \$8,082 and \$8,219 for the years ended December 31, 2021 and 2020, respectively.

THE CANBY CENTER  
NOTES TO FINANCIAL STATEMENTS, Continued  
(See Independent Accountant's Audit Report)

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8. **COMMITMENTS:**

Capital Campaign:

In December 2020, after conducting a feasibility study, the Organization's Board of Directors voted to move ahead with plans to upgrade and expand their facility, expand programs and create a maintenance fund. Total costs are expected to be \$8.75 million, to be collected from various grant programs and individual donors. The Organization has raised \$3,061,275 and \$351,811, of which \$262,385 and \$40,561 has been spent for the years ended December 31, 2021 and 2020, respectively. Certain costs directly related to the construction of the new facility, such as architect fees, are capitalized as construction in progress. Period costs, such as campaign management costs, are expensed as they are incurred.

Consulting Agreement:

In January 2021, the Company entered into an agreement with an unrelated third party, who provides management services for the Organization's capital campaign. The agreement expires in March 2023 and requires the Organization to pay monthly payments of \$7,000 until September 2022, at which time the payments are reduced to \$4,000 per month. The annual commitment under the agreement is as follows for the years ending December 31:

2022	\$ 72,000
2023	<u>12,000</u>
	<u>\$ 84,000</u>