

**2021**  
**Financial Statements**  
**With**  
**Auditor's Letters**

**CHRISTIAN COMMUNITY SERVICES, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

**(WITH SUMMARIZED COMPARATIVE TOTALS AS OF DECEMBER 31, 2020)**

(With Independent Auditor's Report Thereon)

**CHRISTIAN COMMUNITY SERVICES, INC.**  
**DECEMBER 31, 2021**  
**WITH SUMMARIZED COMPARATIVE TOTALS AS OF DECEMBER 31, 2020**

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## PATTERSON, HARDEE & BALLENTINE, P.C.

Certified Public Accountants

### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Christian Community Services, Inc.

#### **Opinion**

We have audited the accompanying financial statements of Christian Community Services, Inc. (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 year 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 Christian Community Services, Inc. as of December 31, 2021, and the changes in 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 Christian Community Services, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

#### **Report on Summarized Comparative Information**

We have previously audited Christian Community Services, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 20, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Patterson Handley & Ballentine*

May 24, 2022



**CHRISTIAN COMMUNITY SERVICES, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2021**  
**WITH SUMMARIZED COMPARATIVE TOTALS AS OF DECEMBER 31, 2020**

<u>ASSETS</u>			
		<u>2021</u>	<u>2020</u>
Current Assets:			
Cash		\$ 538,481	\$ 460,892
Restricted cash		43,831	80,571
Prepaid expenses		1,260	3,898
Total current assets		<u>583,572</u>	<u>545,361</u>
Property and equipment, net		<u>78,679</u>	<u>86,589</u>
Assets whose use is limited:			
Grant receivable - donor restriction		15,000	5,000
Total assets whose use is limited		<u>15,000</u>	<u>5,000</u>
Total assets		<u><u>\$ 677,251</u></u>	<u><u>\$ 636,950</u></u>
 <u>LIABILITIES AND NET ASSETS</u>			
Current Liabilities:			
Accounts payable		\$ 1,392	\$ 575
Accrued payroll		-	504
Current portion of capital lease obligation		2,664	2,579
Current portion of IDA payable		26,672	26,672
Total current liabilities		<u>30,728</u>	<u>30,330</u>
Noncurrent Liabilities:			
Capital lease obligation, less current portion		7,297	9,961
IDA payable, less current portion		119,727	104,520
Total noncurrent liabilities		<u>127,024</u>	<u>114,481</u>
Total liabilities		<u>157,752</u>	<u>144,811</u>
Net Assets:			
Without donor restrictions		460,668	406,568
With donor restrictions		58,831	85,571
Total net assets		<u>519,499</u>	<u>492,139</u>
Total liabilities and net assets		<u><u>\$ 677,251</u></u>	<u><u>\$ 636,950</u></u>

See accompanying notes to financial statements.

**CHRISTIAN COMMUNITY SERVICES, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020**

	Without donor restrictions	With donor restrictions	2021	2020
Public Support and Revenues:				
Gross special events revenue	\$ 40,820	\$ -	\$ 40,820	\$ 40,851
Less: direct costs of special events	(8,070)	-	(8,070)	(4,157)
Net special events revenue	32,750	-	32,750	36,694
Direct public support	192,873	-	192,873	197,027
Grants	-	20,458	20,458	40,000
Program fees	6,620	-	6,620	14,108
Interest income	3	-	3	6
Other income	3	-	3	-
In-kind income	1,363	-	1,363	-
Other income	-	-	-	28,920
Net assets released from restrictions	47,198	(47,198)	-	-
Total public support	248,060	(26,740)	221,320	280,061
Total public support and revenues	280,810	(26,740)	254,070	316,755
Expenses:				
Program activities:				
Mentoring Towards Independence	121,245	-	121,245	154,034
Homebuyer Education	3,673	-	3,673	362
Basic Financial Training	2,770	-	2,770	223
Other Program Services	51,420	-	51,420	-
	179,108	-	179,108	154,619
Supporting services:				
Management and general	47,210	-	47,210	58,922
Fundraising	392	-	392	10,880
Total supporting services	47,602	-	47,602	69,802
Total expenses	226,710	-	226,710	224,421
Increase (decrease) in net assets	54,100	(26,740)	27,360	92,334
Net assets - beginning of year	406,568	85,571	492,139	399,805
Net assets - end of year	\$ 460,668	\$ 58,831	\$ 519,499	\$ 492,139

See accompanying notes to financial statements.

**CHRISTIAN COMMUNITY SERVICES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Supporting Services</u>								
	Mentoring Towards Independence	Homebuyer Education	Basic Financial Training	Other Program Services	Total Program Services	Management and General	Fundraising	Total 2021	Total 2020
Assistance	\$ -	\$ -	\$ -	\$ 398	\$ 398	\$ -	\$ -	\$ 398	\$ 1,812
Bank and finance charges	-	-	-	173	173	810	-	983	304
Communications - website	-	-	-	-	-	256	-	256	236
Depreciation	-	-	-	-	-	7,910	-	7,910	6,292
Equipment	-	-	-	1,917	1,917	-	-	1,917	6,292
Food	117	431	291	-	839	-	-	839	5,307
Direct costs of special events	-	-	-	-	-	203	7,867	8,070	4,157
Gifts	2,056	-	-	4,348	6,404	193	-	6,597	5,361
IDA matching expenses	-	-	-	39,425	39,425	9,992	-	49,417	39,256
In kind	-	-	-	1,363	1,363	-	-	1,363	-
Insurance	-	-	-	-	-	4,809	-	4,809	5,788
Janitorial service	-	-	75	-	75	75	-	150	460
Marketing	-	-	-	79	79	-	-	79	108
Office supplies	-	-	-	427	427	1,416	-	1,843	2,515
Payroll expenses	118,864	3,192	2,394	-	124,450	-	-	124,450	126,785
Postage and delivery	-	-	10	-	10	(39)	392	363	3,158
Professional fees	-	50	-	920	970	15,593	-	16,563	17,890
Supplies and materials	208	-	-	2,340	2,548	505	-	3,053	2,314
Telephone	-	-	-	-	-	3,745	-	3,745	5,335
Training	-	-	-	-	-	-	-	-	1,349
Transportation	-	-	-	30	30	1,945	-	1,975	151
Total expenses by function	121,245	3,673	2,770	51,420	179,108	47,413	8,259	234,780	234,870
Less expenses included with revenues on the statement of activities:									
Direct costs of special events	-	-	-	-	-	(203)	(7,867)	(8,070)	(4,157)
Total expenses included in the expense section on the statement of activities	<u>\$ 121,245</u>	<u>\$ 3,673</u>	<u>\$ 2,770</u>	<u>\$ 51,420</u>	<u>\$ 179,108</u>	<u>\$ 47,210</u>	<u>\$ 392</u>	<u>\$ 226,710</u>	<u>\$ 230,713</u>

See accompanying notes to financial statements.



**CHRISTIAN COMMUNITY SERVICES, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities:		
Increase in net assets	\$ 27,360	\$ 92,334
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Loss on disposal of assets		
Depreciation	7,910	6,292
Changes in:		
Prepaid expenses	2,638	(1,025)
Accounts receivable	-	459
Assets whose use is limited	(10,000)	13,000
Accounts payable	817	(2,716)
Accrued payroll	(504)	(3,914)
IDA payable	15,207	8,732
Total adjustments	<u>16,068</u>	<u>20,828</u>
Net cash provided by operating activities	<u>43,428</u>	<u>113,162</u>
Cash Flows From Investing Activities:		
Payments on capital lease obligation	(2,579)	(1,050)
Purchase of property and equipment	<u>-</u>	<u>(812)</u>
Net cash used in investing activities	<u>(2,579)</u>	<u>(1,862)</u>
Net increase in cash	40,849	111,300
Cash and restricted cash - beginning of year	<u>541,463</u>	<u>430,163</u>
Cash and restricted cash - end of year	<u>\$ 582,312</u>	<u>\$ 541,463</u>

See accompanying notes to financial statements.

**CHRISTIAN COMMUNITY SERVICES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
**WITH SUMMARIZED COMPARATIVE TOTALS AS OF DECEMBER 31, 2020**

NOTE 1 - Summary of Significant Accounting Policies

Nature of Activities

The terms "we", "us", or "our" are used throughout these notes to the financial statements to identify Christian Community Services, Inc., a nonprofit organization. Our mission is to empower underserved families, through caring relationships, to achieve a legacy of social, spiritual, and economic self-sufficiency. Our vision is a community where generations of lives and legacies have been transformed and personal and financial well-being has been achieved.

We empower underserved families to achieve a legacy of economic self-sufficiency through a family centered, holistic approach that includes classroom workshops focusing on behaviors and practical financial tools, individual counseling, mentoring, asset development and a unique children's curriculum. These are provided through the Basic Financial Training (BFT) Workshops, the Mentoring Towards Independence (MTI) program and Homebuyer Education Workshops.

Program Descriptions

Basic Financial Training Workshops

Basic Financial Training (BFT) is a seven-hour certificate based workshop that provides participants with knowledge of basic financial management and enhances their skills on how to take control of their money. The workshop raises awareness of such issues as the differences between mainstream financial centers and predatory lenders. Topics include understanding money, credit, savings and budgeting. During the workshop participants create a zero based budget, and learn how credit scores are calculated, how to pull and check their credit report, and what transactions impact credit scores. Additionally, they begin to access and compare the pros and cons of renting versus homeownership. Participants review steps to homeownership and are provided with an overview of options and the importance of planning for the purchase and sustainability of a major asset.

BFT workshops are open to the public at large but are a pre-requisite for the Mentoring Towards Independence program (MTI). BFT workshops are held typically 3 times per year. Full day workshops are held on Saturdays and breakfast and lunch are provided. There is a \$10 registration charge.

Mentoring Towards Independence

Mentoring Towards Independence (MTI) is our flagship program. This nine-month (September - May) program targets families earning between 100%-200% of the HHS Federal Poverty line or receiving public assistance. This program utilizes about 80 volunteers each month as tutors, mentors, and food teams who provide nutritious family style meals during the weekly sessions. MTI typically has 15-20 family participants during a program year. Topics include the Financial Peace University curriculum as well as life enhancing topics that address mindset and behavioral changes needed to achieve personal and financial goals. Throughout the week the participants (mentees) communicate with their mentors and they meet in person at least once a month to encourage and serve as accountability partners.

Another great component of MTI is the Individual Development Accounts (IDAs), described in NOTE 4. The IDAs are matched saving accounts in which CCSI will match \$2 for every \$1 they save up to a total match of \$3,334. A participant has 5 years to save their portion of \$1,666 and receive the maximum matched portion, giving mentees a combined total of \$5,000 for the purchase of a house, micro-enterprise or higher education. To date over 180 families have achieved self-sufficiency, with 147 of those as first-time homeowners and the remaining paying fair market rent.



**CHRISTIAN COMMUNITY SERVICES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
**WITH SUMMARIZED COMPARATIVE TOTALS AS OF DECEMBER 31, 2020**

NOTE 1 - Summary of Significant Accounting Policies (continued)

Program Descriptions (continued)

Mentoring Towards Independence (continued)

To keep IDA savers encouraged and engaged as they prepare for their asset purchase, we offer six Savers Clubs meetings annually. These meetings are for the MTI mentees who have completed the initial nine months of the Mentoring Towards Independence program but have not purchased their asset. The Savers Club offers guest lecture topics related to higher education, small business management and home purchases, etc. to promote personal and financial wellbeing

MTI also offers a development program for the children while the adults are in their sessions. The children learn topics similar to those of the adults. They engage with their tutors for homework assistance, financial education, career exploration, vision boards, personal, social, and spiritual development. Additionally, the children engage in service projects as a component of the "Earn It, Save It," initiative in which they earn matched savings funds based on the timeliness, commitment, and quality of their work/service.

Homebuyer Education Workshops

As part of the financial education continuum, we offer Tennessee Housing Development Agency (THDA) Certified Homebuyer Education (HBE) workshops. These workshops are taught by certified pre-purchase home buyer education counselors and serve as the financial education requirement for many home loan assistance programs such as THDA. This seven-hour workshop dives deeply into the home buying process and helps the prospective homeowner to understand the mortgage process, determine how much of a house payment they can really afford, and show how proper budgeting and good credit can help obtain and sustain long-term home ownership. These prepurchase homebuyer education workshops have a fee of \$99.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, our net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors. Restrictions fulfilled in the same accounting period in which the contributions are received are reported in the statement of activities as net assets without donor restrictions.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

**CHRISTIAN COMMUNITY SERVICES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
**WITH SUMMARIZED COMPARATIVE TOTALS AS OF DECEMBER 31, 2020**

NOTE 1 - Summary of Significant Accounting Policies (continued)

Contributions, Support and Revenue

Program fees are recognized at the time of receipt, as the goods or services are always provided immediately upon receipt of the funds. Payments are required at the time of sale or start of the membership period; amounts received in advance are deferred to the applicable period. Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. We recognize special events revenue equal to the fair value of direct benefits to donors when the special event takes place. We recognize the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place. All of our revenue is recognized at a point in time.

We recognize contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Contributed goods are recorded at fair value at the date of donation. We record donated professional services at the respective fair values of the services received. No significant contributions of such goods or services were received during the years ended December 31, 2021 or 2020, respectively.

Prior Year Summarized Financial Information

While comparative information is not required under United States generally accepted accounting principles ("US GAAP"), we believe this information is useful and have included certain summarized financial information from our 2020 financial statements. Such summarized information is not intended to be a complete presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with our financial statements as of and for the year ended December 31, 2020, from which it was derived.

Reclassifications

Certain reclassifications of prior year summarized amounts have been made to conform to the current year presentation.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, we consider all unrestricted cash and investment instruments purchased with a maturity of three months or less to be cash equivalents. At December 31, 2021 and 2020, we had no cash equivalents.

Promises to Give

Unconditional promises to give are recognized as support and revenues in the period promised and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Prepaid expenses

Prepaid expenses consist of insurance premiums paid by us in advance.



**CHRISTIAN COMMUNITY SERVICES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
**WITH SUMMARIZED COMPARATIVE TOTALS AS OF DECEMBER 31, 2020**

NOTE 1 - Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are recorded at cost or, if donated, at the estimated fair market value as of the date of donation. Purchases or donations of equipment over \$500 are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred. Depreciation is computed using the straight line basis over their estimated useful lives of the respective assets. Depreciation expense for the year ended December 31, 2021, was \$7,910.

Donated assets with donor stipulations as to specific purpose(s) are reported as restricted contributions until it is placed in the service for which it is restricted.

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate the related carrying amount may not be recoverable. At December 31, 2021, no assets were considered to be impaired.

Advertising

Advertising is expensed as incurred. At December 31, 2021, \$79 was expensed for advertising costs.

Donated Services and Goods

Donated services are recognized if they create or enhance non-financial assets, or the donated service requires specialized skills, was performed by a donor who possesses such skills, and would have been purchased by us if not donated. Such services are recognized at fair value as support and expense in the period the services are performed.

Members of the Board of Directors have provided substantial assistance to us by donation of time and services. The value of this contribution is not reflected in the financial statements since it is not susceptible to objective measurement or valuation.

Income Tax Status

We are a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code, and are classified as an organization that is not a private foundation as defined in Section 509(a) of the Internal Revenue Code. Therefore, no provision for federal income taxes is included in the accompanying financial statements. We do not believe there are any uncertain tax positions. Further, we do not believe that we have any unrelated business income, which would be subject to federal taxes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions affecting certain reported amounts and disclosures. Actual results could differ from those estimates.

Fair Values of Financial Instruments

The carrying values of current assets, current liabilities, and restricted cash approximate fair values due to the short maturities of these instruments. The carrying value of long-term IDA payable approximates fair value within an insignificant amount.



**CHRISTIAN COMMUNITY SERVICES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
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NOTE 1 - Summary of Significant Accounting Policies (continued)

Concentrations of Credit Risk

We receive a large amount of general donations from two churches. A major reduction in contributions from these churches may have a significant effect on the future operations of our programs and activities. During the years ended December 31, 2021 and 2020, we received 43% and 35% from two churches, respectively.

Functional Allocation of Expenses

The costs of providing program services and supporting services have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses and support services that can be identified with a specific program are allocated directly to their natural expenditure classification. Other expenses that are common to several programs or supporting functions are allocated based on various relationships. Food, gifts, janitorial services, postage and delivery, supplies and material, rent, and transportation are allocated on an expenditure by expenditure basis and allocated to the direct program benefited or to management and general if no programs are benefited. Payroll expenses and training are allocated based on time and effort.

NOTE 2 - Availability and Liquidity

Financial assets available for general expenditure within one year of the statement of financial position, consist of the following:

Financial assets at year-end:

Cash	\$ 476,048
Board designated cash	<u>62,433</u>
	<u>\$ 538,481</u>

In the next fiscal year, we plan to receive an increased level of income from contributions and consider this income for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization has minimal amounts of liabilities in order to maintain most of its financial assets to be readily available. Cash is currently held in separate bank accounts that generate minimal amounts of interest. Cash designated by the board in the amount of \$62,433, is shown separate in the assessment above, as it is not deemed readily available. However, with a reduction in contributions the board would consider redesignating this cash for general use.

We manage our liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. If our analysis of liquid assets reveals inadequate funds for near-term operating needs, we will immediately reduce spending of program and management and general expenditures.

**CHRISTIAN COMMUNITY SERVICES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
**WITH SUMMARIZED COMPARATIVE TOTALS AS OF DECEMBER 31, 2020**

**NOTE 3 - Property and Equipment**

A summary of property and equipment at December 31, 2021 and 2020, is as follows:

	<u>2021</u>	<u>2020</u>
Building	\$ 200,000	\$ 200,000
Automobiles	17,833	17,833
Office equipment	<u>41,909</u>	<u>28,319</u>
	259,742	245,340
Less: accumulated depreciation	<u>(181,063)</u>	<u>(173,153)</u>
	<u>\$ 78,679</u>	<u>\$ 86,589</u>

**NOTE 4 - Individual Development Accounts Payable (IDA)**

Mentoring Towards Independence (MTI) is one of our outreach programs. Participants in MTI are eligible to open an Individual Development Account (IDA). Following program guidelines, participants may deposit up to \$1,666 in their IDA. We will match every dollar the participant deposits into their IDA with two dollars (2:1), up to a maximum match of \$3,334 to be used towards homeownership, further education, or starting a business. We maintain a separate cash account for this purpose. The balance of the board designated funds in the money market account as of December 31, 2021 and 2020, was \$6,401 and \$6,395, respectively.

We classified IDA payables likely to result in disbursement next fiscal year as short-term IDA payable and the remaining balance as long-term IDA payable. The classification is based on prior years' experience and our analysis of specific savings accounts. At December 31, 2021, short-term IDA payable and long-term IDA payable had a balance of \$26,672 and \$119,727, respectively. At December 31, 2020, short-term IDA payable and long-term IDA payable had a balance of \$26,672 and \$104,520, respectively.

**NOTE 5 - Net Assets**

Net assets with donor restrictions were as follows for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Specific Purpose		
United Way grant – MTI Program / IDA Match	\$ 17,152	\$ 17,152
Washington Foundation grant - Children's: \$5,000 due within one year		
Program/ IDA Match - \$10,000 due within one year	10,105	15,442
Memorial Foundation – Savers Club Program	-	10,150
Truist Bank grant – IDA Match	6,666	10,000
First Horizon Bank grant – IDA Match	23,129	31,048
Franklin B Jones - Scholarships	<u>1,779</u>	<u>1,779</u>
Total	<u>\$ 58,831</u>	<u>\$ 85,571</u>

**NOTE 6 - Leases**

We lease office equipment under a leasing arrangement classified as a capitalized lease obligation. The lease is for 60 months with total monthly lease payments of \$246 and a maturity date in September 2025.



**CHRISTIAN COMMUNITY SERVICES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
**WITH SUMMARIZED COMPARATIVE TOTALS AS OF DECEMBER 31, 2020**

**NOTE 6 – Leases (continued)**

The following is a schedule of minimum lease payments under the capitalized lease as of December 31, 2021:

<u>Year Ending</u> <u>December 31,</u>	
2022	\$ 2,949
2023	2,949
2024	2,949
2025	1,720
2026	-
Less: amount representing interest	(605)
Present value of net minimum lease payments	<u>\$ 9,962</u>

A summary of the net book value of the asset utilized under the capitalized lease is as follows:

Cost	\$ 13,590
Accumulated depreciation	<u>(3,851)</u>
Net book value	<u>\$ 9,739</u>

Our office lease is encompassed in our agreement with Metropolitan Development and Housing Agency, described in NOTE 7.

**NOTE 7 - Related Party Transactions**

We have an agreement with Metropolitan Development and Housing Agency (MDHA) to provide day care services at the Community Center in Vine Hill Homes.

We have an agreement with Schrader Lane Child Care Services Center (Schrader Lane) through which Schrader Lane provides workforce and management services that are appropriate for fulfilling the obligations to maintain a child daycare center at the Community Center. Schrader Lane is fully responsible for the actions of the individuals who perform services related to the Schrader Lane Child Care Services Center.

Schrader Lane pays all expenses it incurs in performing its obligations under this agreement. We have no financial obligation to Schrader Lane. Activities and transactions related to the agreement have not been included in our financial statements.

**NOTE 8 - New Pronouncements**

In February 2016, FASB issued Accounting Standards Update 2016-02, *Leases (Topic 842)*. The Update provides guidance about recording lease transactions on an organization's statements of financial position and activities. The amendments in this Update are effective for annual periods beginning after December 15, 2021, and for annual periods and interim periods thereafter with early adoption permitted. We are currently evaluating the impact of adopting this statement.

**NOTE 9 - Subsequent Events**

We have evaluated events subsequent to the year ending December 31, 2021. As of May 24, 2022, the date the financial statements were available to be issued, there were no events subsequent to December 31, 2021, considered necessary to be included in the accompanying financial statements.