

**CAPTAIN COMMUNITY
HUMAN SERVICES, INC.**

AUDITED FINANCIAL STATEMENTS AND
REPORTS REQUIRED UNDER THE UNIFORM GUIDANCE

Year ended December 31, 2021

CAPTAIN COMMUNITY HUMAN SERVICES, INC.

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the Board of Directors of
CAPTAIN Community Human Services, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of CAPTAIN Community Human Services, Inc., which comprise the statements 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 present fairly, in all material respects, the financial position of CAPTAIN Community Human Services, Inc. as of December 31, 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 CAPTAIN Community Human Services, Inc. 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 opinions.

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 CAPTAIN Community Human 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 and *Government 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 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 and *Government 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 CAPTAIN Community Human 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 CAPTAIN Community Human 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2022 on our consideration of CAPTAIN Community Human Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of CAPTAIN Community Human Services, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CAPTAIN Community Human Services, Inc.'s internal control over financial reporting and compliance.



Albany, New York
June 21, 2022

CAPTAIN COMMUNITY HUMAN SERVICES, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2021

	<u>2021</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 1,115,875
Prepaid expenses	74,492
Grants/fees receivable	330,362
Accounts receivable	<u>255,049</u>
Total current assets	<u>1,775,778</u>
INVESTMENTS	<u>884,258</u>
CASH SURRENDER VALUE OF LIFE INSURANCE	<u>78,400</u>
PROPERTY AND EQUIPMENT	
Land	26,250
Buildings and improvements	1,195,177
Furniture and equipment	<u>571,824</u>
Totals	1,793,251
Less accumulated depreciation	<u>(1,131,418)</u>
Property and equipment, net	<u>661,833</u>
Total assets	<u><u>\$ 3,400,269</u></u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	\$ 292,072
Payroll and related items payable	99,554
Deferred revenues	<u>187,491</u>
Total current liabilities	<u>579,117</u>
NET ASSETS	
Without donor restriction:	
Undesignated	1,302,099
Board designated	1,494,053
With donor restriction	<u>25,000</u>
Total net assets	<u>2,821,152</u>
Total liabilities and net assets	<u><u>\$ 3,400,269</u></u>

See notes to financial statements.

CAPTAIN COMMUNITY HUMAN SERVICES, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended December 31, 2021

	Without Donor Restriction	With Donor Restriction	Total
REVENUE AND OTHER SUPPORT			
Public support			
Government contracts/fees	\$ 3,318,885	\$ -	\$ 3,318,885
Contributions and grants	1,234,977	-	1,234,977
Sales	423,611	-	423,611
Special events	152,804	-	152,804
Unrealized and realized gains (losses), net	56,278	-	56,278
Interest and dividend income	16,500	-	16,500
Other revenue	192,526	-	192,526
	<u>5,395,581</u>	<u>-</u>	<u>5,395,581</u>
EXPENSES			
Program expenses	3,841,897	-	3,841,897
Management and general	412,197	-	412,197
Fundraising	188,177	-	188,177
	<u>4,442,271</u>	<u>-</u>	<u>4,442,271</u>
CHANGE IN NET ASSETS	953,310	-	953,310
NET ASSETS - BEGINNING OF YEAR	<u>1,842,842</u>	<u>25,000</u>	<u>1,867,842</u>
NET ASSETS - END OF YEAR	<u>\$ 2,796,152</u>	<u>\$ 25,000</u>	<u>\$ 2,821,152</u>

See notes to financial statements.

CAPTAIN COMMUNITY HUMAN SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2021

	PROGRAM SERVICES													SUPPORTING SERVICES			
	Family Development	Youth Development	Treasures Retail	Youth Shelter (Malta)	Street Outreach	Cheryl's Lodge	Summer Food	BH-BL School District	Respite OHM Parsons ICM, SPOA	Care Links Program	Wellness Express	Continuum of Care	Supportive Housing for Homeless Youth	Subtotal	Management and General	Fund-Raising	Total
Salaries and wages	\$ 276,475	\$ 36,004	\$ 119,118	\$ 371,717	\$ 191,757	\$ 94,402	\$ 30,005	\$ 205,213	\$ 166,346	\$ 69,452	\$ 33,962	\$ 13,834	\$ 56,868	\$ 1,665,153	\$ 199,456	\$ 99,902	\$ 1,964,511
Payroll taxes and employee benefits	64,284	9,210	17,296	66,402	49,508	26,671	5,615	44,266	25,601	10,768	3,227	5,658	15,755	344,261	18,035	9,228	371,524
Contracted services	331,208	1,129	2,961	577,219	247,038	5,840	9,501	1,254	1,948	2,266	513	-	430	1,181,307	34,640	17,378	1,233,325
Utilities	893	164	6,826	10,116	928	8,565	-	-	222	-	-	-	3,800	31,514	4,563	1,311	37,388
Rental	18,432	3,443	65,500	-	3,852	-	-	-	4,185	-	-	-	-	95,412	6,832	-	102,244
Supplies	2,551	89	2,670	4,340	3,134	2,554	268	-	83	1,129	16	-	1,507	18,341	9,961	7,365	35,667
Telephone	2,511	797	-	3,433	2,771	960	-	-	1,023	480	396	-	646	13,017	1,799	514	15,330
Insurance	5,416	1,075	3,066	9,781	6,924	2,094	783	5,103	5,706	1,613	434	-	1,085	43,080	3,927	1,504	48,511
Maintenance	-	-	20	9,506	1,771	248	-	-	-	-	771	-	-	12,316	7,710	89	20,115
Fundraising	3,066	-	-	-	589	-	120	-	-	-	-	-	290	4,065	1,457	33,071	38,593
Travel and transportation	3,042	4	-	27,710	3,989	226	2,170	-	7,503	1,321	40	43	4,111	50,159	518	76	50,753
Food	6,904	29	-	6,218	774	355	52,571	-	704	43	-	-	491	68,089	-	9	68,098
Computer maintenance	-	-	-	-	-	-	-	-	5,725	800	800	-	-	7,325	10,782	3,207	21,314
Training and development	-	83	-	616	-	-	-	655	-	-	-	-	421	1,775	6,692	480	8,947
Office equipment	50	-	1,463	10	-	-	-	-	-	-	-	-	6	1,529	4,798	761	7,088
Activities and recreation	-	-	-	527	48	1,330	-	-	460	-	-	-	-	2,365	-	-	2,365
Assistance to clients	160,175	-	-	1,146	4,187	-	-	-	-	-	-	-	97,191	262,699	5,710	-	268,409
Advertising and promotion	1,477	137	208	302	795	225	5,078	-	190	559	28	2	49	9,050	6,395	8,730	24,175
Miscellaneous	2,787	1,489	10,165	2,927	1,417	1,255	1,742	47	54	112	15	100	105	22,215	10,908	4,438	37,561
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	73,188	-	73,188
Bank and credit card	-	-	8,186	-	39	-	-	-	-	-	-	-	-	8,225	4,826	114	13,165
Total expenses	\$ 879,271	\$ 53,653	\$ 237,479	\$ 1,091,970	\$ 519,521	\$ 144,725	\$ 107,853	\$ 256,538	\$ 219,750	\$ 88,543	\$ 40,202	\$ 19,637	\$ 182,755	\$ 3,841,897	\$ 412,197	\$ 188,177	\$ 4,442,271

See notes to financial statements.

CAPTAIN COMMUNITY HUMAN SERVICES, INC.
STATEMENTS OF CASH FLOWS
Year Ended December 31, 2021

	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 953,310
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Unrealized and realized (gains) losses, net	(56,278)
Depreciation	73,188
Cash surrender value of life insurance	(2,960)
(Increase) decrease in:	
Grants/fees receivable	56,262
Accounts receivable	(247,491)
Prepaid expenses	(17,838)
Increase (decrease) in:	
Accounts payable and accrued expenses	130,147
Payroll and related items payable	4,278
Deferred revenues	55,089
Net cash provided by operating activities	<u>947,707</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments, net	(267,570)
Purchases of property and equipment	<u>(95,932)</u>
Net cash used by investing activities	<u>(363,502)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	584,205
CASH AND CASH EQUIVALENTS, Beginning of year	<u>531,670</u>
CASH AND CASH EQUIVALENTS, End of year	<u><u>\$ 1,115,875</u></u>

See notes to financial statements.

CAPTAIN COMMUNITY HUMAN SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2021

NOTE 1 — ORGANIZATION

CAPTAIN Community Human Services, Inc. (the Organization) provides services to address the needs of youth and families through social, educational and prevention programs which encourage personal and social development in teens and families.

Effective January 1, 2018, Burnt Hills-Ballston Lake Community Human Services (CHS) and CAPTAIN Youth and Family Services combined all operations as a result of the approved merger by the Attorney General of New York State. As a result of the merger, the name of the surviving corporation was changed to CAPTAIN Community Human Services, Inc. The combined organization seeks to further their common mission by increasing the programs and services that address the needs of the community.

The Organization operates various programs including Elementary and Adolescent Help-Lines, Street Outreach, Runaway and Homeless Emergency Youth Shelter, Youth Development Programs, Community Outreach and Drop-in-Center, Family Assistance, Community Education, After School Programming and Homework Help, and Job Assistance. Additionally, the Organization operates a thrift shop (CAPTAIN's Treasures) to provide a source of low cost clothing and furniture for youth and families.

The Organization provides the following services:

Burnt Hills-Ballston Lake School Social Work – provides social work services to the Burnt Hills-Ballston Lake School District. The Organization's social workers provide social work and special education services as described in the District's social work job description.

Respite Services – provides trained staff to families of children with disabilities, providing relief from care giving responsibilities and moving the child toward age appropriate behavior.

Care Links – Trained Care Links volunteers provide supportive services at no cost to persons aged 60 and over with the goal to keep people living independently in their homes as long as possible without duplicating other, well established services.

Family Support Services:

Parental Support Services – provides a variety of informational, educational and counseling programs focusing on the development of parenting skills.

Advocacy – designed for parents of children with emotional, physical and behavioral needs, including information, referral and assistance with Special Education.

Transportation (Wellness Express) – free transportation is provided for medical appointments for residents of the towns of Ballston, Milton and the Village of Ballston Spa.

Youth Services:

Job Match – helps young people find part-time employment and community residents and business people find responsible workers.

CAPTAIN COMMUNITY HUMAN SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2021

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Tax Status

The Organization is a New York not-for-profit corporation exempt from income taxes as an organization qualified under Section 501(c)(3) of the Internal Revenue Code and has also been classified by the Internal Revenue Service as an entity that is not a private foundation and is a publicly supported organization under Section 509(a)(1) of the Internal Revenue Code.

The Organization files information returns in its U.S. federal jurisdiction and New York State.

The Organization follows the provisions of uncertain tax positions as addressed in FASB ASC 740. The Organization has been granted tax exempt status as a nonprofit organization, which management believes it would be accepted upon examination by taxing authorities. Management has determined that it currently has no other uncertain tax positions to report for the year ended December 31, 2020.

Financial Reporting

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Organization, resources for various purposes are classified for accounting and reporting purposes into net asset categories that are in accordance with specific activities and objectives. In the accompanying financial statements, net asset categories that have similar characteristics have been combined into two net asset categories; net assets with donor restrictions and net assets without donor restrictions.

Net Assets without Donor Restrictions – Net assets that are not subject to imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's Board of Directors may designate assets without restrictions for specific operational purposes from time to time.

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 the actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature where by the donor has stipulated that the funds be maintained in perpetuity.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

CAPTAIN COMMUNITY HUMAN SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2021

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The Organization's cash balances may at times exceed federally insured limits. The Organization has not experienced any losses in these accounts and believes it is not exposed to any significant risk with respect to its cash and cash equivalents.

Investments and Fair Value Measurement

The Organization invests in various types of investment securities which are stated at fair value based on quoted market prices. Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the accompanying financial statements.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Organization uses various valuation techniques in determining fair value and classifies them into a three-level hierarchy based on the nature of the inputs. Level 1 valuations are based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Level 2 valuations are based on inputs, other than quoted prices included within Level 1 that are observable either directly or indirectly. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement. The Organization's investments in equities and mutual funds are valued utilizing Level 1 inputs. There are no investments valued utilizing Level 2 or 3 inputs.

Accounts Receivable

Accounts for which no payments have been received for two months are considered delinquent and customary collection efforts are begun. After all collection efforts are exhausted the account is written off. The Organization considers accounts receivable to be fully collectible. Accordingly, no allowance for doubtful accounts has been reflected in the financial statements at December 31, 2021.

Property and Equipment

Assets, when purchased, are recorded at cost. All significant assets with a unit value greater than \$1,500 and an estimated useful life in excess of one year are capitalized. Depreciation is calculated over the estimated useful life by the straight-line method which range from 3 to 40 years. Upon sale or other disposition of assets, the cost and related accumulated depreciation are removed from the property accounts and any resultant gain or loss is reflected in the current year's revenue and expenses. Depreciation expense for the year ended December 31, 2021 was \$73,188.

Current Surrender Value of Life Insurance

The Organization is the owner and beneficiary of two life insurance policies. The cash surrender value is recognized as an asset. Changes in the cash surrender value are recognized in the statement of activities. There were no distributions received during 2021.

CAPTAIN COMMUNITY HUMAN SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2021

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

The Organization follows ASC Topic 606, Revenue from Contracts with Customers. Revenue is measured based on the amount of the consideration specified in a contract with a customer. Revenue is recognized when and as the Organization's performance obligations under the terms of the contract are satisfied, which generally occurs with the performance of the services for the customer. The Organization's revenue is mainly from government contracts/fees.

Government Contracts/Fees: Revenue is recognized on governmental contracts to the extent actual expenditures have been incurred in compliance with the specific contract requirements (cost reimbursement) or in the period earned (fee for service). Amounts that have been received but not earned are included in deferred revenue.

The Organization's other major sources of revenue are grants, contributions and sales revenue.

Sales Revenue: The Organization has sales of donated clothing and household goods from its retail thrift shop. Revenue is recognized when control of goods is transferred to the customer through point of sale transaction. The sales revenue is equivalent to the fair value of the donated goods.

Special Events Income: The Organization records event revenue when the event takes place, which satisfies the performance obligation. Special events expense was approximately \$24,900 for the year ended December 31, 2021.

Other Revenue: Income from other revenue consists of interest and dividends, and rental of office space. Interest and dividends are recorded when earned. Rental income is recorded as office space is utilized.

Contributions and Recognition of Donor Restrictions

Contributions, including unconditional promises to give, are recorded in the period received. Contributions received are recorded depending on the existence and/or nature of any donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the time or purpose restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as without donor restriction.

Functional Allocation of Expenses

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on estimates of time and effort and square footage.

Advertising Costs

Advertising costs are charged to operations when incurred. Advertising expense was \$24,175 for the year ended December 31, 2021.

CAPTAIN COMMUNITY HUMAN SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2021

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Services

Contributed services are reported at fair value in the financial statements for donations of services when those services (1) create or enhance non-financial assets or (2) require specialized skills provided by individual possessing those skills and are services which would be purchased if not provided by donation. The value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. Many individuals volunteer their time and perform a variety of tasks that assist the Organization's fundraising and program services activities, but these services do not meet the criteria for recognition as contributed services. The Organization estimates that it received 17,965 volunteer hours from 293 volunteers during 2021.

Financial Instruments Measured at Fair Value

The Organization has financial instruments which are recorded at fair value in the accompanying statement of financial position. The Organization makes estimates regarding the valuation of assets and liabilities measured at fair value in the financial statements. These assets and liabilities include investments in equity, mutual funds – bonds, mutual funds – equity and exchange traded funds.

Subsequent Events

Subsequent events have been evaluated through the issuance date of this report.

NOTE 3 — INVESTMENTS

Investments are summarized as follows as of December 31, 2021:

	2021
Equity	\$ 1,953
Mutual Funds - Bonds	194,088
Mutual Funds - Equity	653,624
Exchange Traded Funds	34,593
Total	<u><u>\$ 884,258</u></u>

Investment income is summarized as follows as of December 31, 2021:

	2021
Interest and dividends	\$ 16,500
Net unrealized and realized gains (losses)	56,278
Total	<u><u>\$ 72,778</u></u>

CAPTAIN COMMUNITY HUMAN SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2021

NOTE 4 — RESTRICTIONS AND LIMITATIONS ON NET ASSETS

Board Designated Funds

The Board of Directors has approved designation of net assets without donor restrictions. The Organization has maintained funds, the income from which is available to support outreach, the Youth Shelter, and general operations of the Organization. The Organization oversees such assets through an "Advisory Committee" which will make recommendations as to asset use needed for program operations.

The following is a reconciliation of Board designated fund balances at December 31, 2021:

	2021
Balance - beginning of year	\$ 313,424
Net transfers from general fund	1,104,891
Increase in cash surrender value of life insurance	2,960
Interest and dividends	16,500
Gain on investments	56,278
Balance - end of year	<u>\$ 1,494,053</u>

Net Assets with Donor Restrictions

During 2011, the AnaMaria Bonar Endowment was established to award annual scholarships to deserving high school graduates enrolling in a 2 or 4 year college who would not otherwise be able to pursue higher education. The endowment goal is \$25,000. Any interest earned in a given year which exceeds the anticipated scholarship amount will be forwarded to the Organization's general operating fund. The balance of the endowment fund at December 31, 2021 was \$25,000.

NOTE 5 — PENSION PLAN

The Organization offers a 401(k) salary reduction plan to eligible employees. The Organization contributes 1% of eligible employee's annual salary to their account at the end of each year. There were total contribution costs of \$9,154 incurred by the Organization for this plan during 2021.

NOTE 6 — COMMITMENTS AND CONTINGENCIES

Grants, Contracts and Fees

Expenditures are subject to audit by the funding agency by their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Management believes that such disallowances, if any, will be immaterial.

Leases

The Organization leases land occupied by its Outreach and Development building. The lease requires rent of \$1 for the entire lease period which expires June 2045.

CAPTAIN COMMUNITY HUMAN SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2021

NOTE 6 — COMMITMENTS AND CONTINGENCIES (Continued)

Leases (Continued)

The Organization leases office and program facilities under operating leases expiring through January 2022 (Halfmoon/Treasures) and December 2023 (Clifton Park/5 Municipal Plaza). The leases have options to renew for additional three and five year terms for the Halfmoon and Clifton Park locations, respectively. The Halfmoon/Treasures operating lease was extended through January 2025. Rent expense was \$92,500 for the year ended December 31, 2021.

The Organization leases office equipment under operating leases expired November 1, 2021. Total rent expense on all leases was \$2,044 for the year ended December 31, 2021.

The Organization entered in a new operating lease beginning October 1, 2019 and expiring September 30, 2024 for program facilities space. The rent expense was \$7,700 for the year ended December 31, 2021.

Maximum future rental payments under a noncancelable operating lease as of December 31, 2021 are as follows:

<u>Year ended December 31:</u>	
2022	\$ 102,026
2023	101,384
2024	71,775
2025	<u>5,500</u>
Total	<u>\$ 280,685</u>

New York State Homeless Housing Assistance Corporation (HHAC)

During 2001, the Organization signed a contract with HHAC for its shelter. To secure the Organization's compliance with the contract, HHAC obtained a lien on the respective property in an amount equal to the funding awarded to the Organization (\$286,703). No payment of principal or interest is required. Amounts shall become due and subject to recapture upon the Organization's default, if any, of certain contract provisions. The lien expires January 2027.

Capital District Respite, Inc.

During 2019, the Organization entered in an agreement for the transfer of assets from Capital District Respite, Inc. to the Organization. On December 9, 2019, the parties entered into a memorandum of understanding outlining agreements by each entity as to their responsibilities for continuation of services until Capital District Respite, Inc. is fully dissolved.

NOTE 7 — PAYCHECK PROTECTION PROGRAM (PPP)

On April 24, 2020, the Organization received loan proceeds of \$323,400 from Saratoga National Bank and Trust Company, pursuant to the PPP under Division A, Title 1 of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), which was enacted March 27, 2020.

CAPTAIN COMMUNITY HUMAN SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2021

NOTE 7 — PAYCHECK PROTECTION PROGRAM (PPP) (Continued)

The PPP Loan, which was in the form of a Promissory Note dated April 23, 2020 has a two-year term and bears interest at a rate of 1.0% per annum. Monthly principal and interest payments are deferred for 10 months until the amount of forgiveness determined is remitted to Saratoga National Bank and Trust Company or 10 months after the last day of the covered period, if the Organization does not seek forgiveness.

Under the terms of the CARES Act, PPP Loan participants can apply for and be granted forgiveness for all or a portion of loans granted under the PPP. Under the terms of the PPP, PPP Loans and accrued interest are forgivable between eight weeks and twenty-four weeks, as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period. The Organization has elected to account for the funds received as a conditional contribution and revenue was recorded as the conditions meeting the requirements for forgiveness were met. As of March 11, 2021, the Organization received notification from the Bank that they had received full remittance from the SBA and that the loan obligation had been forgiven.

According to the rules of the SBA, the Organization is required to retain PPP Loan documentation for six years after the date the loan is forgiven or repaid in full, and permit authorized representatives of the SBA, including representatives of its Office of Inspector General, to access such files upon request. Should the SBA conduct such a review and reject all or some of the Organization's judgments pertaining to satisfying PPP Loan eligibility or forgiveness conditions, the Organization may be required to adjust previously reported amounts and disclosures in the financial statements.

NOTE 8 — LIQUIDITY

The Organization's working capital and cash flows have seasonal variations during the year attributable to the annual fundraising events, donations received throughout the year and a concentration of contributions received near calendar year-end.

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. In addition, the Organization invests cash in excess of daily requirements in short-term investments.

Financial assets available within one year of the balance sheet date for general expenditure as of December 31, 2021 are as follows:

<u>Item</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,115,875
Accounts and grants receivable	585,411
Other investments available for current use	<u>884,258</u>
Total available within one year	<u><u>\$ 2,585,544</u></u>

CAPTAIN COMMUNITY HUMAN SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2021

NOTE 9 — RISKS AND UNCERTAINTIES

In March 2020, the World Health Organization declared COVID-19, the disease caused by a novel coronavirus, a pandemic. The pandemic has had a broad and significant impact on commerce and financial markets in the United States and around the world. The Organization is closely monitoring cash flows, working capital and liquidity and is actively working to minimize the impact. The impact of the pandemic on the Organization's operational and financial performance will depend on certain developments, including the duration and severity of the pandemic and its impact on the federal and state funding, receivable collections, employees and vendors, all of which at present time, cannot be determined.

SUPPLEMENTARY INFORMATION

CAPTAIN COMMUNITY HUMAN SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2021

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
Department of Housing and Urban Development				
State of New York				
COVID-19 Emergency Solutions Grant Program	14.231	C00639GG	\$ 1,278,834	\$ -
Total Department of Housing and Urban Development			1,278,834	-
			<u>\$ 1,278,834</u>	<u>\$ -</u>

The accompanying notes are an integral part of this schedule.

CAPTAIN COMMUNITY HUMAN SERVICES, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2021

NOTE 1 — BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes federal and pass-through grant activity of CAPTAIN Community Human Services, Inc. (the "Organization") under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 — INDIRECT COST RATE

For the year ended December 31, 2021, the Organization did not elect to use the 10% de minimis indirect cost rate.

OTHER REPORTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
CAPTAIN Community Human Services, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of CAPTAIN Community Human Services, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 21, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

UHY LLP

Albany, New York
June 21, 2022

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
CAPTAIN Community Human Services, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited CAPTAIN Community Human Services Inc.'s (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2021. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

UHY LLP

Albany, New York
June 21, 2022

CAPTAIN COMMUNITY HUMAN SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2021

Section I—Summary of Auditor's Results

<i>Financial Statements</i>		
Type of auditor's report issued: Unmodified		
Internal control over financial reporting:		
• Material weakness(es) identified?	_____ yes	___X___ no
• Significant deficiency(ies) identified?	_____ yes	___X___ none reported
Noncompliance material to financial statements noted?	_____ yes	___X___ no
<i>Federal Awards</i>		
Internal control over major programs:		
• Material weakness(es) identified?	_____ yes	___X___ no
• Significant deficiency(ies) identified?	_____ yes	___X___ none reported
Type of auditor's report issued on compliance for major programs: Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ yes	___X___ no
Identification of major programs:		
Assistance Listing Number(s)	Name of Federal Program or Cluster	
14.231	COVID-19 Emergency Solutions Grants Program	
Dollar threshold used to distinguish between type A and type B programs:	\$750,000	
Auditee qualified as low-risk auditee?	_____ yes	___X___ no

Section II—Financial Statement Findings

None Reported

Section III—Federal Award Findings and Questioned Costs

None Reported

Section IV—Summary Schedule of Prior Year Audit Findings

None Reported