

**Crisis Assistance Center, Inc.**  
**(dba Community Assistance Center)**

Financial Statements  
and Single Audit Reports  
for the year ended December 31, 2021

**Crisis Assistance Center, Inc.  
(dba Community Assistance Center)**

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**Independent Auditors' Report**

To the Board of Directors of  
Crisis Assistance Center, Inc.:

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the financial statements of Crisis Assistance Center, Inc. (dba Community Assistance Center), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, of cash flows, and of functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Community Assistance Center as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Community Assistance 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 Community Assistance Center's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

***Auditors' 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 auditors' 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 Community Assistance Center'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 Community Assistance Center's ability to continue as a going concern for a reasonable period of time.

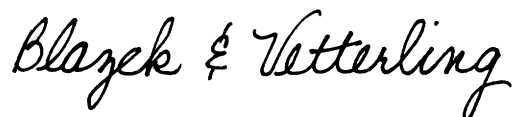
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information included in the schedule of expenditures of federal awards for the year ended December 31, 2021 as required by Title 2 U. S. *Code of Federal Regulations* (CFR) 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Report Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2022 on our consideration of the Community Assistance Center'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 the Community Assistance Center'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 the Community Assistance Center's internal control over financial reporting and compliance.



April 18, 2022

**Crisis Assistance Center, Inc.**  
**(dba Community Assistance Center)**

Statements of Financial Position as of December 31, 2021 and 2020

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	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 2,043,431	\$ 839,856
Contributions and grants receivable <i>(Note 3)</i>	615,978	536,021
Prepaid expenses	8,465	26,444
Resale store inventory	73,296	55,575
Certificates of deposit	209,334	208,629
Property, net <i>(Note 4)</i>	<u>298,184</u>	<u>318,020</u>
TOTAL ASSETS	<u>\$ 3,248,688</u>	<u>\$ 1,984,545</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued liabilities	\$ 18,005	\$ 16,142
Accrued payroll liabilities	53,202	44,715
Deferred revenue – special event	25,358	11,411
Refundable advances:		
Paycheck Protection Program <i>(Note 2)</i>		151,800
Government grants	<u>1,604,709</u>	<u>200,956</u>
Total liabilities	<u>1,701,274</u>	<u>425,024</u>
Net assets:		
Without donor restrictions	762,887	866,992
With donor restrictions <i>(Note 5)</i>	<u>784,527</u>	<u>692,529</u>
Total net assets	<u>1,547,414</u>	<u>1,559,521</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,248,688</u>	<u>\$ 1,984,545</u>

See accompanying notes to financial statements.

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**Crisis Assistance Center, Inc.**  
**(dba Community Assistance Center)**

Statement of Activities for the year ended December 31, 2021

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE:			
Contributions:			
Government financial grants <i>(Note 7)</i>		\$ 1,433,443	\$ 1,433,443
Government grants – in-kind commodities <i>(Notes 6 and 7)</i>		147,617	147,617
In-kind <i>(Note 6)</i>	\$ 366,345		366,345
United Way		354,313	354,313
Montgomery County		224,174	224,174
Other	281,706	261,954	543,660
Special events	228,224		228,224
Direct donor benefit costs of special events	(71,355)		(71,355)
Resale store sales	92,005		92,005
Cost of donated goods sold	(92,005)		(92,005)
Interest	894		894
Total revenue	805,814	2,421,501	3,227,315
Net assets released from restrictions:			
Program expenditures	1,828,346	(1,828,346)	
Expiration of time restrictions	501,157	(501,157)	
Total	3,135,317	91,998	3,227,315
EXPENSES:			
Program services	2,725,615		2,725,615
Management and general	299,242		299,242
Fundraising	214,565		214,565
Total expenses	3,239,422		3,239,422
CHANGES IN NET ASSETS	(104,105)	91,998	(12,107)
Net assets, beginning of year	866,992	692,529	1,559,521
Net assets, end of year	\$ 762,887	\$ 784,527	\$ 1,547,414

*See accompanying notes to financial statements.*

**Crisis Assistance Center, Inc.**  
**(dba Community Assistance Center)**

Statement of Activities for the year ended December 31, 2020

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE:			
Contributions:			
Government financial grants <i>(Note 7)</i>		\$ 892,148	\$ 892,148
Government grants – in-kind commodities <i>(Notes 6 and 7)</i>		160,343	160,343
In-kind <i>(Note 6)</i>	\$ 760,843		760,843
United Way		407,647	407,647
Montgomery County		269,124	269,124
Other	241,168	316,561	557,729
Special events	63,516		63,516
Direct donor benefit costs of special events	(8,505)		(8,505)
Resale store sales	58,880		58,880
Cost of donated goods sold	(60,621)		(60,621)
Interest	3,626		3,626
Gain on sale of property	7,436		7,436
Total revenue	1,066,343	2,045,823	3,112,166
Net assets released from restrictions:			
Program expenditures	1,359,610	(1,359,610)	
Expiration of time restrictions	718,949	(718,949)	
Total	3,144,902	(32,736)	3,112,166
EXPENSES:			
Program services	2,916,636		2,916,636
Management and general	214,632		214,632
Fundraising	172,193		172,193
Total expenses	3,303,461		3,303,461
CHANGES IN NET ASSETS	(158,559)	(32,736)	(191,295)
Net assets, beginning of year	1,025,551	725,265	1,750,816
Net assets, end of year	\$ 866,992	\$ 692,529	\$ 1,559,521

*See accompanying notes to financial statements.*

**Crisis Assistance Center, Inc.**  
**(dba Community Assistance Center)**

Statements of Cash Flows for the years ended December 31, 2021 and 2020

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	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ (12,107)	\$ (191,295)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	19,836	25,547
Gain on disposal of property		(7,436)
Changes in operating assets and liabilities:		
Contributions and grants receivable	(79,957)	57,142
Prepaid expenses	17,979	(7,877)
Resale store inventory	(17,721)	33,979
Accounts payable and accrued liabilities	10,350	(7,356)
Deferred revenue	13,947	7,085
Refundable advances	<u>1,251,953</u>	<u>352,756</u>
Net cash provided by operating activities	<u>1,204,280</u>	<u>262,545</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net change in certificates of deposit	(705)	(2,755)
Proceeds from sale of property	<u>          </u>	<u>9,000</u>
Net cash provided (used) by investing activities	<u>(705)</u>	<u>6,245</u>
NET CHANGE IN CASH	1,203,575	268,790
Cash, beginning of year	<u>839,856</u>	<u>571,066</u>
Cash, end of year	<u>\$ 2,043,431</u>	<u>\$ 839,856</u>

*See accompanying notes to financial statements.*

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**Crisis Assistance Center, Inc.**  
**(dba Community Assistance Center)**

Statement of Functional Expenses for the year ended December 31, 2021

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL EXPENSES</u>
Direct assistance	\$ 1,882,172			\$ 1,882,172
Salaries and related costs	725,346	\$ 142,810	\$ 170,313	1,038,469
Professional fees and contract services		108,133	5,787	113,920
Supplies	19,987	3,935	4,693	28,615
Repair and maintenance	20,287	3,915	3,671	27,873
Postage and printing	16,946	3,337	3,979	24,262
Information technology and communications	14,696	2,836	2,659	20,191
Depreciation	14,438	2,786	2,612	19,836
Insurance	14,213	2,743	2,572	19,528
Utilities	11,720	2,262	2,121	16,103
Marketing and advertising	186	952	10,725	11,863
Professional development		8,452	116	8,568
Bank and credit card fees	1,814	3,685		5,499
Travel, meetings and related meals	206	4,930	70	5,206
Other	<u>3,604</u>	<u>8,466</u>	<u>5,247</u>	<u>17,317</u>
Total expenses	<u>\$ 2,725,615</u>	<u>\$ 299,242</u>	<u>\$ 214,565</u>	3,239,422
Direct donor benefit costs of special events – meal costs and venue rental				71,355
Cost of donated goods sold				<u>92,005</u>
Total				<u>\$ 3,402,782</u>

See accompanying notes to financial statements.

**Crisis Assistance Center, Inc.**  
**(dba Community Assistance Center)**

Statement of Functional Expenses for the year ended December 31, 2020

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL EXPENSES</u>
Direct assistance	\$ 2,080,641			\$ 2,080,641
Salaries and related costs	682,060	\$ 144,987	\$ 118,273	945,320
Professional fees and contract services	559	44,636	8,613	53,808
Supplies	25,279	3,632	6,967	35,878
Repair and maintenance	21,535	2,770	2,015	26,320
Postage and printing	9,081	1,696	1,079	11,856
Information technology and communications	11,889	3,311	5,019	20,219
Depreciation	18,394	3,832	3,321	25,547
Insurance	14,628	1,987	1,445	18,060
Utilities	13,155	2,491	2,100	17,746
Marketing and advertising	12,552	1,676	18,691	32,919
Professional development	3,921	532	725	5,178
Bank and credit card fees	1,239	2,562	1,022	4,823
Travel, meetings and related meals	646	337	1,363	2,346
Other	<u>21,057</u>	<u>183</u>	<u>1,560</u>	<u>22,800</u>
Total expenses	<u>\$ 2,916,636</u>	<u>\$ 214,632</u>	<u>\$ 172,193</u>	3,303,461
Direct donor benefit costs of special events – meal costs and venue rental				8,505
Cost of donated goods sold				<u>60,621</u>
Total				<u>\$ 3,372,587</u>

See accompanying notes to financial statements.

**Crisis Assistance Center, Inc.  
(dba Community Assistance Center)**

Notes to Financial Statements for the years ended December 31, 2021 and 2020

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**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization – Crisis Assistance Center, Inc. (dba Community Assistance Center) is a Texas nonprofit organization incorporated in 1981. Community Assistance Center provides emergency assistance and services to qualified residents of Montgomery County, Texas. Community Assistance Center provides assistance with basic needs and crisis intervention, including rent or mortgage assistance, utility assistance, food, clothing and transportation vouchers, and other assistance, as well as community education and self-sufficiency programs.

The Unique Resale Shop sells donated goods to provide a low-cost source of clothing, furniture, books, toys, and household goods to families served by Community Assistance Center and others in the community. The Unique Resale Shop is also the mainstay of the Voucher Assistance Program, providing donated goods to our neighbors in need throughout Montgomery County.

Federal income tax status – Community Assistance Center is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code and is classified as a public charity under §509(a)(1) and §170(b)(1)(A)(vi).

Cash – At times, bank deposits exceed the federally insured limit per depositor per institution.

Contributions receivable that are expected to be collected within one year are reported at net realizable value. Amounts expected to be collected in future years are discounted to estimate the present value of future cash flows, if material. Discounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of discounts is included in contribution revenue. An allowance for contributions receivable is provided when it is believed balances may not be collected in full. The amount of loss on contributions recognized each period and the resulting adequacy of the allowance at the end of each period are determined using a combination of historical loss experience and individual account-by-account analysis of contributions receivable balances. It is possible that management's estimate regarding collectability will change in the near term resulting in a change in the carrying value of contributions receivable.

Resale store inventory includes resale shop inventory, as well as inventory used in the Voucher Assistance Program and is carried at the lower of cost or net realizable value. Cost is the estimated fair value at date of gift for contributed inventory.

Certificates of deposit are non-negotiable bank time deposits valued at face value plus accrued interest.

Property is reported at cost if purchased or at fair value at the date of gift if donated. Generally, acquisitions of property and equipment in excess of \$5,000 are capitalized. Depreciation is provided using the straight-line method over estimated useful lives of 3 to 39 years.

Net asset classification – Net assets, revenue, gains and losses are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Net assets without donor restrictions* are not subject to donor-imposed restrictions even though their use may be limited in other respects such as by contract or board designation.
- *Net assets with donor restrictions* are subject to donor-imposed restrictions. Restrictions may be temporary in nature, such as those that will be met by the passage of time or use for a purpose specified by the donor, or may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets are released from restrictions when the stipulated time has elapsed, or purpose has been fulfilled, or both.

Contributions are recognized as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are classified as *with donor restrictions*. Conditional contributions are subject to one or more barriers that must be overcome before Community Assistance Center is entitled to receive or retain funding. Conditional contributions are recognized as revenue at fair value when the conditions have been met. Funding received before conditions are met is reported as refundable advances.

Special events revenue is the total amount paid by attendees of an event and includes elements of both contributions and exchange transactions. Special events revenue is recognized when the event occurs. Amounts received in advance are reported as deferred revenue. Direct donor benefit costs of special events represent the cost of goods and services provided to attendees of the special events.

Donated materials and services – Donated materials are recognized at fair value as contributions when an unconditional commitment is received from the donor. The related expense is recognized as the item is used or sold. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Retail store sales are recognized as revenue at the sales price net of any discounts and estimated returns when goods are sold to a customer. Payment is due at point of sale. The nature of these services does not give rise to contract costs or any variable considerations, warranties or other obligations. There are no receivables or deferred revenues associated with this revenue.

Cost of donated goods sold is based on the estimated fair value of the donated goods that are sold in the resale store.

Functional allocation of expenses – Expenses are reported by their functional classification. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the organization exists. Fundraising activities include the solicitation of contributions of money, securities, materials, facilities, other assets, and time. Management and general activities are not directly identifiable with specific program or fundraising activities. Expenses that are attributable to more than one activity are allocated among the activities benefitted. Salaries and related costs are allocated on the basis of estimated time and effort expended. Depreciation and utilities are allocated based on square footage. Insurance, information and communications, and other shared costs are allocated based on full-time equivalents.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts reported as revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

Recent financial accounting pronouncement – Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, will require contributed nonfinancial assets to be presented as a separate line item in the statement of activities, apart from contributions of cash and other financial assets, and will require disclosure about the measurement and use of types of contributed nonfinancial assets. The ASU will be effective for fiscal years beginning after June 15, 2021 and requires retrospective application. Community Assistance Center will adopt this ASU in fiscal year 2022.

## NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of December 31 comprise the following:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash	\$ 2,043,431	\$ 839,856
Contributions and grants receivables	615,978	535,021
Certificates of deposit	<u>209,334</u>	<u>208,629</u>
Total financial assets available for general expenditure	<u>\$ 2,868,743</u>	<u>\$ 1,583,506</u>

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Community Assistance Center considers general expenditures to include all expenditures related to providing emergency assistance and services, and the supporting costs undertaken to support those activities.

Community Assistance Center manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund short-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. Community Assistance Center desires to target a year-end balance of reserves of undesignated *net assets without donor restrictions* at six months of expected expenditures. To achieve these targets, the entity forecasts its future cash flows, monitors its liquidity monthly, and monitors its reserves annually.

In April 2020, Community Assistance Center received \$151,800 under the Small Business Administration's Paycheck Protection Program (PPP). In May 2021, this loan was forgiven and has been recognized as a contribution with donor restrictions.

## NOTE 3 – CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and grants receivable consist of the following:

	<u>2021</u>	<u>2020</u>
United Way	\$ 351,112	\$ 324,146
Montgomery County	219,124	164,343
Government grants	26,975	39,598
Other contributions	<u>18,767</u>	<u>7,934</u>
Total contributions and grants receivable	<u>\$ 615,978</u>	<u>\$ 536,021</u>

At December 31, 2021 and 2020, all contributions receivable are due within one year.

#### NOTE 4 – PROPERTY

Property consists of the following:

	<u>2021</u>	<u>2020</u>
Land	\$ 242,069	\$ 242,069
Buildings	307,468	307,468
Equipment, furniture, and fixtures	<u>139,622</u>	<u>139,622</u>
Total property, at cost	689,159	689,159
Accumulated depreciation	<u>(390,975)</u>	<u>(371,139)</u>
Property, net	<u>\$ 298,184</u>	<u>\$ 318,020</u>

#### NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Utility direct assistance	\$ 181,860	\$ 160,421
Disaster relief (Imelda and COVID-19)	15,131	27,799
Other	14,049	15,820
Subject to passage of time for future operating periods	<u>573,487</u>	<u>488,489</u>
Total net assets with donor restrictions	<u>\$ 784,527</u>	<u>\$ 692,529</u>

#### NOTE 6 – IN-KIND CONTRIBUTIONS

Contributed food, clothing and housewares are received for the food pantry and for the Voucher Assistance Program. In addition, all of the items sold in the Unique Resale Shop are contributed by the general public. Additionally, Montgomery County donates two office spaces in Splendora and Willis. Other in-kind goods and services are also received for use in program operations and fundraising. The fair value of these contributions is based on the estimated fair value of each item and is recognized in the financial statements as in-kind contributions. In-kind contributions at December 31 are as follows:

	<u>2021</u>	<u>2020</u>
Program services:		
Food	\$ 338,879	\$ 845,507
Clothing, housewares and other items	146,844	30,904
Unique Resale Shop donated inventory	24,651	26,367
Office space	2,500	
Other	<u>1,088</u>	<u>18,408</u>
Total in-kind contributions	<u>\$ 513,962</u>	<u>\$ 921,186</u>

A substantial number of volunteers have contributed significant amounts of time in connection with programs, administration, and fundraising for which no amount has been recorded in the financial statements because the donated services did not meet the criteria for recognition under generally accepted

accounting principles. The hours contributed by volunteers approximated 13,691 in 2021 and 10,289 in 2020, primarily in the food pantry, Unique Resale Shop and Voucher Assistance Program. The Independent Sector and Bureau of Labor Statistics estimated the value of one hour of volunteer service in the United States at \$28.54 in 2021 and \$27.20 in 2020. Using these rates, the estimated value of volunteer services not recognized in these financial statements is approximately \$390,748 for 2021 and \$279,861 for 2020.

## **NOTE 7 – GOVERNMENT GRANTS**

Community Assistance Center is the recipient of government grants from various federal agencies. Should these awards not be renewed, a replacement for this source of support may not be forthcoming and related expenses would not be incurred. Government grants include the following:

	<u>2021</u>	<u>2020</u>
U. S. Department of Housing and Urban Development – Continuum of Care Program	\$ 720,156	\$ 427,642
U. S. Department of the Treasury – Coronavirus Relief Fund	410,594	310,871
U. S. Small Business Administration	153,574	
U. S. Department of Homeland Security – Emergency Food and Shelter Program	<u>149,119</u>	<u>153,635</u>
Total government financial grants	1,433,443	892,148
U. S. Department of Agriculture commodities	135,889	112,990
U. S. Department of Homeland Security commodities	<u>11,728</u>	<u>47,353</u>
Total government grants	<u>\$ 1,581,060</u>	<u>\$ 1,052,491</u>

Community Assistance Center's government grants require fulfillment of certain conditions as set forth in the awards and are subject to review and audit by the awarding agencies. Such reviews and audits could result in the discovery of unallowable activities and unallowable costs. Consequently, any of the funding sources may, at their discretion, request reimbursement for expenses or return of funds as a result of non-compliance by Community Assistance Center with the terms of the awards. Management believes such disallowances, if any, would not be material to Community Assistance Center's financial position or changes in net assets.

At December 31, 2021, conditional government grants of approximately \$3,356,000 have not been recognized because the conditions on which they depend have not yet been met. Conditions include performance of allowable activities and incurring allowable expenses.

## **NOTE 8 – EMPLOYEE BENEFIT PLAN**

All employees of Community Assistance Center are eligible to participate in a SIMPLE IRA retirement plan upon employment. Participating employees receive an employer matching contribution of up to 3% of the employee's annual wages. Community Assistance Center's contribution to this plan totaled approximately \$16,000 during 2021 and \$17,000 during 2020.

## **NOTE 9 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through April 18, 2022, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.

## Community Assistance Center

### Schedule of Expenditures of Federal Awards for the year ended December 31, 2021

<u>FEDERAL GRANTOR</u> <u>Program Title &amp; Period</u>	<u>Assistance</u> <u>Listing</u> <u>Number</u>	<u>Contract</u> <u>Number</u>	<u>Award</u> <u>Amount</u>	<u>Revenue</u>	<u>Allowable</u> <u>Federal</u> <u>Expenditures</u>
U. S. DEPARTMENT OF AGRICULTURE					
Passed through Montgomery County Food Bank:					
#1 Emergency Food Assistance Program – Food Commodities (Note 2)					
01/01/21 – 12/31/21	10.569	N/A	N/A	\$ 135,889	\$ 135,889
Total CFDA #10.569				<u>135,889</u>	<u>135,889</u>
Total U. S. Department of Agriculture				<u>135,889</u>	<u>135,889</u>
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Passed through Montgomery County, Texas:					
#2 COVID-19 – Community Development Block Grants/Entitlement Grants					
06/09/20 – 03/31/23	14.218	CARES ACT CDBG-CV	\$422,988	165,190	165,190
05/11/21 – 03/31/23	14.218	CARES ACT CDBG-CV3	\$67,929	<u>21,644</u>	<u>21,644</u>
Total CFDA #14.218				<u>186,834</u>	<u>186,834</u>
Passed through Montgomery County, Texas:					
#3 COVID-19 – Emergency Solutions Grant Program					
06/09/20 – 06/22/22	14.231	CARES ACT ESG-CV	\$775,483	<u>404,830</u>	<u>404,830</u>
Total CFDA #14.231				<u>404,830</u>	<u>404,830</u>
#4 Continuum of Care Program					
04/01/20 – 03/31/21	14.267	TX0214L6E001912	\$133,852	38,836	38,836
04/01/21 – 03/31/22	14.267	TX0214L6E002013	\$133,852	<u>89,656</u>	<u>89,656</u>
Total CFDA #14.267				<u>128,492</u>	<u>128,492</u>
Total U. S. Department of Housing and Urban Development				<u>720,156</u>	<u>720,156</u>
U. S. DEPARTMENT OF THE TREASURY					
Passed through Montgomery County, Texas:					
#5 COVID-19 – Emergency Rental Assistance Program					
07/01/21 – 06/30/22	21.023	CARES ERA	\$3,300,000	<u>410,594</u>	<u>410,594</u>
Total CFDA #21.023				<u>410,594</u>	<u>410,594</u>
Total U. S. Department of the Treasury				<u>410,594</u>	<u>410,594</u>

(continued)



## Community Assistance Center

Schedule of Expenditures of Federal Awards for the year ended December 31, 2021 *(continued)*

<u>FEDERAL GRANTOR</u> <u>Program Title &amp; Period</u>	<u>Assistance</u> <u>Listing</u> <u>Number</u>	<u>Contract</u> <u>Number</u>	<u>Award</u> <u>Amount</u>	<u>Revenue</u>	<u>Allowable</u> <u>Federal</u> <u>Expenditures</u>
U. S. DEPARTMENT OF HOMELAND SECURITY					
Passed through the United Way of Greater Houston:					
#6 Emergency Food and Shelter National Board Program Phase 37					
01/01/20 – 10/31/21	97.024	EFSP Phase 37	\$100,900	24,782	24,782
#7 COVID-19 – Emergency Food and Shelter National Board Program					
01/27/20 – 10/31/21	97.024	EFSP CARES	\$175,000	64,337	64,337
#8 Emergency Food and Shelter National Board Program Phase 38					
01/01/21 – 10/31/21	97.024	EFSP Phase 38	\$60,000	<u>60,000</u>	<u>60,000</u>
Total CFDA #97.024				<u>149,119</u>	<u>149,119</u>
Passed through Montgomery County Food Bank:					
#9 Disaster Grants – Public Assistance (Presidentially Declared Disasters) Food Commodities (Note 2)					
01/01/21 – 12/31/21	97.036	N/A	N/A	<u>11,728</u>	<u>11,728</u>
Total CFDA #97.036				<u>11,728</u>	<u>11,728</u>
Total U. S. Department of Homeland Security				<u>160,847</u>	<u>160,847</u>
TOTAL FEDERAL AWARDS				<u>\$ 1,427,486</u>	<u>\$ 1,427,486</u>

*See accompanying notes to schedule of expenditures of federal awards.*

## Community Assistance Center

Notes to Schedule of Expenditures of Federal Awards for the year ended December 31, 2021

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### NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation – The schedule of expenditures of federal awards is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U. S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Federal expenditures include allowable costs funded by federal grants. Allowable costs are subject to the cost principles of the Uniform Guidance and include costs that are recognized as expenses in Community Assistance Center's financial statements in conformity with generally accepted accounting principles. Community Assistance Center has elected not to use the 10% de minimis rate. Community Assistance Center does not have any subrecipients.

Because the schedule presents only a selected portion of the operations of Community Assistance Center, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Community Assistance Center.

### NOTE 2 – FOOD COMMODITIES

Food commodities are expended when distributed to clients. Distributed food is reported in the schedule of expenditures of federal awards under the Emergency Food Assistance Program, and the Disaster Grants – Public Assistance (Presidentially Declared Disasters) and is valued at the weighted-average wholesale value of one pound of donated product based on the national per pound price as provided by the most recent Feeding America Product Valuation Survey (\$1.74 in 2021).

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**Independent Auditors' 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 of  
Crisis Assistance Center, 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 Crisis Assistance Center, Inc. (dba Community Assistance Center), which comprise the statement of financial position as of December 31, 2021 and the related statements of activities, of cash flows, and of functional expenses for the year then ended, and the related notes to the financial statements and have issued our report thereon dated April 18, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Community Assistance Center's internal control over financial reporting (internal control) as a basis for designing 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 Community Assistance Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Community Assistance Center'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item #2021-001 that we consider to be a material weakness.

**Report on Compliance and Other Matters**

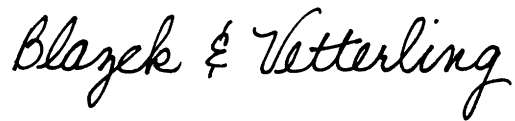
As part of obtaining reasonable assurance about whether Community Assistance Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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 that are required to be reported under *Government Auditing Standards*.

## **Community Assistance Center's Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on Community Assistance Center's response to the finding identified in our audit and described in the accompanying Corrective Action Plan. Community Assistance Center's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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 Community Assistance Center'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.

A handwritten signature in black ink that reads "Blazek & Vetterling". The script is cursive and fluid, with the ampersand clearly visible.

April 18, 2022

**Independent Auditors' Report on Compliance for Each Major  
Federal Program and Report on Internal Control Over  
Compliance Required by the Uniform Guidance**

To the Board of Directors of  
Crisis Assistance Center, Inc.:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Crisis Assistance Center, Inc.'s (dba Community Assistance Center) 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 Community Assistance Center's major federal programs for the year ended December 31, 2021. Community Assistance Center's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Community Assistance Center complied, in all material respects, with the 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 *Auditors' Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of Community Assistance Center 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 Community Assistance Center'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 Community Assistance Center's federal programs.

### ***Auditors' 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 Community Assistance Center'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 Community Assistance Center'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 Community Assistance Center'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 Community Assistance Center'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 Community Assistance Center'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.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item #2021-002. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on Community Assistance Center's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. Community Assistance Center's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the *Auditors' 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a material weakness.

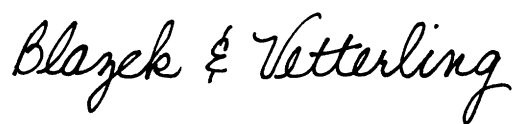
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item #2021-002 to be a material weakness.

*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 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.

*Government Auditing Standards* requires the auditor to perform limited procedures on Community Assistance Center's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. Community Assistance Center's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

A handwritten signature in black ink that reads "Blaze & Vetterling". The script is cursive and fluid, with the ampersand being a simple cross.

April 18, 2022

## Community Assistance Center

Schedule of Findings and Questioned Costs for the year ended December 31, 2021

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### Section I – Summary of Auditors' Results

#### Financial Statements

Type of auditors' report issued: ☒ unmodified ☐ qualified ☐ adverse ☐ disclaimer

Internal control over financial reporting:

- Material weakness(es) identified? ☒ yes ☐ no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ☐ yes ☒ none reported

Noncompliance material to the financial statements noted? ☐ yes ☒ no

#### Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☒ yes ☐ no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ☐ yes ☒ none reported

Type of auditors' report issued on compliance for major programs: ☒ unmodified ☐ qualified ☐ adverse ☐ disclaimer

Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)? ☒ yes ☐ no

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
14.231	Emergency Solutions Grant Program
21.023	Emergency Rental Assistance Program

Dollar threshold used to distinguish between Type A and Type B federal programs: \$750,000

Auditee qualified as a low-risk auditee? ☐ yes ☒ no

### Section II – Financial Statement Findings

#### **Finding #2021-001** – Material Weakness in Internal Control

**Criteria:** Management is responsible for establishing and maintaining an effective system of internal control over government grant billings to ensure that grant costs are properly reported to the grantor and that government grant revenue is properly reflected in the financial statements in accordance with generally accepted accounting principles.



**Condition and context:** During our testing of 9 monthly and final government grant billings, we noted that 3 of the billings had differences between the billing amounts and the underlying support for the billings. Additionally, we noted that a reconciliation between direct assistance expenses recorded in the general ledger and the ClientTrack system (the approval documentation system for direct assistance disbursements) was not consistently performed throughout 2021. This reconciliation is typically performed as part of the monthly grant billing process.

**Effect:** Failure to adequately establish and maintain effective internal controls over grant billings could result in financial statement errors.

**Recommendation:** Community Assistance Center should establish written policies and procedures and provide training to its employees related to review and approval of all billings and reconciling between the client tracking system and the general ledger.

**Views of responsible officials and planned corrective actions:** Management agrees with the finding. See Corrective Action Plan.

### **Section III – Federal Award Findings and Questioned Costs**

#### **Finding #2021-002 – Material Weakness and Other Noncompliance**

***Applicable federal program:***

U. S. Department of the Treasury  
Passed through Montgomery County, Texas  
COVID-19 – Emergency Rental Assistance Program  
Assistance Listing #: 21.023  
Contract Number: CARES ERA  
Contract Year: 07/01/21 – 6/30/22

**Criteria:** Reporting – Management of Community Assistance Center is responsible for establishing and maintaining an effective system of internal control over government grant reporting to ensure all costs are allowable and reported in the correct period and that government grant revenue and receivables are properly reflected in the financial statements in accordance with generally accepted accounting principles.

**Condition and context:** 1 of 2 CARES ERA grant billings tested showed no indication of reconciliation to the underlying data. On the December 2021 monthly billing, we noted that the amount billed was \$11,881 lower than the underlying support for this billing resulting in a potential underbilling.

**Cause and effect:** Failure to adequately establish and maintain effective internal controls over grant billings could result in financial statement errors and reporting noncompliance.

**Questioned costs:** None

**Recommendation:** Same as finding #2021-001.

**Views of responsible officials and planned corrective actions:** Management agrees with the finding. See Corrective Action Plan.

## CORRECTIVE ACTION PLAN

April 18, 2022

### U. S. DEPARTMENT OF THE TREASURY

Crisis Assistance Center, Inc. (dba Community Assistance Center) respectfully submits the following Corrective Action Plan for the year ended December 31, 2021. The audit was performed by: Blazek & Vetterling, 2900 Wesleyan, Suite 200, Houston, Texas, 77027.

The findings from the December 31, 2021 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

### **FINDINGS – FINANCIAL STATEMENT AND FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

#### **Finding #2021-001** – Material Weakness in Internal Control

***Recommendation:*** Community Assistance Center should establish written policies and procedures and provide training to its employees related to review and approval of all billings and reconciling between the client tracking system and the general ledger.

***Planned corrective action:*** Management agrees with the auditors' comments. To prevent staff turnover from impacting the internal controls around grant billings and reconciliations, the organization will establish written policies and procedures and provide training to its employees regarding reconciliation of grant billings to the client tracking system and the general ledger. Grant reconciliations will be performed monthly for all future billings.

***Responsible officer:*** Executive Director, Jennifer Huffine

***Estimated completion date:*** June 30, 2022

#### **Finding #2021-002** – Material Weakness and Other Noncompliance

##### ***Applicable federal program:***

U. S. Department of the Treasury  
Passed through Montgomery County, Texas  
COVID-19 – Emergency Rental Assistance Program  
Assistance Listing #: 21.023  
Contract Number: CARES ERA  
Contract Year: 07/01/21 – 06/30/22

**Recommendation:** Community Assistance Center should establish written policies and procedures and provide training to its employees related to review and approval of all billings and reconciling between the client tracking system and the general ledger.

**Planned corrective action:** Management agrees with the auditors' comments. To prevent staff turnover from impacting the internal controls around grant billings and reconciliations, the organization will establish written policies and procedures and provide training to its employees regarding reconciliation of grant billings to the client tracking system and the general ledger. Administrative costs for applicable grants were reported on the March 2022 report for administrative costs incurred through December 31, 2021. Staff is diligently working on reconciling grant billings for direct assistance to the client tracking system and the general ledger. Grant reporting will be updated as necessary for any prior month changes with Montgomery County. Grant reconciliations will be performed monthly for all future billings.

**Responsible officer:** Executive Director, Jennifer Huffine

**Estimated completion date:** June 30, 2022

If the U. S. Department of the Treasury has questions regarding this plan, call Jennifer Huffine at (936) 494-4410.

Sincerely,



Jennifer Huffine  
Executive Director

### Summary Schedule of Prior Audit Findings

The following audit findings for the year ended December 31, 2020, are required to be reported in accordance with 2 CFR §200.511.

**Finding #2020-001** – Significant Deficiency

***Condition:*** There is a lack of segregation of duties over cash receipts as the Executive Director has access to cash receipts and also solicits contributions.

***Recommendation:*** Implement policies and procedures to ensure that duties related to cash receipts have been properly segregated.

***Management's response:*** Management agrees with the auditors' comments. We have changed our procedures and mail is now delivered to personnel other than the Executive Director.

***Management's 2021 follow-up response:*** The organization has maintained the process outlined above. Although the staff has changed, the segregation of duties related to cash receipts has been and will continue to be maintained.

**Finding #2020-002** – Coronavirus Relief Fund – Significant Deficiency and Other Noncompliance

***Condition:*** There are no written policies and procedures related to the process of preparing and compiling time studies or other actual time and effort inputs utilized for allocating payroll costs.

***Recommendation:*** Community Assistance Center should establish written policies and procedures and provide training to its employees on the policies and procedures for preparing and compiling personnel activity reports or time studies in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, §200.430.

***Management's response:*** Management agrees with the auditors' comments. We are currently working with our HR/Payroll provider to implement a new timesheet system where staff can clock-in/out of programs/grants ensuring that we are generating proper time and effort reports per *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, §200.430. Community Assistance Center will update its policies and procedures to reflect the change in the Allocation of Expenses Policy and Disbursement of Funds Policy.

***Management's 2021 follow-up response:*** The organization has implemented procedures and trained its employees to conduct regular time studies, as performed during 2021, in accordance with *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, §200.430. The next time study is set for May 2022. Periodic time studies will be used in lieu of weekly timesheets until the timekeeping system has proven its ability to track the required information.