

**CHRISTIAN SERVICE CENTER
FOR CENTRAL FLORIDA, INC.**

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITORS' REPORT**

December 31, 2022 and 2021



Greene, Dycus & Co, PA

Certified Public Accountants

407-322-0561

www.gdccpa.net

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Christian Service Center for Central Florida, Inc.
Orlando, Florida

Opinion

We have audited the accompanying financial statements of Christian Service Center for Central Florida, Inc., (the "Center"), a nonprofit corporation, which comprise the statements of financial position as of December 31, 2022 and 2021 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Christian Service Center for Central Florida, Inc., 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Christian Service Center for Central Florida, Inc., and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility 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 the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Robert Kimelman, CPA
Thomas J. Frank, CPA
Vanessa R. Talley, CPA

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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Christian Service Center for Central Florida, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Christian Service Center for Central Florida, 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.

Greene Dupuis & Co.

Professional Association
Certified Public Accountants
Sanford, Florida
March 10, 2023

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
STATEMENTS OF FINANCIAL POSITION
December 31,

ASSETS

| | <u>2022</u> | <u>2021</u> |
|------------------------------|----------------------------|----------------------------|
| Current Assets | | |
| Cash and cash equivalents | | |
| Unrestricted | \$ 573,765 | \$ 637,656 |
| Restricted | 128,411 | 203,815 |
| Assets whose use is limited | <u>126,139</u> | <u>126,139</u> |
| | 828,315 | 967,610 |
| Contributions receivable | 267,117 | 173,319 |
| Prepaid expenses | <u>3,400</u> | <u>3,400</u> |
| | <u>1,098,832</u> | <u>1,144,329</u> |
| Property and equipment - net | <u>1,418,984</u> | <u>1,226,899</u> |
| Noncurrent Assets: | | |
| Beneficial interest | 41,360 | 47,327 |
| Other | <u>355</u> | <u>355</u> |
| | <u>41,715</u> | <u>47,682</u> |
| Total Assets | <u><u>\$ 2,559,531</u></u> | <u><u>\$ 2,418,910</u></u> |

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

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
STATEMENTS OF FINANCIAL POSITION
December 31,

LIABILITIES AND NET ASSETS

| | <u>2022</u> | <u>2021</u> |
|---------------------------------------|----------------------------|----------------------------|
| Current Liabilities | | |
| Accounts payable | \$ 38,102 | \$ 23,036 |
| Accrued expenses | 39,408 | 19,495 |
| Current portion mortgage note payable | <u>17,011</u> | <u>8,183</u> |
| Total Current Liabilities | <u>94,521</u> | <u>50,714</u> |
| | | |
| Long-term debt, mortgage note payable | <u>178,437</u> | <u>199,711</u> |
| Total Liabilities | 272,958 | 250,425 |
| Net Assets | | |
| Without donor restrictions | 2,158,162 | 1,964,670 |
| With donor restrictions | <u>128,411</u> | <u>203,815</u> |
| Total Net Assets | <u>2,286,573</u> | <u>2,168,485</u> |
| Total Liabilities and Net Assets | <u><u>\$ 2,559,531</u></u> | <u><u>\$ 2,418,910</u></u> |

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

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
STATEMENT OF ACTIVITIES AND
CHANGES IN NET ASSETS
For the Year Ended December 31, 2022

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|---|--|---------------------|
| Revenue and Support | | | |
| Contributions | \$ 806,014 | \$ 176,659 | \$ 982,673 |
| Special events, less costs of \$27,505 | 73,873 | - | 73,873 |
| Contributions, foundations and trusts | 1,153,483 | - | 1,153,483 |
| Parking use and tenancy revenue | 25,381 | - | 25,381 |
| Thrift shops | 60,147 | - | 60,147 |
| Other income | 337 | - | 337 |
| Estimated in-kind contributions | 483,502 | - | 483,502 |
| Net assets released from restrictions | <u>252,063</u> | <u>(252,063)</u> | <u>-</u> |
| Total Revenue and Support | <u>2,854,800</u> | <u>(75,404)</u> | <u>2,779,396</u> |
| Expenses | | | |
| Program Services | <u>2,163,444</u> | <u>-</u> | <u>2,163,444</u> |
| Total Program Services | <u>2,163,444</u> | <u>-</u> | <u>2,163,444</u> |
| Support Services: | | | |
| Fund raising and development | 309,597 | - | 309,597 |
| Management and general | <u>188,267</u> | <u>-</u> | <u>188,267</u> |
| Total Support Services | <u>497,864</u> | <u>-</u> | <u>497,864</u> |
| Total Expenses | <u>2,661,308</u> | <u>-</u> | <u>2,661,308</u> |
| Change in Net Assets | 193,492 | (75,404) | 118,088 |
| Net Assets, Beginning of Year | <u>1,964,670</u> | <u>203,815</u> | <u>2,168,485</u> |
| Net Assets, End of Year | <u>\$ 2,158,162</u> | <u>\$ 128,411</u> | <u>\$ 2,286,573</u> |

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

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
STATEMENT OF ACTIVITIES AND
CHANGES IN NET ASSETS
For the Year Ended December 31, 2021

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|---|--|---------------------|
| Revenue and Support | | | |
| Contributions | \$ 654,516 | \$ 27,250 | \$ 681,766 |
| Special events, less costs of \$16,228 | 50,621 | - | 50,621 |
| Contributions, foundations and trusts | 1,012,651 | - | 1,012,651 |
| Parking use and tenancy revenue | 33,440 | - | 33,440 |
| Thrift shops | 73,479 | - | 73,479 |
| Other income | 7,724 | - | 7,724 |
| Estimated in-kind contributions | 378,015 | - | 378,015 |
| Net assets released from restrictions | 205,512 | (205,512) | - |
| | <u>2,415,958</u> | <u>(178,262)</u> | <u>2,237,696</u> |
| Total Revenue and Support | | | |
| Expenses | | | |
| Program Services | 1,482,427 | - | 1,482,427 |
| | <u>1,482,427</u> | <u>-</u> | <u>1,482,427</u> |
| Total Program Services | | | |
| Support Services: | | | |
| Fund raising and development | 209,551 | - | 209,551 |
| Management and general | 234,337 | - | 234,337 |
| | <u>443,888</u> | <u>-</u> | <u>443,888</u> |
| Total Support Services | | | |
| Total Expenses | <u>1,926,315</u> | <u>-</u> | <u>1,926,315</u> |
| Change in Net Assets | 489,643 | (178,262) | 311,381 |
| Net Assets, Beginning of Year | <u>1,475,027</u> | <u>382,077</u> | <u>1,857,104</u> |
| Net Assets, End of Year | <u>\$ 1,964,670</u> | <u>\$ 203,815</u> | <u>\$ 2,168,485</u> |

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

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2022

| | Program | | | | | | | | | | | Supporting | | |
|-------------------------|-------------------|--------------------|-------------------|---------------------|-----------------------------|---------------------------|-------------------------|-------------------|------------------|----------------------------|------------------------------|-------------------|-------------------|---------------------|
| | Orlando FES | Winter Park FES | W. Orange FES | Total FES | W. Orange Daily Bread | Orlando Daily Bread | Total Daily Bread | Love Pantry | Tenancy | Thrift Shop Boutique | Total Program Services | Develop- ment | Admin | Total |
| Personnel costs | \$ 314,135 | \$ 77,791 | \$ 121,343 | \$ 513,269 | \$ 93,912 | \$ 131,833 | \$ 225,745 | \$ 46,026 | \$ 22,678 | \$ 104,487 | \$ 912,205 | \$ 205,120 | \$ 116,651 | \$ 1,233,976 |
| Direct assistance | 71,976 | 575 | 13,453 | 86,004 | - | 20,432 | 20,432 | 47,972 | - | - | 154,408 | - | - | 154,408 |
| Program supplies | 13,820 | 1,415 | 1,164 | 16,399 | 4,957 | 495 | 5,452 | - | - | - | 21,851 | - | 2,462 | 24,313 |
| Estimated: | | | | | | | | | | | | | | |
| In-kind meals | - | - | - | 21,068 | - | - | 290,059 | - | - | - | 311,127 | - | - | 311,127 |
| In-kind Other | - | - | - | 148,075 | - | - | - | 24,300 | - | - | 172,375 | - | - | 172,375 |
| Utilities | 13,585 | 3,500 | 9,782 | 26,867 | 11,838 | 24,140 | 35,978 | 2,717 | 10,429 | 10,868 | 86,859 | 2,717 | 3,550 | 93,126 |
| Telephone | 5,639 | 1,867 | 1,866 | 9,372 | 2,102 | 1,661 | 3,763 | 768 | 99 | 949 | 14,951 | 2,386 | 1,548 | 18,885 |
| Maintenance: | | | | | | | | | | | | | | |
| Building | 19,602 | 339 | 8,542 | 28,483 | 6,821 | 21,535 | 28,356 | - | 2,615 | 3,944 | 63,398 | 1,588 | 201 | 65,187 |
| Equipment | 7,248 | - | 2,622 | 9,870 | 4,728 | 5,920 | 10,648 | 721 | 1,537 | 721 | 23,497 | 721 | 3,019 | 27,237 |
| Insurance | 5,420 | 2,100 | 5,410 | 12,930 | 5,410 | 5,410 | 10,820 | 4,860 | 4,860 | 5,510 | 38,980 | 4,860 | 6,044 | 49,884 |
| Office expense | 9,834 | 1,696 | 4,097 | 15,627 | 29 | 1,227 | 1,256 | 2,323 | 283 | 2,374 | 21,863 | 56,363 | 4,555 | 82,781 |
| IT Consulting | 31,818 | 1,910 | 4,073 | 37,801 | 1,573 | 2,580 | 4,153 | 2,603 | - | 399 | 44,956 | 4,581 | 3,444 | 52,981 |
| Travel & veh. costs | 6,868 | - | 1,031 | 7,899 | 10,291 | 11,362 | 21,653 | 376 | - | - | 29,928 | 108 | 2,199 | 32,235 |
| Professional fees | 1,916 | 427 | 1,618 | 3,961 | 679 | 688 | 1,367 | 449 | 350 | 695 | 6,822 | 8,870 | 31,632 | 47,324 |
| Contract legal services | 79,021 | - | - | 79,021 | - | - | - | - | - | - | 79,021 | - | - | 79,021 |
| Interest | 2,287 | 566 | 883 | 3,736 | 684 | 960 | 1,644 | 335 | 165 | 761 | 6,641 | 1,493 | 849 | 8,983 |
| Food packaging | - | - | - | - | 11,343 | 35,326 | 46,669 | - | - | - | 46,669 | - | - | 46,669 |
| Other | 21,283 | 116 | 1,191 | 22,590 | 560 | 24,122 | 24,682 | 5,141 | 19,822 | 943 | 73,178 | 8,487 | 5,115 | 86,780 |
| Depreciation | 18,842 | 4,666 | 7,278 | 30,786 | 5,633 | 7,908 | 13,541 | 2,761 | 1,360 | 6,267 | 54,715 | 12,303 | 6,998 | 74,016 |
| | <u>\$ 623,294</u> | <u>\$ 96,968</u> | <u>\$ 184,353</u> | <u>\$ 1,073,758</u> | <u>\$ 160,560</u> | <u>\$ 295,599</u> | <u>\$ 746,218</u> | <u>\$ 141,352</u> | <u>\$ 64,198</u> | <u>\$ 137,918</u> | <u>\$ 2,163,444</u> | <u>\$ 309,597</u> | <u>\$ 188,267</u> | <u>\$ 2,661,308</u> |

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

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2021

| | Program | | | | | | | | | | | Supporting | | |
|---------------------|-------------------|--------------------|-------------------|-------------------|-----------------------------|---------------------------|-------------------------|------------------|------------------|----------------------------|------------------------------|-------------------|-------------------|---------------------|
| | Orlando FES | Winter Park FES | W. Orange FES | Total FES | W. Orange Daily Bread | Orlando Daily Bread | Total Daily Bread | Love Pantry | Tenancy | Thrift Shop Boutique | Total Program Services | Develop- ment | Admin | Total |
| Personnel costs | \$ 228,405 | \$ 55,005 | \$ 106,846 | \$ 390,256 | \$ 63,476 | \$ 124,535 | \$ 188,011 | \$ 55,007 | \$ 953 | \$ 50,927 | \$ 685,154 | \$ 139,069 | \$ 136,361 | \$ 960,583 |
| Direct assistance | 33,436 | 4,711 | 17,191 | 55,338 | - | 7,004 | 7,004 | 9,582 | - | - | 71,924 | - | - | 71,924 |
| Program supplies | 2,472 | 784 | 283 | 3,539 | 8,960 | 1,875 | 10,835 | - | - | - | 14,374 | - | 3,015 | 17,390 |
| Estimated: | | | | | | | | | | | | | | |
| In-kind meals | - | - | - | 12,576 | - | - | 300,953 | - | - | - | 313,529 | - | - | 313,529 |
| In-kind Other | - | - | - | 23,236 | - | - | - | 20,250 | - | - | 43,486 | - | - | 43,486 |
| Utilities | 3,979 | 3,000 | 6,844 | 13,823 | 10,969 | 27,975 | 38,944 | - | 3,950 | 3,241 | 59,957 | - | 10,695 | 70,652 |
| Telephone | 4,295 | 1,923 | 1,711 | 7,929 | 1,465 | 1,521 | 2,986 | 804 | 329 | 1,064 | 13,111 | 1,690 | 2,786 | 17,588 |
| Maintenance: | | | | | | | | | | | | | | |
| Building | 15,177 | 601 | 7,328 | 23,106 | 6,362 | 21,327 | 27,689 | 10 | 11,874 | 1,182 | 63,861 | - | 9,640 | 73,501 |
| Equipment | 8,289 | 313 | 1,664 | 10,265 | 5,028 | 5,034 | 10,062 | 262 | 1,748 | 2,601 | 24,939 | 4,241 | 4,428 | 33,609 |
| Insurance | 6,924 | 992 | 4,498 | 12,414 | 4,155 | 4,597 | 8,752 | - | 5,213 | 5,030 | 31,408 | - | 3,435 | 34,843 |
| Office expense | 10,355 | 2,663 | 5,832 | 18,850 | 1,321 | 2,485 | 3,806 | 2,084 | 5,619 | 1,456 | 31,815 | 38,586 | 8,939 | 79,340 |
| Travel & veh. costs | 2,146 | 1,126 | 1,309 | 4,580 | 7,313 | 10,090 | 17,403 | 867 | - | 1,183 | 24,033 | 31 | 1,486 | 25,550 |
| Professional fees | 1,268 | 287 | 497 | 2,053 | 545 | 625 | 1,170 | 508 | 8,711 | 765 | 13,206 | 5,020 | 32,332 | 50,559 |
| Interest | 2,700 | 650 | 1,263 | 4,614 | 750 | 1,472 | 2,223 | 650 | 11 | 602 | 8,100 | 1,644 | 1,612 | 11,356 |
| Other | 5,542 | 95 | 970 | 6,607 | 431 | 21,910 | 22,341 | 666 | 2,677 | 1,144 | 33,435 | 9,101 | 9,637 | 52,173 |
| Depreciation | 16,700 | 4,022 | 7,812 | 28,533 | 4,641 | 9,105 | 13,746 | 4,022 | 70 | 3,723 | 50,094 | 10,168 | 9,970 | 70,232 |
| | <u>\$ 341,688</u> | <u>\$ 76,171</u> | <u>\$ 164,047</u> | <u>\$ 617,719</u> | <u>\$ 115,418</u> | <u>\$ 239,555</u> | <u>\$ 655,926</u> | <u>\$ 94,713</u> | <u>\$ 41,154</u> | <u>\$ 72,916</u> | <u>\$ 1,482,427</u> | <u>\$ 209,551</u> | <u>\$ 234,337</u> | <u>\$ 1,926,315</u> |

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

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
STATEMENTS OF CASH FLOWS
December 31,

| | <u>2022</u> | <u>2021</u> |
|--|-------------------|-------------------|
| Cash Flows From Operating Activities: | | |
| Cash received from operating contributions, grants, and awards | \$ 2,122,535 | \$ 1,597,196 |
| Cash received from sales - thrift shop | 60,147 | 33,440 |
| Cash received from parking use and tenancy | 25,381 | 73,479 |
| Interest paid | (8,983) | (11,356) |
| Cash paid to employees for salaries and benefits | (1,233,976) | (960,584) |
| Cash paid to vendors and suppliers | <u>(830,852)</u> | <u>(516,475)</u> |
| Net cash provided by operating activities | <u>134,252</u> | <u>215,700</u> |
| Cash flows from investing activities: | | |
| Construction and acquisition of capital items | <u>(261,101)</u> | <u>(29,835)</u> |
| Net cash used by investing activities | <u>(261,101)</u> | <u>(29,835)</u> |
| Cash flows from financing activities: | | |
| Mortgage note payments | <u>(12,446)</u> | <u>(8,183)</u> |
| Net cash used by financing activities | <u>(12,446)</u> | <u>(8,183)</u> |
| Net (decrease) increase in cash and cash equivalents | (139,295) | 177,682 |
| Cash and cash equivalents, beginning of year | <u>967,610</u> | <u>789,928</u> |
| Cash and cash equivalents, end of year | <u>\$ 828,315</u> | <u>\$ 967,610</u> |
| Reconciliation of net income to net cash provided by operating activities: | | |
| Change in net assets | 118,088 | 311,381 |
| Adjustments to reconcile change in net assets to net cash from operating activities: | | |
| In kind property contribution | (5,000) | (21,000) |
| Depreciation | 74,016 | 70,232 |
| Increase or decrease in operating assets and liabilities: | | |
| Market value of beneficial interest | 5,967 | (5,967) |
| Grants, contributions and bequests receivables | (93,798) | (149,599) |
| Prepaid expenses | - | 500 |
| Accounts payable and accrued expenses | <u>34,979</u> | <u>10,153</u> |
| Net cash provided by operating activities | <u>\$ 134,252</u> | <u>\$ 215,700</u> |

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

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Christian Service Center for Central Florida, Inc. (the “Center”) was incorporated in 1971 as a nonprofit inter-denominational arm of area churches bringing together congregations and individuals offering services for those in need. The Center depends on contributions from individuals, businesses, churches and other local organizations.

Family & Emergency Services (F.E.S.) – Program provides immediate short-term crisis assistance to families and individuals facing an unexpected financial crisis. Emergency assistance may include access to rent and utilities assistance, food, and other services to prevent homelessness. This program also provides clothing and necessary household items to those in need through thrift shop operations.

Daily Bread – Provision of free hot and nourishing meals to the homeless and hungry. Meals are donated to the program and local groups donate their services.

Love Pantry – Provides hungry children and their struggling families with a free emergency food supply directly through participating local public schools. Schools are provided with a cabinet stocked and restocked by volunteers with multiples of common food and hygiene items and community resource information.

Thrift Shops – Members of the community donate used clothing and other household items to the Center. The Center operates several resale shops in Orlando and West Orange locations. The clothing items donated to the Center are either sold or distributed to members of the community who are in need.

Tenancy – The Center rents portions of its Orlando campus to other non-profits that service the same clientele. Some of these other nonprofits are charged a fee and others provide complementary services and their rent is provided in kind.

Homeless Elimination Program – Program includes support for homeless individuals in the community to become housed, via rapid rehousing, permanent supportive housing, or diversion programs. This program operates on a Housing First model, with a goal of reaching functional zero with homelessness in the community.

Comprehensive Day Services Campus – Program includes the management of on-site partner agencies providing services to the homeless community, including showers, laundry, haircuts, a dinner meal service, respite, and employment. This robust system of service organizations is dedicated to serving the least fortunate in the community.

Financial Statement Presentation

The financial statements are presented in accordance with Financial Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*.

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES – Continued

The Center reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions result from revenues generated by receiving contributions that have no donor restrictions, providing program-related services, raising contributions, and performing administrative functions.

Net assets with donor restrictions result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends, or the purpose of the restriction is accomplished, the net assets are restricted.

Basis of accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with the accounting and reporting practices promulgated by the American Institute of Certified Public Accountants (AICPA) for not-for-profit organizations.

New accounting pronouncements – Adopted

In accordance with ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, grants and contracts awarded by federal and other grantors, which are generally considered nonreciprocal transactions restricted for certain purposes, are recognized as revenue when qualifying expenditures are incurred and conditions under the agreements are met.

Revenue and Revenue Recognition

The Center recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Currently, there are no conditional promises to give.

All revenues and support are recorded in accordance with either ASC 958, Not-for-Profit Entities as contributions with or without donor restrictions or in accordance with ASC 606, Revenue from Contracts with Customers, where revenue is recognized when: (i) a contract with a customer has been identified, (ii) the performance obligation(s) in the contract have been identified, (iii) the transaction price has been determined, (iv) the transaction price has been allocated to each performance obligation in the contract, and (v) the Organization has satisfied the applicable performance obligation over time or at a point in time.

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES –
Continued**

Revenue and Revenue Recognition - continued

Program Revenue and Support – Contributions received are recorded as with or without donor restrictions. Support that is restricted by the donor is reported as an increase in without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Donated Services and Materials

A substantial amount of donated materials pass through the Center to charitable beneficiaries, and a substantial number of volunteers donate time for program and administrative assistance. No amounts have been reported in the financial statements for donated services since they do not meet the requirements for recognition in the financial statements.

The value of contributed food and meals provided to charitable beneficiaries, as well as clothing, provided through Family Emergency Services and Daily Bread Programs are recognized in the financial statements at their estimated fair value.

Family & Emergency Services programs distribute food and clothing and provides rent and utility assistance. Daily Bread provides prepared meals from food that is donated. Volunteers staff the daily food services in the Daily Bread programs.

Occasionally the Center will receive donated pre-owned property and equipment. These donations, if any, have been recorded by the Center as revenue and property and equipment. For the years ended December 31, 2022 and 2021, no such property and equipment was received as a donation. However, for the year ended December 31, 2021, one of the Center's tenants provided a leasehold improvement, which included modernizing the office and upgrading the restroom facilities to be compliant with the Americans with Disabilities Act. The amount of these improvements is recognized in the financial statements at their estimated value.

Cash

Cash for purposes of the statements of financial position and cash flows includes money market cash funds, if any.

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES –
Continued**

Property and Equipment

Property and equipment in excess of \$1,500 is recorded at cost when purchased and at fair market value on the date of donation when donated. Depreciation is recognized using the straight-line method over estimated useful lives as follows:

| <u>Asset</u> | <u>Life</u> |
|--------------------------|-------------|
| Building | 30-40 years |
| Equipment and Furnishing | 5-10 years |
| Vehicles | 3-20 years |

Impairment

The Center periodically reviews its long-lived assets to be held and used in operations for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. An impairment loss is recognized when the estimated undiscounted future cash flows from the assets are less than the carrying value of the assets.

Grants Receivable

Grants receivables consist of balances due for contractual services provided under contracts typically entered into with federal, state and local governments, but not paid as of the end of the accounting period. Management considers these balances to be fully collectible as such an allowance for uncollectible accounts related to these receivables is not necessary.

Accounts Receivable

Accounts receivables consist of balances due for services rendered, to both governmental and non-governmental agencies and individuals, but not collected as of the end of the accounting period. Management invoices for these services at the end of the service month. Based upon an analysis of both history and past due receivables, it is management's opinion that a \$0 allowance for uncollectible accounts is necessary.

Inventory

Inventories consist of workshop supplies and are stated at the lower of cost (first-in/first-out basis) or market.

Advertising

Advertising costs are expensed as incurred. During the years ending December 31, 2022 and 2021 advertising charged to operations amounted to approximately \$524 and \$1,300.

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

**NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES –
Continued**

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, personnel costs, based on estimates of time incurred for various activities, and occupancy, based on square footage used for each program activity, have been allocated among the programs, fund raising, and management and general categories. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort, as well as depreciation and occupancy, which are allocated on methods such as square footage basis.

Estimates

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

Income Taxes

The Center has been granted an exemption from income taxes under Internal Revenue Code, Section 501(c)(3), as a non-profit corporation.

The Center adopted the provisions of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (FASB ASC 740 – 10). Under this Interpretation, The Center is required to evaluate each of its tax positions to determine if they are more likely than not to be sustained if the taxing authority examines the retrospective position. A tax position includes an entity's status, including its status as a 501(c)(3), and the decision not to file a tax return. The Center has evaluated each of its tax positions and has determined that no provision or liability for income taxes is necessary.

Fair Value of Financial Instruments

Accounting standards define fair value, establish a framework for measuring fair value, establish a fair value hierarchy based on the quality of inputs used to measure fair value, and require expanded disclosures about fair value measurements.

Accounting standards establish a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Each level is defined as follows:

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES – Continued

Fair Value of Financial Instruments – continued

Level 1 - Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the foundation has the ability to access.

Level 2 - Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 - Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying value of certain on-balance-sheet financial instruments approximate their fair values due to the short-term nature of these instruments. These financial instruments include receivables, accounts payable and other liabilities. The fair value of the lines of credit are estimated based on current rates that would be available for debt of similar terms which is not significantly different for its stated value.

Subsequent Events

Subsequent events have been evaluated through March 10, 2023, which is the date the financial statements were available to be issued.

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment is comprised of the following:

| | <u>2022</u> | <u>2021</u> |
|-------------------------------|---------------------|---------------------|
| Land and improvements | \$ 442,248 | \$ 442,248 |
| Construction in progress | 261,101 | - |
| Buildings | 2,534,234 | 2,530,236 |
| Equipment and furnishing | 144,271 | 144,271 |
| Vehicles | 12,130 | 12,130 |
| | <u>3,393,984</u> | <u>3,128,885</u> |
| Less accumulated depreciation | <u>1,975,000</u> | <u>1,901,986</u> |
| | <u>\$ 1,418,984</u> | <u>\$ 1,226,899</u> |

Construction in progress of \$261,101 is composed of improvements (roofing, flooring, etc.) made to buildings not yet completed as of December 31, 2022.

Depreciation expense for the years ended December 31, 2022 and 2021 were approximately \$74,000 and \$70,000, respectively.

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 3 – BENEFICIAL INTEREST

In an earlier year, the Center transferred funds to Central Florida Foundation, Inc. (CFF). The transfer is irrevocable, however, CFF may make annual distributions of the income earned on the fund to the Center, subject to the foundation’s spending policy. The Center is the beneficiary of the fund and has not granted variance power to CFF.

CFF manages and maintains the Center’s investment as a component fund of CFF and reports fair value primarily based on quoted market prices. As the beneficiary, Christian Service Center for Central Florida, Inc. cannot determine the value reported by CFF, which is a Level 3 unobservable input.

The beneficial interest, as valued by CFF, is \$41,360 and \$47,327 on December 31, 2022, and 2021, respectively.

NOTE 4 – LINE OF CREDIT

The Center established a line of credit with a bank in the maximum amount of \$100,000, terminating in April 2023. The line of credit bears interest at prime rate plus one percent with a minimum of 5.25 percent. The line of credit is cross collateralized with the property described in Note 5 and by substantially all equipment and other assets. The outstanding balance on this line of credit was \$0 and \$0 December 31, 2022 and 2021, respectively.

NOTE 5 – MORTGAGE NOTE PAYABLE

In 2022, a mortgage note balance was refinanced by a mortgage in the amount of \$204,991. The mortgage note is due on demand and matures May 2027, with a balloon payment. The mortgage note bears interest at 4.5 percent and is secured by property (and any related rents) at 808 W. Central Boulevard in Orlando, Florida. The monthly note payment is \$2,131, including interest.

The maturities for the loan are as follows:

| Years Ending December 31, | | |
|---------------------------|----|---------|
| 2023 | \$ | 17,011 |
| 2024 | | 17,781 |
| 2025 | | 18,632 |
| 2026 | | 19,500 |
| 2027 | | 122,524 |
| | \$ | 195,448 |

Interest expense for the years ended December 31, 2022 and 2021 were \$8,983 and \$11,356, respectively.

In addition, the Center has several business credit cards issued by a local bank with a \$35,000 line of credit. The credit cards have outstanding balances of approximately \$18,000 and \$14,000 at December 31, 2022 and 2021, respectively. The line is unsecured and requires monthly minimum payments and has a 13.9% interest rate.

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

Restrictions on net assets at December 31, are as follow:

| | <u>2022</u> | <u>2021</u> |
|--|-------------------|-------------------|
| Program use restrictions: | | |
| Daily Bread | \$ 2,550 | \$ 64,432 |
| Family Emergency Services, including Love Orlando, Operation Home Fires, and Life Center | 125,861 | 139,383 |
| | <u>\$ 128,411</u> | <u>\$ 203,815</u> |

The donor restricted net assets are reflected in cash and cash equivalents as assets whose use is limited in the statements of financial positions at December 31, 2022 and 2021.

NOTE 7 – ESTIMATED IN-KIND CONTRIBUTIONS

The financial statements include the estimated value of in-kind contributions (as support and program expenses) received during the year, as follows:

| | <u>2022</u> | <u>2021</u> |
|---|-------------------|-------------------|
| Approximate number of meals (all programs) | 140,681 | 121,304 |
| Estimated value of meals | <u>\$ 311,127</u> | <u>\$ 313,529</u> |
| Estimated value of clothing and personal articles | <u>\$ 172,375</u> | <u>\$ 43,486</u> |
| Estimated value of property and equipment | <u>\$ 5,000</u> | <u>\$ 21,000</u> |

In 2022, there was approximately 9,400 volunteer hours performed for the benefit of the Center.

NOTE 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Center manages its liquid resources by focusing on maximizing its revenues where possible so that it has adequate revenue to cover the programs being conducted. The center prepares detailed budgets and is very active in managing its expenses and cash flows to maximize liquidity. As discussed in note four, the agency maintains a line of credit to assist in meeting cash needs if they experience a lag between the receipt of contributions and grants and the payment.

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS – continued

The following reflects the Center’s financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions and board designations within one year of the balance sheet date.

| | <u>2022</u> | <u>2021</u> |
|---|-------------------|-------------------|
| Financial assets at year end: | | |
| Cash and cash equivalents | \$ 828,315 | \$ 967,610 |
| Contributions and other receivables | <u>267,117</u> | <u>173,319</u> |
| Total financial assets at year end | <u>1,095,432</u> | <u>1,140,929</u> |
| Less those unavailable for general expenditures within one year, due to: | | |
| Donor restricted for various programs | 128,411 | 203,815 |
| Designated for Center improvement/replacement | 317,299 | 500,000 |
| Designated for operating cash flow | 259,815 | 126,139 |
| Accounts payable and other current liabilities | 77,510 | 23,636 |
| Mortgage payable - short term portion | <u>17,011</u> | <u>8,410</u> |
| Total financial unavailable for use | <u>800,046</u> | <u>862,000</u> |
| Financial assets available to meet cash needs for general expenditure within one year | <u>\$ 295,386</u> | <u>\$ 278,929</u> |

NOTE 9 – CONTINGENCIES

In the normal course of operations, the Center participates in various grant programs. The grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. An additional liability for reimbursement which may arise as a result of these potential audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

In the ordinary course of business, the Center may have various outstanding commitments and contingencies. Management has represented that there are no legal issues or proceedings pending or threatened at the current time which may materially affect the financial condition of the Center.

CHRISTIAN SERVICE CENTER FOR CENTRAL FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 – CONCENTRATION RISK

The Center's support is received primarily from foundations, businesses, churches and individuals located in the Central Florida area. As a result, the level of continued contributions may be affected by the economy of this region. In the event these entities discontinue and/or modify funding these programs, the Center would have a difficult time achieving current program goals.

The Center maintains cash in demand deposit accounts with two (2) federally insured banks. At times, the balances in these accounts may be in excess of federally insured limits. Balances on deposits in excess of \$250,000 are not subject to federal insurance. On December 31, 2022, total cash and cash equivalents on deposit in excess of the FDIC limit was approximately \$430,000.