

CHRISTIAN AID CENTER

FINANCIAL STATEMENTS

December 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Christian Aid Center
Walla Walla, Washington

Opinion

We have audited the financial statements of Christian Aid Center, which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Christian Aid Center as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Aid Center 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.

Adoption of New Accounting Guidance

As discussed in Note 1 to the financial statements, Christian Aid Center adopted the Financial Accounting Standards Board's Accounting Standards Update No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, as of January 1, 2022. Our opinion is not modified with respect to this matter.

Prior Period Financial Statements

The December 31, 2021 financial statements were reviewed by us, and our report thereon, dated May 25, 2022, stated we were not aware of any material modifications that should be made to those financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements as a whole.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether 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 GAAS 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 GAAS, 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 Aid 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 Christian Aid 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.



Wegner CPAs, LLP
Madison, Wisconsin
July 24, 2023

CHRISTIAN AID CENTER
STATEMENTS OF FINANCIAL POSITION
December 31, 2022 (Audited) and 2021 (Reviewed)

	2022	2021
ASSETS		
Cash	\$ 580,423	\$ 555,602
Unconditional promises to give	155,998	126,808
Prepaid expenses	8,299	19,747
Investments	782,520	840,510
Beneficial interest in assets held by BMCF	194,663	250,612
Property and equipment, net	5,359,932	5,198,063
Total assets	\$ 7,081,835	\$ 6,991,342
LIABILITIES		
Accounts payable	\$ 25,308	\$ 28,838
Payroll taxes payable	22,988	28,147
Note payable	259,065	252,837
Total liabilities	307,361	309,822
NET ASSETS		
Without donor restrictions	6,423,271	6,368,507
With donor restrictions	351,203	313,013
Total net assets	6,774,474	6,681,520
Total liabilities and net assets	\$ 7,081,835	\$ 6,991,342

See accompanying notes.

CHRISTIAN AID CENTER
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2022 (Audited) and 2021 (Reviewed)

	2022	2021
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
SUPPORT AND OTHER REVENUE		
Individual donations	\$ 1,109,598	\$ 1,270,012
Business donations	47,737	86,316
Church donations	69,411	60,776
Civic group donations	6,176	11,583
Grants	153,888	92,385
Other donations	9,426	57,498
In-kind contributions	266,346	257,968
Miscellaneous revenue	6,949	9,454
Change in value of beneficial interest in assets held by BCMF	47,032	51,952
Investment return, net	(126,508)	11,342
Total support and revenue without donor restrictions	1,590,055	1,909,286
EXPENSES		
Program services		
Guest services	433,320	423,688
Men's services	364,216	318,246
Women & children services	504,658	581,938
Total program services	1,302,194	1,323,872
Management and general Development	226,478	188,424
	133,427	138,060
Total expenses	1,662,099	1,650,356
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of time restrictions	126,808	212,737
Change in net assets without donor restrictions	54,764	471,667
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	164,998	126,808
Net assets released from restrictions	(126,808)	(212,737)
Change in net assets with donor restrictions	38,190	(85,929)
Change in net assets	92,954	385,738
Net assets at beginning of year	6,681,520	6,295,782
Net assets at end of year	<u>\$ 6,774,474</u>	<u>\$ 6,681,520</u>

See accompanying notes.

CHRISTIAN AID CENTER
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2022 (Audited)

	Guest Services	Men's Services	Women & Children Services	Total Program	Management and General	Development	Total
Personnel	\$ 117,537	\$ 143,347	\$ 221,894	\$ 482,778	\$ 63,579	\$ 100,701	\$ 647,058
Supplies	230,779	106,354	46,939	384,072	1,926	2,505	388,503
Marketing and public relations	64,504	21,174	21,536	107,214	22,181	22,539	151,934
Occupancy	6,395	56,394	42,832	105,621	15,655	8	121,284
Consultants	-	-	960	960	8,988	710	10,658
Insurance	2,117	706	706	3,529	57,032	706	61,267
Office	598	2,389	3,689	6,676	17,788	4,985	29,449
Depreciation	6,290	25,799	164,271	196,360	5,730	-	202,090
Travel and vehicle	2,266	7,067	1,302	10,635	3,063	743	14,441
Professional fees	-	-	-	-	27,877	-	27,877
Interest	-	457	-	457	-	-	457
Volunteer and board	2,160	301	302	2,763	642	301	3,706
Conference and education	674	228	227	1,129	2,017	229	3,375
Total expenses	<u>\$ 433,320</u>	<u>\$ 364,216</u>	<u>\$ 504,658</u>	<u>\$ 1,302,194</u>	<u>\$ 226,478</u>	<u>\$ 133,427</u>	<u>\$ 1,662,099</u>

See accompanying notes.

CHRISTIAN AID CENTER
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2021 (Reviewed)

	Guest Services	Men's Services	Women & Children Services	Total Program	Management and General	Development	Total
Personnel	\$ 126,786	\$ 164,771	\$ 239,346	\$ 530,903	\$ 88,095	\$ 102,698	\$ 721,696
Supplies	223,936	53,114	46,548	323,598	3,444	167	327,209
Marketing and public relations	36,462	19,628	19,400	75,490	16,982	29,746	122,218
Occupancy	21,068	44,595	36,553	102,216	20,420	602	123,238
Consultants	-	-	-	-	5,125	-	5,125
Insurance	1,806	5,412	44,671	51,889	410	-	52,299
Office	3,032	1,470	2,263	6,765	24,230	3,688	34,683
Depreciation	6,642	19,903	164,271	190,816	1,509	-	192,325
Travel and vehicle	2,169	7,316	1,808	11,293	3,249	990	15,532
Professional fees	489	777	2,270	3,536	24,517	163	28,216
Interest	-	-	23,714	23,714	-	-	23,714
Volunteer and board	751	172	6	929	443	6	1,378
Conference and education	547	1,088	1,088	2,723	-	-	2,723
Total expenses	<u>\$ 423,688</u>	<u>\$ 318,246</u>	<u>\$ 581,938</u>	<u>\$ 1,323,872</u>	<u>\$ 188,424</u>	<u>\$ 138,060</u>	<u>\$ 1,650,356</u>

See accompanying notes.

CHRISTIAN AID CENTER
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2022 (Audited) and 2021 (Reviewed)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 92,954	\$ 385,738
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	202,090	192,325
Change in value of beneficial interest in assets held by BMCF	47,032	(51,951)
Net realized and unrealized (gains) losses on investments	75,726	(6,928)
Gain on sale of vehicle	(3,800)	-
Decrease (increase) in assets		
Unconditional promises to give	(29,190)	85,929
Prepaid expenses	11,448	(12,846)
Increase (decrease) in liabilities		
Accounts payable	(3,530)	15,030
Payroll taxes payable	(5,159)	26,191
Net cash flows from operating activities	387,571	633,488
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(104,894)	-
Purchase of investments	(17,736)	(561,664)
Proceeds from sale of vehicle	3,800	-
Distributions from beneficial interest in assets held by BMCF	8,917	240,430
Net cash flows from investing activities	(109,913)	(321,234)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on note payable	(252,837)	(564,771)
Net change in cash and cash equivalents	24,821	(252,517)
Cash at beginning of year	555,602	808,119
Cash at end of year	\$ 580,423	\$ 555,602
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	\$ 457	\$ 23,714
Noncash investing and financing transactions		
Property and equipment acquired via note payable	259,065	-

See accompanying notes.

CHRISTIAN AID CENTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 (Audited) and 2021 (Reviewed)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Christian Aid Center (CAC) - Walla Walla Rescue Mission was founded in 1946 as a non-denominational ministry to serve those who suffer from chronic poverty, hunger, homelessness, chemical dependency, and mental illness. CAC provides emergency shelter for homeless women and children as well as single men in a safe caring environment. CAC also provides breakfast and dinner daily to the hungry in the community.

Promises to Give

Unconditional promises to give are recognized as support in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. All promises to give are receivable in less than one year.

Investments

CAC reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Property and Equipment

Property and equipment have been recorded at cost, if purchased, or market value at time of donation if received as a gift. Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the assets.

Contributions and Grants

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

CHRISTIAN AID CENTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 (Audited) and 2021 (Reviewed)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Services

A substantial number of volunteers have donated services to CAC's program services and fund-raising campaigns during the year; however, these donated services are not reflected in the financial statements since the services do not require specialized skills as defined by generally accepted accounting principles.

Beneficial Interest in Assets Held by Blue Mountain Community Foundation

CAC's beneficial interest in assets held by Blue Mountain Community Foundation (BMCF) represents an agreement between CAC and BMCF in which CAC transfers assets to BMCF in exchange for future distributions. The beneficial interest is not actively traded, and significant other observable inputs are not available. The fair value of the beneficial interest is based on the fair value of the underlying assets as reported to CAC by BMCF. Little information about those assets is released publicly. The estimated fair value does not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

Expense Allocation

The financial statements report certain categories of expenses that are attributed to more than one program service or supporting activity. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, supplies, marketing and public relations, consultants, office, travel and vehicle, volunteer and board, and conference and education, which are allocated based on estimates of time and effort; as well as occupancy, insurance, depreciation, which are allocated on a square-footage basis.

The following program services and supporting activities are included in the accompanying financial statements:

Guest services-CAC provides breakfast and dinner daily to anyone in the community who is hungry. The meal ministry is volunteer driven with more than 200 volunteers preparing and serving hot, nutritious meals each month.

Men's services-CAC provides emergency shelter in a safe caring environment. CAC also provides programs to help guests make a positive personal life change. These include life-skill classes, counseling, mentoring, addiction recovery, job coaching, and spiritual guidance.

Women & Children's Services-CAC provides safe, supportive space for homeless women with children in flexible living-units. These include life-skill classes, counseling, mentoring, addiction recovery, job coaching, and spiritual guidance.

CHRISTIAN AID CENTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 (Audited) and 2021 (Reviewed)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense Allocation (continued)

Management and general-activities include accounting and production of financial reports, development and oversight of the annual budget, supervision of all departments, maintenance of personnel records, and representation of CAC within the community.

Development-activities include cultivation of new and major donors, direct mail appeals, planned giving activities, and media and public relations activities.

Adoption of New Accounting Guidance

On September 17, 2020, the Financial Accounting Standards Board issued Accounting Standards Update No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The intent of this Update is to improve transparency in the reporting of contributed nonfinancial assets (also known as in-kinds) received by not-for-profit entities. The Update requires a not-for-profit entity to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The Update also requires enhanced disclosures about the valuation of contributed nonfinancial assets and their use in programs and other activities, including any donor-imposed restrictions on such use. CAC adopted the requirements of this Update effective January 1, 2022. The changes required by this Update have been applied retrospectively to all periods presented.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

Income Tax Status

CAC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, CAC qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Date of Management's Review

Subsequent events have been evaluated through July 24, 2023, the date that the financial statements were available for issue.

NOTE 2 – CONCENTRATIONS OF CREDIT RISK

CAC maintains its cash and certificates of deposit at two financial institutions in Washington. The Federal Deposit Insurance Corporation (FDIC) insures accounts up to \$250,000. CAC's uninsured balances at December 31, 2022 and 2021 totaled approximately \$145,000 and \$265,000.

CHRISTIAN AID CENTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 (Audited) and 2021 (Reviewed)

NOTE 3 – INVESTMENTS

Investments at December 31, 2022 and 2021 are comprised of the following:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 19,007	\$ 1,595
Fixed income	528,379	665,671
Portfolio funds	<u>235,133</u>	<u>173,244</u>
Investments	<u>\$ 782,520</u>	<u>\$ 840,510</u>

Fair values of portfolio funds and fixed income securities are valued at unadjusted quoted prices reported on the active markets on which the individual securities are traded, which are Level 1 fair value measurements.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Land	\$ 152,078	\$ 152,078
Buildings and improvements	5,749,444	5,466,445
Furnishings	297,821	297,821
Equipment	141,086	141,086
Vehicles	69,634	23,587
Construction in progress	<u>34,913</u>	<u>-</u>
Property and equipment	6,444,976	6,081,017
Less: accumulated depreciation	<u>1,085,044</u>	<u>882,954</u>
Property and equipment - net	<u>\$ 5,359,932</u>	<u>\$ 5,198,063</u>

NOTE 5 – IN-KIND CONTRIBUTIONS

In-kind contributions for the years ended December 31, 2022 and 2021, included in the financial statements, were as follows:

	<u>2022</u>	<u>2021</u>
Food	\$ 195,439	\$ 189,791
Clothing and supplies	<u>70,907</u>	<u>68,177</u>
Total	<u>\$ 266,346</u>	<u>\$ 257,968</u>

CHRISTIAN AID CENTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 (Audited) and 2021 (Reviewed)

NOTE 5 – IN-KIND CONTRIBUTIONS (continued)

CAC recognized in-kind contributions within support and revenue. Unless otherwise noted, in-kind contributions did not have donor-imposed restrictions. CAC does not sell in-kind contributions and only distributes the in-kind contributions for all program purposes.

Contributed food is valued per pound based on food bank valuations. Clothing and supplies are valued using comparable online shopping site values.

NOTE 6 – ENDOWMENT

CAC's endowment consists of endowment funds held by Blue Mountain Community Foundation (BMCF). The endowment includes both donor-restricted endowment funds and funds designated by the Trustees to function as an endowment. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

CAC is subject to Washington's Prudent Management of Institutional Funds Act (UPMIFA) and thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions.

The board of directors of CAC has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, CAC considers a fund to be underwater when the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. CAC has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with UPMIFA, CAC considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of CAC and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of CAC, and (7) the investment policies of CAC.

CAC established funds at BMCF to invest its endowment assets. The agreement between CAC and BMCF states that the transfer of assets is irrevocable and that the transferred assets will not be returned to CAC. However, BMCF will make annual distributions of the income earned on the funds, subject to BMCF's spending policy. The agreement also grants variance power to BMCF, which permits BMCF to substitute another beneficiary in place of CAC if CAC ceases to exist or if the BMCF's board of governors votes that support of CAC either is no longer necessary or is inconsistent with the needs of the community.

BMCF's primary investment goal is to deliver long-term investment returns sufficient to cover both spending and inflation to preserve the purchasing power of the investment portfolio. BMCF seeks to achieve this goal through cost-effective implementation at an appropriate level of risk,

CHRISTIAN AID CENTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 (Audited) and 2021 (Reviewed)

NOTE 6 – ENDOWMENT (continued)

diversification of asset classes and strategies to provide consistent returns, capital preservation in down market cycles to provide stability in spending support, and long-term capital appreciation through the incorporation of risk-based assets, including nonmarketable, illiquid alternatives.

Endowment net assets composition by type of fund as of December 31, 2022 and 2021, is as follows:

	Without Donor Restriction	With Donor Restriction	2022 Total
Donor-restricted endowment funds	\$ -	\$ 186,205	\$ 186,205
Board designated endowment funds	8,458	-	8,458
	<u>\$ 8,458</u>	<u>\$ 186,205</u>	<u>\$ 194,663</u>
	Without Donor Restriction	With Donor Restriction	2021 Total
Donor-restricted endowment funds	\$ -	\$ 186,205	\$ 186,205
Board designated endowment funds	64,407	-	64,407
	<u>\$ 64,407</u>	<u>\$ 186,205</u>	<u>\$ 250,612</u>

Changes in endowment net assets for the years ended December 31, 2022 and 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	2022 Total
Beginning balance	\$ 64,407	\$ 186,205	\$ 250,612
Amounts appropriated for expenditure	(8,917)	-	(8,917)
Investment return, net	(47,032)	-	(47,032)
Ending balance	<u>\$ 8,458</u>	<u>\$ 186,205</u>	<u>\$ 194,663</u>
	Without Donor Restrictions	With Donor Restrictions	2021 Total
Beginning balance	\$ 48,174	\$ 186,205	\$ 234,379
Amounts appropriated for expenditure	(35,718)	-	(35,718)
Investment return, net	51,951	-	51,951
Ending balance	<u>\$ 64,407</u>	<u>\$ 186,205</u>	<u>\$ 250,612</u>

CHRISTIAN AID CENTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 (Audited) and 2021 (Reviewed)

NOTE 7 – RETIREMENT EXPENSE

CAC sponsors a 403(b) Pension Plan covering all eligible employees. CAC matches up to 5% for full time employees. Retirement expense for 2022 and 2021 was \$21,282 and \$24,685.

NOTE 8 – NET ASSETS

Net assets without donor restrictions at December 31, 2022 and 2021 consisted of the following:

	2022	2021
Board designated		
Property and equipment	\$ 5,100,867	\$ 4,945,226
Board endowment	8,458	64,407
Board Directed Operating Reserve	350,000	835,510
New initiatives reserve	432,520	-
King Shelter Operating Reserve	5,000	5,000
Undesignated	526,426	518,364
Net assets without donor restrictions	<u>\$ 6,423,271</u>	<u>\$ 6,368,507</u>

Net assets with donor restrictions at December 31, 2022 and 2021 consist of the following:

	2022	2021
Promises to give due in future period	\$ 155,998	\$ 126,808
Men's Shelter	9,000	-
Endowment funds	186,205	186,205
Net assets with donor restrictions	<u>\$ 351,203</u>	<u>\$ 313,013</u>

NOTE 9 – NOTE PAYABLE

In March 2022, CAC purchased property for the future development of the men's center and entered into a loan agreement for \$259,065. The rate is 1% as of December 31, 2022 and it has a 96-month term. Monthly payments were deferred and will be paid off with the \$5,000,000 awarded in 2023 for construction of the men's shelter. The loan is secured by the property.

The outstanding balance on the prior note payable was paid in full on January 13, 2022. Interest expense was \$457 and \$23,714 for the years ended December 31, 2022 and 2021.

CHRISTIAN AID CENTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 (Audited) and 2021 (Reviewed)

NOTE 10 – LIQUIDITY AND AVAILABILITY

The following table reflects CAC's financial assets as of the dates of the statements of financial position reduced by amounts that are not available to meet cash needs for general expenditures within one year of the dates of the statements of financial position because of donor restrictions or internal board designations.

	<u>2022</u>	<u>2021</u>
Cash	\$ 580,423	\$ 555,602
Unconditional promises to give	155,998	126,808
Beneficial interest in assets held by BMCF	194,663	250,612
Investments	<u>782,520</u>	<u>840,510</u>
Financial assets at year-end	1,713,604	1,773,532
Less those unavailable for general expenditures within one year due to:		
Donor-restricted endowment funds	186,205	186,205
Donor-restricted for purpose	9,000	-
Board designations	<u>795,978</u>	<u>904,917</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 722,421</u>	<u>\$ 682,410</u>

As part of CAC's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. CAC also has amounts set aside for operating and other reserves that could be drawn upon if the board of directors approves that action.