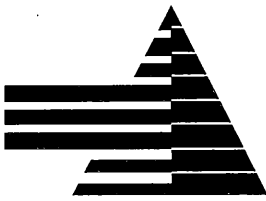


# **COMMUNITY ONE INC**

Financial Statements

Modified Cash Basis

For the Year Ended December 31, 2021



VOWELLS & SCHAAF, LLP

*A Limited Liability Partnership*

**INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

September 1, 2022

To the Board of Directors  
COMMUNITY ONE INC  
402 S GREEN RIVER ROAD  
EVANSVILLE, IN 47715

We have reviewed the accompanying financial statements of COMMUNITY ONE INC (a nonprofit organization), which comprise the statement of assets, liabilities and net assets - modified cash basis - as of December 31, 2021, and the related statement of revenues, expenses and other changes in net assets, and cash flows - modified cash basis - for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

**Accountants' Responsibility**

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of COMMUNITY ONE INC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

**Accountants' Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

**Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

*Vowells & SchAAF LLP*

Evansville, Indiana

**CERTIFIED PUBLIC ACCOUNTANTS**

**BOONVILLE**  
501 West Main Street  
P.O. Box 465  
47601  
Phone: (812) 897-0120  
Fax: (812) 897-1079

**EVANSVILLE**  
601 S.E. ML King Jr. Blvd.  
P.O. Box 119  
47701-0119  
Phone: (812) 421-4165  
Fax: (812) 421-4179

**PRINCETON**  
405 W. State, Suite 2  
P.O. Box 384  
47670  
Phone: (812) 385-4872  
Fax: (812) 385-5199

**COMMUNITY ONE INC**  
**Statement of Assets, Liabilities, and Net Assets - Modified Cash Basis**  
**December 31, 2021**

**ASSETS**

CURRENT ASSETS	
Checking	\$ 799,484
Money Market & Savings	513,582
TOTAL CURRENT ASSETS	<u>1,313,066</u>
Property and Equipment	96,346
Less accumulated depreciation	<u>(34,802)</u>
TOTAL PROPERTY AND EQUIPMENT, NET	<u>61,544</u>
OTHER ASSETS	
Real estate inventory	88,414
Other Assets:Utility deposits	<u>80</u>
TOTAL OTHER ASSETS	<u>88,494</u>
TOTAL ASSETS	<u>\$ 1,463,104</u>

**LIABILITIES AND NET ASSETS**

CURRENT LIABILITIES	
Credit Accounts	\$ 200
Payroll taxes payable	6,488
Employee benefits payable	555
TOTAL CURRENT LIABILITIES	<u>7,243</u>
TOTAL LIABILITIES	7,243
NET ASSETS	
Without donor restrictions	1,413,778
With donor restrictions	<u>42,083</u>
TOTAL NET ASSETS	<u>1,455,861</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,463,104</u>

**COMMUNITY ONE INC**  
**Statement of Revenues, Expenses and Other Changes**  
**In Net Assets-Modified Cash Basis**  
**For the Year Ended December 31, 2021**

		% of Revenues
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES		
Contributions	\$ 385,742	30.50
Grants	457,619	0.00
Special Programs	135,475	10.71
Fundraising	19,858	1.57
Rehab Homes	195,573	15.46
Consulting	13,924	1.10
Interest Income	1,882	0.15
Other Income	12,525	0.99
TOTAL REVENUES	1,222,598	96.67
EXPENSES		
Salaries & Wages	475,530	37.60
Payroll Taxes	35,274	2.79
Employee Benefits	21,557	1.70
Banking & Credit Card Fees	2,152	0.17
Books, Subscriptions & Reference	74	0.01
Dues, Fees & Licenses	692	0.05
Insurance	4,224	0.33
Training & Development	1,885	0.15
Meetings	1,811	0.14
Office Rent	7,312	0.58
Office Expenses	20,149	1.59
Office Utilities	5,890	0.47
Postage & Shipping	732	0.06
Professional Services & Fees	57,029	4.51
Warehousing	1,318	0.10
Vehicle	2,901	0.23
Information Technology	10,638	0.84
Media, Marketing & Events	44,973	3.56
Rehab	266,633	21.08
Repairs	85,854	6.79
Acts of Love	1,090	0.09
Community Development	52,600	4.16
Weatherization	20,828	1.65
Depreciation	5,025	0.40
TOTAL EXPENSES	1,126,171	89.05
INCOME FROM CONTINUING OPERATIONS	96,427	7.62
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	96,427	7.62
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Grants	42,083	3.33
INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS	42,083	3.33
INCREASE IN NET ASSETS	138,510	10.95 %
NET ASSETS AT BEGINNING OF YEAR	1,317,351	
NET ASSETS AT END OF YEAR	\$ 1,455,861	

See Accompanying Notes and Independent Accountants' Review Report

**COMMUNITY ONE INC**  
**Statement of Functional Expenses - Modified Cash Basis**  
**For the Year Ended December 31, 2021**

	<u>Program Activities</u>		<u>Supporting Activities</u>	<u>Total Expenses</u>
	<u>Programs</u>	<u>Special Programs</u>	<u>Administrative</u>	
<b>Expenses</b>				
Salaries & Wages	\$ 394,025	\$ 0	\$ 81,505	475,530
Payroll Taxes	31,135	0	4,139	35,274
Employee Benefits	17,218	0	4,339	21,557
Banking & Credit Card Fees	0	0	2,152	2,152
Books, Subscriptions & Reference	0	0	74	74
Dues, Fees & Licenses	680	0	12	692
Insurance	2,108	0	2,116	4,224
Training & Development	342	0	1,543	1,885
Meetings	0	0	1,811	1,811
Office Rent	0	0	7,312	7,312
Office Expenses	9,765	0	10,384	20,149
Office Utilities	0	0	5,890	5,890
Postage & Shipping	0	0	732	732
Professional Services & Fees	0	47,805	9,224	57,029
Vehicle	2,901	0	0	2,901
Warehousing	1,318	0	0	1,318
Information Technology	0	0	10,638	10,638
Media, Marketing & Events	0	0	44,973	44,973
Rehab	218,651	47,982	0	266,633
Repairs	85,854	0	0	85,854
Acts of Love	1,090	0	0	1,090
Community Development	52,600	0	0	52,600
Weatherization	20,828	0	0	20,828
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses before Depreciation	838,515	95,787	186,844	1,121,146
Depreciation	0	0	5,025	5,025
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 838,515	\$ 95,787	\$ 191,869	\$ 1,126,171

**COMMUNITY ONE INC**  
**Statement of Cash Flows - Modified Cash Basis**  
**For the Year Ended December 31, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES	2021
Increase (decrease) in net assets	\$ 138,510
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:	
Depreciation and Amortization	5,025
Decrease (Increase) in Operating Assets:	
Real Estate Inventory	48,430
Increase (Decrease) in Operating Liabilities:	
Payroll taxes payable	6,488
Employee benefits payable	555
Total Adjustments	<u>60,498</u>
Net Cash Provided By (Used In) Operating Activities	<u>199,008</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Capital Expenditures	<u>(54,658)</u>
Net Cash Provided By (Used In) Investing Activities	<u>(54,658)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Net Cash Provided By (Used In) Financing Activities	<u>0</u>
Net Increase (Decrease) In Cash and Cash Equivalents	144,350
Beginning Cash and Cash Equivalents	<u>1,168,716</u>
Ending Cash and Cash Equivalents	<u><u>\$ 1,313,066</u></u>

**COMMUNITY ONE INC**  
**Notes to Financial Statements**  
**December 31, 2021**

Note 1 Basis of Accounting

The accounting records and accompanying financial statements have been maintained and prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). As permitted for modified cash basis reporting purposes, the Organization has not implemented all of the financial reporting requirements of GAAP.

The Organization's policy is to prepare its financial statements on the modified cash basis of accounting; consequently, contributions and other revenues are recognized when received rather than when promised or earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

Note 2 Summary of Significant Accounting Policies

Nature of Activities

The Organization was formed in 2010. The Organization is a not-for-profit corporation operating in Evansville, Indiana and is engaged in housing restoration programs and neighborhood revitalization initiatives in under-resourced urban neighborhoods.

Income Tax Status

Community One Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Cash and Cash Equivalents

The Organization has cash and cash equivalents which includes checking, savings and money market accounts.

The Organization has one account at one banking institution in Evansville, Indiana. At December 31, 2021 the Organization had \$456,902 in excess of the FDIC limit of \$250,000.

The Organization has one account at a separate banking institution in Evansville, Indiana. At December 31, 2021 the Organization had \$263,582 in excess of the FDIC limit of \$250,000.

Restricted Cash

The Organization does recognize donor and grantor imposed restrictions for use in specific projects or initiatives. As of December 31, 2021 the Organization held \$42,083 in donor restricted cash.

Designated Funds

The Organization internally designates certain funds to be used for specific projects. As of December 31, 2021, \$327,393 was in the Sustainable Housing Rehab Fund. These funds are used to rehabilitate homes. When the homes are sold the proceeds are used to replenish the fund.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

Donated Services and In-kind Support

The Organization receives donated services from members of the Board of Directors and volunteers. No amounts have been recognized in the accompanying statement of revenues, expenses and other changes in net assets - modified cash basis because the criteria for recognition of such volunteer effort has not been satisfied.

The Organization receives non cash contributions, such as publicly held stock, which are included in revenue at estimated fair value at the date of donation.

**COMMUNITY ONE INC**  
**Notes to Financial Statements**  
**December 31, 2021**

Note 2 - Summary of Significant Accounting Policies (Continued)

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. These costs are all program related and pertain to the mission of the Organization.

Date of Management's Review

Management has evaluated subsequent events through September 01, 2022, the date on which the financial statements were available to be issued.

Depreciation and Amortization

Property and equipment are recorded at cost and are depreciated over the estimated useful life of the related asset. The Organization's capitalization policy requires purchases exceeding \$2,000 and with an economic life greater than twelve months to be capitalized. Maintenance, repairs and minor renewals are expensed as incurred. The Company provides for depreciation of property and equipment for financial reporting purposes using the straight-line method at rates designed to depreciate the cost of such assets over their estimated useful lives. Expenditures for maintenance and repairs, which do not significantly improve or extend the life of the respective assets, are charged to expense.

Support and Revenue

The Organization is highly dependent on the financial support from the community including individuals and businesses. The Organization also receives support through various grants.

Revenue Recognition

The Organization recognizes contribution support when the donor's contributions are received.

Note 3 Land, Building, and Equipment

	<u>December 31, 2021</u>
Equipment	\$ 5,855
Leasehold Improvements	54,658
Vehicles	35,833
	<hr/> 96,346
Less Accumulated Depreciation	(34,802)
	<hr/> <u>\$ 61,544</u>

Note 4 Lease

The Organization entered into a month by month operating lease for premises located at 400 South Green River Road. Monthly rent is charged at \$690 per month, common area maintenance (CAM) charges and utilities are assessed and payable in the amount of \$310 per month. Total rent for 2021 was \$7,312.

Note 5 Significant Donors

Contributions from one donor amounted to \$189,333, or 14.90% of the total revenues at December 31, 2021. Donors are classified as significant if their donations equate to 10% or more of revenues.



**COMMUNITY ONE INC**  
**Notes to Financial Statements**  
**December 31, 2021**

Note 6 Real Estate Inventory

The real estate inventory of \$88,414 included in other assets represent the costs associated with homes that are being rehabilitated for the purpose of selling to low-income families in underserved neighborhoods.

Note 7 Fundraising Activities

	<u>December 31, 2021</u>
Fundraising revenues	\$ 19,858
Fundraising expenses	<u>16,318</u>
	<u>\$ 3,540</u>