
ALLIANCE OF COMMUNITY ASSISTANCE MINISTRIES, INC.
(A NON-PROFIT ORGANIZATION)

REPORT ON FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

BREEDLOVE & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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BREEDLOVE & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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JILL A. HENZE, CPA
President

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CEO

INDEPENDENT AUDITORS' REPORT

March 25, 2021

To the Board of Directors
Alliance of Community Assistance Ministries, Inc.
Houston, Texas

We have audited the accompanying financial statements of Alliance of Community Assistance Ministries, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alliance of Community Assistance Ministries, Inc. as of December 31, 2020, 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.

Breallone & Co., P.C.

ALLIANCE OF COMMUNITY ASSISTANCE MINISTRIES, INC.

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020**

ASSETS

Cash and Cash Equivalents	\$	995,615
Cash and Cash Equivalents - Restricted for Client Services		196,569
Federal Grants Receivable		75,491
Prepaid Expenses		<u>1,475</u>
Total Assets	\$	<u><u>1,269,150</u></u>

LIABILITIES AND NET ASSETS

Accounts Payable and Accrued Expenses	\$	1,250
Grants Payable		144,080
Notes Payable		<u>64,600</u>
Total Liabilities	\$	<u><u>209,930</u></u>

Net Assets		
Net Assets without Donor Restrictions	\$	862,651
Net Assets with Donor Restrictions		<u>196,569</u>
Total Net Assets		<u><u>1,059,220</u></u>
Total Liabilities and Net Assets	\$	<u><u>1,269,150</u></u>

See Independent Auditors' Report and the Accompanying Notes to the Financial Statements.

ALLIANCE OF COMMUNITY ASSISTANCE MINISTRIES, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>
	<u>Restrictions</u>	<u>Restrictions</u>	
Support and Revenues			
Direct Private and Public Grants	\$ 752,506	\$ 1,123,125	\$ 1,875,631
In-Kind Contributions	33,148	-	33,148
Federal Grants	376,477	254,329	630,806
Program Income	8,230	-	8,230
Interest Income	46	-	46
Net Assets Released From Restrictions	<u>1,234,552</u>	<u>(1,234,552)</u>	<u>-</u>
Total Support and Revenues	<u>2,404,959</u>	<u>142,902</u>	<u>2,547,861</u>
Expenses			
Program Expenses	1,980,633	-	1,980,633
Management and General	89,993	-	89,993
Fundraising	<u>47,020</u>	<u>-</u>	<u>47,020</u>
Total Expenses	<u>2,117,646</u>	<u>-</u>	<u>2,117,646</u>
Change in Net Assets	287,313	142,902	430,215
Net Assets at Beginning of Year	<u>575,338</u>	<u>53,667</u>	<u>629,005</u>
Net Assets at End of Year	<u>\$ 862,651</u>	<u>\$ 196,569</u>	<u>\$ 1,059,220</u>

See Independent Auditors' Report and the Accompanying Notes to the Financial Statements.

ALLIANCE OF COMMUNITY ASSISTANCE MINISTRIES, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
DECEMBER 31, 2020**

	Program										Total
	Management and General	Fundraising	Organizational & Network Development	Training and Networking	Advocacy and Outreach	Homeless Prevention	Collaborative Initiatives	ESG	Management Service Organization	Total Program	
Contract Services	\$ 40,278	\$ 11,058	\$ 55,855	\$ 27,558	\$ 28,282	\$ 3,939	\$ 45,324	\$ 33,487	\$ 19,997	\$ 214,442	\$ 265,778
Stipends and Other Supports	-	-	-	-	-	1 300	-	-	-	1 300	1 300
Grant Expense	-	-	61,000	-	-	-	887,500	-	-	948 500	948 500
Client Services	-	-	-	-	-	-	-	203,878	-	203 878	203 878
Facilities and Equipment	3,887	2,558	3,910	1,467	1,609	1,286	5,000	4,627	84	17 983	24 428
Member Training and Networking	128	-	-	833	-	-	-	-	-	833	961
Operations	6,512	1,093	1,697	3,831	729	531	5,130	1,891	129	13 938	21 543
Other Expenses	563	341	754	223	170	120	48,319	331	-	49 917	50 821
Payroll Expenses	38,581	31,921	43,533	17,910	20,454	21,372	140,126	70,804	7,009	321 208	391 710
Partner Salary Reimbursements	-	-	-	-	-	-	76 318	131,840	-	208 158	208 158
Travel and Meetings	44	49	30	92	50	66	112	53	73	476	569
Total	\$ 89,993	\$ 47,020	\$ 166,779	\$ 51,914	\$ 51,294	\$ 28,614	\$ 1,207,829	\$ 446,911	\$ 27,292	\$ 1,980,633	\$ 2,117,646

See Independent Auditors' Report and the Accompanying Notes to the Financial Statements.

ALLIANCE OF COMMUNITY ASSISTANCE MINISTRIES, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Operating Activities	
Increase in Net Assets	\$ 430,215
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Decrease in Accounts Receivable	46,250
Increase in Federal Grants Receivable	(57,818)
Decrease in Prepaid Expenses	1,199
Increase in Accounts Payable	1,250
Increase in Grants Payable	<u>127,846</u>
Net Cash Provided by Operating Activities	<u>548,942</u>
 Financing Activities	
Proceeds from Note Payable	<u>64,600</u>
Cash Provided by Financing Activities	<u>64,600</u>
 Net Increase in Cash, Cash Equivalents, and Restricted Cash	613,542
Cash, Cash Equivalents, and Restricted Cash at Beginning of Year	<u>578,642</u>
Cash, Cash Equivalents, and Restricted Cash at End of Year	<u>\$ 1,192,184</u>
 Supplemental Disclosures	
 Non Cash Activities	
Contributed Goods	<u>\$ -</u>
Contributed Services	<u>\$ 33,148</u>

See Independent Auditors' Report and the Accompanying Notes to the Financial Statements.

ALLIANCE OF COMMUNITY ASSISTANCE MINISTRIES, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE (1) – ORGANIZATION

Nature of Organization

The Alliance of Community Assistance Ministries, Inc. was formed on August 24, 2004 as a fund of Greater Houston Community Foundation (the Foundation). On January 1, 2008, the name was changed to Alliance of Community Ministries of Greater Houston. The Alliance of Community Ministries of Greater Houston incorporated and received tax-exempt status January 10, 2011 under the name Alliance of Community Assistance Ministries, Inc. (ACAM). Effective December 31, 2011, ACAM became an independent entity and all net assets of the fund were transferred from the Foundation. The ACAM Network advances collaboration to create community-wide solutions for thriving nonprofits, neighborhoods and families.

Programs

The major programs of ACAM are designed to help those in the City of Houston and Harris, Brazoria, Fort Bend, Galveston, Montgomery and Waller Counties. Program services of ACAM include:

Organizational & Network Development – Through organizational assessments, financial support, and technical support, ACAM helps ministries in the ACAM network grow in their capacity to serve more people more effectively and with a wider variety of programs. ACAM’s cohort structure helps us meet organizations where they are as they participate in organizational assessments and develop outcome-oriented projects. ACAM embraces a coaching model as we offer guidance to organizations seeking to reach their full potential.

Resiliency FIRST - is a high-touch, short-term, client-focused program model designed to help after resolution of a basic needs crisis to increase motivation, self-agency, and goal planning skills. While wrapping clients in other services and addressing other needs through warm referrals, resiliency coaches engage with clients in developing short-term goals and performing significant accountability follow up. The short-term goal achievement, resource connectivity and supportive relationship is central to enabling clients to develop the ability to respond to future challenges before beginning to consider longer-term goals and programs.

Training and Networking – Includes training provided to community assistance ministries’ leadership and staff. Peer learning and networking are vital to successful organizational development. ACAM empowers its members to learn from each other and grow to focus on their core competencies. To strengthen this network, ACAM convenes five groups, each with a different focus, for the purpose of networking, training, and collaboration: Executive Leadership, Volunteer Management, Program Development, Resource Development, and Thrift Store Management. Funding sources include private foundations and program fees.

Outreach and Education – Includes advocacy for community assistance ministries that act as service hubs for those in need in the region. In addition, ACAM provides outreach to partners and educates the community on the issues facing the faith-based nonprofit community as well as the clients they serve. Funding sources include private foundations and corporate sponsorships.

Collaborative Initiatives – Includes various initiatives aimed at alleviating poverty and increasing self-sufficiency of families in need. ACAM capitalizes on the network’s collective strength to develop service streams and models that address poverty as well as local emergencies. Collaborative initiatives focus on using the power of the network to achieve greater impact than could take place in separate endeavors. In working together, each partner draws upon the experience and expertise of the other, and best practices are shared and implemented across the region.

ALLIANCE OF COMMUNITY ASSISTANCE MINISTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

(Continued)

NOTE (1) – ORGANIZATION (Continued)

Programs (Continued)

Collaborative Initiatives (Continued)

Collaborative Initiatives are designed to have a three-fold impact: provide resources for new or enhanced client programs, create high-impact outcomes for low-income families and measure them to allow for program refinement. ACAM tells the story of the community-wide results and builds sustainable programs at partnering organizations throughout project implementation. This supports sustainable changes that last long after an individual project has ended. Funding sources include private foundations and public funding. Examples of current Collaborative Initiatives include:

- Housing Stability Program – ACAM intervenes at critical junctures to help families avoid eviction and homelessness deploying a housing first approach. Working with its partners, ACAM has developed several streams of service to help families with the immediate need of bringing rent and utilities current to avoid displacement. Following the immediate crisis, families can access opportunities to put necessary elements in place to avoid being in the same situation again.
- Crisis Response – During a time of disaster, ACAM forges a vital link of connectivity via shared best practices. ACAM and the Network conduct planning, collect impact data and identify resource needs to raise and direct funding to lift affected families out of despair, beyond their basic needs and into self-sufficiency.
- REACH for Employment Harris County Back-to-Work – ACAM and three network partners implemented a rapid re-employment program in the face of the economic fallout from the COVID-19 pandemic. This was funded through the CARES Act under the direction of Harris County. The unique program design allowed case managers to pay for client expenses that presented a barrier to employment and included things like certification course fees, car repairs and boots and uniforms.
- Financial Capability Collaborative – FCC allows ACAM partners to integrate financial coaching services into existing interactions with current clients. Utilizing a private grant, ACAM completed the second phase of the Financial Capability Collaborative with three core network partners.

Management Support – Management support is provided for the local nonprofit community. ACAM offers expertise to organizations and networks outside of its affiliate base. Some examples of available services under this program include:

- Research and organizational assessments
- Distribution of resources and facilitation of partnerships
- Technical assistance and targeted trainings
- Collaborative management, support to other networks with coordination and services
- Convening stakeholders and facilitating strategic direction

Funding sources include private foundations and individual contributions.

ALLIANCE OF COMMUNITY ASSISTANCE MINISTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

(Continued)

NOTE (2) – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Net Asset Classification

Contributions and the related net assets are classified based on the existence or absence of donor-imposed restrictions in accordance with ASU 2016-14, as follows:

Without Donor Restrictions – include those net assets whose use is not restricted by donor-imposed stipulations, even though their use may be limited in other respects, such as by contract or board designation.

With Donor Restrictions – include contributions and investment return restricted by the donor for specific purposes or future time periods. When a purpose restriction is accomplished or a time restriction ends, net assets with donor restrictions are released to net assets without donor restrictions.

Contributions

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 restricted support. Conditional contributions are recognized in the same manner when conditions are substantially met.

Private, Federal, and Public Grants Receivable

Private, Federal, and public grants receivable are carried at their estimated collectible amounts and are periodically evaluated for collectability based on management's assessment. Management considers all grants collectible and, therefore, no allowance for uncollectible grants has been recorded.

Grants Payable

Grants payable consists of federal grant funds that are owed to partnering organizations.

Concentration of Grants

During the year ended December 31, 2020 ACAM received revenues from four funding sources which represent 30% of total revenues. Of these funding sources, 70% were granted for projects in collaboration with ACAM's partner organizations.

ALLIANCE OF COMMUNITY ASSISTANCE MINISTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

(Continued)

NOTE (2) – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Federal Income Tax Status

ACAM is a not-for-profit corporation and is exempt from federal income taxes under 501(c)(3) of the Internal Revenue Code. ACAM files annual federal information returns and is subject to routine examinations of their returns; however, there are no examinations for any periods currently in progress. ACAM believes they are no longer subject to examinations of returns for tax years ending before December 31, 2016.

U.S. GAAP provides accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. ACAM believe that it has appropriate support for any tax positions taken, and management has determined that there are no tax positions that are material to the financial statements. Penalties and interest assessed by income taxing authorities, if any, would be included in income tax expense.

Donated Materials, Services and Use of Facilities

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

Uses of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE (3) – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

ACAM has \$1,269,150 of financial assets within one year of the statement of financial position date to meet cash needs for general operating expenditures, consisting of cash of \$1,192,184, grants receivable \$75,491, and prepaid expenses of \$1,475.

ALLIANCE OF COMMUNITY ASSISTANCE MINISTRIES, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020
(Continued)

NOTE (4) – IN-KIND CONTRIBUTIONS

In-kind contributions are recognized at fair value. During the year ended December 31, 2020, the following in-kind contributions were received by ACAM:

In-Kind Contributions	
Goods	\$ -
Services	<u>33,148</u>
Total In-Kind Contributions	<u>\$ 33,148</u>

NOTE (5) – CONCENTRATION OF CREDIT RISK

ACAM’s policy is to utilize well respected regional and national banks and it maintained its deposits with two financial institutions during the year ended December 31, 2020. The funds are secured by FDIC coverage up to \$250,000. In the normal course of business, the organization had deposits that exceeded the insured balance during 2020.

NOTE (6) – LEASES

ACAM has an operating lease for office space dated April 1, 2015 and amended as of January 31, 2018, that runs from July 1, 2019 to June 30, 2021. Rent expense for the year ending December 31, 2020 totaled \$22,724.

Future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2021	<u>\$ 11,362</u>
	<u>\$ 11,362</u>

NOTE (7) – NET ASSETS WITH DONOR RESTRICTIONS AND RESTRICTED CASH

At December 31, 2020, \$196,569 of ACAM’s net assets was classified as with donor restrictions. This amount is donor restricted for program expenses not yet incurred. The net assets released from restrictions were specific donations and grants spent in accordance with the donor and grant restrictions. Net assets with donor restrictions as of December 31, 2020 are available for programs as follows:

Collaborative Initiative (EFSP)	\$ 48,238
Crisis Response (Housing Stability)	66,314
Crisis Response (Renter Assistance Fund)	10,521
Collaborative Initiative (REACH)	3,788
Management Support Services (Opportunity Youth)	<u>67,708</u>
Total	<u>\$ 196,569</u>

This amount is included in Cash and Cash Equivalents – Restricted for Client Services in the Statement of Financial Position.

ALLIANCE OF COMMUNITY ASSISTANCE MINISTRIES, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

(Continued)

NOTE (8) – NET ASSETS RELEASED FROM RESTRICTION

Net assets released from restriction as of December 31, 2020 are as follows:

Collaborative Initiative (EFSP)	\$	109,758
Crisis Response (general)		38,700
Crisis Response (Housing Stability)		683,686
Crisis Response (Food Coupon Program)		90,000
Crisis Response (Renter Assistance Fund)		138,604
Collaborative Initiative (REACH)		146,212
Management Support Services (Opportunity Youth)		27,292
Collaborative Initiatives (FCC)		<u>300</u>
Total	\$	<u>1,234,552</u>

NOTE (9) – RETIREMENT PLAN

ACAM implemented a Simplified Employee Plan (SEP) which is available to all employees after six months and in which substantially all employees participate. Employees are 100% vested in all contributions by ACAM. Total retirement plan expense was \$35,886 for the year ended December 31, 2020.

NOTE (10) – NOTE PAYABLE

ACAM was granted a Paycheck Protection Program loan from the federal government in May of 2020 in the amount of \$64,600. ACAM is currently in the process of receiving forgiveness for this loan, and has submitted all of the necessary paperwork for forgiveness. ACAM officials believe this loan will be forgiven sometime in 2021.

NOTE (11) – SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 25, 2021, (the date the financial were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.