



CHILD & FAMILY
GUIDANCE CENTER OF TEXOMA
— Where help, hope and healing begin —

Child and Family Guidance Center of Texoma

Audited Comparative Financial Statements

For the Years Ended December 31, 2020 and 2019

Child and Family Guidance Center of Texoma

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December 31, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Child and Family Guidance Center of Texoma

Report on the Financial Statements

I have audited the accompanying financial statements of Child and Family Guidance Center of Texoma (CFGC) (a nonprofit organization), which comprise the statement of assets, liabilities and net assets – modified cash basis as of December 31, 2020 and 2019, and the related statements of support, revenue, and expenses and changes in net assets – modified cash basis, and functional expenses – modified cash basis, 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 the modified cash basis of accounting as described in note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the 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 financial statements that are free from material misstatement, whether due to a fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of Child and Family Guidance Center of Texoma as of December 31, 2020 and 2019, and its support, revenue and expenses for the year then ended in accordance with the modified cash basis of accounting as described in Note 2.

Basis of Accounting

I draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinion is not modified with respect to that matter.

Leri Ann Cannon, CPA

Sherman, Texas
November 11, 2021

Child and Family Guidance Center of Texoma

Statements of Assets, Liabilities and Net Assets

Modified Cash Basis

December 31, 2020 and 2019

	Assets	
	<u>2020</u>	<u>2019</u>
Current Assets		
Cash and Cash Equivalents	\$ 1,186,942	\$ 597,396
Total Current Assets	<u>1,186,942</u>	<u>597,396</u>
Fixed Assets		
Land	40,000	40,000
Buildings and Improvements	609,349	587,658
Furniture and Equipment	72,095	72,095
Less Accumulated Depreciation	<u>(241,726)</u>	<u>(215,255)</u>
Total Fixed Assets	<u>479,718</u>	<u>484,498</u>
 Total Assets	 <u>\$ 1,666,660</u>	 <u>\$ 1,081,894</u>
Liabilities and Net Assets		
Current Liabilities		
Accrued Payroll	\$ 1,380	\$ 658
Current Portion of Economic Injury Disaster Loan (EIDL)	<u>3,286</u>	<u>-</u>
Total Current Liabilities	<u>4,666</u>	<u>658</u>
Long-Term Liabilities		
Long-Term Portion of EIDL	<u>144,050</u>	<u>-</u>
Total Long-Term Liabilities	<u>144,050</u>	<u>-</u>
 Total Liabilities	 <u>148,716</u>	 <u>658</u>
Net Assets		
With Donor Restrictions		
Programs	167,000	140,000
Expansion Project	<u>242,101</u>	<u>-</u>
Total With Donor Restrictions	<u>409,101</u>	<u>140,000</u>
Without Donor Restrictions		
Undesignated	629,125	456,738
Net Investment in Capital Assets	<u>479,718</u>	<u>484,498</u>
Total Without Donor Restrictions	<u>1,108,843</u>	<u>941,236</u>
 Total Liabilities and Net Assets	 <u>\$ 1,666,660</u>	 <u>\$ 1,081,894</u>

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

Child and Family Guidance Center of Texoma
Statement of Support, Revenue and Expenses and Changes in Net Assets
Modified Cash Basis
For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues and Support			
Fees for Therapy and Education	\$ 521,877	\$ -	\$ 521,877
Contributions			
Indirect - United Way Allocation	52,565	-	52,565
Direct Contributions	184,684	409,101	593,785
Fundraising	175,744	-	175,744
Interest Income	683	-	683
Total Operating Revenues and Support	<u>935,553</u>	<u>409,101</u>	<u>1,344,654</u>
Net Assets Released From Restrictions	<u>140,000</u>	<u>(140,000)</u>	<u>-</u>
Operating Expenses			
Program	909,130	-	909,130
Management and General	90,464	-	90,464
Fundraising	62,752	-	62,752
Total Operating Expenses	<u>1,062,346</u>	<u>-</u>	<u>1,062,346</u>
Change in Net Assets before Other Income	13,207	269,101	282,308
Other Income (Expenses)			
Forgiven Paycheck Protection Program Loan	154,400	-	154,400
Total Other Income (Expenses)	<u>154,400</u>	<u>-</u>	<u>154,400</u>
Change in Net Assets	<u>167,607</u>	<u>269,101</u>	<u>436,708</u>
Net Assets, Beginning of Year	<u>941,236</u>	<u>140,000</u>	<u>1,081,236</u>
Net Assets, End of Year	<u>\$ 1,108,843</u>	<u>\$ 409,101</u>	<u>\$ 1,517,944</u>

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

Child and Family Guidance Center of Texoma
Statement of Support, Revenue and Expenses and Changes in Net Assets
Modified Cash Basis
For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues and Support			
Fees for Therapy and Education	\$ 678,298	\$ -	\$ 678,298
Contributions			
Indirect - United Way Allocation	56,334	-	56,334
Direct Contributions	251,406	140,000	391,406
Fundraising	211,513	-	211,513
Interest Income	1,559	-	1,559
Total Operating Revenues and Support	<u>1,199,110</u>	<u>140,000</u>	<u>1,339,110</u>
Operating Expenses			
Program	993,753	-	993,753
Management and General	94,954	-	94,954
Fundraising	83,157	-	83,157
Total Operating Expenses	<u>1,171,864</u>	<u>-</u>	<u>1,171,864</u>
Change in Net Assets	<u>27,246</u>	<u>140,000</u>	<u>167,246</u>
Net Assets, Beginning of Year	<u>913,990</u>	<u>-</u>	<u>913,990</u>
Net Assets, End of Year	<u>\$ 941,236</u>	<u>\$ 140,000</u>	<u>\$ 1,081,236</u>

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

Child and Family Guidance Center of Texoma

Statement of Functional Expenses

Modified Cash Basis

For the Year Ended December 31, 2020

	Program	Management and General	Fundraising	Total
Assistance to Indigent	\$ 3,870	\$ -	\$ -	\$ 3,870
Bank Charges/Misc	-	4,203	-	4,203
Board/Staff Meetings	2,471	1,236	1,235	4,942
Building - Cleaning	6,226	1,099	-	7,325
Building and Grounds Maintenance	4,556	804	-	5,360
Continuing Education	2,579	455	-	3,034
Copier Maintenance and Supplies	3,733	659	-	4,392
Employee Benefits	67,771	5,490	3,683	76,944
Employee Background/Drug Tests	2,061	167	112	2,340
Fundraising Expenses	-	-	22,227	22,227
Insurance - Professional	3,625	2,675	-	6,300
Insurance - Property and General Liability	2,415	426	-	2,841
Membership Dues	37	208	-	245
Office Equipment Repairs	15,892	2,804	-	18,696
Office Supplies	5,103	901	-	6,004
Payroll Processing Fees	2,099	170	114	2,383
Payroll Taxes	46,121	3,736	2,507	52,364
Postage/Shipping	455	454	-	909
Professional Fees - Audit	-	6,375	-	6,375
Printing/Publications	237	42	-	279
Salaries and Wages	602,896	48,841	32,766	684,503
Software - Therapy and Billing	17,157	3,028	-	20,185
Telephone, Cable and Internet	6,407	1,131	-	7,538
Therapy and Testing Contractors	76,801	-	-	76,801
Therapy Supplies	4,042	-	-	4,042
Transportation and Mileage	371	65	-	436
Utilities	7,721	1,363	-	9,084
Worker's Compensation Insurance	1,984	161	108	2,253
Total Expenses Before Depreciation	886,630	86,493	62,752	1,035,875
Depreciation Expense	22,500	3,971	-	26,471
Total Expenses	\$ 909,130	\$ 90,464	\$ 62,752	\$ 1,062,346

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

Child and Family Guidance Center of Texoma

Statement of Functional Expenses

Modified Cash Basis

For the Year Ended December 31, 2019

	Program	Management and General	Fundraising	Total
Assistance to Indigent	\$ 1,000	\$ -	\$ -	\$ 1,000
Bank Charges/Misc	-	5,861	-	5,861
Board/Staff Meetings	3,112	1,556	1,556	6,224
Building - Cleaning	7,260	1,281	-	8,541
Building and Grounds Maintenance	9,686	1,709	-	11,395
Consultants	3,663	-	-	3,663
Continuing Education	4,929	870	-	5,799
Copier Maintenance and Supplies	3,295	581	-	3,876
Employee Benefits	79,317	6,728	4,658	90,703
Employee Background/Drug Tests	764	65	45	874
Equipment (Non-Capitalized)	331	58	-	389
Fundraising Expenses	-	-	39,841	39,841
Insurance - Professional	3,625	2,575	-	6,200
Insurance - Property and General Liability	2,415	426	-	2,841
Membership Dues	123	699	-	822
Office Equipment Repairs	11,900	2,100	-	14,000
Office Supplies	3,865	682	-	4,547
Payroll Processing Fees	2,144	182	126	2,452
Payroll Taxes	44,532	3,777	2,616	50,925
Postage/Shipping	735	734	-	1,469
Professional Fees - Audit	-	4,200	-	4,200
Printing/Publications	2,347	414	-	2,761
Salaries and Wages	582,123	49,375	34,191	665,689
Software - Therapy and Billing	21,501	3,794	-	25,295
Telephone, Cable and Internet	7,414	1,308	-	8,722
Therapy and Testing Contractors	151,159	-	-	151,159
Therapy Supplies	11,527	-	-	11,527
Transportation and Mileage	1,342	237	-	1,579
Utilities	9,030	1,593	-	10,623
Worker's Compensation Insurance	2,114	179	124	2,417
Total Expenses Before Depreciation	971,253	90,984	83,157	1,145,394
Depreciation Expense	22,500	3,970	-	26,470
Total Expenses	\$ 993,753	\$ 94,954	\$ 83,157	\$ 1,171,864

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

Child and Family Guidance Center of Texoma

Notes to the Financial Statements (continued)

For the Years Ended December 31, 2020 and 2019

Note 1 - Description of Organization

Organization, History and Purpose - The Child and Family Guidance Center of Texoma (CFGC) embraces an environment that values transparency, the resilience and dignity of people served, and the community's passionate support of the mission, which is to strengthen, improve, and empower the lives of hurting Texoma children and families, through compassionate and restorative mental healthcare.

CFGC has evolved over 50 years to be a leading outpatient mental healthcare provider in the community for children and families experiencing trauma, trials and tribulations. Annually, over 3000 of the most vulnerable children and family members are provided access to high quality mental healthcare regardless of financial limitations.

In 2017, CFGC adopted the evidenced based, trauma-informed (TIC) model of care, embracing a culture of care that is permeating CFGC from top to bottom. CFGC's organizational environment represents care for the health, well-being, and safety of, as well as respect for, its staff and clients. This model enhances the ability of their staff to provide the best possible evidenced based, trauma-informed behavioral health services to clients.

CFGC is a fully integrated trauma-informed care organization able to recognize, respond to and resist re-traumatization of clients served as well as provide trauma-informed care information and training to their collaborative partners. CFGC helps children and families find hope, heal and recover resulting in a stronger community for all.

Tax Status - CFGC is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Contributions to CFGC are tax deductible to donors under Section 170 of the IRC. CFGC is not classified as a private foundation.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation - The financial statements of CFGC are prepared on the modified cash basis of accounting. Income is recognized when received and expenses are recognized when paid. Non-cash expenses include depreciation of fixed assets, as described in Note 8. Also reported are employee payroll deductions accrued and not remitted by the end of the year. Long term debt is also reported on the statement of assets, liabilities, and net assets. Since the financial statements are presented on the modified cash basis of accounting, a statement of cash flows is not required or included.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of CFGC. These net assets may be used at the discretion of CFGC's management and the board of directors.

Net assets with donor restrictions: Net assets with donor restrictions are subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of CFGC or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. There were \$409,101 and \$140,000 in net assets with donor restrictions at December 31, 2020 and 2019, respectively.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a

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

Child and Family Guidance Center of Texoma

Notes to the Financial Statements (continued)

For the Years Ended December 31, 2020 and 2019

Note 2 - Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued) - restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Cash and Cash Equivalents – CFGC's cash consists of cash on deposit with banks. Cash equivalents are all highly liquid investments with an original maturity date of three months or less. The CFGC's deposits at one bank exceed the maximum FDIC coverage. Management is aware of this and does not consider the risk of loss to be significant.

Classifications of Transactions - All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the use of the related resources is subject to donor restrictions. All expenses and net losses are reported as decreases in net assets without donor restrictions.

Contributions - Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as net assets with donor restrictions until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Building and Equipment - CFGC's policy is to capitalize assets with a cost or estimated fair market value of at least \$2,500. Assets contributed with specific restrictions regarding use and contributions of cash that must be used to acquire property and equipment are reported as restricted support until the restrictions are satisfied. Depreciation is calculated on the straight-line basis over the estimated useful lives of the assets which varies from 5-40 years.

Use of Estimates - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, CFGC's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. CFGC's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Adoption of Accounting Pronouncements - On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The CFGC has adjusted the presentation of these statements accordingly.

On June 21, 2018, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) 2018-08 intended to clarify and improve the scope and the accounting guidance for contributions received and made, primarily by not-for-profit organizations. In accordance with this new

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

Child and Family Guidance Center of Texoma

Notes to the Financial Statements (continued)

For the Years Ended December 31, 2020 and 2019

Note 2 - Summary of Significant Accounting Policies (continued)

Adoption of Accounting Pronouncements (continued) - ASU, contributions not defined as exchange transactions are to be recorded in the year received and cannot be deferred. CFGC implemented the ASU for the year ended December 31, 2019.

Note 3 - Reporting of Expenses by Function

The statement of functional expenses presents expenses of CFGC according to program, management, and general, and fundraising expenses. Expenses have been allocated on a reasonable basis that is consistently applied based on management's estimates of time and effort and on primary use of resources.

Note 4 – Government Grants

CFGC receives income for counseling and therapy services from individuals, insurance, and various sources, some of which are processed by governmental agencies. CFGC was a subrecipient of the Community Development Block Grant (HUD) through the City of Sherman, Texas for the purpose of providing counseling services for low income citizens. This is a reimbursing grant and the proceeds received, which are not material to the financial statements, have been included in fees income. The grant is received by the City of Sherman, Texas from the U.S. Government under Title I of the Housing and Community Development Act of 1974, Public Law 93-383.

Note 5 - Availability and Liquidity

The following reflects CFGC's financial assets as of the balance sheet date, reduced by amounts not available general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	<u>2020</u>	<u>2019</u>
Financial Assets at Year-End	\$ 1,186,942	\$ 597,396
Less Those Unavailable for General Expenses Within One Year, Due To:		
Loan Payments	(7,692)	(2,664)
Donor Restricted Program Funds	(167,000)	(140,000)
Donor Restricted Expansion Project Funds	<u>(242,101)</u>	<u>-</u>
Financial Assets Available to Meet Cash Needs for General Expenses Within One Year	<u>\$ 770,149</u>	<u>\$ 454,732</u>

Note 6 – Retirement Plan

CFGC provides a Simple IRA retirement plan to eligible employees, wherein CFGC matches employee contributions with a maximum of 3% of compensation. For the years ended December 31, 2020 and 2019, CFGC contributed \$14,950 and \$13,243 respectively, for the benefit of employees.

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

Child and Family Guidance Center of Texoma

Notes to the Financial Statements (continued)

For the Years Ended December 31, 2020 and 2019

Note 7 – Related Party Transactions

At various times, CFGC may contract with Board Members or businesses associated with Board Members, which are disclosed to and approved by the Board. The value of these services is not material to the financial statements.

Note 8 - Property and Equipment

The following schedule summarizes the changes in fixed assets for the year ended December 31, 2020 and 2019.

	Balance December 31, 2019	Additions	Deductions	Balance December 31, 2020
Nondepreciable Assets				
Land	\$ 40,000	\$ -	\$ -	\$ 40,000
Total Nondepreciable Assets	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
Depreciable Assets				
Buildings and Improvements	587,658	21,691	-	609,349
Furniture and Equipment	<u>72,095</u>	<u>-</u>	<u>-</u>	<u>72,095</u>
Total Depreciable Assets	659,753	21,691	-	681,444
Accumulated Depreciation	<u>(215,255)</u>	<u>(26,471)</u>	<u>-</u>	<u>(241,726)</u>
Net Fixed Assets	<u>\$ 484,498</u>	<u>\$ (4,780)</u>	<u>\$ -</u>	<u>\$ 479,718</u>
	Balance December 31, 2018	Additions	Deductions	Balance December 31, 2019
Nondepreciable Assets				
Land	\$ 40,000	\$ -	\$ -	\$ 40,000
Total Nondepreciable Assets	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
Depreciable Assets				
Buildings and Improvements	587,658	-	-	587,658
Furniture and Equipment	<u>72,095</u>	<u>-</u>	<u>-</u>	<u>72,095</u>
Total Depreciable Assets	659,753	-	-	659,753
Accumulated Depreciation	<u>(188,785)</u>	<u>(26,470)</u>	<u>-</u>	<u>(215,255)</u>
Net Fixed Assets	<u>\$ 510,968</u>	<u>\$ (26,470)</u>	<u>\$ -</u>	<u>\$ 484,498</u>

For the years ended December 31, 2020 and 2019, depreciation expense totaled \$26,471 and \$26,470, respectively.

Note 9 - Commitments and Contingencies

CFGC is subject to program compliance audits by the grantors and third-party payors or their representatives. Accordingly, CFGC's compliance with applicable grant and billing requirements will be established at some future date. If future program compliance audits result in questioned or disallowed

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

Child and Family Guidance Center of Texoma

Notes to the Financial Statements (continued)

For the Years Ended December 31, 2020 and 2019

Note 9 - Commitments and Contingencies (continued)

costs, reimbursements would be made to the applicable agencies. The amounts of expenditures that might be disallowed by those agencies cannot be determined at this time; however, management believes such amounts, if any, would be immaterial.

Note 10 – Paycheck Protection Program

In April 2020, CFGC received loan proceeds in the amount of \$154,400 under the Paycheck Protection Program. The Paycheck Protection Program, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provided for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest were forgivable after twenty-four weeks, as long as the borrower used the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintained its payroll levels. The amount of loan forgiveness would have been reduced if the borrower terminated employees or reduced salaries during the 24-week period.

CFGC applied for, and was granted, forgiveness of all of the loan in the current year. These funds are shown on the Statement of Activities as Other Income.

Note 11 – Economic Injury Disaster Loan

At the July 16, 2020 Board meeting, CFGC announced that they were approved for the Small Business Administration (SBA) Economic Injury Disaster Loan (EIDL). The terms of this loan are 2.75% interest for 30 years at a monthly repayment of \$641 per month beginning August, 2020.

Activity for the loan for the year ended December 31, 2020 is as follows:

Balance at beginning of year	\$	150,000
Payments		(2,664)
Balance at end of year	\$	<u>147,336</u>

The amortized payout for the loan over the next five years and each five years thereafter is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 3,286	\$ 4,406	\$ 7,692
2022	3,378	4,314	7,692
2023	3,472	4,220	7,692
2024	3,568	4,124	7,692
2025	3,669	4,023	7,692
2026 - 2030	19,935	18,546	38,481
2031 - 2035	22,868	15,613	38,481
2036 - 2040	26,233	12,248	38,481
2041 - 2045	30,097	8,384	38,481
2046 - 2050	30,830	3,870	34,700
	<u>\$ 147,336</u>	<u>\$ 79,748</u>	<u>\$ 227,084</u>

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

Child and Family Guidance Center of Texoma

Notes to the Financial Statements (continued)

For the Years Ended December 31, 2020 and 2019

Note 12 - Subsequent Events

Subsequent events have been evaluated through November 11, 2021, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to CFGC's operations. Future potential impacts may include disruptions or restrictions on their employees' ability to work, donors and contributors' ability to provide financial assistance, or events of CFGC to be able to occur. Changes to the operating environment may increase operating costs. The future effects of these issues are unknown.

In February 2021, CFGC received a second Paycheck Protection Program loan in the amount of \$154,600 with the same provisions as the first loan. In August 2021, this second Paycheck Protection Program loan was forgiven in full by the Small Business Administration.

In May 2021, the Board approved CFGC's construction loan with First United Bank to use toward new construction on CFGC's expansion. The amount of the loan was for \$568,730, beginning with a term of 18-months of interest only payments, followed by 41 months of principal and interest payments of \$3,533 at a 4.25% fixed interest rate and a balloon payment of \$504,871 due on June 21, 2026. CFGC has had a capital campaign with the intent to raise funds for this expansion project during the last quarter of 2020 and all of 2021. As of the date of this report, the entire expansion project had an estimated budget need of \$840,960 with \$620,960 raised from the capital campaign. The remaining estimated balance of \$220,000 will be paid from the loan funds unless additional funding from the campaign is raised.