

COMMUNITY INFORMATION NOW
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

COMMUNITY INFORMATION NOW

FINANCIAL STATEMENTS

Year Ended December 31, 2022

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Schuh|Browne

CERTIFIED PUBLIC
ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Community Information Now
San Antonio, Texas

Opinion

We have audited the accompanying financial statements of Community Information Now (a nonprofit organization), 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 financial statements referred to above present fairly, in all material respects, the financial position of Community Information Now 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. 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 Community Information Now 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.

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 Community Information Now'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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Community Information Now'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 Community Information Now'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.

Prior Year Financial Statements

The 2021 financial statements were reviewed by us, and our report thereon, dated March 25, 2022, stated we were not aware of any material modifications that should be made to those financial statements for them to be in conformity 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.

Schul Broune, P. C.

San Antonio, Texas

March 20, 2023

COMMUNITY INFORMATION NOW
STATEMENT OF FINANCIAL POSITION
December 31, 2022 and 2021

ASSETS	(Audited) <u>2022</u>	(Reviewed) <u>2021</u>
Current assets:		
Cash and cash equivalents	\$ 148,599	\$ 66,367
Accounts receivable	123,652	57,393
Prepaid expenses	<u>1,464</u>	<u>249</u>
Total current assets	<u>273,715</u>	<u>124,009</u>
 Total assets	 <u>\$ 273,715</u>	 <u>\$ 124,009</u>
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 497	\$ 861
Accrued liabilities	<u>43,230</u>	<u>90,676</u>
Total current liabilities	<u>43,727</u>	<u>91,537</u>
 Net assets:		
Without donor restrictions	113,042	32,472
With donor restrictions	<u>116,946</u>	<u>-</u>
Total net assets	<u>229,988</u>	<u>32,472</u>
 Total liabilities and net assets	 <u>\$ 273,715</u>	 <u>\$ 124,009</u>

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

COMMUNITY INFORMATION NOW

STATEMENT OF ACTIVITIES

Year Ended December 31, 2022

(With Comparative Totals For Year Ended December 31, 2021)

	Without Donor Restrictions	With Donor Restrictions	Total	
			(Audited) 2022	(Reviewed) 2021
Public support and revenue:				
Grant revenue	\$ 50,038	\$ 355,845	\$ 405,883	\$ 150,085
Program income	294,030	-	294,030	194,591
Interest income	<u>23</u>	<u>-</u>	<u>23</u>	<u>-</u>
Total public support	344,091	355,845	699,936	344,676
Net assets released from restrictions:				
Restrictions satisfied by payments	<u>238,899</u>	<u>(238,899)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>582,990</u>	<u>116,946</u>	<u>699,936</u>	<u>344,676</u>
Expenses:				
Program services	457,237	-	457,237	309,115
Supporting services:				
Management and general	38,225	-	38,225	40,788
Fundraising	<u>6,958</u>	<u>-</u>	<u>6,958</u>	<u>13,945</u>
Total expenses	<u>502,420</u>	<u>-</u>	<u>502,420</u>	<u>363,848</u>
Change in net assets	80,570	116,946	197,516	(19,172)
Net assets at beginning of year	<u>32,472</u>	<u>-</u>	<u>32,472</u>	<u>51,644</u>
Net assets at end of year	<u>\$ 113,042</u>	<u>\$ 116,946</u>	<u>\$ 229,988</u>	<u>\$ 32,472</u>

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

COMMUNITY INFORMATION NOW
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2022

(With Comparative Totals For Year Ended December 31, 2021)

	Program Services	Supporting Services		Totals	
		Management and General	Fundraising	(Audited) 2022	(Reviewed) 2021
Indirect expenses reimbursed to UTHSCH:					
Salaries and wages	\$ 282,045	\$ 13,901	\$ 4,934	\$ 300,880	\$ 237,578
Employee benefits	76,744	3,782	1,343	81,869	67,982
Indirect costs	36,156	1,782	633	38,570	30,188
Maintenance and operations	274	13	5	292	-
Travel	2,487	123	44	2,653	-
Total indirect expenses reimbursed to UTHSCH	<u>397,705</u>	<u>19,601</u>	<u>6,958</u>	<u>424,264</u>	<u>335,748</u>
Accounting and bookkeeping services	-	16,099	-	16,099	17,825
Computer services	21	321	-	342	1,431
Consulting services	59,028	-	-	59,028	7,950
Data acquisition	483	-	-	483	272
Dues and subscriptions	-	83	-	83	-
Insurance	-	2,024	-	2,024	426
Meals	-	97	-	97	-
Office supplies	-	-	-	-	196
Total expenses	<u>\$ 457,237</u>	<u>\$ 38,225</u>	<u>\$ 6,958</u>	<u>\$ 502,420</u>	<u>\$ 363,848</u>

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

COMMUNITY INFORMATION NOW

STATEMENT OF CASH FLOWS

Year Ended December 31, 2022 and 2021

	(Audited) <u>2022</u>	(Reviewed) <u>2021</u>
Cash flow from operating activities:		
Change in net assets	\$ 197,516	\$ (19,172)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in:		
Accounts receivable	(66,259)	960
Prepaid expenses	(1,215)	329
Accounts payable	(364)	(4,655)
Accrued liabilities	<u>(47,446)</u>	<u>(19,747)</u>
Net cash provided (used) by operating activities	<u>82,232</u>	<u>(42,285)</u>
Net increase (decrease) in cash	82,232	(42,285)
Cash and cash equivalents at beginning of year	<u>66,367</u>	<u>108,652</u>
Cash and cash equivalents at end of year	<u>\$ 148,599</u>	<u>\$ 66,367</u>

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

COMMUNITY INFORMATION NOW

NOTES TO FINANCIAL STATEMENTS

(Continued)

1 NATURE OF ORGANIZATION

Community Information Now (CI:Now) provides data, tools, analysis, and training to inform decisions to improve Texas communities. CI:Now's vision is improved lives and decreased disparities through democratized data.

CI:Now provides mission-focused data services to local nonprofits, local governments, and collaborations to improve their ability to serve the public good. Key services include:

- Data support to collaborative and collective impact initiatives, such as staffing results-based accountability and outcome-focused planning processes; developing outcomes and indicators; identifying appropriate data sources; analyzing, mapping, and otherwise visualizing the data; and assisting the partners in understanding and using the data.
- Evaluation and performance management, including developing evaluation plans and progress metrics; accessing appropriate data sources; integrating data across organizations; analyzing and communicating the data; and assisting partners in using the data to improve performance.
- Other targeted-need collection, analysis, geocoding, mapping, and presentations.

CI:Now is staffed entirely by contract with the University of Texas Health Science Center at Houston (UTHSCH) since 2008. UTHSCH determines salary ranges for specific positions, sets the salary when a position is offered to a new employee, and reviews compensation levels for equity among employees and competitiveness with comparable institutions. The contract includes salary and fringe benefits, software and supplies, and indirect expenses including rent, utilities, communications, internet, office equipment, supplies, IT, administrative support, accounting support, payroll processing, and general liability insurance.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of CI:Now have been prepared on the accrual basis of accounting. The financial statements accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

CI:Now reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of CI:Now, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity.

(Continued)

COMMUNITY INFORMATION NOW

NOTES TO FINANCIAL STATEMENTS

(Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

CI:Now's unspent contributions are reported in net assets with donor contributions if the donor limited their use, as are promised contributions that are not yet due. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Allocated Expenses

Expenses are charged to program services based on costs that can be directly identified as those costs associated with the program of the agency. Any expenses not directly chargeable are allocated to programs and supporting service classifications based on management estimates.

Income Taxes

CI:Now is a non-profit organization and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, CI:Now qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and is classified as a public charity, and not a private foundation under Section 509(a)(2).

Revenue and Support With or Without Donor Restrictions

Contributions received are recorded as support with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

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 revenues and expenses. Actual results could differ from those amounts.

Cash and Cash Equivalents

Cash and cash equivalents include all money on hand and in banks.

Recently Adopted Accounting Pronouncements

CI:Now has adopted ASU 2016-02, *Leases (Topic 842)*, as management believes the standard improves the usefulness and understandability of CI:Now's financial reporting. This had no impact on the net assets of CI:Now for the years ended December 31, 2022 and 2021.

(Continued)

COMMUNITY INFORMATION NOW

NOTES TO FINANCIAL STATEMENTS

(Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Subsequent Events

CI:Now's management has evaluated all subsequent events through March 20, 2023, the date which the financial statements were available for use.

3 CONCENTRATION OF CREDIT RISK

CI:Now maintains its cash balance in one financial institution. The balance is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2022, CI:Now's cash balance was fully insured.

4 RECEIVABLES

Accounts receivable at December 31, 2022, represent amounts due from grantors and supporting organizations.

Management analyzes an aging of accounts receivable on a monthly basis. Payment trends by delinquent accounts are considered by management when writing off bad debts and estimating allowance for doubtful accounts. During the years ended December 31, 2022 and 2021, management did not write off any bad debt. Management estimated the allowance for doubtful accounts to be \$-0- for both the years ended December 31, 2022 and 2021. Accounts deemed to be uncollectible by management are charged to the allowance for doubtful accounts initially.

5 REVENUE AND SUPPORT CONCENTRATION

- A. Revenue from one client totaled \$186,981 and \$26,933 for the years ended December 31, 2022 and 2021, respectively. This equates to approximately 26.7% and 7.8% of total revenue and support for those periods, respectively.
- B. Revenue from another client totaled \$59,004 and \$88,375 for the years ended December 31, 2022 and 2021, respectively. This equates to approximately 8.4% and 25.6% of total revenue and support for those periods, respectively.
- C. Revenue from another client totaled \$18,585 and \$84,215 for the years ended December 31, 2022 and 2021, respectively. This equates to approximately 2.7% and 24.4% of total revenue and support for those periods, respectively.
- D. Revenue from another client totaled \$77,070 and \$-0- for the years ended December 31, 2022 and 2021, respectively. This equates to approximately 11.0% and 0.0% of total revenue and support for those periods, respectively.
- E. Contributions from one donor totaled \$-0- and \$66,700 for the years ended December 31, 2022 and 2021, respectively. This equates to approximately 0.0% and 19.4% of total revenue and support for those periods, respectively.
- F. Contributions from another donor totaled \$115,000 and \$-0- for the years ended December 31, 2022 and 2021, respectively. This equates to approximately 16.4% and 0.0% of total revenue and support for those periods, respectively.
- G. Revenue from the federal government totaled \$210,845 and \$44,085 for the years ended December 31, 2022 and 2021, respectively. This equates to approximately 30.1% and 12.8% of total revenue and support for those periods, respectively.

COMMUNITY INFORMATION NOW

NOTES TO FINANCIAL STATEMENTS

(Continued)

6 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at December 31:

	<u>2022</u>	<u>2021</u>
Subject to expenditures for specified purpose:		
Improving Small-Area Estimates	\$ 104,633	\$ -
Justice Visualization Collaborative	<u>12,313</u>	<u>-</u>
Total net assets with donor restrictions	<u>\$ 116,946</u>	<u>\$ -</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows:

	<u>2022</u>	<u>2021</u>
Data Access, Training, and Technical Assistance for Area Nonprofits	\$ -	\$ 55,000
Health and Social Determinants Data	210,845	44,085
Improving Small-Area Estimates	10,367	-
Justice Visualization Collaborative	<u>17,687</u>	<u>-</u>
Total net assets released from donor restrictions	<u>\$ 238,899</u>	<u>\$ 99,085</u>

7 COMMITMENTS AND CONTINGENCIES

Potential for Government Reviews and Audits

CI:Now receives a significant amount of financial assistance from the federal government, including the sponsorship of data research projects to integrate health and social determinants of health data, make it readily accessible online, and help people use it to reduce disparities in health and social determinants. Grants and contracts normally provide for the recovery of direct and indirect costs. Entitlement to the recovery of the direct and related indirect costs is conditional upon compliance with the terms and conditions of the grant agreements and with applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants and CI:Now's indirect cost rate are subject to financial and compliance reviews and audits by the grantors. In management's opinion, it is highly unlikely that an adverse material outcome will result from those reviews and audits.

8 CONDITIONAL GRANT REVENUE

Conditional grant awards at December 31, 2022, consist of promises to:

Fund remaining Justice Visualization Collaborative project	\$ 50,000
Fund remaining Improving Community Engagement project	<u>10,000</u>
Total conditional grant revenue at December 31, 2022	<u>\$ 60,000</u>

COMMUNITY INFORMATION NOW

NOTES TO FINANCIAL STATEMENTS

(Continued)

9 INDIRECT EXPENSES REIMBURSED TO UTHSCH

CI:Now is staffed entirely by contract with UTHSCH. UTHSCH determines salary ranges for specific positions, sets the salary when a position is offered to a new employee, and reviews compensation levels for equity among employees and competitiveness with comparable institutions.

CI:Now's Board of Directors also indirectly controls compensation levels through the personnel contracting process. Up until the fiscal year beginning January 1, 2022, the personnel contract, amended twice per calendar year to add funds to extend the master contract term by six months, was reviewed and approved by the Board in advance of execution as documented in writing in meeting minutes.

Should either UTHSCH or the core staff contracted through UTHSCH have failed to perform to the Board's satisfaction, the Board could have chosen to contract core staffing through another organization or employ some or all staff directly by CI:Now. The terms of the UTHSCH contract provided for termination by either party with 30 days of prior written notice.

Payments made to UTHSCH relating to this contract totaled \$471,496 and \$356,308 for the years ended December 31, 2022 and 2021, respectively. Amounts due to UTHSCH relating to this contract totaled \$43,230 and \$90,608 at December 31, 2022 and 2021, respectively.

Beginning on January 1, 2022, CI:Now's core staffing contract with UTHSCH changed from a fixed-fee structure to a cost-reimbursement structure. As such, no budgeted expenses are invoiced by UTHSCH unless and until CI:Now actually incurs the expense. Funding commitments relating to future periods in contracts signed with UTHSCH total \$3,626,077 through December 2027.

10 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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

Cash and cash equivalents	\$ 148,599
Accounts receivable	<u>123,652</u>
Financial assets at year end	272,251
Less those unavailable for general expenditure within one year, due to:	
Donor-restricted to expenditure for specific purposes	<u>(116,946)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 155,305</u>

As part of CI:Now'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. At December 31, 2022, CI:Now had financial assets available to meet cash needs for general expenditures within one year that were equivalent to roughly 113 days of average operating expenses.

COMMUNITY INFORMATION NOW

NOTES TO FINANCIAL STATEMENTS

(Continued)

11 SUBSEQUENT EVENTS

The COVID-19 pandemic developed rapidly in 2020, and dramatically affected San Antonio's nonprofit landscape. CI:Now has taken a number of measures to monitor and mitigate the effects of COVID-19, and the shift to virtual and hybrid formats was smooth. The disruption of partner organizations' and funders' operations and pre-pandemic priorities temporarily halted projects requiring data support, however, which in turn had a significant negative impact on CI:Now's mission-related earned income. That volume of work recovered slowly over time and CI:Now's contract portfolio is once again robust, but board and staff continue to prepare for the possibility of additional interruptions that could be caused by future COVID-19 waves.