

COMMUNITY INFORMATION NOW
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

COMMUNITY INFORMATION NOW

FINANCIAL STATEMENTS

Year Ended December 31, 2019

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Community Information Now
San Antonio, Texas

We have reviewed the accompanying financial statements of Community Information Now (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, the related statements of activities and functional expenses for the year ended December 31, 2019, the related statements of cash flows for the years ended December 31, 2019 and 2018, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity 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 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement 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 accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's 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 accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously reviewed Community Information Now's 2018 financial statements, and we stated that we were not aware of any material modifications that should be made to those financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America in our report dated November 4, 2019. The summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the reviewed financial statements from which it has been derived.

Sagebiel, Ravenburg & Schuh, P.C.

San Antonio, Texas
June 22, 2020

Lincoln Center
7800 I.H. 10 West, Suite 630
San Antonio, TX 78230-4750

210-979-7600

FAX 210-979-7679

COMMUNITY INFORMATION NOW
STATEMENT OF FINANCIAL POSITION
December 31, 2019 and 2018

| ASSETS | <u>2019</u> | <u>2018</u> |
|---------------------------------------|-----------------------|-----------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 226,287 | \$ 106,863 |
| Accounts receivable | 110,419 | 67,600 |
| Prepaid expenses | <u>427</u> | <u>651</u> |
| Total current assets | <u>337,133</u> | <u>175,114</u> |
| Total assets | <u>\$ 337,133</u> | <u>\$ 175,114</u> |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities: | | |
| Accounts payable | \$ - | \$ 1,687 |
| Accrued liabilities | <u>194,765</u> | <u>92,958</u> |
| Total current liabilities | <u>194,765</u> | <u>94,645</u> |
| Net assets: | | |
| Without donor restrictions | 92,368 | 26,927 |
| With donor restrictions | <u>50,000</u> | <u>53,542</u> |
| Total net assets | <u>142,368</u> | <u>80,469</u> |
| Total liabilities and net assets | <u>\$ 337,133</u> | <u>\$ 175,114</u> |

See accompanying notes and independent
accountant's review report.

COMMUNITY INFORMATION NOW

STATEMENT OF ACTIVITIES

Year Ended December 31, 2019

(With Comparative Totals For Year Ended December 31, 2018)

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> | |
|--|---------------------------------------|------------------------------------|-------------------|------------------|
| | | | <u>2019</u> | <u>2018</u> |
| Public support and revenue: | | | | |
| Grant revenue | \$ 938 | \$ 250,000 | \$ 250,938 | \$ 143,000 |
| Program income | <u>288,263</u> | <u>-</u> | <u>288,263</u> | <u>272,015</u> |
| Total public support | 289,201 | 250,000 | 539,201 | 415,015 |
| Net assets released from restrictions: | | | | |
| Restrictions satisfied by payments | <u>253,542</u> | <u>(253,542)</u> | <u>-</u> | <u>-</u> |
| Total public support and revenue | <u>542,743</u> | <u>(3,542)</u> | <u>539,201</u> | <u>415,015</u> |
| Expenses: | | | | |
| Program services | 419,003 | - | 419,003 | 346,492 |
| Supporting services: | | | | |
| Management and general | 43,880 | - | 43,880 | 41,022 |
| Fundraising | <u>14,419</u> | <u>-</u> | <u>14,419</u> | <u>8,936</u> |
| Total expenses | <u>477,302</u> | <u>-</u> | <u>477,302</u> | <u>396,450</u> |
| Change in net assets | 65,441 | (3,542) | 61,899 | 18,565 |
| Net assets at beginning of year | <u>26,927</u> | <u>53,542</u> | <u>80,469</u> | <u>61,904</u> |
| Net assets at end of year | <u>\$ 92,368</u> | <u>\$ 50,000</u> | <u>\$ 142,368</u> | <u>\$ 80,469</u> |

See accompanying notes and independent
accountant's review report.

COMMUNITY INFORMATION NOW
STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2019

(With Comparative Totals For Year Ended December 31, 2018)

| | Program <u>Services</u> | Supporting Services | | Totals | |
|--|----------------------------|-----------------------------------|--------------------|-------------------|-------------------|
| | | <u>Management and General</u> | <u>Fundraising</u> | <u>2019</u> | <u>2018</u> |
| Indirect expenses reimbursed to UTHSCH: | | | | | |
| Salaries and wages | \$ 263,811 | \$ 15,714 | \$ 9,939 | \$ 289,464 | \$ 259,124 |
| Employee benefits | 72,895 | 4,380 | 2,755 | 80,030 | 72,604 |
| Indirect costs | <u>34,544</u> | <u>2,059</u> | <u>1,311</u> | <u>37,914</u> | <u>33,279</u> |
| Total indirect expenses reimbursed to UTHSCH | 371,250 | 22,153 | 14,005 | 407,408 | 365,007 |
| Accounting and tax fees | - | 20,168 | - | 20,168 | 19,113 |
| Computer services | 10,346 | 624 | 392 | 11,362 | 2,759 |
| Consulting services | 33,000 | - | - | 33,000 | 5,711 |
| Data acquisition | 250 | - | - | 250 | - |
| Dues and subscriptions | 310 | 167 | - | 477 | 115 |
| Insurance | - | 426 | - | 426 | 426 |
| Meals | 330 | 75 | - | 405 | 749 |
| Office supplies | 705 | 67 | 22 | 794 | 159 |
| Professional fees | - | 200 | - | 200 | 87 |
| Travel | <u>2,812</u> | <u>-</u> | <u>-</u> | <u>2,812</u> | <u>2,324</u> |
| Total expenses | <u>\$ 419,003</u> | <u>\$ 43,880</u> | <u>\$ 14,419</u> | <u>\$ 477,302</u> | <u>\$ 396,450</u> |

See accompanying notes and independent
accountant's review report.

COMMUNITY INFORMATION NOW

STATEMENT OF CASH FLOWS

Year Ended December 31, 2019 and 2018

| | <u>2019</u> | <u>2018</u> |
|--|-----------------------|-----------------------|
| Cash flow from operating activities: | | |
| Change in net assets | \$ 61,899 | \$ 18,565 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Change in: | | |
| Accounts receivable | (42,819) | (36,239) |
| Prepaid expenses | 224 | (73) |
| Accounts payable | (1,687) | 696 |
| Accrued liabilities | <u>101,807</u> | <u>(4,325)</u> |
| Net cash provided (used) by operating activities | <u>119,424</u> | <u>(21,376)</u> |
| Net increase (decrease) in cash | 119,424 | (21,376) |
| Cash and cash equivalents at beginning of year | <u>106,863</u> | <u>128,239</u> |
| Cash and cash equivalents at end of year | <u>\$ 226,287</u> | <u>\$ 106,863</u> |

See accompanying notes and independent
accountant's review report.

COMMUNITY INFORMATION NOW
NOTES TO FINANCIAL STATEMENTS

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

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) for the format of financial statements of not-for-profit organizations. CI:Now is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

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.

(Continued)

See independent accountant's review report.

COMMUNITY INFORMATION NOW

NOTES TO FINANCIAL STATEMENTS

(Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Accounting Pronouncements Issued but Not Yet Adopted

Leases (Topic 842)

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use (ROU) model that requires, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded.

The ASU is effective for CI:Now's fiscal years beginning after December 15, 2021 with early adoption permitted. Management is currently evaluating the impact of this ASU on its financial statements. This may affect CI:Now in fiscal year 2022.

Not-for-Profit Entities (Topic 958)

In June 2018, the FASB issued ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies and improves the scope and the accounting guidance for contributions received and contributions made. The new standard modifies guidelines for evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions, and for determining whether a contribution is conditional.

Portions of the ASU that apply to transactions in which the organization serves as the recipient of resources are effective for fiscal years beginning after December 15, 2018, and portions of the ASU that apply to transactions in which the organization serves as the resource provider are effective for fiscal years beginning after December 15, 2019. This may affect CI:Now in fiscal year 2020.

Recently Adopted Accounting Pronouncements

In August 2016, the FASB issued Accounting Standards Update 2016-14, regarding the reporting and disclosure requirements for not-for-profit organizations, effective for periods beginning after December 15, 2017, with early adoption permitted. The pronouncement replaces the three classes of net assets with two new classes, requires the reporting of expenses by function and natural classification for all not-for-profit organizations, enhances disclosures on liquidity and availability of resources, and includes several other less significant reporting enhancements. CI:Now adopted this new pronouncement effective January 1, 2018.

Subsequent Events

CI:Now's management has evaluated all subsequent events through June 22, 2020, the date which the financial statements were available for use.

See independent accountant's review report.

COMMUNITY INFORMATION NOW

NOTES TO FINANCIAL STATEMENTS

(Continued)

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, 2019, CI:Now's cash balance was fully insured.

4 RECEIVABLES

Accounts receivable at December 31, 2019, represent amounts due from 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, 2019 and 2018, 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, 2019 and 2018. Accounts deemed to be uncollectible by management are charged to the allowance for doubtful accounts initially.

5 REVENUE AND SUPPORT CONCENTRATION

- A. Contributions from one donor totaled \$129,550 and \$-0- for the years ended December 31, 2019 and 2018, respectively. This equates to 24.0% and 0.0% of total revenue and support for those periods, respectively.
- B. Contributions from a second donor totaled \$102,700 and \$4,000 for the years ended December 31, 2019 and 2018, respectively. This equates to 19.0% and 1.0% of total revenue and support for those periods, respectively.
- C. Contributions from a third donor totaled \$95,000 and \$35,624 for the years ended December 31, 2019 and 2018, respectively. This equates to 17.6% and 8.6% of total revenue and support for those periods, respectively.
- D. Contributions from a fourth donor totaled \$62,325 and \$64,307 for the years ended December 31, 2019 and 2018, respectively. This equates to 11.6% and 15.5% of total revenue and support for those periods, respectively.
- E. Contributions from a fifth donor totaled \$59,763 and \$35,810 for the years ended December 31, 2019 and 2018, respectively. This equates to 11.1% and 8.6% of total revenue and support for those periods, respectively.
- F. Contributions from a sixth donor totaled \$50,000 and \$141,513 for the years ended December 31, 2019 and 2018, respectively. This equates to 9.3% and 34.1% of total revenue and support for those periods, respectively.
- G. Contributions from a seventh donor totaled \$-0- and \$49,452 for the years ended December 31, 2019 and 2018, respectively. This equates to 0.0% and 11.9% of total revenue and support for those periods, respectively.

6 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

| | <u>2019</u> | <u>2018</u> |
|--|------------------|------------------|
| Subject to expenditures for specified purpose: | | |
| 2020 Census Outreach | \$ 50,000 | \$ 8,960 |
| Alamo Regional Data Alliance Staffing Support | - | 44,582 |
| Total net assets with donor restrictions | <u>\$ 50,000</u> | <u>\$ 53,542</u> |

See independent accountant's review report.

COMMUNITY INFORMATION NOW

NOTES TO FINANCIAL STATEMENTS

(Continued)

7 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. The personnel contract, amended twice per calendar year to add funds to extend the master contract term by six months, is 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 fail to perform to the Board's satisfaction, the Board may choose to contract core staffing through another organization or employ some or all staff directly by CI:Now. The terms of the UTHSCH contract provide for termination by either party with 30 days of prior written notice.

Payments made to UTHSCH relating to this contract totaled \$316,585 and \$371,339 for the years ended December 31, 2019 and 2018, respectively. Amounts due to UTHSCH relating to this contract totaled \$194,721 and \$92,801 at December 31, 2019 and 2018, respectively.

Funding commitments relating to future periods in contracts signed with UTHSCH total \$448,806 through December 2020.

8 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 | \$ 226,287 |
| Accounts receivable | 110,419 |
| Financial assets at year end | <u>336,706</u> |
| Less those unavailable for general expenditure within one year, due to: | |
| Donor-restricted to expenditure for specific purposes | <u>(50,000)</u> |
| Financial assets available to meet cash needs for general expenditure within one year | <u>\$ 286,706</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, 2019, CI:Now had financial assets available to meet cash needs for general expenditures within one year that were equivalent to roughly 219 days of average operating expenses.

See independent accountant's review report.