JOIN

Consolidated Audited Financial Statements

For the Year Ended December 31, 2021

McDONALD JACOBS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
JOIN

Opinion

We have audited the accompanying consolidated financial statements of JOIN (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of JOIN as of December 31, 2021, 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 JOIN and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about JOIN's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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, including omissions, 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 consolidated financial statements.

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 consolidated 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 consolidated 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 JOIN'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about JOIN'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.

Report on Summarized Comparative Information

We have previously audited JOIN's 2020 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated May 28, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

McDonald Jacobs, P.C.

Portland, Oregon
June 17, 2022

JOIN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2021
(With comparative totals for 2020)

	2021	2020
ASSETS		
Cash and cash equivalents	$ 1,281,383	$ 2,211,155
Funds held for special purpose (Note 4)	2,882,445	3,811,830
Accounts receivable	2,374,532	1,355,339
Pledges receivable	65,000	82,969
Prepaid expenses	9,873	7,978
Property and equipment, net	1,839,925	1,762,536
TOTAL ASSETS	$ 8,453,158	$ 9,231,807
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 392,598	$ 181,085
Deposits held	2,200	2,200
Note payable	371,758	405,248
Total liabilities	766,556	588,533
Net assets:		
Without donor restrictions:		
Undesignated	2,390,305	2,582,996
Day One Services Fund	2,882,445	3,811,830
Board designated	244,253	244,253
Net property and equipment	1,468,167	1,357,288
Total without donor restrictions	6,985,170	7,996,367
With donor restrictions	701,432	646,907
Total net assets	7,686,602	8,643,274
TOTAL LIABILITIES AND NET ASSETS	$ 8,453,158	$ 9,231,807

See notes to consolidated financial statements.

JOIN
CONSOLIDATED STATEMENT OF ACTIVITIES
For the year ended December 31, 2021
(With comparative totals for 2020)

	2021			
	Without Donor Restrictions	With Donor Restrictions	Total	2020 Total
Operating support and revenue:				
Contributions	$ 945,379	$ 420,000	$ 1,365,379	$ 1,341,767
Government grants	8,382,678	-	8,382,678	8,146,399
Special event revenue, net of expenses of $6,012 for 2021 and $2,650 for 2020	87,609	-	87,609	110,511
Other income	44,529	-	44,529	141,976
Net assets released from restrictions:				
Satisfaction of time and purpose restrictions	365,475	(365,475)	-	-
Total operating support and revenue	9,825,670	54,525	9,880,195	9,740,653
Expenses:				
Program	9,939,441	-	9,939,441	8,512,047
Management and general	678,329	-	678,329	1,228,790
Fundraising	219,097	-	219,097	180,980
Total expenses	10,836,867	-	10,836,867	9,921,817
Change in net assets	(1,011,197)	54,525	(956,672)	(181,164)
Net assets:				
Beginning of year	7,996,367	646,907	8,643,274	8,824,438
End of year	$ 6,985,170	$ 701,432	$ 7,686,602	$ 8,643,274

See notes to consolidated financial statements.

JOIN
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2021
(With comparative totals for 2020)

	2021				
	Program	Management and General	Fundraising	Total	2020 Total
Salaries and related expenses	$ 2,434,672	$ 1,197,068	$ 145,662	$ 3,777,402	$ 3,763,737
Direct assistance to individuals	4,980,742	7,236	410	4,988,388	4,350,139
Contract services	1,410,733	1,393	-	1,412,126	1,160,747
Professional fees	81,623	82,698	13,998	178,319	116,250
Supplies and office expense	7,943	23,158	15,540	46,641	51,916
Telephone	22,475	35,071	797	58,343	58,846
Equipment and technology	7,020	40,711	8,439	56,170	54,928
Occupancy	29,752	139,644	-	169,396	147,466
Bank and other service fees	1,038	9,137	16,202	26,377	53,074
Insurance	-	11,643	-	11,643	31,196
Travel and mileage	19,042	5,713	23	24,778	41,583
Depreciation	13,237	43,206	8,143	64,586	63,820
Interest expense	2,889	9,430	1,777	14,096	11,795
Board and staff development	2,500	11,989	125	14,614	18,970
	9,013,666	1,618,097	211,116	10,842,879	9,924,467
Less special event direct benefit expenses netted with revenue	(424)	-	(5,588)	(6,012)	(2,650)
Allocation of shared costs	926,199	(939,768)	13,569	-	-
Total expenses	$ 9,939,441	$ 678,329	$ 219,097	$ 10,836,867	$ 9,921,817

See notes to consolidated financial statements.

JOIN
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2021
(With comparative totals for 2020)

	2021	2020
Cash flows from operating activities:		
Change in net assets	$ (956,672)	$ (181,164)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation and amortization	65,161	64,395
(Increase) decrease in:		
Accounts and pledges receivable	(1,001,224)	143,469
Prepaid expenses	(1,895)	2,391
Increase (decrease) in:		
Accounts payable and accrued expenses	138,569	(12,989)
Net cash flows from operating activities	(1,756,061)	16,102
Cash flows from investing activities:		
Purchase of property and equipment	(69,031)	-
Net proceeds from certificates of deposit	1,545,942	1,281,411
Net cash flows from investing activities	1,476,911	1,281,411
Cash flows from financing activities:		
Principal payments on note payable	(34,065)	(25,386)
Net cash flows from financing activities	(34,065)	(25,386)
Net change in cash and cash equivalents	(313,215)	1,272,127
Cash and cash equivalents - beginning of year	3,513,471	2,241,344
Cash and cash equivalents - end of year	$ 3,200,256	$ 3,513,471
Cash and cash equivalents	$ 1,281,383	$ 2,211,155
Day One Services Fund - cash and cash equivalents (Note 4)	1,918,873	1,302,316
	$ 3,200,256	$ 3,513,471
Supplemental cash flow information:		
Cash paid during the year for interest	$ 13,521	$ 11,220

See notes to consolidated financial statements.

1. DESCRIPTION OF ORGANIZATION

JOIN (or the Organization) was incorporated in 1992 in Oregon as a nonprofit organization that supports the efforts of homeless individuals and families to transition out of homelessness into permanent housing and supports housing stabilization by providing critical supportive services after transition from homelessness. Support received consists primarily of contributions and government grants. Program services include providing basic services to homeless individuals and families, placement and retention services to transition people from homelessness to stable housing, and experiential learning and service opportunities.

Halsey Center is a nonprofit subsidiary with the primary purpose of maintaining real property for the benefit of JOIN.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- *Net Assets With Donor Restrictions* - Net assets subject to donor- (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Principles of Consolidation

The consolidated financial statements include the accounts of JOIN and the Halsey Center. All inter-organization transactions and balances have been eliminated.

Cash and Cash Equivalents

For purposes of the consolidated statement of cash flows, the Organization considers all highly liquid investments available for current use with maturities of three months or less at the time of purchase to be cash equivalents. Included in cash and equivalents at December 31, 2021 is approximately $68,000 restricted for a maintenance reserve (approximately $59,000 at December 31, 2020) and $200,000 in both 2021 and 2020 for landlord retention.

Accounts Receivable

Accounts receivable are reported at the amount management expects to collect on balances outstanding at year-end. Based on an assessment of the credit history with those having outstanding balances and current relationships with them, management has concluded that realization losses on balances outstanding at year-end will be immaterial.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Pledges Receivable

Pledges receivable are reported at the amount management expects to collect on balances outstanding at year-end. Management considers history with donors, and current economic and industry trends when determining the collectability of specific accounts. As a result, management determined that an allowance for doubtful accounts is not necessary.

Property and Equipment

Acquisitions of property and equipment over $5,000 are capitalized. Property and equipment purchased are recorded at cost and donated assets are reflected as contributions at their estimated fair values on the date received.

Depreciation

Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the assets which range from 3 to 39 years.

Fair Value Measurements

Assets and liabilities recorded at fair value in the consolidated statements of financial position are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs are defined as follows:

- **Level 1:** Unadjusted quoted prices in active markets for identical assets and liabilities.
- **Level 2:** Observable inputs other than those included in Level 1, such as quoted market prices for similar assets or liabilities in active markets, or quoted market prices for identical assets or liabilities in inactive markets.
- **Level 3:** Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair values requires significant management judgment or estimation.

Fiscal Sponsorships

At times, the Organization supports other nonprofits with whom it shares a charitable mission. Under the terms of the fiscal sponsorship agreements, the Organization is granted control to approve or deny any funding requests. The revenue and expenses of the fiscal sponsorships are included within the Organization's financial statements and any remaining unspent fiscal sponsorship funds are reflected as net assets with donor restrictions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Revenue Recognition

Revenues from various sources are recognized as follows:

Contributions: Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period the Organization is notified of the commitment. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Bequests are recorded as revenue at the time the Organization has an established right to the bequest and the proceeds are measurable.

Government Grants: A portion of the Organization's revenue is derived from cost-reimbursable contracts and grants, which are conditional upon certain performance requirements and/ or incurring allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statement of financial position. The Organization has been awarded cost-reimbursable grants of approximately $3.9 million for the period through November 2022 that have not been recognized at December 31, 2021 because qualifying expenditures have not yet been incurred. The Organization has not received any advances on these grants as of December 31, 2021 and 2020.

Special Events: The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. The portion of sponsorship revenue that relates to commensurate value the sponsor received in return is recognized when the related events are held and performance obligations are met.

Donated Assets, Materials and Services: Donations of property, equipment, materials and other assets are recorded as support at their estimated fair value at the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donation to a specific purpose. The Organization recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

In addition, JOIN received contributed services from a large number of volunteers. The value of such services, which do not meet the criteria for recording, has not been recognized in the accompanying consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Revenue Recognition, Continued

Refundable Advance – Paycheck Protection Program Loan: The Organization received a Paycheck Protection Program (PPP) loan of $554,200 in April 2020. The PPP loan guaranteed by the Small Business Administration (SBA) is accounted for as a conditional advance and accrues interest at 1%. The advance may be forgiven partially or in its entirety if certain conditions are met, including incurrence of allowable qualifying expenses (mostly personnel and occupancy costs) and acceptance and approval of the forgiveness application by the lender. Upon satisfaction of the conditions, the advance is recognized as revenue. During the year ended December 31, 2020, the Organization satisfied the conditions and recognized the PPP loan as government grant revenue.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and related costs, supplies and office expense, telephone, equipment and technology, occupancy, depreciation, and interest, which are allocated on the basis of estimates of time and effort.

Income Tax Status

JOIN and Halsey Center are nonprofit corporations exempt from federal and state income tax under section 501(c)(3) of the Internal Revenue Code and applicable state law. No provision for income taxes is made in the accompanying consolidated financial statements, and the Organizations have no activities subject to unrelated business income tax. The Organizations are not private foundations.

The Organization follows the provisions of FASB ASC *Topic 740Accounting for Uncertainty in Income Taxes.* Management has evaluated the Organization's tax positions and concluded that there are no uncertain tax positions that require adjustment to the consolidated financial statements to comply with provisions of this Topic.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Summarized Financial Information for 2020

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with our audited financial statements for the year ended December 31, 2020, from which the summarized information was derived.

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. The reclassifications had no impact on previously reported net assets.

Subsequent Events

The Organization has evaluated all subsequent events through June 17, 2022, the date the consolidated financial statements were available to be issued.

Future Accounting Standard

Accounting for Leases: Effective for financial statements for the year ending December 31, 2022, the Organization expects to adopt a new accounting standard issued by the Financial Accounting Standards Board (FASB) that will require significant changes in accounting for operating leases under which the Organization is lessee. Upon adoption, among other effects, the Organizations will be required to record assets and liabilities for all operating lease obligations with terms of 12 months or greater. These changes may require certain retrospective adjustments. The qualitative effects on the Organization's future financial statements of these changes and related retrospective adjustments have not yet been determined.

3. AVAILABLE RESOURCES AND LIQUIDITY

The Organization regularly monitors liquidity required to meet operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its primary operations to be general expenditures. It excludes financial assets with donor or other restrictions limiting their use.

Financial assets available for general expenditure consist of the following at December 31, 2021 and 2020:

	2021	2020
Cash and cash equivalents	$ 1,281,383	$ 2,211,155
Funds held for special purpose (Note 4)	2,882,445	3,811,830
Accounts receivable	2,374,532	1,355,339
Pledges receivable	65,000	82,969
Total financial assets	6,603,360	7,461,293
Less amounts not available to be used within a year:		
Day One Services Fund	(2,882,445)	(3,811,830)
Net assets with donor restrictions	(701,432)	(646,907)
Net assets with board designations	(244,253)	(244,253)
Maintenance and landlord retention reserves	(268,053)	(259,046)
Financial assets available for general expenditure	$ 2,507,177	$ 2,499,257

See Note 4 for information about the Day One Services Fund, which the Organization considers unavailable for general expenditure. See Note 8 for information about the Organization's line of credit.

Board designated funds are maintained for strategic opportunities as identified by staff and approved by the board, and the release of funds may be approved by simple majority vote of the Board of Directors. As described in Notes 2 and 9, the Organization maintains a restricted cash balance for a maintenance reserve as required by its loan agreement.

4. DAY ONE SERVICES FUND

The Organization received a one-time contribution of $5 million without donor restrictions during 2018 which is being utilized for new opportunities to exit people from the homeless services system and support them on a career path that will help individuals lift themselves out of housing instability and poverty. The Fund seeks to work with 80 families over 4 four years as a demonstration of what focused and purposeful investment can do to create pathways off the street and out of poverty. Accordingly, the Organization's consolidated statement of activities are anticipated to reflect program expenses of up to approximately $1.25 million each year resulting in a negative change in net assets as the funds are expended.

4. DAY ONE SERVICES FUND, Continued

The Day One Service Fund consists of the following at December 31, 2021 and 2020:

	2021	2020
Cash and cash equivalents	$ 174,310	$ 8,288
Money market funds	1,744,563	1,294,028
Certificates of deposit	963,572	2,509,514
Total Day One Services Fund	$ 2,882,445	$ 3,811,830

Certificates of deposit at December 31, 2021 have interest rates ranging from 2.84% through 2.89%, and mature in February 2022 (interest rates from 2.54% through 2.81% maturing January 2021 through February 2022 as of December 31, 2020).

Money market funds are classified as level 1 in the fair value measurement hierarchy (see Note 2). Fair values for money market funds are determined by reference to quoted market prices and other relevant information generated by market transactions.

5. ACCOUNTS RECEIVABLE

Accounts receivable are unsecured and are due from government grants and contracts as follows at December 31, 2021 and 2020:

	2021	2020
Multnomah County	$ 2,093,413	$ 806,014
Home Forward	173,429	373,551
Other	107,690	175,774
Total accounts receivable	$ 2,374,532	$ 1,355,339

6. PLEDGES RECEIVABLE

Pledges receivable of $65,000 and $82,966 at December 31, 2021 and 2020, respectively, are unsecured and expected to be collected within one year.

7. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2021 and 2020:

	2021	2020
Land and land improvements	$ 387,063	$ 387,063
Building and improvements	2,036,154	1,894,178
Furniture and equipment	5,668	5,668
Website	17,000	17,000
Vehicles	39,497	39,497
Total property and equipment	2,485,382	2,343,406
Less accumulated depreciation	645,457	580,870
Net property and equipment	$ 1,839,925	$ 1,762,536

Land and building are pledged as security on a note payable (Note 9).

Subsequent to year-end, the Organization acquired property adjacent to the its current building for $445,000.

8. LINE OF CREDIT

The Organization has available a $750,000 revolving line-of-credit that expires in October 2022. Interest on outstanding advances is payable monthly at the bank's prime rate (3.25% and 3.25% at December 31, 2021 and 2020, respectively) plus 1.25% with a minimum rate of 4.5%. The line is secured by accounts receivable and equipment. There were no advances outstanding at December 31, 2021 or 2020.

9. NOTE PAYABLE

The note payable is due to Portland Housing Bureau, secured by real property, with interest at 3% per annum, increasing to as much as 4.5%; principal and interest payments of $3,653 are due monthly, with the final payment due November 2031. As a condition of the loan, the Organization deposits a minimum of $3,000 annually to a maintenance reserve account.

	2021	2020
Note payable	$ 376,839	$ 410,905
Less debt issuance costs, net of accumulated amortization of $6,423 and $5,848 in 2021 and 2020	(5,081)	(5,657)
Net note payable	$ 371,758	$ 405,248

9. NOTE PAYABLE, Continued

Maturities of the note payable are as follows:

Year ending December 31, 2022	$ 32,435
2023	33,485
2024	34,568
2025	35,687
2026	36,842
Thereafter	203,822
	$ 376,839

10. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2021 and 2020:

	2021	2020
Landlord recruitment and retention	$ 200,000	$ 200,000
Welcome Home	335,770	193,446
Advocacy	58,462	124,461
Housing stability	67,200	57,000
Capacity building	20,000	25,000
Other programs	20,000	47,000
Total net assets with donor restrictions	$ 701,432	$ 646,907

11. CONTINGENCIES

Amounts received or receivable from various contracting agencies are subject to audit and potential adjustment by the contracting agencies. Any disallowed claims, including amounts already collected, would become a liability of the Organization if so determined in the future. It is management's belief that no significant amounts received or receivable will be required to be returned in the future.

12. LEASE COMMITMENTS

The Organization has a master lease agreement for 11 residential units for which the Organization operates as a landlord and property manager for individuals and families transitioning out of homelessness. The master lease expires November 2022, with the option to renew for three additional three-year terms. Current monthly rent is $4,815, subject to annual increases of 3%.

The Organization also provides rent guarantees for certain properties, where it is obligated to pay rent regardless if the unit is occupied. These properties have monthly rent between $1,450 and $2,240 and are leased on a month-to-month basis.

Rent expense for the above leases (included in direct assistance to individuals) totaled approximately $167,000 in 2021 ($187,200 in 2020).

Future minimum non-cancellable lease commitments are $54,600 for the year ending December 31, 2022.

13. RETIREMENT PLAN

The Organization has a defined contribution salary deferral plan under Section 403(b) of the Internal Revenue Code covering employees who meet certain eligibility requirements. The Organization does not make contributions to the plan.

14. RELATED PARTY TRANSACTIONS

Certain board members are business owners in the community. At times, the Organization enters into transactions with companies where board members are key employees or owners. These transactions occur in the normal course of business, are insignificant to the financial statements and disclosed as part of the Organization's conflict of interest policy.

15. CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances in two financial institutions. Balances in each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The balances, at times, may exceed the federally insured limit. Cash balances in excess of insured limits were approximately $772,000 at December 31, 2021 ($1.9 million at December 31, 2020).

Approximately 68% of total revenue was from contracts with one government agency in 2021 (71% of total revenue was from contracts with two government agencies during December 31, 2020).