VALLEY INTERFAITH COMMUNITY RESOURCE CENTER

Reviewed Financial Statements

December 31, 2020

VALLEY INTERFAITH COMMUNITY RESOURCE CENTER

Table of Contents

	Page
Independent Accountant's Review Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-12

ATLAS CPAs & Advisors PLLC
3737 West Fork Road
Cincinnati, OH 45247

It's about time.

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Valley Interfaith Community Resource Center
Cincinnati, OH

We have reviewed the accompanying financial statements of Valley Interfaith Community Resource Center (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statement of activities and functional expenses for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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 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.

ATLAS CPAs & Advisors PLLC

Cincinnati, OH
February 3, 2022

VALLEY INTERFAITH COMMUNITY RESOURCE CENTER
STATEMENT OF FINANCIAL POSITION
December 31, 2020

ASSETS	
Current Assets	
Cash and cash equivalents	$ 304,765
Prepaid expenses	3,910
Investments	116,783
Total Current Assets	425,458
TOTAL ASSETS	$ 425,458
LIABILITIES AND NET ASSETS	
Current Liabilities	
Credit cards	$ 8,577
Deferred revenue	2,029
Total Current Liabilities	10,606
TOTAL LIABILITIES	10,606
Net Assets	
Without donor restrictions	414,852
TOTAL NET ASSETS	414,852
TOTAL LIABILITIES AND NET ASSETS	$ 425,458

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

VALLEY INTERFAITH COMMUNITY RESOURCE CENTER
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Contributions	$ 396,577	$ -	$ 396,577
In-kind donations	238,920	-	238,920
Paycheck protection program grant	38,992		38,992
Investment return, net	10,129		10,129
Miscellaneous	1,737	-	1,737
TOTAL REVENUE	686,355	-	686,355
EXPENSES			
Program services	482,279	-	482,279
Supporting services:			
Management and general	99,224	-	99,224
Fundraising	29,116	-	29,116
TOTAL EXPENSES	610,619	-	610,619
CHANGE IN NET ASSETS	75,736	-	75,736
NET ASSETS - BEGINNING OF YEAR	339,116	-	339,116
NET ASSETS - END OF YEAR	$ 414,852	$ -	$ 414,852

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

VALLEY INTERFAITH COMMUNITY RESOURCE CENTER
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2020

	Program Services	Management and General	Fundraising	Total
EXPENSES				
Salaries	$ 100,394	$ 46,670	$ 18,252	$ 165,316
Employee benefits	5,500	3,000	1,500	10,000
Payroll taxes	8,101	5,310	1,511	14,922
Bank fees	-	631	-	631
Advertising	-	559	-	559
Insurance	5,795	152	152	6,099
Office expenses	585	6,969	8	7,562
Professional fees	-	28,708	-	28,708
Donated food	234,720	-	-	234,720
Donated facilities	3,318	882	-	4,200
Conferences and meetings	-	3,126	-	3,126
Travel	171	-	-	171
Utilities	25,112	661	661	26,434
Information technology	10,223	2,556	-	12,779
Volunteer expenses	2,501	-	-	2,501
Equipment	76	-	-	76
Program expenses	85,783	-	-	85,783
Fundraising expenses	-	-	7,032	7,032
TOTAL EXPENSES	$ 482,279	$ 99,224	$ 29,116	$ 610,619

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

VALLEY INTERFAITH COMMUNITY RESOURCE CENTER
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 75,736
Adjustments to reconcile change in net assets to net cash from operating activities:	
Unrealized gains on investments	(8,228)
Changes in:	
Prepaid expense	(3,910)
Accounts payable	8,422
Deferred revenue	2,029
Net cash provided by operating activities	74,049
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(1,901)
Net cash used by investing activities	(1,901)
NET CHANGE IN CASH AND CASH EQUIVALENTS	72,148
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	232,617
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 304,765

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

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

Valley Interfaith Community Resource Center (the "Organization") is a nonprofit corporation organized in 1982 under the laws of the State of Ohio. The Organization's purpose is to improve lives by providing emergency resources and social support in partnership within the community in Cincinnati, Ohio.

NOTE 2 - SUMMARY OF SIGNFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding the Organization's accounting principles and practices, which are consistently applied in the preparation of these financial statements.

<u>Basis of Accounting</u>

The Organization's financial statements have been prepared in accordance with generally accepted accounting principles (GAAP), which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

> <u>Net assets without donor restrictions</u>: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and board of directors.
>
> <u>Net assets with donor restrictions</u>: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. The Organization currently does not have net assets with donor restrictions.

<u>Measure of Operations</u>

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing programs. Non-operating activities include other activities considered to be of a more unusual or nonrecurring nature. All activities of the Organization were operating activities during the year ended December 31, 2020.

<u>Cash and Cash Equivalents</u>

The Organization's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase.

NOTE 2 - SUMMARY OF SIGNFICANT ACCOUNTING POLICIES (Continued)

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains its cash balances at one financial institution that, at times, may exceed federally insured limits. The Organization's cash and cash equivalent accounts have been placed with a high credit quality financial institution. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

As of December 31, 2020, the Organization had no cash balances in excess of federally insured limits.

Income Taxes

The Organization is a nonprofit organization as defined by Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Therefore, no provision or liability for federal income taxes has been included in the financial statements. The Organization is only subject to Federal income taxes on unrelated business income. The Organization had no unrelated business income during the year ended December 31, 2020.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by various federal and state taxing authorities. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the accompanying financial statements. The Organization believes the only years open for potential IRS audits are the years ended December 31, 2017 to 2020.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Investments

Investments are stated at their fair values in the statement of financial position. Investment return, net is reported in the statement of activities and consists of interest and dividend income, unrealized capital gains and losses on investments, less external and direct internal investment expenses.

NOTE 2 - SUMMARY OF SIGNFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that priorities investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Organization groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1: Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2: Other observable inputs, either directly or indirectly, including:

- quoted prices for similar assets/liabilities in active markets;
- quoted prices for identical or similar assets in non-active markets;
- inputs other than quoted prices that are observable for the asset or liability; and,
- inputs that are derived principally from or corroborated by other observable market data.

Level 3: Unobservable inputs that cannot be corroborated by observable market data.

In-Kind Donations

Volunteers contribute significant amounts of time in furtherance of the Organization's mission. Donated services are recorded as public support only if they create or enhance non-financial assets or require specialized skills. These services are not reflected in the accompanying statements of activities because they do not meet the necessary criteria for recognition under US GAAP. Contributed goods are recorded at fair value at the date of donation.

Donated food is valued using average retail food prices for the United States, Midwest Region available for US Bureau of Labor and Statistics. Receipt and subsequent distribution of in-kind food contributions are reported on the statement of activities at $1.62 per pound.

Donated Facilities

The Organization receives the free use of office space in a building owned by an unrelated third party. Contributions and expenses related to the donated office space amounting to $4,200 have been reflected in the accompanying statement of activities for the year ended December 31, 2020.

NOTE 2 - SUMMARY OF SIGNFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Contributions are recognized as revenue in the period the unconditional promise is made. 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. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets with donor restrictions. When the restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. However, if a restriction is met in the same time period in which the contribution is received, the Organization reports the revenue as net assets without donor restrictions.

As of December 31, 2020, there were no conditional promises to give with conditions that have not been met.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among programs and supporting services benefited. Management determines such allocations on an equitable basis that reflects time and effort.

During the year ended December 31, 2020, approximately 79% of the Organization’s total expenses related to program services, 16% to management and general services, and 5% to fundraising activities.

Advertising

The Organization expenses advertising costs when incurred. These expenses totaled $559 for the year ended December 31, 2020.

NOTE 2 - SUMMARY OF SIGNFICANT ACCOUNTING POLICIES (Continued)

Accounting Standards Update

Lease Accounting Standard

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842). This new standard, which is effective for years ending after December 15, 2022, is intended to improve financial reporting about leasing transactions by requiring entities that lease assets to recognize on their statement of financial position the assets and liabilities for the rights and obligations created by those leases, and to provide additional disclosures regarding the leases. Leases with terms (as defined in the ASU) of twelve months or less are not required to be reflected on an entity's statement of financial position.

The Organization is presently evaluating the effect that this ASU will have on its future financial statements, including related disclosures.

NOTE 3 - AVAILABILITY AND LIQUIDITY

The following represents the Organizations financial assets at December 31, 2020:

Financial assets at year end:	
Cash and cash equivalents	$ 304,765
Investments	116,783
Financial assets available to meet general expenditures over the next twelve months	$ 421,548

As part of the Organization'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.

NOTE 4 - INVESTMENTS

Investments consisted of the following at December 31, 2020:

Money market funds	$ 2,999
Fixed income mutual funds	29,462
Equity funds	84,322
	$ 116,783

NOTE 4 – INVESTMENTS (Continued)

Investment return consisted of the following for the year ended December 31, 2020:

Interest and dividends	$	3,401
Fees		(1,500)
Unrealized gains		8,228
Investment return, net	$	10,129

NOTE 5 - PAYCHECK PROTECTION PROGRAM

In April 2020, the Organization received a forgivable loan in the amount of $38,992 under the Small Business Administration's Paycheck Protection Plan (PPP). The loan bears interest at 1% and is due in April 2022. PPP allows for a portion of the loan (up to the full amount) to be forgiven based on qualifying expenses.

The Organization has elected to apply the conditional contribution guidance pursuant to ASC 958-605 to determine the derecognition of the liability. In accordance with this guidance, the derecognition threshold for the liability is when conditions of the Paycheck Protection Program are "substantially met" and occur on or before the statement of financial position date. As of December 31, 2020, the Organization determined that all significant conditions under the Program had been substantially met and recognized the entire $38,992 as grant revenue during the year ended December 31, 2020. In February 2021, the Organization received notification that the loan and the outstanding interest had been forgiven in full by the SBA.

NOTE 6 - SUBSEQUENT EVENTS

Management reviews events and transactions occurring subsequent to the date of the financial statements for matters requiring potential recognition or disclosure in the financial statements. The Organization has evaluated subsequent events through February 3, 2022, the date the financial statements were available to be issued. Management has determined that there were no events or transactions that require adjustments or disclosure in the financials statements, except as noted below.

On March 11, 2020, the World Health Organization declared Coronavirus (COVID-19) a pandemic. The continued spread of COVID-19, or any similar outbreaks in the future, may adversely impact the local, regional, national and global economies. The extent to which COVID-19 impacts the Organization's operating results is dependent on the breadth and duration of the pandemic and could be affected by other factors management is not currently able to predict. Potential impacts include, but are not limited to, additional costs for responding to COVID-19, delays, loss of, or reduction to, revenue and funding. Management believes the Organization is taking appropriate actions to respond to the pandemic, however, the full impact is unknown and cannot be reasonably estimated at the date the financial statements were available to be issued.

NOTE 6 - SUBSEQUENT EVENTS (Continued)

In February 2021, the Organization received a forgivable loan in the amount of $36,387 under the second round of the Small Business Administration's Paycheck Protection Plan (PPP). In July 2021, the Organization received notification that the loan and the outstanding interest had been forgiven in full by the SBA.