

FINANCIAL STATEMENTS

March 31, 2020 and 2019

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT ACCOUNTANT'S REVIEW REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4
Statements of Cash Flows	5
Notes to Financial Statements	6

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors

Harrisonburg, VA

We have reviewed the accompanying financial statements of _____ (a non-profit organization) which comprise the statements of financial position as of March 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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 entity's 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 error or fraud.

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.



Harrisonburg, Virginia
July 21, 2020

STATEMENTS OF FINANCIAL POSITION
March 31, 2020 and 2019
(See Independent Accountant's Review Report)

	2020	2019
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 55,787	\$ 1,343
Restricted cash - Representative Payee	2,091	-
Accounts receivable	-	533
TOTAL CURRENT ASSETS	57,878	1,876
PROPERTY AND EQUIPMENT		
At cost, less accumulated depreciation	230,471	236,817
	\$ 288,349	\$ 238,693
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Short-term debt	\$ -	\$ 15,438
Current portion of long-term debt	2,683	3,243
Accounts payable	465	1,404
Representative Payee payable	2,091	-
Accrued wages	971	677
Payroll taxes payable	5,589	4,156
Compensated absences	18,815	15,901
TOTAL CURRENT LIABILITIES	30,614	40,819
LONG-TERM DEBT, net of current portion	23,692	26,465
	54,306	67,284
NET ASSETS		
Without donor restrictions	195,577	171,409
With donor restrictions	38,466	-
TOTAL NET ASSETS	234,043	171,409
	\$ 288,349	\$ 238,693

STATEMENTS OF ACTIVITIES
Years Ended March 31, 2020 and 2019
(See Independent Accountant's Review Report)

	2020	2019
<u>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:</u>		
REVENUE AND SUPPORT		
Contributions	\$ 152,847	\$ 158,361
Special events, net of expenses of \$4,858 for 2020 and \$7,404 for 2019	73,452	59,370
Grants	96,996	32,319
Rent income	7,595	8,796
Other income	17,263	20,144
Net assets released from restrictions	-	6,024
TOTAL REVENUE AND SUPPORT	348,153	285,014
EXPENSES		
Program services	263,304	219,788
Management and general	31,604	38,675
Fundraising	29,077	30,050
TOTAL EXPENSES	323,985	288,513
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	24,168	(3,499)
<u>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:</u>		
Contributions	38,466	-
Net assets released from restrictions	-	(6,024)
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	38,466	(6,024)
TOTAL INCREASE (DECREASE) IN NET ASSETS	62,634	(9,523)
NET ASSETS AT BEGINNING OF YEAR	171,409	180,932
NET ASSETS AT END OF YEAR	\$ 234,043	\$ 171,409

STATEMENT OF FUNCTIONAL EXPENSES
Years Ended March 31, 2020 and 2019
(See Independent Accountant's Review Report)

Year Ended March 31, 2020	Program Services	Management and General	Fundraising	Total
Wages and payroll taxes	\$ 207,396	\$ 17,283	\$ 22,221	\$ 246,900
Supplies	27,502	2,828	5,062	35,392
Utilities and telephone	11,059	1,467	537	13,063
Insurance	5,724	3,029	569	9,322
Depreciation and amortization	5,842	1,095	365	7,302
Professional fees	-	5,025	-	5,025
Other	2,242	73	-	2,315
Repairs and maintenance	1,550	200	73	1,823
Interest expense	859	487	207	1,553
Taxes and licenses	1,130	117	43	1,290
	<u>\$ 263,304</u>	<u>\$ 31,604</u>	<u>\$ 29,077</u>	<u>\$ 323,985</u>

Year Ended March 31, 2019	Program Services	Management and General	Fundraising	Total
Wages and payroll taxes	\$ 158,486	\$ 22,351	\$ 22,351	\$ 203,188
Supplies	29,331	3,021	5,320	37,672
Utilities and telephone	12,850	1,697	621	15,168
Insurance	4,513	2,464	446	7,423
Depreciation and amortization	5,901	1,106	370	7,377
Professional fees	-	6,025	-	6,025
Other	3,610	1,155	713	5,478
Repairs and maintenance	2,850	369	134	3,353
Interest expense	1,158	375	54	1,587
Taxes and licenses	1,089	112	41	1,242
	<u>\$ 219,788</u>	<u>\$ 38,675</u>	<u>\$ 30,050</u>	<u>\$ 288,513</u>

See accompanying notes to financial statements.

STATEMENTS OF CASH FLOWS
Years Ended March 31, 2020 and 2019
(See Independent Accountant's Review Report)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributors and grants	\$ 288,310	\$ 190,680
Cash received from fundraisers	73,452	59,370
Cash received from services	25,391	29,380
Cash paid to employees	(225,746)	(189,691)
Cash paid to suppliers	(67,078)	(75,383)
Cash paid for payroll taxes	(16,513)	(15,706)
Interest paid	(1,553)	(1,587)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	76,263	(2,937)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(957)	(8,858)
NET CASH USED BY INVESTING ACTIVITIES	(957)	(8,858)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from short-term debt	-	15,438
Repayment of short-term debt	(15,438)	-
Repayment of long-term debt	(3,333)	(7,054)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(18,771)	8,384
NET INCREASE (DECREASE) IN CASH	56,535	(3,411)
CASH AT BEGINNING OF YEAR	1,343	4,754
CASH AT END OF YEAR	\$ 57,878	\$ 1,343

NOTES TO FINANCIAL STATEMENTS
March 31, 2020 and 2019
(See Independent Accountant's Review Report)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

(the "Organization") is a not-for-profit organization

Financial Statement Presentation

The Organization 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.

Recognition of Donor Restrictions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, 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.

Cash

The Organization considers all unrestricted short-term investments with an original maturity of three months or less to be cash equivalents.

Representative Payee

The Organization participates in Social Security's Representative Payment program and provides benefit payment management for beneficiaries who are incapable of managing their Social Security or Supplemental Security Income payments. The benefit payments received by the Organization are not recorded as revenue and instead are recorded as cash with an offsetting liability. When payments are made for the expenses of the beneficiaries, no expense is recorded by the Organization and instead the liability and cash accounts are reduced.

Accounts Receivable

Accounts receivable are reported at the amount management expects to collect on balances outstanding at year-end. Based on management's assessment of the credit history with the program, it has concluded that realization of losses on balances outstanding at year-end will be immaterial.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

NOTES TO FINANCIAL STATEMENTS
March 31, 2020 and 2019
(See Independent Accountant's Review Report)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

The Organization accrues a liability for vested leave time to which employees are entitled.

Use of Estimates

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

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The following expenses are allocated: wages and payroll taxes, supplies, utilities, and repairs. These expenses are allocated based on estimates of time and effort.

Property and Equipment

Property and equipment are recorded at cost. The costs of additions and betterments are capitalized, and expenditures for repairs and maintenance are expensed in the period incurred. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in income. Contributions of property and materials are capitalized at their current fair values. Depreciation is computed by the straight-line method over the estimated useful lives of the assets.

Property and equipment are summarized by major classification as follows:

	<u>2020</u>	<u>2019</u>
Land	\$ 85,000	\$ 85,000
Buildings and improvements	189,666	189,666
Furniture and equipment	39,896	38,939
Vehicles	<u>7,884</u>	<u>7,884</u>
	322,446	321,489
Accumulated depreciation	<u>(91,975)</u>	<u>(84,672)</u>
	<u>\$ 230,471</u>	<u>\$ 236,817</u>

Subsequent Events

Subsequent events were evaluated through July 21, 2020, which is the date the financial statements were available to be issued.

NOTES TO FINANCIAL STATEMENTS
March 31, 2020 and 2019
(See Independent Accountant's Review Report)

NOTE B – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	2020	2019
Cash	\$ 55,787	\$ 1,343
Accounts receivable	-	533
	\$ 55,787	\$ 1,876

While the Organization does not have excess cash to invest, it operates each year with a balanced budget. The Organization also has a \$50,000 line of credit with a bank that can be drawn upon as needed to management cash flow.

NOTE C – LONG-TERM DEBT

Long-term debt consists of the following:

	2020	2019
Mortgage note	\$ 26,375	29,708
	26,375	29,708
Less current portion of long-term debt	(2,683)	(3,243)
	\$ 23,692	\$ 26,465

Maturities of long-term debt are as follows:

Year Ended March 31,	
2021	\$ 2,683
2022	3,432
2023	3,592
2024	3,758
2025	3,698
Thereafter	9,212
	\$ 26,375

NOTES TO FINANCIAL STATEMENTS
March 31, 2020 and 2019
(See Independent Accountant's Review Report)

NOTE D – NET ASSETS WITH DONOR RESTRICTIONS

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

<u>2020</u>	<u>2019</u>
\$ 29,299	\$ -
<u>9,167</u>	<u>-</u>
<u>\$ 38,466</u>	<u>\$ -</u>

NOTE E – RECLASSIFICATIONS

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the current year presentation. Such reclassifications had no impact on net assets or the change in net assets.