

CLINTONVILLE-BEECHWOLD
COMMUNITY RESOURCES CENTER

FINANCIAL STATEMENTS

DECEMBER 31, 2019 and 2018

CLINTONVILLE-BEECHWOLD COMMUNITY RESOURCES CENTER

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees

Clintonville-Beechwold Community Resources Center:

We have audited the accompanying financial statements of Clintonville-Beechwold Community Resources Center (CRC) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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 (GAAP); 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

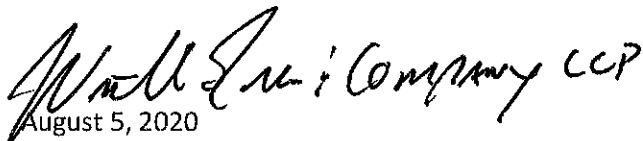
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CRC as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited CRC's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 26, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958)—Presentation of Financial Statements of Not-for-Profit Entities*. The ASU addresses the complexity and understandability of net asset classification, and deficiencies in information about liquidity and availability of resources. The Organization has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented, and has resulted in previous net asset classes "Unrestricted – Board Endowment" and "Unrestricted" to be combined into a single classification of Net Assets Without Donor Restrictions, as well as net asset classes "Temporarily Restricted" and "Permanently Restricted" to be combined into a single classification of Net Assets With Donor Restrictions.


August 5, 2020

CLINTONVILLE-BEECHWOLD COMMUNITY RESOURCES CENTER

Statements of Financial Position
As of December 31, 2019 and 2018

<u>ASSETS</u>		
	<u>2019</u>	<u>2018</u>
Current Assets		
Cash & Cash Equivalents - Operating	\$ 215,720	\$ 204,599
Accounts Receivable	209,849	101,411
Prepaid Expenses	6,671	10,725
Food Pantry Inventory	56,993	19,303
Total Current Assets	<u>489,233</u>	<u>336,038</u>
Investment - Columbus Foundation (Endowment)	195,974	181,040
Fixed Assets		
Building, Land and Equipment	1,168,514	1,163,060
Accumulated Depreciation	(381,552)	(316,642)
Total Fixed Assets	<u>786,962</u>	<u>846,418</u>
Other Assets		
Deposits	1,000	1,000
Total Other Assets	<u>1,000</u>	<u>1,000</u>
 Total Assets	 <u>\$ 1,473,169</u>	 <u>\$ 1,364,496</u>

<u>LIABILITIES</u>		
Current Liabilities		
Accounts Payable	\$ 57,344	\$ 35,556
Accrued Expenses	116,610	137,685
Current Portion of Long-Term Debt	13,086	12,575
Total Current Liabilities	<u>187,040</u>	<u>185,816</u>
Long-Term Liabilities		
Mortgage Payable	201,254	213,768
Less: Current Portion of Long-Term Debt	(13,086)	(12,575)
Total Long-Term Liabilities	<u>188,168</u>	<u>201,193</u>
 Total Liabilities	 <u>\$ 375,208</u>	 <u>\$ 387,009</u>

<u>NET ASSETS</u>		
Net Assets Without Donor Restrictions	\$ 873,945	\$ 808,813
Net Assets With Donor Restrictions	224,016	168,674
 Total Net Assets	 <u>1,097,961</u>	 <u>977,487</u>
 Total Net Assets and Liabilities	 <u>\$ 1,473,169</u>	 <u>\$ 1,364,496</u>

CLINTONVILLE-BEECHWOLD COMMUNITY RESOURCES CENTER

Statements of Activities

For the fiscal year ending December 31, 2019 with comparative totals from December 31, 2018

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>2019 Total</u>	<u>2018 Total</u>
Public Support and Revenue				
Support	\$ 592,992	\$ 234,385	\$ 827,377	\$ 748,295
United Way	196,137	-	196,137	165,350
Total Public Support	<u>789,129</u>	<u>234,385</u>	<u>1,023,514</u>	<u>913,645</u>
Government Fees and Grants	862,521	-	862,521	661,516
Non-Cash Food and Other Donations	1,195,562	-	1,195,562	722,922
Other Revenue				
Investment Income (Loss)	41,970	-	41,970	(5,832)
Special Event Revenue, Net of Expenses	63,352	-	63,352	57,820
Miscellaneous Income	2,196	-	2,196	(924)
Net Assets Released From Restrictions	179,043	(179,043)	-	-
Total Other Revenue	<u>286,561</u>	<u>(179,043)</u>	<u>107,518</u>	<u>51,064</u>
Total Public Support and Revenue	<u>3,133,773</u>	<u>55,342</u>	<u>3,189,115</u>	<u>2,349,147</u>
Expenses				
Program Services				
Family Services	1,294,195	-	1,294,195	945,305
Youth Services	298,626	-	298,626	307,513
Senior Services	938,111	-	938,111	961,390
Other Program Services	212,320	-	212,320	148,513
Total Program Services	<u>2,743,252</u>	<u>-</u>	<u>2,743,252</u>	<u>2,362,721</u>
Supporting Services				
Management and General	228,604	-	228,604	223,794
Fundraising	96,785	-	96,785	103,721
Total Supporting Services	<u>325,389</u>	<u>-</u>	<u>325,389</u>	<u>327,515</u>
Total Expenses	<u>3,068,641</u>	<u>-</u>	<u>3,068,641</u>	<u>2,690,236</u>
Increase (Decrease) in Net Assets	65,132	55,342	120,474	(341,089)
Net Assets - Beginning of Year	808,813	168,674	977,487	1,318,576
Net Assets - End of Year	<u>\$ 873,945</u>	<u>\$ 224,016</u>	<u>\$ 1,097,961</u>	<u>\$ 977,487</u>

CLINTONVILLE-BEECHWOLD COMMUNITY RESOURCES CENTER

Statements of Functional Expenses
For the fiscal year ending December 31, 2019 and comparative totals for December 31, 2018

	PROGRAM SERVICES				SUPPORTING SERVICES		Total 2019	Total 2018
	Family Services	Youth Services	Senior Services	Other Program Services	Total Program Services	Admin and General		
Salaries	\$ 175,635	\$ 190,876	\$ 435,267	\$ 59,271	\$ 861,049	\$ 109,675	\$ 65,993	\$1,036,717
Employee Benefits	24,148	21,804	57,942	2,062	105,956	41,527	2,300	149,783
Payroll Taxes	10,344	12,245	29,489	3,491	55,569	5,384	4,210	65,163
Total Salaries and Related Expenses	210,127	224,925	522,698	64,824	1,022,574	156,586	72,503	1,251,663
Professional Fees	-	-	-	-	-	11,967	-	11,967
Program Service Providers	-	9,060	173,209	8,970	191,239	-	-	191,239
Supplies	3,658	2,773	12,667	17,480	36,578	1,917	319	38,814
Telephone	1,577	2,545	6,346	707	11,175	3,466	444	15,085
Postage	10	50	1,375	-	1,435	-	-	1,435
Occupancy	19,104	4,771	29,397	8,086	61,358	8,920	175	70,453
Printing and Publications	38	25	1,341	14,200	15,604	18,021	14,025	47,650
Automobile and Travel	1,900	1,402	69,155	2,661	75,118	941	30	76,089
Kids Club Rent	-	32,439	-	-	32,439	-	-	32,439
Conferences and Meetings	196	3,331	8,609	175	12,311	1,308	-	13,619
Material Assistance	1,034,955	14,848	62,931	90,039	1,202,773	-	-	1,202,773
Information Technology	1,837	1,333	9,511	3,156	15,837	806	9,245	25,888
Membership Dues	-	-	-	-	-	1,650	-	1,650
Miscellaneous	-	-	-	-	-	6,366	-	6,366
Bad Debt	-	-	-	-	-	16,600	-	16,600
Total Before Depreciation	1,273,402	297,502	897,239	210,298	2,678,441	228,548	96,741	3,003,730
Depreciation	20,793	1,124	40,872	2,022	64,811	56	44	64,911
Total	\$1,294,195	\$ 298,626	\$ 938,111	\$ 212,320	\$2,743,252	\$ 228,604	\$ 96,785	\$3,068,641
								\$2,690,236

CLINTONVILLE-BEECHWOLD COMMUNITY RESOURCES CENTER

Statements of Cash Flows
For the fiscal years ending December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities		
Increase (Decrease) in Net Assets	\$ 120,474	\$ (341,089)
Adjustments to Reconcile Change in Net Assets To Net Cash Provided by Operating Activities		
Depreciation	64,911	67,222
(Increase) in Accounts Receivable	(108,438)	(9,824)
Decrease in Grants Receivable	-	159,917
Decrease (Increase) in Prepaid Expenses	4,054	(1,444)
(Increase) in Food Pantry Inventory	(37,690)	-
Increase in Accounts Payable	21,788	39,039
(Decrease) Increase in Accrued Expenses	<u>(21,075)</u>	<u>1,263</u>
Net Cash (Used) Provided by Operating Activities	44,024	(84,916)
Cash Flows From Investing Activities		
Endowment Income Reinvested	(14,934)	8,727
Acquisition of Property and Equipment	<u>(5,455)</u>	<u>(153,028)</u>
Net Cash (Used) by Investing Activities	(20,389)	(144,301)
Cash Flows From Financing Activities		
Payments on Mortgage Payable	<u>(12,514)</u>	<u>(12,983)</u>
Net Cash (Used) by Investing Activities	<u>(12,514)</u>	<u>(12,983)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	11,121	(242,200)
Cash and Cash Equivalents, Beginning of Year	<u>204,599</u>	<u>446,799</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 215,720</u></u>	<u><u>\$ 204,599</u></u>

CLINTONVILLE-BEECHWOLD COMMUNITY RESOURCES CENTER

Notes to the Financial Statements
December 31, 2019 and 2018

Note 1 – Summary of Significant Accounting Policies

Center

Clintonville-Beechwold Community Resources Center (CRC) is a social service agency providing a wide spectrum of services to individuals in Franklin County, Ohio, mostly in the Clintonville-Beechwold neighborhood. CRC is a United Way Funded Partner.

Basis of Presentation

CRC has adopted Accounting Standards Codification (ASC) 2016-14, "Not-For-Profit Entities – Revenue Recognition". In accordance with ASC 2016-14, contributions received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

CRC has also adopted ASC 958-10-65-1, "Not-For-Profit Entities – Presentation of Financial Statements". Under ASC 958-10-65-1, CRC is required to report 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.

The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and a board-designated endowment. Net assets with donor restrictions are subject to donor-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, such as those that the donor stipulates that resources be maintained in perpetuity.

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 the Organization, 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.

CLINTONVILLE-BEECHWOLD COMMUNITY RESOURCES CENTER

Notes to the Financial Statements
December 31, 2019 and 2018

Note 1 – Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

The Organization'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.

Cash, Saving and Money Market

CRC maintains cash balances at a local bank and a credit union firm. Additionally, as of December 31, 2019 and 2018 the Federal Deposit Insurance Corporation insures the balances maintained at the bank up to \$250,000. As of December 31, 2019 and 2018, CRC had funds of \$0 in excess of these limits.

For purposes of the statements of cash flows, CRC considers all highly liquid investments with original maturities of three months or less to be cash equivalents; this would include the cash and cash equivalent – operating as well as cash – agency funds.

Fixed Assets

Fixed assets consist of equipment, furnishings and improvements. Any additions of \$1,000 plus are recorded at cost when purchased or if donated at fair market value at date of donation. Depreciation is computed on the estimated useful lives of the assets using the straight-line method.

Accrued Vacation Liability

Vacations earned by employees are accrued monthly at their current rate of pay and at a rate based upon years of service.

Inventory

Inventory consists of food and non-food items stored at CRC's food pantry location. CRC's largest inventory donor (Mid-Ohio Food Bank) hired an independent accountant to perform a per-pound calculation to determine the value of items donated to its constituents. The results of this review produced a per-pound valuation for inventory at \$1.69 per pound. This calculation, which is considered the most reliable information available, is used by CRC to value inventory.

CLINTONVILLE-BEECHWOLD COMMUNITY RESOURCES CENTER

Notes to the Financial Statements
December 31, 2019 and 2018

Note 1 – **Summary of Significant Accounting Policies (Continued)**

Donations

Donations received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in net assets with donor restrictions. When a 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.

CRC chooses to show restricted contributions, whose restrictions are met in the same period, as unrestricted support.

Federal Income Tax

CRC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, CRC may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of CRC and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the fiscal year ending December 31, 2019 and 2018.

CRC files its forms 990 in the U.S. federal jurisdiction and the office of the state's attorney general for the State of Ohio. CRC is generally no longer subject to examination by the Internal Revenue Service for years before December 31, 2015.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

CLINTONVILLE-BEECHWOLD COMMUNITY RESOURCES CENTER

Notes to the Financial Statements
December 31, 2019 and 2018

Note 2 – Investment – Columbus Foundation/Unrestricted Endowment

The Board of CRC has established an endowment fund at the Columbus Foundation. CRC has full access to the funds which are unrestricted and can be used for any purpose that the Board wishes, including general operations. Accordingly, the fund is included in Net Assets Without Donor Restrictions. The funds are carried at fair market value. The Board currently intends to reinvest all income and, accordingly, no formal spending policy is in place except that two-thirds board vote is needed to withdraw funds. The Board has a general investment policy to help ensure diversification of the funds and monitors the account to ensure compliance with the needs of CRC. The following is the activity for the years ending December 31:

	<u>2019</u>	<u>2018</u>
Beginning Balance	\$181,040	\$189,767
Contributions	26,000	---
Investment Gains/(Losses)	39,671	(7,963)
Withdrawals	(50,000)	---
Fees	(737)	(764)
Ending Balance	<u>\$195,974</u>	<u>\$181,040</u>

CLINTONVILLE-BEECHWOLD COMMUNITY RESOURCES CENTER

Notes to the Financial Statements
December 31, 2019 and 2018

Note 3 – Building, Land, and Equipment

A summary of improvements and equipment follows:

	<u>2019</u>	<u>2018</u>
Vehicles	\$283,007	\$279,457
Building Improvements	39,078	37,174
Furniture and Fixtures	70,119	70,119
Buildings	729,210	729,210
Land	47,100	47,100
	<u>1,168,514</u>	<u>1,163,060</u>
Less: Accumulated Depreciation	<u>\$(381,552)</u>	<u>\$(316,642)</u>
Total	<u>\$786,962</u>	<u>\$846,418</u>

Note 4 – Facility

In 1980 Clintonville/Beechwold Community Resources Center received a deed from the City of Columbus for the property at 14 W. Lakeview to be used to house CRC. In 2009, the property was donated to the center from the city of Columbus. The gift was valued at \$192,600 (\$149,100 for the building and \$43,500 for the land).

Note 5 – Fundraising

Special Event Fundraising generated revenue of \$81,066 and \$96,390 in 2019 and 2018, respectively. Direct fundraising expenses were \$17,714 and \$38,570 in 2019 and 2018, respectively. Net proceeds were \$63,562 and \$57,820 for the fiscal year ending December 31, 2019 and 2018, respectively.

Note 6 – Tax Deferred Annuity Plan

CRC has established a 403(b) Tax Deferred Annuity Plan. Employees who have completed two years of service are eligible to participate. Employees earn a year of service for each 12-month period beginning on their date of hire and any 12-month period beginning with the anniversary of their date of hire during which they work at least 1,000 hours. The eligible participants may elect to defer a portion of their compensation for contribution to the plan. CRC will contribute an amount equal to 5% of the participating employee's annual compensation. Pension expense was \$31,400, and \$29,533 for the year ending December 31, 2019 and 2018, respectively.

CLINTONVILLE-BEECHWOLD COMMUNITY RESOURCES CENTER

Notes to the Financial Statements
December 31, 2019 and 2018

Note 7 – Donated Materials and Services

Donated services are recognized as contributions in accordance with ASC 605, "Revenue Recognition," if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by CRC. Volunteers also serve meals and various other services throughout the year that are not recognized as donations in the financial statements since the recognition criteria under ASC 605 were not met. CRC receives a substantial amount of donated materials and services throughout the year. These include food, clothing and miscellaneous items, as well as volunteer mileage and time.

The largest source of in-kind food donation is from the Mid-Ohio Food Bank, which donated approximately 518,341 and 281,232 pounds of fresh produce and other food items to CRC on weekly Tuesday night deliveries and through the direct retail pickup program during the years ended December 31, 2019 and 2018, respectively. Part of these Mid-Ohio Food Bank donations come from two federal grant programs with which CRC is a partner agency, and therefore included in the total Mid-Ohio Food Bank donations is food valued at \$0.26 and \$0.60, as valued by CFDA #93.558 and #10.565, respectively. Mid-Ohio will aggregate the federal grant food with its other donated food to derive the total donated value. This valuation was calculated by an independent accountant hired by Mid-Ohio Food Bank to determine the value of food donated to its constituents. The results of this review produced a per-pound valuation for in-kind food donations at \$1.69 per pound. This calculation is considered to be the most reliable information available, and is used to value all Mid-Ohio Food Bank in-kind food received by CRC. Accordingly, Mid-Ohio Food Bank in-kind food donation reflected in the financial statements totaled \$875,996 and \$475,282 during the years ended December 31, 2019 and 2018, respectively. All donated food is distributed through CRC's Family Services Program's Choice Food Pantry.

Additionally, Mid-Ohio Food Bank also provides donated food to CRC in the form of food boxes for senior citizens through the Commodity Supplemental Food Program (CSFP). These donations totaled approximately 21,331 and 21,330 pounds of food during the years ended December 31, 2019 and 2018, respectively, and accordingly, Mid-Ohio CSFP in-kind donations are reflected in the financial statements totaled \$36,048 and \$36,047 for the years ended December 31, 2019 and 2018, respectively.

CRC's Family Services Center and Food Pantry was temporarily moved between March and July 2018 so that extensive renovations could be completed. This affected CRC's capacity to distribute their usual amount of food per day and limited their ability to accept in-kind food donations from Mid-Ohio Food Bank, as well as the rest of the community. Upon completion of the renovations in July 2018, CRC resumed operations at typical capacity.

CRC's Board of Trustees volunteered in excess of 1,000 hours, a significant contribution of their time, to the CRC. The value of this time, the countless hours contributed by 500+ volunteers throughout the year, and other donations of materials and services are not reflected in the accompanying statements because they are not susceptible to objective measurement or valuation.

CLINTONVILLE-BEECHWOLD COMMUNITY RESOURCES CENTER

Notes to the Financial Statements

December 31, 2019 and 2018

Note 8 – **Revenue With and Without Donor Restrictions**

Contributions received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

During 2011, an individual transferred title and donated land valued at \$3,600 to be used by CRC for the sole purpose of maintaining a garden. During 2014 a small building was donated to be set on this land. The building was valued at \$1,200. These assets are considered permanently restricted and are included as Net Assets with Donor Restrictions on the statement of financial position.

CRC receives donations restricted to specific uses. As of December 31, 2019 and 2018, Net Assets with Donor Restrictions were comprised of funds with the following uses:

	<u>2019</u>	<u>2018</u>
Breakfast Club	\$ 157	\$ 334
Battelle - STEM	12,107	---
Children's Library	143	143
Columbus Foundation	75	96
City of Columbus	40,000	5,500
City of Columbus Senior Services	40,000	---
COAAA Lyft	7,950	---
Custodial Community Projects	20,807	16,212
Development	717	717
Family Services	310	1,085
FCC Catalyst	25,000	---
Food Pantry – Various	689	882
Jeff Stevens	43,898	---
Kinship Care	15,893	78,391
Mentor—IHO James “Jim” Pantalos	254	254
Osteopathic Heritage Foundation	---	35,302
Reinberger Foundation	---	10,000
Transportation	2,333	---
Various	250	---
Village in the Ville	5,000	---
Senior Services	<u>3,633</u>	<u>14,958</u>
Total Temporarily Restricted	<u>\$219,216</u>	<u>\$163,874</u>
Total Permanently Restricted	<u>\$ 4,800</u>	<u>\$ 4,800</u>
Total Net Assets with Donor Restrictions	<u>\$ 224,016</u>	<u>\$ 168,674</u>

CLINTONVILLE-BEECHWOLD COMMUNITY RESOURCES CENTER

Notes to the Financial Statements
December 31, 2019 and 2018

Note 9 – Liquidity

The following reflects the organization’s financial assets as of the statement date of the financial position. Financial assets at year-end are reduced by amounts not available for general use due to donor-imposed restrictions that will not expire within one year of the financial position date. Donor restricted amounts that will become available for general use within the year subsequent to December 31, 2019 include Breakfast Club, Battelle STEM, Children’s Library, City of Columbus, COAAA Lyft, Development, Family Services, FCC Catalyst, Food Pantry – Various, Jeff Stevens Fund, Kinship Care, Transportation, Village in the Ville, and Senior Services.

	<u>2019</u>	<u>2018</u>
Financial Assets at Year-End	\$621,543	\$ 487,050
Custodial Community Projects	(20,807)	(16,212)
Kinship Care	<u>---</u>	<u>(22,270)</u>
Financial Assets Available for Use Within 1 Year	<u>\$ 600,736</u>	<u>\$448,568</u>

The Organization defines financial assets as Cash/Cash Equivalents, Accounts Receivable, Grants Receivable (when applicable), and Investment-Columbus Foundation.

	<u>2019</u>	<u>2018</u>
Cash/Cash Equivalents	\$215,720	\$204,599
Accounts Receivable	209,849	101,411
Investment- Columbus Foundation (Endowment)	<u>195,974</u>	<u>181,040</u>
Financial Assets at Year-end	<u>\$621,543</u>	<u>\$487,050</u>

Note 10 – Concentration of Credit Risk

During 2019, support for CRC operations was received from the United Way of \$196,137, Franklin County of \$458,961, Mid-Ohio Food Bank of \$875,996 and the City of Columbus of \$158,290 which totaled \$1,689,384. This support represented 53% of the total support for the period.

During 2018, support for CRC operations was received from the United Way of \$163,650, Franklin County of \$407,936, Mid-Ohio Food Bank of \$511,329 and the City of Columbus of \$78,316 which totaled \$1,161,231. This support represented 49% of the total support for the period.

All support from Mid-Ohio Food Bank consists of donated food. See Note 7 for more details.

CLINTONVILLE-BEECHWOLD COMMUNITY RESOURCES CENTER

Notes to the Financial Statements
December 31, 2019 and 2018

Note 11 – **Operating Lease**

During 2017, CRC began leasing additional space located at 3230 N High St. The lease runs for 5 years from April 1, 2017 through March 31, 2022. The rental rate begins at \$1,400 per month, and will increase by 1.5% annually. CRC has an option to extend the lease for an additional 5 years under the same terms, if they so choose. Rental payments on this lease total \$17,265 and \$17,010 for the years ended December 31, 2019 and 2018, respectively. Future required minimum lease payments are as follows for the fiscal years ending December 31:

<u>Year</u>	<u>Amount</u>
2020	\$17,525
2021	17,785
2022	<u>2,970</u>
	<u>\$ 38,280</u>

Note 12 – **ASC 958-320 – Fair Value of Assets**

CRC has adopted ASC 958-320 “Not-For-Profit Entities – Investments”. ASC 958-320 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 958-320 are as follows:

- Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access at the measurement date;

- Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;

- Level 3 Inputs that are unobservable.

Inputs are used in applying the various techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility, statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes “observable” requires significant judgment by the management. The management considers observable data to be that market data which is readily available regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the manager’s perceived risk of that instrument.

In making the aforementioned valuations, manager will consult with their brokers, investment managers and various other entities in analyzing data which determines fair market values.

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Note 12 – ASC 958-320 – Fair Value of Assets (Continued)

Fair values of assets measured on a recurring basis at December 31, 2019 are as follows:

	<u>Fair Value</u>	Quoted Prices In Active Markets For Identical Assets <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>	Significant Unobservable Inputs <u>(Level 3)</u>
Investments – Endowment	\$195,974	\$---	\$195,974	\$---
Investments – CD's	---	---	---	---
Total Investments	<u>\$195,974</u>	<u>\$---</u>	<u>\$195,974</u>	<u>\$---</u>

Fair values of assets measured on a recurring basis at December 31, 2018 are as follows:

	<u>Fair Value</u>	Quoted Prices In Active Markets For Identical Assets <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>	Significant Unobservable Inputs <u>(Level 3)</u>
Investments – Endowment	\$181,040	\$---	\$181,040	\$---
Investments – CD's	---	---	---	---
Total Investments	<u>\$181,040</u>	<u>\$---</u>	<u>\$181,040</u>	<u>\$---</u>

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

Note 13 – Related Parties

CRC has entered into an arrangement to provide accounting services for an organization of which CRC's executive director is a board member. Total payments made to CRC from this related organization for accounting services totaled \$1,680 and \$2,144 for the years ended December 31, 2019 and 2018, respectively.

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Note 14 -- **Mortgage**

In a prior year, CRC entered into a loan arrangement with a bank. The arrangement (note) called for 59 payments of \$2,071 (principal and interest) and a balloon payment of \$281,139 (principal and interest) that was due May 2018. The loan was refinanced through Heartland Bank during 2017. The new arrangement (note) spans 15 years and calls for 180 payments of \$1,744 (principal and interest). The note carries an interest rate of 3.99% and is due May 2032. The building at 3222 N. High Street serves as collateral (book value was \$432,796 as of December 31, 2019). The following is a repayment schedule for the coming years:

2020	\$13,086
2021	13,618
2022	14,171
2023	14,747
2024	15,346
Thereafter	130,286
	<u>\$ 201,254</u>

Note 15 -- **Expense Allocation**

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of time estimates and effort. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Note 16 -- **Subsequent Events**

Subsequent events were evaluated through August 5, 2020, which is the date the financial statements were available for issuance.