

CLINTONVILLE-BEECHWOLD
COMMUNITY RESOURCES CENTER

FINANCIAL STATEMENTS

DECEMBER 31, 2018 and 2017

CLINTONVILLE-BEECHWOLD COMMUNITY RESOURCES CENTER

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Clintonville-Beechwood Community Resources Center:

We have audited the accompanying financial statements of Clintonville-Beechwald Community Resources Center (CRC) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, 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 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.

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.

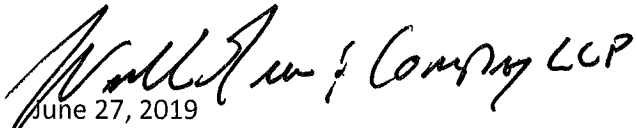
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CRC as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited CRC's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 12, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, 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.


June 27, 2019

CLINTONVILLE-BEECHWOLD COMMUNITY RESOURCES CENTER

Statements of Financial Position
As of December 31, 2018 and 2017

<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
Current Assets		
Cash & Cash Equivalents - Operating	\$ 204,599	\$ 446,799
Accounts Receivable	101,411	91,587
Grants Receivable	-	159,917
Prepaid Expenses	10,725	9,281
Food Pantry Inventory	19,303	19,303
Total Current Assets	<u>336,038</u>	<u>726,887</u>
Investment - Columbus Foundation (Endowment)	181,040	189,767
Fixed Assets		
Building, Land and Equipment	1,163,060	1,047,768
Accumulated Depreciation	<u>(316,642)</u>	<u>(287,156)</u>
Total Fixed Assets	<u>846,418</u>	<u>760,612</u>
Other Assets		
Deposits	<u>1,000</u>	<u>1,000</u>
Total Other Assets	<u>1,000</u>	<u>1,000</u>
Total Assets	<u><u>\$ 1,364,496</u></u>	<u><u>\$ 1,678,266</u></u>
 <u>LIABILITIES</u>		
Current Liabilities		
Accounts Payable	\$ 130,129	\$ 91,090
Accrued Expenses	43,112	41,849
Current Portion of Long-Term Debt	<u>12,575</u>	<u>12,083</u>
Total Current Liabilities	<u>185,816</u>	<u>145,022</u>
Long-Term Liabilities		
Mortgage Payable	213,768	226,751
Less: Current Portion of Long-Term Debt	<u>(12,575)</u>	<u>(12,083)</u>
Total Long-Term Liabilities	<u>201,193</u>	<u>214,668</u>
Total Liabilities	387,009	359,690
 <u>NET ASSETS</u>		
Net Assets Without Donor Restrictions	808,813	937,373
Net Assets With Donor Restrictions	<u>168,674</u>	<u>381,203</u>
Total Net Assets	<u>977,487</u>	<u>1,318,576</u>
Total Net Assets and Liabilities	<u><u>\$ 1,364,496</u></u>	<u><u>\$ 1,678,266</u></u>

CLINTONVILLE-BEECHWOLD COMMUNITY RESOURCES CENTER

Statements of Activities

For the fiscal year ending December 31, 2018 with comparative totals from December 31, 2017

	Without Donor Restriction	With Donor Restriction	2018 Total	2017 Total
Public Support and Revenue				
Support	\$ 522,571	\$ 225,724	\$ 748,295	\$ 690,783
United Way	163,650	1,700	165,350	150,242
Total Public Support	<u>686,221</u>	<u>227,424</u>	<u>913,645</u>	<u>841,025</u>
Government Fees and Grants	661,516	-	661,516	649,432
Non-Cash Government Grants	-	-	-	151,720
Non-Cash Food and Other Donations	722,922	-	722,922	1,319,137
Other Revenue				
Investment Income (Loss)	(5,832)	-	(5,832)	30,235
Special Event Revenue, Net of Expenses	57,820	-	57,820	58,555
Miscellaneous Income	(924)	-	(924)	4,566
Net Assets Released From Restrictions	439,953	(439,953)	-	-
Total Other Revenue	<u>491,017</u>	<u>(439,953)</u>	<u>51,064</u>	<u>93,356</u>
Total Public Support and Revenue	<u>2,561,676</u>	<u>(212,529)</u>	<u>2,349,147</u>	<u>3,054,670</u>
Expenses				
Program Services				
Family Services	945,305	-	945,305	1,569,957
Youth Services	307,513	-	307,513	283,340
Senior Services	961,390	-	961,390	849,753
Other Program Services	148,513	-	148,513	120,657
Total Program Services	<u>2,362,721</u>	<u>-</u>	<u>2,362,721</u>	<u>2,823,707</u>
Supporting Services				
Management and General	223,794	-	223,794	204,787
Fundraising	103,721	-	103,721	87,754
Total Supporting Services	<u>327,515</u>	<u>-</u>	<u>327,515</u>	<u>292,541</u>
Total Expenses	<u>2,690,236</u>	<u>-</u>	<u>2,690,236</u>	<u>3,116,248</u>
Increase (Decrease) in Net Assets	(128,560)	(212,529)	(341,089)	(61,578)
Net Assets - Beginning of Year	937,373	381,203	1,318,576	1,380,154
Net Assets - End of Year	<u>\$ 808,813</u>	<u>\$ 168,674</u>	<u>\$ 977,487</u>	<u>\$ 1,318,576</u>

Statements of Functional Expenses

For the fiscal year ending December 31, 2018 and comparative totals for December 31, 2017

5 See Notes To The Financial Statements

CLINTONVILLE-BEECHWOLD COMMUNITY RESOURCES CENTER

Statements of Cash Flows
For the fiscal year ending December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities		
Increase (Decrease) in Net Assets	\$ (341,089)	\$ (61,578)
Adjustments to Reconcile Change in Net Assets		
To Net Cash Provided by Operating Activities		
Depreciation	67,222	47,301
(Increase) in Accounts Receivable	(9,824)	(10,074)
Decrease in Grants Receivable	159,917	201,017
(Increase) in Prepaid Expenses	(1,444)	(2,520)
Decrease in Food Pantry Inventory	-	8,531
Increase (Decrease) in Accounts Payable	39,039	(615)
Decrease in Accrued Revenue	-	500
(Increase) in Deposits	-	(1,000)
(Increase) in Non-Cash Items Capitalized	-	(153,226)
Increase in Accrued Expenses	1,263	8,336
	<u> </u>	<u> </u>
Net Cash (Used) Provided by Operating Activities	(84,916)	36,672
Cash Flows From Investing Activities		
Endowment Income Reinvested	8,727	(27,336)
Acquisition of Property and Equipment	(153,028)	(53,350)
	<u> </u>	<u> </u>
Net Cash (Used) by Investing Activities	(144,301)	(80,686)
Cash Flows From Financing Activities		
Payments on Mortgage Payable	(12,983)	(7,798)
	<u> </u>	<u> </u>
Net Cash (Used) by Investing Activities	(12,983)	(7,798)
	<u> </u>	<u> </u>
Net Increase (Decrease) in Cash and Cash Equivalents	(242,200)	(51,812)
Cash and Cash Equivalents, Beginning of Year	446,799	498,611
	<u> </u>	<u> </u>
Cash and Cash Equivalents, End of Year	<u>\$ 204,599</u>	<u>\$ 446,799</u>

CLINTONVILLE-BEECHWOLD COMMUNITY RESOURCES CENTER

Notes to the Financial Statements
December 31, 2018 and 2017

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.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

CLINTONVILLE-BEECHWOLD COMMUNITY RESOURCES CENTER

Notes to the Financial Statements
December 31, 2018 and 2017

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, 2018 and 2017 the Federal Deposit Insurance Corporation insures the balances maintained at the bank up to \$250,000. As of December 31, 2018 and 2017, CRC had funds of \$0 and \$6,494, respectively, 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, 2018 and 2017

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, 2018 and 2017.

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, 2014.

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, 2018 and 2017

Note 1 – Summary of Significant Accounting Policies (Continued)

Non-Cash Donation

In 2017, CRC was gifted a Honda Odyssey. The value of the donation was estimated at \$1,506. This vehicle is included in Building, Land, and Equipment on the statement of financial position.

In 2017, CRC also received a grant from the Mid-Ohio Regional Planning Commission of four vans. The vans were valued at a total of \$189,648, for which CRC paid \$37,928. The remaining value of the vans (\$151,720) is recognized as the non-cash donation. The total value of the vans is included in Building, Land, and Equipment on the statement of financial position.

There were no such gifts recognized during the year ended December 31, 2018.

Note 2 – Investment – Columbus Foundation/Unrestricted Endowment

The Board of CRC has established an endowment fund at the Columbus. 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>2018</u>	<u>2017</u>
Beginning Balance	\$189,767	\$162,431
Contributions	---	---
Investment Gains/(Losses)	(7,963)	28,018
Withdrawals	---	---
Fees	(764)	(682)
Ending Balance	<u>\$181,040</u>	<u>\$189,767</u>

CLINTONVILLE-BEECHWOLD COMMUNITY RESOURCES CENTER

Notes to the Financial Statements
December 31, 2018 and 2017

Note 3 – Building, Land, and Equipment

A summary of improvements and equipment follows:

	<u>2018</u>	<u>2017</u>
Vehicles	\$279,457	\$ 280,458
Building Improvements	37,173	66,273
Furniture and Fixtures	70,119	51,886
Buildings	729,210	602,050
Land	47,100	47,100
	<u>1,163,060</u>	<u>1,047,768</u>
Less: Accumulated Depreciation	<u>(316,642)</u>	<u>(287,156)</u>
Total	<u><u>\$846,418</u></u>	<u><u>\$760,612</u></u>

Note 4 – Facility

In 1980 Clintonville/Beechwold Community Resources Center received a deed from the City of Columbus to 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 \$96,390 and \$100,632 in 2018 and 2017, respectively. Direct fundraising expenses were \$38,570 and \$40,078 in 2018 and 2017, respectively. Net proceeds were \$57,820 and \$58,555 for the fiscal year ending December 31, 2018 and 2017, 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 \$29,533, and \$28,049 for the year ending December 31, 2018 and 2017, respectively.

CLINTONVILLE-BEECHWOLD COMMUNITY RESOURCES CENTER

Notes to the Financial Statements December 31, 2018 and 2017

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 281,232 and 466,976 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, 2018 and 2017, 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 \$475,282 and \$789,190 during the years ended December 31, 2018 and 2017, respectively. Additionally, in 2017 CRC received 93,307 pounds of food items from Lucky's Market, a local grocer. CRC uses the Mid-Ohio per pound food valuation of \$1.69 per pound for these donations as well and accordingly, an additional \$157,688 of in-kind food donation from Lucky's Market is reflected in the financial statements during the year ended December 31, 2017. In 2018, Lucky's Market joined the Mid-Ohio Food Bank direct retail pickup program, and as such, all Lucky's donated food is included along with the Mid-Ohio donation totals above. 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 21,330 and 14,948 pounds of food during the years ended December 31, 2018 and 2017, respectively, and accordingly, Mid-Ohio CSFP in-kind donations are reflected in the financial statements totaled \$36,047 and \$25,262 for the years ended December 31, 2018 and 2017, 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.

CLINTONVILLE-BEECHWOLD COMMUNITY RESOURCES CENTER

Notes to the Financial Statements

December 31, 2018 and 2017

Note 7 – Donated Materials and Services (Continued)

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.

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, 2018 and 2017, Net Assets with Donor Restrictions were comprised of funds with the following uses:

	<u>2018</u>	<u>2017</u>
Breakfast Club	\$ 334	\$ 427
Catholic Foundation	---	1,100
Children's Library	143	143
Columbus Foundation	96	169
City of Columbus	5,500	---
Custodial Community Projects	16,212	18,711
Development	717	717
Family Services	1,085	152
Food Pantry – Various	882	7,157
Kinship Care	78,391	50
Medical Mutual Grant (CF)	---	7,000
Mentor—IHO James "Jim" Pantalos	254	254
Osteopathic Heritage Foundation	35,302	312,968
Reinberger Foundation	10,000	10,000
Anonymous Donor	---	10,000
Senior Services	<u>14,958</u>	<u>8,654</u>
Total Temporarily Restricted	<u>\$163,874</u>	<u>\$376,403</u>
 Total Permanently Restricted	 <u>\$ 4,800</u>	 <u>\$ 4,800</u>
 Total Net Assets with Donor Restrictions	 <u>\$ 168,674</u>	 <u>\$ 381,203</u>

CLINTONVILLE-BEECHWOLD COMMUNITY RESOURCES CENTER

Notes to the Financial Statements
December 31, 2018 and 2017

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, 2018 include Breakfast Club, Children's Library, Columbus Foundation, Development, Family Services, Food Pantry – Various, Kinship Care (partial), Mentor—IHO James "Jim" Pantalos, Osteopathic Heritage Foundation, Reinberger Foundation, and Senior Services.

	<u>2018</u>	<u>2017</u>
Financial Assets at Year-End	\$487,050	\$ 888,080
Custodial Community Projects	(16,212)	(18,711)
Reinberger Foundation	---	(10,000)
Osteopathic Heritage Foundation	---	(35,302)
Kinship Care	(22,270)	---
Financial Assets Available for Use Within 1 Year	<u>\$ 448,568</u>	<u>\$824,067</u>

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

	<u>2018</u>	<u>2017</u>
Cash/Cash Equivalents	\$204,599	\$446,799
Accounts Receivable	101,411	91,587
Grants Receivable	---	159,917
Investment- Columbus Foundation (Endowment)	<u>181,040</u>	<u>189,767</u>
Financial Assets at Year-end	<u>\$487,050</u>	<u>\$888,070</u>

Note 10 – Concentration of Credit Risk

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 50% of the total support for the period.

During 2017, support for CRC operations was received from the United Way of \$148,842, Franklin County of \$397,111, Mid-Ohio Food Bank of \$789,005 and the City of Columbus of \$248,944 which totaled \$1,583,902. 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, 2018 and 2017

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 17,010 and \$14,000 for the years ended December 31, 2018 and 2017, respectively. Future required minimum lease payments are as follows for the fiscal years ending December 31:

<u>Year</u>	<u>Amount</u>
2019	17,265
2020	17,525
2021	17,785
2022	<u>2,970</u>
	<u>\$55,545</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, 2018 are as follows:

	<u>Fair Value</u>	<u>Quoted Prices In Active Markets For Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (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 of assets measured on a recurring basis at December 31, 2017 are as follows:

	<u>Fair Value</u>	<u>Quoted Prices In Active Markets For Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments – Endowment	\$189,767	\$---	\$189,767	\$---
Investments – CD's	---	---	---	---
Total Investments	<u>\$189,767</u>	<u>\$---</u>	<u>\$189,767</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 \$2,144 and \$2,478 for the years ended December 31, 2018 and 2017, respectively.

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Note 14 -- Mortgage

During 2013 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 \$1,744.16 (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, 2018). The following is a repayment schedule for the coming years:

2019	\$	12,575
2020		13,086
2021		13,618
2022		14,171
2023		14,747
Thereafter		145,571
	\$	<u>213,768</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 June 27, 2019, which is the date the financial statements were available for issuance.