

Foundation of Compassionate American Samaritans

**Financial Statements
December 31, 2020 and 2019 and
Independent Accountants' Review Report**

FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS

December 31, 2020 and 2019

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Independent Accountants' Review Report

To the Board of Trustees of
Foundation of Compassionate American Samaritans
Cincinnati, Ohio

We have reviewed the accompanying financial statements of Foundation of Compassionate American Samaritans (a nonprofit organization), which comprise the statements of financial position as of December 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 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 engagements 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 reviews, 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.



August 12, 2021
Cincinnati, Ohio

FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS

Statements of Financial Position December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Cash and cash equivalents	\$ 1,065,745	\$ 420,611
Pledges receivable, net	17,804	64,949
Investments	-	5,813
Other assets	844	2,644
Property and equipment, net	<u>488,134</u>	<u>414,853</u>
Total assets	<u><u>\$ 1,572,527</u></u>	<u><u>\$ 908,870</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 9,871	\$ 12,896
Paycheck Protection Program loan	<u>63,475</u>	<u>-</u>
Total liabilities	<u>73,346</u>	<u>12,896</u>
Net Assets		
Without donor restrictions	1,481,377	831,024
With donor restrictions	<u>17,804</u>	<u>64,950</u>
Total net assets	<u>1,499,181</u>	<u>895,974</u>
Total liabilities and net assets	<u><u>\$ 1,572,527</u></u>	<u><u>\$ 908,870</u></u>

See accompanying notes and independent accountants' review report

FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS

Statement of Activities Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue			
Contributions	\$ 1,293,783	\$ 2,523	\$ 1,296,306
Contributions in-kind	42,172	-	42,172
Fundraising and special events	1,901	-	1,901
Other	31,817	-	31,817
Investment return, net	390	-	390
Net assets released from restrictions	49,669	(49,669)	-
	<u>1,419,732</u>	<u>(47,146)</u>	<u>1,372,586</u>
Total support and revenue			
	<u>1,419,732</u>	<u>(47,146)</u>	<u>1,372,586</u>
Expenses			
Program services	569,685	-	569,685
Supporting services:			
Management and general	140,630	-	140,630
Fundraising	59,064	-	59,064
	<u>769,379</u>	<u>-</u>	<u>769,379</u>
Total expenses			
	<u>769,379</u>	<u>-</u>	<u>769,379</u>
Change in net assets	650,353	(47,146)	603,207
Net assets, beginning of year	<u>831,024</u>	<u>64,950</u>	<u>895,974</u>
Net assets, end of year	<u><u>\$ 1,481,377</u></u>	<u><u>\$ 17,804</u></u>	<u><u>\$ 1,499,181</u></u>

See accompanying notes and independent accountants' review report

FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS

Statement of Activities Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue			
Contributions	\$ 609,781	\$ 23,400	\$ 633,181
Contributions in-kind	46,900	-	46,900
Other	6,028	-	6,028
Investment return, net	1,750	-	1,750
Net assets released from restrictions	<u>104,937</u>	<u>(104,937)</u>	<u>-</u>
Total support and revenue	<u>769,396</u>	<u>(81,537)</u>	<u>687,859</u>
Expenses			
Program services	457,261	-	457,261
Supporting services:			
Management and general	110,378	-	110,378
Fundraising	<u>52,382</u>	<u>-</u>	<u>52,382</u>
Total expenses	<u>620,021</u>	<u>-</u>	<u>620,021</u>
Change in net assets	149,375	(81,537)	67,838
Net assets, beginning of year	<u>681,649</u>	<u>146,487</u>	<u>828,136</u>
Net assets, end of year	<u><u>\$ 831,024</u></u>	<u><u>\$ 64,950</u></u>	<u><u>\$ 895,974</u></u>

See accompanying notes and independent accountants' review report

FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS

Statement of Functional Expenses Year Ended December 31, 2020

		Supporting Services		
	Program Services	Management & General	Fundraising	Total
Salaries	\$ 256,386	\$ 64,217	\$ 38,111	\$ 358,714
Other expenses	134,195	19,378	-	153,573
Employee benefits	9,791	15,891	5,842	31,524
Payroll taxes	26,276	6,759	3,909	36,944
Special events	-	-	2,802	2,802
Transportation	23,044	1,920	-	24,964
Utilities	28,929	-	-	28,929
Rent	11,635	-	-	11,635
Supplies	15,041	5,111	-	20,152
Professional fees	3,017	11,564	-	14,581
Public awareness	5,298	-	7,829	13,127
Insurance	4,985	-	-	4,985
Depreciation	6,359	-	-	6,359
Telephone	-	7,815	-	7,815
Postage	-	893	193	1,086
Printing	-	1,435	378	1,813
Maintenance	2,557	480	-	3,037
401(k) expenses	-	5,167	-	5,167
	527,513	140,630	59,064	727,207
In-kind services and supplies	42,172	-	-	42,172
	<u>\$ 569,685</u>	<u>\$ 140,630</u>	<u>\$ 59,064</u>	<u>\$ 769,379</u>

See accompanying notes and independent accountants' review report

FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS

Statement of Functional Expenses Year Ended December 31, 2019

		Supporting Services		
	Program Services	Management & General	Fundraising	Total
Salaries	\$ 249,391	\$ 39,378	\$ 31,600	\$ 320,369
Other expenses	42,667	15,821	-	58,488
Employee benefits	7,328	10,382	4,950	22,660
Payroll taxes	25,562	4,091	3,088	32,741
Special events	-	-	7,042	7,042
Transportation	5,230	1,920	-	7,150
Utilities	36,086	-	-	36,086
Rent	9,600	-	-	9,600
Supplies	20,528	3,794	-	24,322
Professional fees	4,009	11,941	331	16,281
Public awareness	-	613	-	613
Insurance	2,780	10,371	-	13,151
Depreciation	4,419	-	-	4,419
Telephone	-	3,536	-	3,536
Postage	-	534	288	822
Lord's Gym	817	-	-	817
Printing	-	2,056	5,083	7,139
Maintenance	1,944	304	-	2,248
401(k) expenses	-	5,637	-	5,637
	410,361	110,378	52,382	573,121
In-kind services and supplies	46,900	-	-	46,900
	<u>\$ 457,261</u>	<u>\$ 110,378</u>	<u>\$ 52,382</u>	<u>\$ 620,021</u>

See accompanying notes and independent accountants' review report

FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS

Statements of Cash Flows Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 603,207	\$ 67,838
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	6,359	4,419
Net realized/unrealized gains on investments	(390)	(1,750)
Donated securities	(23,597)	(17,342)
Changes in:		
Pledges receivable	47,145	41,857
Other assets	1,800	(1,900)
Accounts payable and accrued expenses	<u>(3,025)</u>	<u>6,741</u>
Net cash provided by operating activities	<u>631,499</u>	<u>99,863</u>
Cash flows from investing activities		
Proceeds from sales of investments	29,974	22,980
Purchases of property and equipment	<u>(79,814)</u>	<u>(42,553)</u>
Net cash used in investing activities	<u>(49,840)</u>	<u>(19,573)</u>
Cash flows from financing activities		
Proceeds from Paycheck Protection Program (PPP) loan	<u>63,475</u>	<u>-</u>
Net provided by financing agencies	<u>63,475</u>	<u>-</u>
Net change in cash and cash equivalents	645,134	80,290
Cash and cash equivalents, beginning of year	<u>420,611</u>	<u>340,321</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,065,745</u></u>	<u><u>\$ 420,611</u></u>

See accompanying notes and independent accountants' review report

FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Foundation of Compassionate American Samaritans (Organization) was founded to assist the poor of Cincinnati's Over-The-Rhine community; to see them saved, disciplined, helped in crucial physical needs, and equipped for a productive and Godly life. The Organization's primary funding sources are from contributions.

Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which are available for use in general operations and not subject to donor restrictions; and net asset with donor restrictions, which are either temporary in nature, such as those that will be met by passage of time or other events specified by the donor, or are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Cash and Cash Equivalents

The Organization considers bank deposits and all highly liquid investments with original maturities of three months or less to be cash and cash equivalents. At December 31, 2020 and 2019, cash equivalents consisted primarily of depository accounts. The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Property and Equipment

Property and equipment are recorded at cost or, if donated or impaired, at fair value at the time of the gift or determination. Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets. The costs of maintenance and repairs are expensed as incurred while significant improvements are capitalized.

In accordance with GAAP, the Organization assesses the recoverability of the carrying amount of property and equipment if certain events or changes occur, such as a significant decrease in market value of the assets or a significant change in operating conditions. Based on its most recent analysis, the Organization believes no impairments existed at December 31, 2020 and 2019.

Contributions

The Organization records gifts of cash and other assets at their fair value as of the date of contribution. Such donations are recorded as revenue without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as revenue without donor restrictions and net assets without donor restrictions.

FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS

Notes to Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions (Continued)

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as revenue with donor restrictions. Absent explicit donor stipulations about how long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Unconditional promises to give expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is amortized and reported as contribution revenue. Conditional promises to give are recognized as revenues when the condition on which they depend are substantially met.

Contributed Services

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individual providing the service and the service would typically need to be purchased if not donated.

In-Kind Donations

The Organization receives certain in-kind donations during the year, which are recorded at fair market value as contribution revenue and an expense in the financial statements.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of Ohio law. However, the Organization is subject to federal income tax on any unrelated business taxable income.

The Organization's IRS Form 990 is subject to review and examination by federal and state authorities. The Organization believes it has appropriate support for any tax positions taken, and therefore, does not have any uncertain income tax positions that are material to the financial statements.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Expenses have been classified based upon actual and direct expenditures and cost allocations. The most significant allocations are salaries and related expenses, which were allocated based upon time spent by the Organization's personnel.

FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS

Notes to Financial Statements (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

New Accounting Standard

In February 2016, the FASB issued ASU 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating, which will be relevant for the pattern of expense recognition in the statement of activities. This standard will be effective for Organization's year ending December 31, 2022.

The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

Reclassifications

Certain 2019 figures were reclassified to conform to the 2020 presentation. There was no effect on change of net assets.

Subsequent Events

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through August 12, 2021, the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows as of December 31:

	<u>2020</u>	<u>2019</u>
Cash	\$ 1,065,745	\$ 420,611
Investments	<u>-</u>	<u>5,813</u>
	<u>\$ 1,065,745</u>	<u>\$ 426,424</u>

Cash is available to cover general expenditures in the Organization's programs, management and general, and fundraising. There are no reserves or Board restrictions on the available financial assets.

The Organization has a \$250,000 line of credit agreement which it could draw upon in the event of an unanticipated liquidity need (See Note 5 for more details on the line of credit).

FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS

Notes to Financial Statements (Continued)

NOTE 3 PLEDGES RECEIVABLE

Pledges receivable as of December 31 consisted of the following:

	2020	2019
Due within one year	\$ 18,739	\$ 5,750
Due in one to five years	850	63,508
	19,589	69,258
Less:		
Allowance for uncollectible contributions	(1,000)	(1,000)
Unamortized discount	(785)	(3,309)
	<u>\$ 17,804</u>	<u>\$ 64,949</u>

The discount rate for these pledges was 4.00% for 2020 and 2019.

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment as of December 31 consisted of the following:

	2020	2019
Building, land and improvements	\$ 62,008	\$ 62,008
Office furniture and equipment	2,995	2,995
Vehicles	63,226	32,490
Gym equipment	10,695	10,695
Construction in progress	394,792	356,060
	533,716	464,248
Less accumulated depreciation	(45,582)	(49,395)
	<u>\$ 488,134</u>	<u>\$ 414,853</u>

Construction in progress is comprised of costs incurred to renovate a building.

NOTE 5 LINE OF CREDIT

The Organization has a \$25,000 line of credit for emergency use. This line of credit does not have an expiration date. No amounts were borrowed against this line of credit as of December 31, 2020. The Organization entered into a \$250,000 line of credit on March 5, 2021 in connection with the construction draw. This line of credit expires September 5, 2022 and has interest accruing on any unpaid principal balance at the prime rate (3.25% as of December 31, 2020) less 1.00%.

FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS

Notes to Financial Statements (Continued)

NOTE 6 LONG TERM DEBT

The Organization entered into a note payable in March 2020 for the amount of \$500,000. The principal balance will be repayable in 360 equal monthly installments. The funds have not been provided to the Organization and there is no outstanding balance payable as of December 31, 2020. There is no interest rate related to this note.

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31 are available for the following purposes or periods:

	2020	2019
For periods after December 31	\$ 17,804	\$ 64,950

NOTE 8 SIGNIFICANT CONCENTRATIONS

Accounting principles generally accepted in the United States of America require disclosure of current vulnerabilities due to certain concentrations. Those matters include the following:

Approximately 52% and 12% of total revenue and support was received from one donor in 2020 and 2019, respectively.

Approximately 75% and 67% of pledges receivable at December 31, 2020 and 2019 were due from two donors and three donors, respectively.

NOTE 9 LEASE COMMITMENTS

The Organization has a fifteen-year agreement with City Gospel Mission wherein the Organization reimburses City Gospel Mission for the Organization's share of utilities for its space occupied at City Gospel Mission. The Organization entered into an operating lease in Covington, Kentucky in 2019 for a facility that expires July 2022. Monthly payments are \$1,250. Future minimum lease payments under these leases are as follows:

Year Ending December 31,	
2021	\$ 15,000
2022	8,750
Total	\$ 23,750

Rent expense under operating lease is approximately \$11,635 and \$9,600 for the years ended December 31, 2020 and 2019.

FOUNDATION OF COMPASSIONATE AMERICAN SAMARITANS

Notes to Financial Statements (Continued)

NOTE 10 PAYCHECK PROTECTION PROGRAM (PPP) LOAN

On May 11, 2020, the Organization qualified for and received a loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender (the "PPP Lender"), for an aggregate principal amount of \$63,475 (the "PPP Loan"). The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. The principal amount of the PPP Loan is subject to forgiveness under the Paycheck Protection Program upon the Organization's request to the extent that the PPP Loan proceeds are used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the Organization. As of December 31, 2020, the organization had not received forgiveness on the loan. To the extent that all or part of the PPP Loan is not forgiven, the Organization will be required to pay interest on the PPP Loan at a rate of 1.0% per annum. Payment of principal and interest commences upon notification from the SBA and are due on or before the maturity date in May 2022. The outstanding balance for this note payable was \$63,475 as of December 31, 2020.

In April 2021, the Organization received notice that the Paycheck Protection Program loan was forgiven in full by the SBA.