

**VALLEY INTERFAITH FOOD AND CLOTHING CENTER**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2016 AND 2015**

**COLLINS HEEB & ASSOCIATES, INC.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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VALLEY INTERFAITH FOOD AND CLOTHING CENTER

STATEMENTS OF ACTIVITIES – MODIFIED CASH BASIS

Years ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Changes in unrestricted net assets:		
Revenue:		
Donations, legacies and bequest	\$ 318,589	\$ 306,296
Interest	434	549
Sale of merchandise	13,320	8,875
In kind donations	<u>1,005,000</u>	<u>1,040,000</u>
Total unrestricted revenue	1,337,343	1,355,720
Operating expenses:		
Client food	9,113	16,283
Other pantry items	4,383	3,733
Client assistance	58,307	61,271
Program expenses	29,269	31,434
Volunteer expenses	2,461	5,713
Salaries, payroll taxes and benefits	105,297	121,444
Office supplies and postage	10,395	13,683
Utilities	24,971	31,689
Maintenance and supplies	31,442	23,494
Marketing and development	1,553	2,938
Insurance	2,827	9,397
Professional fees	16,170	100
Miscellaneous operating expenses	6,314	2,436
In kind donations used	<u>1,005,000</u>	<u>1,040,000</u>
	<u>1,307,502</u>	<u>1,363,615</u>
Increase (decrease) in unrestricted net assets	29,841	(7,895)
Net assets, beginning of year	<u>219,051</u>	<u>226,946</u>
Net assets, end of year	<u>\$ 248,892</u>	<u>\$ 219,051</u>

See accompanying notes.

VALLEY INTERFAITH FOOD AND CLOTHING CENTER

STATEMENTS OF CASH FLOWS

Years ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Increase (decrease) in unrestricted net asset	<u>\$ 29,841</u>	<u>\$ (7,895)</u>
Net cash provided by (used in) operating activities	<u>29,841</u>	<u>(7,895)</u>
Net increase (decrease) in cash	29,841	(7,895)
Cash at beginning of year	<u>219,051</u>	<u>226,946</u>
Cash at end of year	<u>\$248,892</u>	<u>\$219,051</u>

See accompanying notes.

VALLEY INTERFAITH FOOD AND CLOTHING CENTER

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2016

	<u>Program Expenses</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Salaries, payroll taxes and benefits	\$ 29,954	\$66,414	\$ 8,929	\$ 105,297
Office supplies and postage	-	5,960	4,435	10,395
Client food	9,113	-	-	9,113
Clothing and other pantry items	4,383	-	-	4,383
Program expenses	29,269	-	-	29,269
Maintenance and supplies	31,442	-	-	31,442
Utilities	24,971	-	-	24,971
Miscellaneous expenses	1,672	4,642	-	6,314
Marketing and development	1,553	-	-	1,553
Insurance	-	2,827	-	2,827
Professional fees	-	16,170	-	16,170
Volunteer expenses	-	2,461	-	2,461
Client assistance	58,307	-	-	58,307
In kind donations used	<u>1,005,000</u>	<u>-</u>	<u>-</u>	<u>1,005,000</u>
Total expenses	<u>\$1,195,664</u>	<u>\$98,474</u>	<u>\$13,364</u>	<u>\$1,307,502</u>

See accompanying notes.

VALLEY INTERFAITH FOOD AND CLOTHING CENTER

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2015

	<u>Program Expenses</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total Expenses</u>
Salaries, payroll taxes and benefits	\$ 27,469	\$59,054	\$34,921	\$121,444
Office supplies and postage	-	8,338	5,345	13,683
Client food	16,283	-	-	16,283
Clothing and other pantry items	3,733	-	-	3,733
Program expenses	31,434	-	-	31,434
Maintenance and supplies	23,494	-	-	23,494
Utilities	31,689	-	-	31,689
Miscellaneous expenses	2,057	379	-	2,436
Marketing and development	2,938	-	-	2,938
Insurance	-	9,397	-	9,397
Professional fees	-	100	-	100
Volunteer expenses	-	5,713	-	5,713
Client assistance	61,271	-	-	61,271
In kind donations used	<u>1,040,000</u>	<u>-</u>	<u>-</u>	<u>1,040,000</u>
Total expenses	<u>\$1,240,368</u>	<u>\$82,981</u>	<u>\$40,266</u>	<u>\$1,363,615</u>

See accompanying notes.

VALLEY INTERFAITH FOOD AND CLOTHING CENTER

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

1. Nature of operations

Organization – The Valley Interfaith Food and Clothing Center was organized in the State of Ohio as a not-for-profit organization and is exempt from federal and state income taxes. The primary purpose of the organization is to provide food and clothing and assistance for low income families.

2. Summary of significant accounting policies

Basis of financial presentation – The Organization maintains its books, records and accounts on the modified cash basis and prepares its tax returns on the modified cash basis. Under this basis the donations receivable are recorded as income when collected rather than when earned; accounts payable and expenses are generally recorded when paid rather than when incurred. The accompanying financial statements are prepared on the modified cash basis and therefore present the organization's assets and liabilities resulting from cash transactions and its revenue received and expenses paid, except that the statements include a provision for depreciation of property and equipment.

Income earned but not collected and expenses incurred but not paid are not included in the financial statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Estimates in financial statements – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of credit risk – Financial instruments that potentially subject the organization to concentrations of credit risk consist principally of temporary cash. The Organization places its temporary cash with financial institutions and limits the amount of credit exposure to any one financial institution. Cash accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2016 and 2015, the Organization had no uninsured cash balances.

Fund accounting – To ensure observance of limitations and restrictions placed on the use of resources available to the organization, the accounts of the organization are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Accordingly, all financial transactions have been recorded and reported by one fund group.

The assets, liabilities and net assets of the organization are reported in one self-balancing fund group, as follows:

Unrestricted operating funds, which represent the portion of expendable funds that are available for support of organization services and activities.

VALLEY INTERFAITH FOOD AND CLOTHING CENTER

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

2. Summary of significant accounting policies (continued)

Cash and cash equivalents – The Organization considers cash and cash equivalents to include cash on hand, cash in banks, certificates of deposit and all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Income taxes – The Valley Interfaith Food and Clothing Center is exempt from federal and state income taxes and accordingly no provision for income taxes has been made in the financial statements on the income from the Organization's activities. The Organization's non-profit federal income tax returns for the years 2014 through 2016 are open for income tax audits.

Interest income – Interest income is recorded when earned and is considered available for unrestricted purposes unless specifically restricted.

Revenue recognition – All donations and revenues received are considered available for unrestricted use unless specifically restricted by the Board of Directors.

Donated products and services – The Organization receives various donated products and services that are reflected as revenue and expenses in the accompanying financial statements. Volunteer services are recorded based on hours worked by volunteers at \$10.00 per hour. Donated food and personal care products are weighted at receipt and valued at rates used by the Freestore Foodbank. Donated clothing is based on client selection valued at Goodwill prices.

The estimated value of volunteer services and products included in the accompanying financial statements are as follows:

	<u>2016</u>	<u>2015</u>
Volunteer services	\$ 220,000	\$ 220,000
Clothing	405,000	465,000
Food and personal care products	<u>380,000</u>	<u>355,000</u>
	\$1,005,000	\$1,040,000
	=====	=====

3. Subsequent events

The Organization has evaluated subsequent events through June 23, 2017, the date the financial statements were issued. No significant events have occurred through this date requiring adjustment to the financial statements or disclosures.



VALLEY INTERFAITH FOOD AND CLOTHING CENTER

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

4. Responsibilities for financial statements

The financial statements of the Valley Interfaith Food and Clothing Center were prepared in accordance with the comprehensive basis of accounting principles for organizations on the modified cash basis. The integrity and consistency of these financial statements, and of other data presented in this report, are the responsibility of the Organization's officers and properly include some amounts that are based upon estimates and judgments.

The Organization's officers are further responsible for maintaining a system of internal controls, including internal accounting control, that provides an appropriate division of responsibility and is designed to assure that the books and records reflect the transactions of the Organization and that its established policies and procedures are carefully followed. The system is constantly reviewed for its effectiveness and is augmented by written policies and guidelines.



**COLLINS HEEB & ASSOCIATES, INC.**  
CERTIFIED PUBLIC ACCOUNTANTS

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CINCINNATI, OH 45217-1252

**INDEPENDENT AUDITOR'S REPORT**

**The Board of Directors  
Valley Interfaith Food and Clothing Center  
Cincinnati, Ohio**

***Report on the Financial Statements***

We have audited the accompanying financial statements of Valley Interfaith Food and Clothing Center (an Ohio 501(c)(3) nonprofit corporation) which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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 risks 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 policies 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 Valley Interfaith Food and Clothing Center as of December 31, 2016 and 2015, and the results of its activities and its cash flows for the years then ended, on the basis of accounting described in Note 2 in conformity with accounting principles generally accepted in the United States of America.

**VALLEY INTERFAITH FOOD AND CLOTHING CENTER**  
**STATEMENTS OF FINANCIAL POSITION – MODIFIED CASH BASIS**

December 31, 2016 and 2015

<u>ASSETS</u>	<u>2016</u>	<u>2015</u>
Cash:		
WesBanco:		
Checking account— 0.05%	\$ 77,848	\$ 66,561
Paypal	-	1,857
Spring Valley Bank:		
Money market account – .25%	<u>171,044</u>	<u>150,633</u>
Total cash	248,892	219,051
	<hr/>	<hr/>
Total assets	\$248,892	\$219,051
	<u>=====</u>	<u>=====</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable – trade	\$ -	\$ -
Net assets:		
Board restricted	87,173	62,173
7 Unrestricted	<u>161,719</u>	<u>156,878</u>
Total liabilities and net assets	\$248,892	\$219,051
	<u>=====</u>	<u>=====</u>

See accompanying notes.