

BELONG!

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Belong!

Opinion

We have audited the accompanying financial statements of Belong!, which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Belong! as of December 31, 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Belong! and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Belong!'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Belong!'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Belong!'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Belong!'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 27, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



HAN GROUP LLC
Washington, DC
October 11, 2022

BELONG!

Statement of Financial Position

December 31, 2021

	<u>2021</u>	<u>2020</u>
Assets		
Cash	\$ 207,739	\$ 178,564
Contributions receivable	18,000	5,000
Property and equipment, net	11,761	16,985
Other assets	<u>-</u>	<u>1,851</u>
 Total assets	 <u>\$ 237,500</u>	 <u>\$ 202,400</u>
 Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 1,724</u>	<u>\$ 1,250</u>
 Total liabilities	 <u>1,724</u>	 <u>1,250</u>
 Net Assets		
Without donor restrictions	226,507	201,150
With donor restrictions	<u>9,269</u>	<u>-</u>
 Total net assets	 <u>235,776</u>	 <u>201,150</u>
 Total liabilities and net assets	 <u>\$ 237,500</u>	 <u>\$ 202,400</u>

See accompanying notes.

BELONG!
Statement of Activities
Year Ended December 31, 2021

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Support				
Contributions	\$ 265,299	\$ 32,875	\$ 298,174	\$ 308,584
Net assets released from restrictions:				
Satisfaction of purpose restrictions	23,606	(23,606)	-	-
Total revenue and support	288,905	9,269	298,174	308,584
Expenses				
Program services	192,706	-	192,706	170,513
Supporting services:				
Management and general	43,442	-	43,442	68,107
Fundraising	27,400	-	27,400	20,410
Total supporting services	70,842	-	70,842	88,517
Total expenses	263,548	-	263,548	259,030
Change in Net Assets	25,357	9,269	34,626	49,554
Net Assets, beginning of year	201,150	-	201,150	151,596
Net Assets, end of year	<u>\$ 226,507</u>	<u>\$ 9,269</u>	<u>\$ 235,776</u>	<u>\$ 201,150</u>

See accompanying notes.

BELONG!Statement of Functional Expenses
Year Ended December 31, 2021

	2021				2020	
	Program Services	Supporting Services		Total Supporting Services	Total	Total
Management and General		Fundraising				
Salaries and related expenses	\$ 138,575	\$ 22,732	\$ 26,412	\$ 49,144	\$ 187,719	\$ 170,339
Assistance and awards	24,606	-	-	-	24,606	43,391
Program supplies and materials	16,941	-	-	-	16,941	12,142
Professional services	-	11,491	-	11,491	11,491	9,934
Office expenses	4,487	2,472	855	3,327	7,814	6,666
Depreciation	5,224	-	-	-	5,224	5,224
Insurance	1,256	3,507	-	3,507	4,763	4,897
Bank and credit card fees	-	2,054	-	2,054	2,054	4,353
Licenses and fees	911	553	-	553	1,464	1,566
Contractors	473	-	-	-	473	301
Travel, transportation, and meals	-	167	-	167	167	103
Conferences and meetings	14	-	133	133	147	65
Other expenses	219	466	-	466	685	49
Total Expenses	\$ 192,706	\$ 43,442	\$ 27,400	\$ 70,842	\$ 263,548	\$ 259,030

See accompanying notes.

BELONG!

Statement of Cash Flows

Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 34,626	\$ 49,554
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	5,224	5,224
Change in operating assets and liabilities:		
Contributions receivable	(13,000)	(5,000)
Other assets	1,851	(1,851)
Accounts payable and accrued expenses	474	(910)
Net cash provided by operating activities	<u>29,175</u>	<u>47,017</u>
Net Increase in Cash	29,175	47,017
Cash, beginning of year	<u>178,564</u>	<u>131,547</u>
Cash, end of year	<u><u>\$ 207,739</u></u>	<u><u>\$ 178,564</u></u>

See accompanying notes.

BELONG!

Notes to Financial Statements

December 31, 2021

1. Nature of Operations

Belong! is a not-for-profit organization incorporated in the Commonwealth of Virginia on July 31, 2018 for the purpose of providing integrated services and social connectivity to improve life for underserved families and individuals in the geographic area of the Town of Vienna, Virginia. Initially, Belong! was focused on low to moderate income families living in the Vienna Park Apartments community. Since 2019, Belong! has expanded its activities throughout the Town of Vienna and adjacent communities. Belong! provides a range of programs for adults and children including youth academic and enrichment, community resources and engagements, scholarship offerings, emergency assistance, and other services. Belong! was created by the Vienna Presbyterian Church (VPC) and other area churches as an independent organization with its own board of directors. Belong! funds its program and supporting services primarily through contributions received from VPC, corporations, foundations, and individuals.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The accompanying financial statements of Belong! have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America (GAAP). Consequently, revenue is recognized when earned and expenses are recognized when the obligation is incurred.

Contributions Receivable

Contributions receivable represents amounts due from Belong!'s various contributors. There was no allowance for doubtful accounts recorded at December 31, 2021 as the entire balance was deemed by management to be fully collectible within one year. If an amount becomes uncollectible, it is expensed when that determination is made.

Property and Equipment

Property and equipment over \$1,000 with a projected useful life exceeding one year are capitalized and recorded at cost or fair value at date of contribution. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

Classification of Net Assets

- *Net Assets Without Donor Restrictions* represent funds that are not subject to donor-imposed stipulations and are available for support of Belong!'s operations.
- *Net Assets With Donor Restrictions* represent funds 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, where the donor stipulates that resources be maintained in perpetuity. Belong! did not have any donor-imposed restrictions which are perpetual in nature at December 31, 2021.

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Notes to Financial Statements

December 31, 2021

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Contributions

Belong!'s revenue is earned through contributions. Unconditional contributions are recognized as revenue when received or promised and are reported as support with donor restrictions if they are received with donor stipulations that limit the use of donated assets. When a donor 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 on the statement of activities as net assets released from restrictions.

Contributions that are considered to be conditional contributions, that is, those with a measurable performance or other barrier and a right of return, are recognized as revenue once the conditions on which they depend have been met. Belong! adopted the simultaneous release option for donor-restricted conditional contributions that are recognized and used within the same reporting period, therefore, these amounts are reported as without donor restrictions. Revenue recognized on contributions, but have not been received, is reflected as contributions receivable on the accompanying statement of financial position. Conversely, amounts received in advance of the conditions being met are recorded as refundable advances on the accompanying statement of financial position. There were no refundable advances at December 31, 2021. In addition, Belong! had no unrecognized conditional awards at December 31, 2021.

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis on the accompanying statement of activities. The statement of functional expense presents expenses by function and natural classification. Belong! incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. Belong! also conducts a number of activities that benefit both its program objectives as well as supporting services. These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited based on either financial or nonfinancial data, such as distribution of labor or estimates of time and effort incurred by personnel. The expenses that are allocated include salaries and related expenses, and office expenses.

Pending Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). The core principles of ASU 2016-02 change the way organizations will account for their leases by recognizing lease assets and related liabilities on the statement of financial position and disclosing key information about leasing arrangements. ASU 2016-02 is effective for non-public entities for fiscal years beginning after December 15, 2021.

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Notes to Financial Statements

December 31, 2021

2. Summary of Significant Accounting Policies (continued)

Pending Accounting Pronouncements (continued)

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The core principles of ASU 2020-07 address the measurement of nonfinancial contributions and increase the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. The amendments in the update are to be applied on a retrospective basis. ASU 2020-07 is effective for non-public entities for fiscal years beginning after June 15, 2021. Management is currently evaluating the impact of ASU 2016-02 and ASU 2020-07 on Belong!'s financial statements.

Use of Estimates

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 certain amounts reported in the financial statements. Actual results could differ from those estimates.

Summarized Comparative Information

The accompanying financial statements are presented with certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with Belong!'s financial statements for the year ended December 31, 2020 from which the summarized information was derived.

3. Concentrations

During the year ended December 31, 2021, Belong! received 65% of its revenue from one donor. In addition, contributions receivable due from another donor comprised 100% of Belong!'s contributions receivable at December 31, 2021. A significant reduction in this level of funding in the future could adversely impact Belong!'s ability to continue its existing programs and supporting services. Management does not anticipate any significant net reduction of funding in the near term.

4. Property and Equipment

Belong! held the following property and equipment at December 31, 2021:

Vehicle	\$	26,127
Less: accumulated depreciation		<u>(14,366)</u>
Property and equipment, net	\$	<u>11,761</u>

BELONG!

Notes to Financial Statements

December 31, 2021

5. Liquidity and Availability of Resources

The following schedule reflects Belong!'s financial assets as of December 31, 2021 available for use in the next year, reduced by amounts not available for general use because of contractual obligations or donor-imposed restrictions within one year of this date:

Financial Assets:	
Cash	\$ 207,739
Contributions receivable	<u>18,000</u>
Total financial assets	225,739
Less those unavailable for general expenditures within one year due to:	
Donor-imposed restrictions on the financial assets	<u>(9,269)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 216,470</u>

Belong!'s policy is to structure its financial assets to become available as general expenditures, liabilities and other obligations become due. Additionally, Belong! does not have a line of credit.

6. Net Assets With Donor Restrictions

At December 31, 2021, the entire balance of net assets with donor restrictions was restricted for scholarships. During the year ended December 31, 2021, releases from net assets with donor restrictions were for the following:

Subject to expenditures for specific purposes:	
Summer Camp	\$ 18,000
Scholarships	<u>5,606</u>
Total net assets released from donor restrictions	<u>\$ 23,606</u>

7. Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code, Belong! is a nonprofit organization and is exempt from federal taxes on income other than net unrelated business income. No provision for federal or state income taxes is required for the year ended December 31, 2021, as Belong! had no taxable net unrelated business income.

Belong! follows the authoritative guidance relating to accounting for uncertainty in income taxes included in Accounting Standards Codification Topic 740-10, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. It is Belong!'s policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expenses.

BELONG!

Notes to Financial Statements

December 31, 2021

7. Income Taxes (continued)

Belong! performed an evaluation of uncertain tax positions for the year ended December 31, 2021 and determined that there were no matters that would require recognition on the financial statements or that may have any effect on its tax-exempt status. The statute of limitations generally remains open for three tax years with the U.S. federal jurisdiction and the various states and local jurisdictions in which Belong! files tax returns.

8. Subsequent Events

In preparing these financial statements, Belong! has evaluated events and transactions for potential recognition or disclosure through October 11, 2022, the date the financial statements were available to be issued. There were no subsequent events that require recognition of, or disclosure in, the financial statements.