BELONG!

FINANCIAL STATEMENTS

DECEMBER 31, 2022

BELONG!

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Belong!
Vienna, Virginia

Opinion

We have audited the accompanying financial statements of Belong! (a nonprofit organization) which comprise the statement of financial position as of December 31, 2022, 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, 2022, 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 audits. 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.

Auditors' 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, including omissions, 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

The prior year information has been audited by a predecessor auditor and in their standard report dated October 11, 2022, they expressed an unqualified opinion on those financial statements. In their opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

George Scarborough Associates, PC

November 6, 2023

BELONG!

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years ended December 31,	2022			2021
	Without donor restrictions	With donor restrictions	Total	*Total*
Support and Revenue:				
Contributions of cash and other financial assets	$ 341,504	$ 14,100	$ 355,604	$ 298,174
Contributions of nonfinancial assets	46,008		46,008	-
Investment income, net	(163)		(163)	-
Released from restriction	10,790	(10,790)	-	-
Total support and revenue	398,139	3,310	401,449	298,174
Expenses:				
Program Services	324,208		324,208	192,706
Supporting Services:				
Management & general	71,511		71,511	43,442
Fundraising	13,977		13,977	27,400
Total expenses	409,696		409,696	263,548
Increase (decrease) in net assets	(11,557)	3,310	(8,247)	34,626
Net assets, *beginning*	226,507	9,269	235,776	201,150
Net assets, *ending*	$ 214,950	$ 12,579	$ 227,529	$ 235,776

See accompanying notes and independent auditors' report.

BELONG!

STATEMENTS OF FINANCIAL POSITION

Years ended December 31,		**2022**		2021
Assets				
Current assets:				
Cash	**$**	**188,992**	$	207,739
Contributions receivable		**32,000**		18,000
Other assets		**-**		-
Total current assets		**220,992**		225,739
Property & equipment				
Vehicles		**26,127**		26,127
Less: Accumulated depreciataion		**(19,590)**		(14,366)
Total property & equipment		**6,537**		11,761
Total Assets	**$**	**227,529**	$	237,500
Liabilities and Net Assets				
Current liabilities:				
Accounts payable & accrued expenses	**$**	**-**	$	1,724
Total current liabilities		**-**		1,724
Net assets:				
Without donor restrictions		**214,950**		226,507
With donor restrictions		**12,579**		9,269
Total net assets		**227,529**		235,776
Total Liabilities and Net Assets	**$**	**227,529**	$	237,500

See accompanying notes and independent auditors' report.

BELONG!

STATEMENTS OF CASH FLOWS

Years ended December 31,	**2022**	2021
Cash flows from operating activities:		
Change in net assets	**$ (8,247)**	$ 34,626
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:		
(Increase) decrease in contributions receivable	**(14,000)**	(13,000)
(Increase) decrease in other assets	**-**	1,851
Increase (decrease) in accounts payable & accrued expenses	**(1,724)**	474
Net cash (used) provided by operating activities	**(18,747)**	29,175
Net (decrease) increase in cash	**(18,747)**	29,175
Cash, *beginning of year*	**207,739**	178,564
Cash, *end of year*	**$ 188,992**	$ 207,739

See accompanying notes and independent auditors' report.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, **2022**

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Total Supporting Services	Total
Salaries & related expenses	$ 235,622	$ 46,479	$ 10,863	$ 57,342	$ 292,964
Assistance & awards	10,790				10,790
Program supplies & materials	24,347				24,347
Professional services		13,990		13,990	13,990
Office expenses	6,119	1,848	2,058	3,906	10,025
Rent	39,342	3,000	1,056	4,056	43,398
Depreciation	5,224				5,224
Insurance	1,118	4,187		4,187	5,305
Bank & credit card fees		35		35	35
Licenses & fees	1,033	1,477		1,477	2,510
Contractors					-
Travel, transportation & meals		61		61	61
Conferences & meetings	185				185
Other expenses	428	434		434	862
Total	$ 324,208	$ 71,511	$ 13,977	$ 85,488	$ 409,696

See accompanying notes and independent auditors' report.

Note A - Summary of Significant Accounting Policies

Nature of Organization

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 apartment community. Since 2019, Belong! has expanded its activities throughout the Town of Vienna and the 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.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Basis of Presentation

Established standards for external financial reporting by not-for-profit organizations require that resources be classified for accounting and reporting purposes into net asset categories according to donor-imposed restrictions. A description of the net asset categories follows:

Net Assets Without Donor Restrictions: Net assets without donor restrictions are available for use in general operations.

Net Assets With Donor Restrictions: Net assets with donor restrictions consist of amounts that are subject to donor restrictions that may or will be met by expenditure or actions of the Organization and/or the passage of time. Other donor restrictions are perpetual in nature, where the donor stipulates the resources be maintained in perpetuity. The Organization did not have any net assets with donor restrictions which were perpetual in nature of as December 31, 2022.

Comparative Total

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Revenue & Revenue Recognition

Unconditional contributions are recognized as revenue when received or promised and 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.

Note A - Summary of Significant Accounting Policies (continued)

Revenue & Revenue Recognition (cont.)

Contributions that are considered to be conditional contributions; that is, those with a measureable performance or other barrier and a right of return, are recognized as revenue once the conditions on which they depend have been met. The Organization adopted the simultaneous release option for the 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 statement of financial position. Conversely, the amounts received in advance of the conditions being met are recorded as refundable advances on the statement of financial position, There are no refundable advances as of December 31, 2022. In addition, there are no unrecognized conditional awards as of December 31, 2022.

Contributions of Nonfinancial Assets

The Organization receives contributions of nonfinancial assets, such as the use of facilities and donated goods. The Organization records donated goods and use of facilities when received as contributions in the statement of activities at their estimated fair value at the date of receipt.

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and related benefits are allocated based on employee time and effort. Common costs such as occupancy and office expenses are allocated pro-rata based on head count or total costs incurred.

Property and Equipment

The Organization capitalizes donated or purchased assets in excess of $1,000. Equipment is recorded at cost with a useful life of five years. Donated assets are capitalized at the estimated fair value at the date of receipt. Maintenance, repairs and minor renewals are charged to expenses as incurred.

Contributions Receivable

The Organization records unconditional contributions receivable that are expected to be collected within one year at net realizable value. Unconditional contributions expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Management has determined the allowance for uncollectable contributions receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions receivable are written off when deemed uncollectable. At December 30, 2022, the allowance is $0. All contributions receivable as of December 31, 2022 were collected in the first quarter of 2023.

Note B
Date of Management's Review

Subsequent events have been evaluated through November 6, 2023, the date the financial statements were available to be issued.

Note C
Concentrations

During the year ended December 31, 2022, the Organization received 50% of its revenue from one donor. In addition, promises to give from another donor compromised 78% of the Organization's contributions receivable at December 31, 2022. A significant reduction in this level of funding in the future could adversely impact the Organization's ability to continue its existing programs and supporting services. Management does not anticipate any significant net reduction of funding in the near-term.

Note D
Net Assets with Donor Restrictions

At December 31, 2022, the balance of net assets with donor restrictions was restricted for the following: Scholarships $5,579 and Lego challenge project $7,000. During the year ended December 31, 2022, releases from net assets with donor restrictions were for the following: Scholarships $10,790.

Note E
Liquidity and Availability of Resources

The following table represents the Organization's financial assets available to meet cash needs for general expenditures within one year of December 31:

	2022
Total assets at end of year	$ 227,529
Less amounts unavailable for general expenditures within one year:	
Net property & equipment	6,537
Donor-imposed restrictions	12,579
Total financial assets available for general expenditures within one year	$ 208,413

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Additionally, the Organization does not have a line of credit.

Note F
Retirement Plan

The Organization offers a 401(k) plan covering all full-time employees who are eligible to start participating and are eligible for the match contributions beginning ninety days after employment start date. The employer matching contribution is 4% percent of elective contributions. The Organization's policy is to fund the contributions as accrued. Employer contributions to the plan were $7,096 in 2022.

Note G
Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code, the Organization is a nonprofit organization and is exempt from federal taxes on income other than new unrelated business income. No provision for deferral or state income taxes is required for the year ended December 31, 2022, as the Organization had no taxable net unrelated business income.

The Organization follows the authoritative guidance relating the 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 the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expenses.

The Organization performed an evaluation of uncertain tax positions for the year ended December 31, 2022 and determined that there were no matters that would require recognition in the financial statements or that may have any effect on it 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 the Organization files tax returns.

Note H
Contributed Nonfinancial Assets

During fiscal year 2022, the Organization received contributions of goods and spaces. All donated goods and spaces were utilized by the Organization's programs and supporting services. There were no donor-imposed restrictions associated with the donated goods and spaces. Donated spaces are valued at the fair value of similar properties available in commercial real estate listings. Donated goods are valued at the wholesale prices that would be received for selling similar products. The Organization also receives a significant amount of donated services from unpaid volunteers who assist program activities. No amounts have been recognized in the statements of activities for these program activity services because the criteria for recognition have not been satisfied.

The Organization received the following contributions of nonfinancial assets for the year ended December 31, 2022:

	Space	Goods	Total
Program	$ 37,142	$ 4,810	$ 41,952
Management & General	3,000	-	3,000
Fundraising	1,056	-	1,056
Total	**$ 41,198**	**$ 4,810**	**$ 46,008**

Note I
New Accounting Pronouncements

The Organization has adopted Accounting Standards Update (ASU) No. 2020-07 *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), which became effective for annual periods beginning after June 15, 2021. ASU 2020-07 requires not-for-profits (NFPs) to present contributed nonfinancial assets as a separate line item in the statement activities, apart from contributions of cash and other financial assets, and provide additional disclosures about contributions of nonfinancial assets. The change in accounting principle resulting from the ASU was adopted and applied retrospectively for each period presented.

The Organization has adopted Accounting Standards Update (ASU) No. 2016-02 *Leases* (Topic 842), as amended, which became effective for annual periods beginning after December 15, 2021. ASU 2016-02 requires entities to recognize lease assets and lease liabilities on the balance sheet and disclose key information about leasing arrangements. For the years ended December 31, 2022 and 2021, the Organization has no leasing arrangements that require adoption under Topic 842.