

**ROCHESTER AREA INTERFAITH
HOSPITALITY NETWORK, INC.**

FINANCIAL STATEMENTS

December 31, 2019



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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Rochester Area Interfaith Hospitality Network, Inc.
Rochester, NY

We have reviewed the accompanying balance sheets - modified cash basis of Rochester Area Interfaith Hospitality Network, Inc. (a New York not-for-profit corporation) as of December 31, 2019 and 2018, and the related statements of activities - modified cash basis, and functional expenses - modified cash basis for the year ended December 31, 2019, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management financial data and making inquiries of the Organization's 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 the modified cash basis of accounting; 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 engagement 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. We believe that the results of our procedures provide a reasonable basis for our conclusion.



Accountant's Conclusion

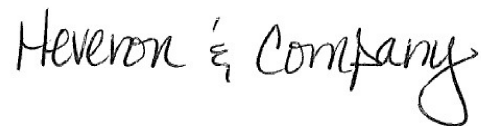
Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the modified cash basis of accounting as described in Note 1.

Basis of Accounting

We draw your attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Report on Summarized Comparative Information

The prior year summarized comparative information contained in the statements of activities - modified cash basis and functional expenses - modified cash basis has been derived from Rochester Area Interfaith Hospitality Network, Inc.'s 2018 financial statements and, in our review report dated March 12, 2019, we stated that we were not aware of any material modifications that should be made to those financial statements in order for them to be in conformity with the modified cash basis of accounting.



Heveron & Company
Certified Public Accountants

Rochester, New York
March 3, 2020

ROCHESTER AREA INTERFAITH HOSPITALITY NETWORK, INC.
BALANCE SHEETS - MODIFIED CASH BASIS
December 31, 2019 and 2018

ASSETS

	2019	2018
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 220,761	\$ 246,094
Certificate of Deposit	100,000	-
Total Current Assets	320,761	246,094
<u>Property and Equipment</u>		
Improvements	12,900	12,900
Furniture and Equipment	8,460	8,460
Transportation Equipment	41,007	41,007
Less: Accumulated Depreciation	(38,819)	(28,358)
Net Property and Equipment	23,548	34,009
TOTAL ASSETS	344,309	280,103

LIABILITIES AND NET ASSETS

<u>Net Assets</u>		
Without Donor Restrictions:		
Undesignated	268,485	255,043
With Donor Restrictions:		
Purpose Restrictions	75,824	25,060
Total Net Assets	344,309	280,103
TOTAL LIABILITIES AND NET ASSETS	\$ 344,309	\$ 280,103

See Independent Accountants' Review Report and Notes to Financial Statements.

ROCHESTER AREA INTERFAITH HOSPITALITY NETWORK, INC.
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For The Year Ended December 31, 2019
(With Comparative Totals For The Year Ended December 31, 2018)

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Totals</u>	
			2019	2018
<u>Support and Revenue</u>				
Support:				
Contributions	\$ 230,687	\$ 55,824	\$ 286,511	\$ 238,673
Special Event	30,165	-	30,165	-
Less: Direct Benefits to Donors	(8,463)	-	(8,463)	-
Net Assets Released from Restrictions	5,060	(5,060)	-	-
Revenue:				
Grants	68,496	-	68,496	28,868
Investment Income	<u>18</u>	<u>-</u>	<u>18</u>	<u>25</u>
 Total Support and Revenue	 <u>325,963</u>	 <u>50,764</u>	 <u>376,727</u>	 <u>267,566</u>
<u>Expenses</u>				
Program Expenses	253,362	-	253,362	200,841
Supporting Services:				
Management and General	46,635	-	46,635	35,516
Fund Raising	<u>12,524</u>	<u>-</u>	<u>12,524</u>	<u>13,147</u>
 Total Expenses	 <u>312,521</u>	 <u>-</u>	 <u>312,521</u>	 <u>249,504</u>
 Change in Net Assets	 13,442	 50,764	 64,206	 18,062
Net Assets - Beginning of Year	<u>255,043</u>	<u>25,060</u>	<u>280,103</u>	<u>262,041</u>
Net Assets - End of Year	<u>\$ 268,485</u>	<u>\$ 75,824</u>	<u>\$ 344,309</u>	<u>\$ 280,103</u>

See Independent Accountants' Review Report and Notes to Financial Statements.

ROCHESTER AREA INTERFAITH HOSPITALITY NETWORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
For The Year Ended December 31, 2019
(With Comparative Totals For The Year Ended December 31, 2018)

	Program <u>Services</u>	Management <u>and General</u>	Fund <u>Raising</u>	Direct Benefits <u>To Donors</u>	<u>Totals</u>	
					2019	2018
Salaries and Wages	\$ 129,120	\$ 26,292	\$ 3,500	\$ -	\$ 158,912	\$ 136,026
Payroll Taxes and Benefits	<u>8,510</u>	<u>3,915</u>	<u>608</u>	<u>-</u>	<u>13,033</u>	<u>13,838</u>
Total Payroll Expenses	137,630	30,207	4,108	-	171,945	149,864
Emergency Needs	36,185	-	-	-	36,185	22,831
Occupancy	22,695	-	790	7,263	30,748	21,886
Repairs and Maintenance	20,885	-	-	-	20,885	5,620
Depreciation	10,460	-	-	-	10,460	8,780
Insurance	7,734	1,595	-	-	9,329	9,104
Professional Fees	50	7,763	-	1,200	9,013	12,468
Education	7,703	-	-	-	7,703	1,711
Postage and Printing	669	-	4,180	-	4,849	3,860
Other Expenses	991	365	3,446	-	4,802	1,112
Information Technology	425	3,566	-	-	3,991	882
Office Expense	431	3,139	-	-	3,570	3,211
Dues and Memberships	3,000	-	-	-	3,000	3,149
Telephone	2,406	-	-	-	2,406	2,345

ROCHESTER AREA INTERFAITH HOSPITALITY NETWORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
For The Year Ended December 31, 2019
(With Comparative Totals For The Year Ended December 31, 2018)
(Continued)

	Program Services	Management and General	Fund Raising	Direct Benefits To Donors	<u>Totals</u>	
					2019	2018
Travel	1,543	-	-	-	1,543	1,186
Program Supplies	<u>555</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>555</u>	<u>1,495</u>
 Total Expenses	 253,362	 46,635	 12,524	 8,463	 320,984	 249,504
Less Expenses Included With Support and Revenue on the Statement of Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,463)</u>	<u>(8,463)</u>	<u>-</u>
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 253,362</u>	<u>\$ 46,635</u>	<u>\$ 12,524</u>	<u>\$ -</u>	<u>\$ 312,521</u>	<u>\$ 249,504</u>

See Independent Accountants' Review Report and Notes to Financial Statements.

ROCHESTER AREA INTERFAITH HOSPITALITY NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Rochester Area Interfaith Hospitality Network, Inc. (the Organization) is a not-for-profit organization formed in 2004 in Rochester, New York. The Organization is an interfaith, culturally-competent organization of faith communities that assist homeless families to achieve sustainable independence by supporting them with tailored services including shelter, food, personalized case management, and a diverse network of caring volunteers. The Organization obtains its support from individuals, organizations and government agencies.

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting, with revenue and expenses being recorded at the time of cash receipt or disbursement. The capitalization of property, plant and equipment and the recording of depreciation over the estimated useful lives of such assets is a modification of the cash basis of accounting. Accordingly, the financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

Net Assets

The Organization reports information regarding its financial position and activities according to the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions – Net assets 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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

ROCHESTER AREA INTERFAITH HOSPITALITY NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019
(Continued)

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

Net Assets (Continued)

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributions

Contributions are recorded at the time of receipt.

Income Taxes

The Internal Revenue Service has determined that the Organization is qualified as a charity exempt under Section 501(c)(3) of the Internal Revenue Code, and has also determined that the Organization is publicly supported. As a result, no provision for federal or state income taxes has been made.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with the modified cash basis of accounting, which is a comprehensive basis of accounting, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent liabilities at December 31, 2019, and the reported amounts of support, revenue, and expenses for the year then ended. Actual results could vary from those estimates.

Property and Equipment

Property and equipment are stated at cost. The Organization capitalizes property and equipment with a cost of over \$2,000 and an estimated life of more than one year. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets, as follows:

	<u>Years</u>
Improvements	Lesser of 10-20 years or lease term
Furniture and Equipment	5
Transportation Equipment	7

ROCHESTER AREA INTERFAITH HOSPITALITY NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment (Continued)

Depreciation expense amounted to \$10,460 and \$8,780 for the years ended December 31, 2019 and 2018, respectively.

Cash, Cash Equivalents, and Restricted Cash

Cash, cash equivalents, and restricted cash include all cash on hand and in banks, which, at times, may exceed federally insured limits. The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization has not experienced any losses in these accounts and does not believe it is exposed to any significant credit risk with respect to cash, cash equivalents, and restricted cash. There was no restricted cash for the years ended December 31, 2019 and 2018.

Cash and cash equivalents consisted of the following at December 31:

	2019	2018
Petty Cash	\$ 100	\$ 100
Checking	218,156	187,764
Money Market	2,505	58,230
Total	\$ 220,761	\$ 246,094

Functional Expenses

The costs of providing the various program services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the program, management and general, and fund raising categories.

Expenses are allocated to program and supporting services on the following bases:

- (a) Management and general expenses are costs not directly related to the Organization's purpose and include those costs for oversight, management, general recordkeeping, budgeting, soliciting grants and payroll functions.
- (b) Personnel expenses are allocated on the basis of direct salaries.
- (c) Building and occupancy costs are allocated on the basis of space used.
- (d) Depreciation is allocated on the basis of usage of the related assets.

Reclassifications

Certain account balances as of December 31, 2018 have been reclassified to conform with the presentation as of December 31, 2019. The reclassifications had no impact on previously reported net assets.

ROCHESTER AREA INTERFAITH HOSPITALITY NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2018 from which the summarized information was derived.

NOTE 2 - LIQUIDITY AND AVAILABILITY

At December 31, the following financial assets could be made available within one year of the balance sheet date to meet general expenditures. The Organization considers all operating expenses to be general expenditures.

Cash and Cash Equivalents	\$ 220,761	\$ 246,094
Certificate of Deposit	<u>100,000</u>	<u>-</u>
	<u>\$ 320,761</u>	<u>246,094</u>

The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 90 days of normal operating expenses, which are, on average, approximately \$91,500.

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments, including certificate of deposits and short-term treasury instruments.

NOTE 3 - DONATED SERVICES AND GOODS

The Organization receives donated services that, although substantial, do not meet the criteria for recording as revenue and expense under the modified cash basis of accounting. Donors contribute their time to both the administrative and program activities of the Organization. Donors also regularly contribute certain supplies for day care center guests that are not recorded as revenue or expenses in these financial statements.

ROCHESTER AREA INTERFAITH HOSPITALITY NETWORK, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019
(Continued)

NOTE 4 - COMMITMENTS

The Organization is obligated under a non-cancelable operating lease for its day center and office facilities through June 2021. The office facilities lease agreement calls for monthly payments of \$1,450 and may be renewed for one term of two years. Rent expense for the years ended December 31, 2019 and 2018 totaled \$17,400 and \$17,200, respectively.

Future minimum lease payment commitments are as follows:

<u>Year</u>	<u>Amount</u>
2020	\$ 17,400
2021	7,250

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at December 31:

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specified purpose:		
Eviction Prevention and Re-Housing	\$ 73,155	\$ 25,060
Emergency Services	<u>2,669</u>	<u>-</u>
Total Net Assets with Donor Restrictions	<u>\$ 75,824</u>	<u>\$ 25,060</u>

NOTE 6 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 3, 2020, which is the date the statements were available for issuance.