

RIVERBEND FAMILY MINISTRIES, NFP

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2023

RIVERBEND FAMILY MINISTRIES, NFP

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Riverbend Family Ministries, NFP

Opinion

We have audited the accompanying financial statements of Riverbend Family Ministries, NFP, ("Riverbend Family Ministries"), which comprise the statement of financial position as of December 31, 2023, 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 Riverbend Family Ministries, NFP as of December 31, 2023, 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 Riverbend Family Ministries, NFP 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 Riverbend Family Ministries, NFP'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, 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 Riverbend Family Ministries, NFP '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 Riverbend Family Ministries, NFP '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.

Certified Public Accountants
Alton, Illinois
May 2, 2024

RIVERBEND FAMILY MINISTRIES, NFP

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 271,349
Investments	38,691
Prepaid Expenses	<u>1,257</u>
Total Current Assets	<u>311,297</u>

Property and Equipment, Net
of Depreciation

1,463,836

Total Assets \$ 1,775,133

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$ 4,635
Accrued Interest	<u>1,369</u>
Total Current Liabilities	<u>6,004</u>

Long-Term Liabilities:

Note Payable - SBA	92,800
Note Payable - Construction	245,450
Note Payable - Related Party	<u>320,000</u>
Total Long-Term Liabilities	<u>658,250</u>
Total Liabilities	<u>664,254</u>

Net Assets:

With Donor Restrictions	15,000
Without Donor Restrictions	<u>1,095,879</u>
Total Net Assets	<u>1,110,879</u>

Total Liabilities and Net Assets \$ 1,775,133

See notes to financial statements

RIVERBEND FAMILY MINISTRIES, NFP

STATEMENT OF ACTIVITIES
DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
United Way	\$ -	\$ 83,497	\$ 83,497
Grants	-	48,250	48,250
Contributions	247,196	244,327	491,523
Special Events	92,378	-	92,378
(Net of Expense)	<u>(23,254)</u>	<u>-</u>	<u>(23,254)</u>
	69,124	-	69,124
Miscellaneous	9,262	-	9,262
Investment Income	<u>6,019</u>	<u>-</u>	<u>6,019</u>
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions	<u>376,074</u>	<u>(376,074)</u>	<u>-</u>
Total Revenue and Support	<u>707,675</u>	<u>-</u>	<u>707,675</u>
Expenses:			
Program Services:			
Benevolence	434,125	-	434,125
Community Collaboration	<u>73,387</u>	<u>-</u>	<u>73,387</u>
Total Program Services	<u>507,512</u>	<u>-</u>	<u>507,512</u>
Supporting Services:			
Administrative and General	<u>53,929</u>	<u>-</u>	<u>53,929</u>
Total Supporting Services	<u>53,929</u>	<u>-</u>	<u>53,929</u>
Total Expenses	<u>561,441</u>	<u>-</u>	<u>561,441</u>
Change in Net Assets	146,234	-	146,234
Net Assets - Beginning of Year	<u>949,645</u>	<u>15,000</u>	<u>964,645</u>
Net Assets - End of Year	<u><u>\$ 1,095,879</u></u>	<u><u>\$ 15,000</u></u>	<u><u>\$ 1,110,879</u></u>

See notes to financial statements

RIVERBEND FAMILY MINISTRIES, NFP

STATEMENT OF FUNCTIONAL EXPENSES

DECEMBER 31, 2023

	Program Services			Supporting Services Administrative & General	Total
	Benevolence	Community Collaboration	Total		
Salaries	\$ 271,281	\$ -	\$ 271,281	\$ -	271,281
Payroll Taxes	19,618	-	19,618	-	19,618
Employee Benefits	9,751	-	9,751	-	9,751
Supplies	-	-	-	15,276	15,276
Specific assistance to individuals	93,142	4,345	97,487	-	97,487
Occupancy	19,305	10,506	29,811	5,261	35,072
Repairs and Maintenance	-	-	-	6,531	6,531
Advertising/Promotion	-	-	-	3,629	3,629
Accounting Fees	-	-	-	4,620	4,620
Dues and Subscriptions	-	-	-	549	549
Professional Services	-	-	-	1,843	1,843
Miscellaneous	-	-	-	275	275
Insurance	3,751	3,334	7,085	1,250	8,335
Depreciation	-	39,844	39,844	7,031	46,875
Bank Fees	-	-	-	1,905	1,905
Interest	17,277	15,358	32,635	5,759	38,394
Total Program and Supporting Services Expense	\$ 434,125	\$ 73,387	\$ 507,512	\$ 53,929	\$ 561,441

See notes to financial statements

RIVERBEND FAMILY MINISTRIES, NFP

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

Net Cash Provided by Operating Activities:	
Change in Net Assets	\$ 146,234
Adjustments to Reconcile Change in Net Assets to	
Cash Provided by Operating Activities:	
Depreciation	46,875
(Increase) Decrease in Operating Assets:	
Prepaid Expenses	246
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	4,635
Interest Payable	<u>(4,764)</u>
Net Cash Provided by Operating Activities	<u>193,226</u>
Cash Flows from Financing Activities:	
Payments of Loan Principal	(454,550)
Proceeds from Loan	<u>498,268</u>
Net Cash Provided by Financing Activities	<u>43,718</u>
Cash Flows from Investing Activities:	
Net Purchase/Sale of Investments	(1,025)
Payments for Property and Equipment	<u>(432,024)</u>
Net Cash Provided (Used) by Investing Activities	<u>(433,049)</u>
Net Change in Cash and Cash Equivalents	<u>(196,105)</u>
Cash and Cash Equivalents - Beginning of Year	<u>467,454</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 271,349</u></u>

Cash paid for interest totaled \$43,158 for the year.

See notes to financial statements

RIVERBEND FAMILY MINISTRIES, NFP

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - The Riverbend Family Ministries, NFP ("Ministries") is a not-for-profit corporation organized under Internal Revenue Code 501(c)(3). The purpose of this agency is to provide immediate shelter and supportive services for homeless families in Madison County, Illinois.

Basis of Presentation - The accompanying financial statements of the Ministries have been prepared on the accrual basis of accounting. Financial statement presentation follows the guidance of FASB ASC 958-205, as amended by ASU 2016-14. Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: assets with donor restrictions and net assets without donor restrictions.

The Organization follows accounting standards set by the Financial Accounting Standards Board (FASB). In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which established the FASB Accounting Standards Codification (FASB ASC), as the sole source of authoritative U.S. generally accepted accounting principles (GAAP). Restrictions met in the same period as the resources are received are recognized and classified as net assets without donor restrictions.

Income Taxes – The Ministries is operated exclusively for non-profit purposes and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements.

The Ministries has adopted the provisions of FASB ASC 740-10-25 (formerly FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes - an Interpretation of FASB No. 109*) requiring disclosure of uncertain tax positions. There has been no interest or penalties recognized in the Statement of Activities nor in the Statement of Financial Position related to uncertain tax positions. In addition, no tax positions exist for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within the next 12 months. Tax years remaining open as of December 31, 2023 are the past three years ended December 31, 2020 through 2022. The Ministries evaluates any uncertain tax positions on a continual basis through review of its policies and procedures and discussions with outside experts.

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 reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

RIVERBEND FAMILY MINISTRIES, NFP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Fair Value Accounting - The fair value of financial instruments classified as current assets or liabilities (prepaid expenses, accounts receivable, accounts payable and accrued expenses) approximate carrying value due to the short-term nature of these accounts.

The Ministries determines the fair value of certain assets on a recurring basis through application of FASB ASC 820 (formerly SFAS No. 157, *Fair Value Measurements*) for financial assets and liabilities. FASB ASC 820 also is effective for nonfinancial instruments. There were no triggering events that required fair value measurements of the Ministries' nonfinancial assets and liabilities at December 31, 2023 .

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Ministries considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable - The Ministries records accounts receivable for amounts due related to claims for reimbursements of past expenses. The amounts recorded as accounts receivable are considered fully collectible.

Property and Equipment - Property and equipment is recorded at cost with the capitalization threshold set at \$2,500. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts and the gain or loss, if any, is included in the comparable statement of activities.

Contributed Services - The Ministries records the value of donated services when there is an objective basis to measure the value. No amount has been reflected in the statements for donated services, as no objective basis is available to measure the value of the service.

Subsequent Events - The Ministries has evaluated events occurring after the statement of financial position date through May 2, 2024 in order to determine their potential for recognition or disclosure in the financial statements. The latter date is the same date the financial statements were available to be issued.

Contributions - Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

Cost Allocation - The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The Ministries allocates expenses across programs on a basis that best represents the underlying use or cost to the related program.

RIVERBEND FAMILY MINISTRIES, NFP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2: SPECIAL EVENTS

The Ministries' fundraising activities consist of a banquet dinner. Fund raising activity for the year ended December 31, 2023 is as follows:

	<u>Gross Revenue</u>	<u>Costs</u>	<u>Net</u>
Banquet Dinner	\$ 62,414	\$ 17,193	\$ 45,221
Golf Tournament	29,964	3,693	26,271
Other	-	2,368	(2,368)
	<u>\$ 92,378</u>	<u>\$ 23,254</u>	<u>\$ 69,124</u>

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2023:

	<u>Cost</u>	<u>Accumulated Depreciation</u>
Building and improvements	\$ 1,536,828	\$ 74,992
Furniture and equipment	<u>25,048</u>	<u>23,048</u>
	<u>\$ 1,561,876</u>	<u>\$ 98,040</u>

Property and equipment are depreciated over the estimated useful lives of the assets. Furniture and equipment is being depreciated over lives of 5 to 10 years while the building is being depreciated over a 30 year life. Depreciation expense for the period ended December 31, 2023 was \$46,875.

NOTE 4: RELATED PARTY TRANSACTIONS

On November 10, 2021, the Ministries combined existing loans with a board member into a new loan with the same board member for \$320,000. The new loan calls for interest only payments of \$300 for 60 months through July 30, 2027, at which time the principal balance is also due.

RIVERBEND FAMILY MINISTRIES, NFP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 5: NOTES PAYABLE

The Ministries entered into a loan agreement with the Small Business Association on June 15, 2020 for \$92,800. The proceeds are to be used solely as working capital to alleviate economic injury caused by the Covid epidemic. The loan will be repaid in monthly installments of \$397, including principal and interest of 2.75%. The payments commenced in 2022 and will continue for thirty years from the date of the loan.

The annual payments are as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,671	\$ 3,093	\$ 4,764
2025	2,282	2,482	4,764
2026	2,345	2,419	4,764
2027	2,411	2,353	4,764
2028	2,478	2,286	4,764
2029-33	13,462	10,358	23,820
2034-38	15,446	8,374	23,820
2039-43	17,719	6,101	23,820
2044-48	20,326	3,494	23,820
2049-50	14,840	484	15,324
	<u>\$ 92,980</u>	<u>\$ 41,444</u>	<u>\$ 134,424</u>

The Ministries entered into a loan agreement with First Mid Bank & Trust, N.A. on December 16, 2022 for \$500,000. The proceeds are to be used to provide funds for the renovation of the building. Ministries will draw funds as needed to provide the necessary construction funding. The loan will be repaid in monthly payments of \$4,001, including principal and interest at 7.00%. The Ministries will make a final payment of outstanding principal and interest on December 16, 2027. The outstanding balance as of December 31, 2023 is \$245,450.

The annual payments are as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 32,568	\$ 15,449	\$ 48,017
2025	34,199	13,818	48,017
2026	36,671	11,346	48,017
2027	142,012	8,695	150,707
	<u>\$ 245,450</u>	<u>\$ 49,308</u>	<u>\$ 294,758</u>

RIVERBEND FAMILY MINISTRIES, NFP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 6: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Ministries' financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Donor-restricted amounts that are available for use within one year for general purposes include grants and contributions from both private and government sources.

Financial assets, at year end	\$ 310,040
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	<u>(15,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 295,040</u>

The Ministries is substantially supported by general contributions and grants. In cases where a donor's restriction requires resources to be used in a particular manner or in a future period, the Ministries must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year. As part of the Ministries' liquidity measurement, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Ministries maintains its reserves in cash accounts that are liquid for use on demand.

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS

Donor restricted net assets of \$15,000 are available for the Ministries' programs for the year ended December 31, 2024. As of December 31, 2023, net assets with donor restrictions were comprised of balances from the following sources:

Advance Payments from:	
Alton Women's Home	<u>\$ 15,000</u>
	<u>\$ 15,000</u>
Purpose restrictions accomplished:	
Private Grants/Contributions:	
United Way - General	\$ 83,497
Grants	48,250
Capital Campaign Funds	<u>244,327</u>
Total restrictions released	<u>\$ 376,074</u>

Net assets were released from donor restrictions by incurring expense satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors.