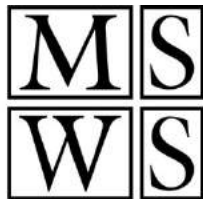


BALTIMORE COMMUNITY TOOLBANK, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2020

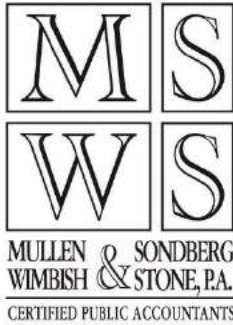


MULLEN SONDBERG WIMBISH & STONE, PA

CERTIFIED PUBLIC ACCOUNTANTS

TABLE OF CONTENTS

	<u>Page</u>
Independent accountant's review report	1 - 2
Financial statements	
Statement of financial position	3
Statement of activities	4
Statement of functional expenses	5
Statement of cash flows	6
Notes to financial statements	7 - 14



888 Bestgate Road • Suite 310 • Annapolis, Maryland 21401

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Baltimore Community ToolBank, Inc.
Baltimore, Maryland

We have reviewed the accompanying financial statements of Baltimore Community ToolBank, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization 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 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 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 for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

To the Board of Directors of
Baltimore Community ToolBank, Inc.

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 accordance with accounting principles generally accepted in the United States of America.

Summarized Comparative Information

We previously reviewed Baltimore Community ToolBank, Inc. 's 2019 financial statements and in our conclusion dated May 13, 2020, stated that based on our review, we were not aware of any material modifications that should be made to the 2019 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2019, for it to be consistent with the reviewed financial statements from which it has been derived.



MULLEN, SONDBERG, WIMBISH & STONE, P.A.

Annapolis, Maryland
May 24, 2021

Baltimore Community ToolBank, Inc.
STATEMENT OF FINANCIAL POSITION
As of December 31, 2020

ASSETS		2020	2019
CURRENT ASSETS			
Cash		\$ 171,232	\$ 115,599
Rental inventory		268,707	257,529
Prepaid expenses		4,464	-
Total current assets		444,403	373,128
PROPERTY AND EQUIPMENT			
Net of accumulated depreciation		4,426	160
OTHER ASSETS			
Security deposits		3,125	3,125
Total assets		\$ 451,954	\$ 376,413
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued expenses		\$ 2,114	\$ 10,508
NET ASSETS			
Without donor restrictions		438,439	362,273
With donor restrictions		11,401	3,632
Total net assets		449,840	365,905
Total liabilities and net assets		\$ 451,954	\$ 376,413

The accompanying notes are an integral part of these financial statements.

Baltimore Community ToolBank, Inc.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2020
With Summarized Financial Information for the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total 2020	Total 2019
REVENUES AND OTHER SUPPORT				
Contributions	\$ 218,914	\$ 22,500	\$ 241,414	\$ 143,122
Special events, net of expenses	36,450	-	36,450	64,894
Program service revenue	21,570	-	21,570	62,115
Donated goods and services	19,608	-	19,608	25,488
Other income	740	-	740	4,679
Interest income	25	-	25	-
	<u>297,307</u>	<u>22,500</u>	<u>319,807</u>	<u>300,298</u>
Net assets released from restrictions	<u>14,731</u>	<u>(14,731)</u>	<u>-</u>	<u>-</u>
Total revenues and other support	<u>312,038</u>	<u>7,769</u>	<u>319,807</u>	<u>300,298</u>
EXPENSES				
Program services	229,519	-	229,519	201,262
Supporting services:				
Management and general	27,191	-	27,191	23,675
Fundraising	11,447	-	11,447	9,662
Total expenses	<u>268,157</u>	<u>-</u>	<u>268,157</u>	<u>234,599</u>
Change in net assets before other changes	43,881	7,769	51,650	65,699
OTHER CHANGES IN NET ASSETS				
Other grant income - Paycheck Protection Program	<u>32,285</u>	<u>-</u>	<u>32,285</u>	<u>-</u>
Change in net assets	76,166	7,769	83,935	65,699
NET ASSETS, BEGINNING OF YEAR	<u>362,273</u>	<u>3,632</u>	<u>365,905</u>	<u>300,206</u>
NET ASSETS, END OF YEAR	<u>\$ 438,439</u>	<u>\$ 11,401</u>	<u>\$ 449,840</u>	<u>\$ 365,905</u>

The accompanying notes are an integral part of these financial statements.

Baltimore Community ToolBank, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2020

With Summarized Financial Information for the Year Ended December 31, 2019

	Program Services	Supporting Services		Total	
		Management and General	Fundraising	2020	2019
Salaries	\$ 115,105	\$ 13,542	\$ 6,771	\$ 135,418	\$ 114,509
Fringe benefits	15,827	1,862	931	18,620	14,829
Payroll taxes	9,279	1,092	546	10,917	9,321
Total salaries and related expenses	140,211	16,496	8,248	164,955	138,659
Rent	47,676	5,892	-	53,568	50,630
Donated goods and services	16,667	1,961	9,864	28,492	28,593
Professional fees	7,918	932	466	9,316	11,437
Insurance	4,051	477	238	4,766	5,020
Office expense	3,296	412	412	4,120	2,180
Utilities	3,232	380	190	3,802	5,032
Fundraising supplies	-	-	3,270	3,270	3,501
Repairs and maintenance	1,749	206	103	2,058	3,127
Advertising	998	118	59	1,175	2,015
Direct program costs	1,035	-	-	1,035	2,421
Depreciation	800	94	47	941	160
Website	574	68	34	676	392
Miscellaneous expenses	449	53	26	528	460
Travel and entertainment	259	31	15	305	2,875
Board expenses	230	27	14	271	3,107
Dues and subscriptions	221	26	13	260	197
Bank service charges	153	18	9	180	20
Total expenses	229,519	27,191	23,008	279,718	259,826
Less: special events expense offsets against revenue in the statement of activities	-	-	(11,561)	(11,561)	(25,227)
Total expenses reported in the statement of activities	\$ 229,519	\$ 27,191	\$ 11,447	\$ 268,157	\$ 234,599

The accompanying notes are an integral part of these financial statements.

Baltimore Community ToolBank, Inc.
STATEMENT OF CASH FLOWS
December 31, 2020

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 83,935	\$ 65,699
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	941	160
In-kind donations of inventory	-	(16,407)
Increase in operating assets:		
Rental inventory	(11,178)	(29,622)
Prepaid expenses	(4,464)	-
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(8,394)	688
Net change in cash provided by operating activities	60,840	20,518
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(5,207)	-
Cash at beginning of year	115,599	95,081
Cash at end of year	\$ 171,232	\$ 115,599

The accompanying notes are an integral part of these financial statements.

Baltimore Community ToolBank, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

Note 1 - Description of the Organization

Baltimore Community ToolBank, Inc., (the Organization) is a nonprofit Organization that was incorporated in Maryland on November 18, 2010. The Organization stewards an inventory of tools for lending to charitable organizations to increase the impact of their mission-related efforts in the community. For a small handling fee, nonprofit organizations, religious and educational institutions, community gardens and neighborhood associations can borrow all the landscaping, painting, cleaning, construction, and safety gear they need (hammers, shovels, rakes, paint rollers, drills, saws, and much more).

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. This basis of accounting involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Classification of Net Assets

The financial statements of the Organization have been prepared in accordance with U.S. Generally Accepted Accounting Principles (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classification:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Basis of Presentation

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 accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Baltimore Community ToolBank, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
December 31, 2020

Note 2 - Summary of Significant Accounting Policies (Cont.)

Contribution Revenue

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a 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 in the statements of activities as net assets released from restrictions.

Revenue from Contracts with Customers

The Organization operates a community tool bank. Tool rental revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled to in exchange for usage of these tools. Revenue is recognized at time of rental. Billing to client is based on contractual agreements and is recognized when tools are rented.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals with those skills, and would otherwise be purchased by the Organization. Donated services that qualified for recognition during the years ended December 31, 2020 and 2019 was \$15,566 and \$3,488, respectively.

Donated Goods

Donated materials are reflected in the accompanying financial statements at their estimated fair value at date of receipt.

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 the reported amounts of assets and liabilities and disclosure of contingencies at the statement of financial position date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of Cash Balances

The Organization maintains its cash balances at one financial institution which is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. There were no amounts held in excess of FDIC insurance coverage limits as of December 31, 2020 and 2019. The Organization has not experienced any losses in such accounts and believes it is not exposed to significant risk on cash balances.

Baltimore Community ToolBank, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
December 31, 2020

Note 2 - Summary of Significant Accounting Policies (Cont.)

Rental Inventory

Rental inventory is valued using a standard costing system which approximates the lower of cost or market method. The rental inventory is periodically counted and adjusted as necessary. The rental inventory is not depreciated. Any rental inventory items that are not accounted for during inventory counts are written off to the appropriate expense accounts during the year.

Property and Equipment

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets of five years. Expenditures for maintenance and routine repairs are charged to expense as incurred; expenditures for improvements and major repairs that materially extend the useful lives of assets are capitalized. The Organization's management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

Allocation of Functional Expenses

Accounting principles generally accepted in the United States of America require all nonprofit organizations to present their expenses on a functional basis, separating program services from management and general expenses and fundraising expenses. Functional expenses are either charged directly to program services as incurred or allocated based on usage for items such as occupancy, depreciation, and administrative salaries.

Income Tax Status and Income Tax Position

The Organization is exempt under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. It is exempt from paying federal income tax on any income except unrelated business income. No provision has been made for income taxes as the Organization has had no significant unrelated business income.

The Organization follows the guidance of *ASC 740-10, "Accounting for Uncertainty in Income Taxes"* which clarifies the accounting for the recognition and measurement of the benefits of individual tax positions in the financial statements, including those of non-profit organizations. Tax positions must meet a recognition threshold of more-likely-than-not in order for the benefit of those tax positions to be recognized in the Organization's financial statements.

Baltimore Community ToolBank, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
December 31, 2020

Note 2 - Summary of Significant Accounting Policies (Cont.)

Income Tax Status and Income Tax Position (Cont.)

The Organization analyzes tax positions taken, including those related to the requirements set forth in IRC Sec. 501(c) to qualify as a tax-exempt organization, activities performed by volunteers and Board members, the reporting of unrelated business income, and its status as a tax-exempt organization under Maryland state statute. The Organization does not know of any tax benefits arising from uncertain tax positions and there was no effect on the Organization's financial position or changes in net assets as a result of analyzing its tax positions. Fiscal years ending on or after December 31, 2017 remain subject to examination by federal and state authorities.

Advertising

The Organization expenses advertising production costs as they are incurred and advertising communication costs the first time the advertising takes place. Total advertising costs for the years ended December 31, 2020 and 2019 amounted to \$1,175 and \$2,015, respectively.

Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform to current year presentation.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing program services. Nonoperating activities are limited to resources from other activities considered to be of a more unusual or nonrecurring nature.

Baltimore Community ToolBank, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
December 31, 2020

Note 3 - Availability and Liquidity of Resources

The following represents the Organization's financial assets at December 31:

	2020	2019
Financial assets at year end:		
Cash	\$ 171,232	\$ 115,599
Rental inventory	268,707	257,529
Total financial assets	439,939	373,128
Less amounts not available to be used within one year:		
Net assets with donor restrictions	-	-
Financial assets available to meet general expenditures over the next twelve months	\$ 439,939	\$ 373,128

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$67,000).

Note 4 - Property and Equipment

Property and equipment, net consisted of the following at December 31:

	Estimated Lives	2020	2019
Furniture and equipment	5 years	\$ 25,134	\$ 19,927
Less accumulated depreciation		(20,708)	(19,767)
Net property and equipment		\$ 4,426	\$ 160

Depreciation expense for the years ended December 31, 2020 and 2019 was \$941 and \$160, respectively.

Note 5 - Retirement Plan

In January 2019, the Organization switched from Simple IRA plan to a matching 401(k) plan. All employees are eligible to participate after 90 days of employment. The Plan provides for elective deferral contributions through salary reduction agreements. The Organization matches all contributions dollar-for-dollar up to 3% of wages. Employer match contributions for the years ended December 31, 2020 and 2019 was \$4,052 and \$3,229, respectively.

Baltimore Community ToolBank, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
December 31, 2020

Note 6 - Commitments

The Organization has a lease agreement for the building in which the Organization is located. The Organization first occupied the space on May 5, 2012, which has been determined the effective start date and expired in June 2018. In July 2018, the agreement was renewed for three years with a two year renewal option. The monthly rent increases annually during the three year term. Rent expense for the years ended December 31, 2020 and 2019 was \$53,568 and \$50,630, respectively. Future minimum lease payments under this operating lease, excluding renewal options, summarized by year, is as follows:

<u>Year Ending December 31:</u>	
2021	\$ 54,360
2022	55,980
2023	<u>28,404</u>
Total	<u>\$ 138,744</u>

Note 7 - Net Assets Without Donor Restrictions

Net assets without donor restrictions for the years ended December 31, 2020 and 2019 represent expendable funds that are available for the operations of the Organization, unless a specific purpose for these funds has been designated by the Board of Directors. Undesignated funds were \$438,439 and \$362,273 for the years ended December 31, 2020 and 2019, respectively.

Note 8 - Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following as of December 31:

	<u>2020</u>	<u>2019</u>
Abell Foundation Grant	\$ 10,000	\$ -
Home Depot Foundation	1,401	2,421
France Merrick Foundation	<u>-</u>	<u>1,211</u>
	<u>\$ 11,401</u>	<u>\$ 3,632</u>

Baltimore Community ToolBank, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
December 31, 2020

Note 8 - Net Assets With Donor Restrictions (Cont.)

Net assets released from net assets with donor restrictions as of December 31 are as follows:

	2020	2019
Satisfaction of Purpose Restrictions		
Abell Foundation Grant	\$ 10,000	\$ 22,167
Home Depot Foundation	3,520	79
France Merrick Foundation	1,211	18,789
Cambell Foundation Grant	-	3,750
Helen J. Serini Foundation Grant	-	1,039
	\$ 14,731	\$ 45,824

Note 9 - Special Events Revenue, Net of Expenses

The direct costs of special events have been netted with special events revenue. Special events revenue and direct costs consisted of the following at December 31:

	2020	2019
Revenues	\$ 48,011	\$ 90,121
Direct expenses	(11,561)	(25,227)
Total net revenues	\$ 36,450	\$ 64,894

In-kind contributions of \$8,884 and \$19,512 are included in special events revenue and expenses for the years ended December 31, 2020 and 2019, respectively.

Baltimore Community ToolBank, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
December 31, 2020

Note 10 - Paycheck Protection Program Grant

In April 2020, the Organization received \$32,285 under the United States Small Business Administration's (SBA) Paycheck Protection Program (PPP). The PPP funding is legally structured as a forgivable loan by the SBA. In order to achieve forgiveness of the loan, the Organization must spend the funding for specific purposes and also must generally maintain its full-time equivalent level of staffing over a defined time period.

The Organization has accounted for the PPP funding as a conditional grant in the financial statements. As of June 30, 2020, management believes the Organization has met the substantial conditions required for the forgiveness of the loan. As such, the Organization has recorded other grant revenue totaling \$32,285 for the year ending June 30, 2020. The Organization's PPP funding is subject to a formal forgiveness application as well as a required audit by the SBA. Until forgiveness has been legally achieved and required audits have been completed, there exists a contingent liability to refund any amounts received in excess of allowable costs. Management of the Organization is of the opinion that no significant liability will result from audit adjustments, if any.

Note 11 - Subsequent Events

Subsequent events and transactions have been evaluated for potential recognition in the financial statements. There have been no subsequent events that require recognition or disclosure through May 24, 2021, the date the financial statements were available to be issued.