

Richmond ToolBank
Financial Statements
December 31, 2024 and 2023

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Financial Statements

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Independent Accountant’s Review Report

To the Board of Trustees of
Richmond ToolBank
Richmond, Virginia

We have reviewed the accompanying financial statements of Richmond ToolBank (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, statements of functional expenses, and statements of cash flows, for the years 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 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 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 the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Richmond ToolBank and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

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.

Richmond, Virginia
October 27, 2025

Adams, Jenkins & Cheatham

Statements of Financial Position

Richmond ToolBank

	December 31,	
	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 576,268	\$ 413,719
Accounts receivable	15,711	22,562
Other assets	21,617	21,582
Total Current Assets	613,596	457,863
Property and Equipment		
Tools and equipment	242,941	242,941
Machinery	20,934	20,934
	263,875	263,875
Less accumulated depreciation	263,128	257,515
	747	6,360
Operating Lease, Net	335,028	42,028
Total Assets	\$ 949,371	\$ 506,251
Liabilities and Net Assets		
Current Liabilities		
Operating lease - current portion	\$ 67,758	\$ 41,688
Accounts payable	9,508	
Total Current Liabilities	77,266	41,688
Operating Lease - Long-Term	267,270	
Net Assets		
Without donor restrictions	604,835	464,563
Total Liabilities and Net Assets	\$ 949,371	\$ 506,251

See Independent Accountant's Review Report and Notes to Financial Statements

Statements of Activities

Richmond ToolBank

	Year Ended December 31,			
	2024		2023	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Operating Activities				
Contributions and grants	\$ 414,247	\$	\$ 414,247	\$ 214,457
Program revenue	197,626		197,626	247,869
Fundraising events	29,255		29,255	43,899
Other income				11,174
Total Operating Activities	641,128		641,128	517,399
Expenses and Losses				
Program services	422,053		422,053	440,457
Management and general	46,837		46,837	49,302
Fundraising	31,966		31,966	39,163
Total Expenses and Losses	500,856		500,856	528,922
Change in Net Assets	140,272		140,272	(11,523)
Net Assets at Beginning of Year	464,563		464,563	476,086
Net Assets at End of Year	\$ 604,835	\$	\$ 604,835	\$ 464,563

See Independent Accountant's Review Report and Notes to Financial Statements

Statements of Functional Expenses

Richmond ToolBank

Year Ended December 31, 2024

	Program Activities	Supporting Activities		Supporting Subtotal	Total
		Management and General	Fundraising		
Salaries and benefits	\$ 247,177	\$ 13,732	\$ 13,732	\$ 27,464	\$ 274,641
Occupancy	85,956	9,551		9,551	95,507
Program	67,998				67,998
Insurance	10,579	7,052		7,052	17,631
Other		2,050	11,849	13,899	13,899
Advertising			6,385	6,385	6,385
Depreciation	5,052	561		561	5,613
Conferences		5,833		5,833	5,833
Direct costs	5,291				5,291
Payroll services		3,902		3,902	3,902
Credit losses		3,500		3,500	3,500
Office expenses		656		656	656
Total Expenses	<u>\$ 422,053</u>	<u>\$ 46,837</u>	<u>\$ 31,966</u>	<u>\$ 78,803</u>	<u>\$ 500,856</u>

Year Ended December 31, 2023

	Program Activities	Supporting Activities		Supporting Subtotal	Total
		Management and General	Fundraising		
Salaries and benefits	\$ 236,113	\$ 13,117	\$ 13,117	\$ 26,234	\$ 262,347
Program	99,744				99,744
Occupancy	67,233	7,470		7,470	74,703
Direct costs	23,215				23,215
Other		2,625	15,172	17,797	17,797
Insurance	8,761	5,841		5,841	14,602
Advertising			10,874	10,874	10,874
Conferences		10,232		10,232	10,232
Office expenses		6,066		6,066	6,066
Depreciation	5,391	599		599	5,990
Payroll services		3,352		3,352	3,352
Total Expenses	<u>\$ 440,457</u>	<u>\$ 49,302</u>	<u>\$ 39,163</u>	<u>\$ 88,465</u>	<u>\$ 528,922</u>

See Independent Accountant's Review Report and Notes to Financial Statements

Statements of Cash Flows

Richmond ToolBank

	December 31,	
	2024	2023
Cash Flows from Operating Activities		
Change in Net Assets Without Donor Restrictions	\$ 140,272	\$ (11,523)
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities		
Right of use asset amortization	71,071	59,833
Depreciation	5,613	5,990
Decrease (Increase) in:		
Accounts receivable	6,851	(19,486)
Other assets	(35)	(17,000)
Increase (Decrease) in:		
Accounts payable	9,508	
Lease liability	(70,731)	(62,253)
Net Increase (Decrease) in Cash and Cash Equivalents	162,549	(44,439)
Cash and cash equivalents at beginning of year	413,719	458,158
Cash and Cash Equivalents at End of Year	<u>\$ 576,268</u>	<u>\$ 413,719</u>
Supplemental Disclosure of Noncash Activities		
ROU asset obtained in exchange for new operating lease liabilities	<u>\$ 373,777</u>	<u>\$ 202,802</u>

See Independent Accountant's Review Report and Notes to Financial Statements

Notes to Financial Statements

Richmond ToolBank

December 31, 2024 and 2023

Note A - Nature of Organization

The Richmond ToolBank (the “Organization”) is a nonprofit organization established to provide tools to enhance the charitable sector’s capacity to serve, facilitating hands-on volunteerism in the greater Richmond area. The Organization was established in 2013 and is a non-stock, not-for-profit corporation organized under the laws of the Commonwealth of Virginia.

Note B - Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (GAAP). The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958.

Net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

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. The Organization’s board may designate assets without restrictions for specific operational purposes from time to time.

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, whereby the donor has stipulated the funds be maintained in perpetuity.

Revenue Recognition

Revenue is reported as an increase in net assets without donor restrictions unless use of the related asset is limited by donor-imposed time or purpose restrictions. Expirations of donor-imposed restrictions on net assets that are subject to the passage of time (that is, the stipulated time period has elapsed, or the cash has been collected) are reported as net assets released from restrictions.

Unconditional contributions are recognized when pledged in accordance with FASB Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606) and 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. Conditional promises to give are recognized when the conditions on which they depend are substantially met in accordance with ASU Topic 606. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. During the year ended December 31, 2024 the Organization received no contributions with donor-imposed restrictions. During the year ended December 31, 2023, the Organization received \$43,300 of contributions with donor-imposed restrictions. These donor-imposed restrictions were met during the year ended December 31, 2023.

Notes to Financial Statements

Richmond ToolBank

December 31, 2024 and 2023

Note B - Summary of Significant Accounting Policies - Continued

Revenue Recognition - Continued

Grants and program service fees are recognized as costs are incurred in accordance with ASU Topic 606 on the basis of direct costs plus allowable indirect expenses. During the years ended December 31, 2024 and 2023, the Organization had not received any grants or program service fees with donor-imposed restrictions.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less when purchased to be cash or cash equivalents.

Accounts Receivable

Accounts receivable consists of donations and are recorded at cost. Delinquent receivables are written off by management based on an individual customer account analysis considering the unique circumstances of each customer. No allowance for credit losses is considered necessary as of December 31, 2024 and 2023. The difference between the allowance not recorded and that which would be acceptable under GAAP was immaterial.

Property and Equipment

Furniture and equipment are stated at cost and only capitalized if assets carry a cost basis greater than \$1,000 and a depreciable life greater than one year. Donated equipment is recorded at fair value at the date of the donation and contributions of property and equipment are recorded as unrestricted support. Property and equipment are depreciated over estimated useful lives of three to ten years using the straight-line method. Routine repairs and maintenance are expensed as incurred. It is at least reasonably possible that management estimates of remaining useful lives will change in the near term.

Functional Allocation of Expenses

The costs of providing services and programs have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among programs and supporting services.

Advertising Costs

The Organization expenses advertising costs as incurred. Advertising expense was \$6,385 and \$10,874 for the years ended December 31, 2024 and 2023, respectively.

Income Taxes

The Organization qualifies as a charitable organization as defined by Internal Revenue Code Section 501(c)(3) and, accordingly, is exempt from federal income taxes under Internal Revenue Code Section 501(a). However, unrelated business income would be subject to income taxes under Internal Revenue Code Section 511 should the Organization enter into business activities for purposes other than which it was created.

Notes to Financial Statements

Richmond ToolBank

December 31, 2024 and 2023

Note B - Summary of Significant Accounting Policies - Continued

Income Taxes - Continued

It is the Organization’s policy to account for any uncertainties in income tax law in accordance with FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. ASC 740-10 clarifies the accounting for uncertain income tax positions and requires that the Organization recognize the impact of such a tax position in its financial statements if, upon ultimate settlement, that position is more likely than not to be sustained. Management has evaluated the Organization’s tax positions and concluded that the Organization has maintained its tax-exempt status and has no uncertain tax positions that require adjustment to the financial statements. As a result, no provision or liability for income taxes has been included in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from these estimates.

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization’s ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or non-recurring nature.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Depreciation and amortization	Square footage and full time equivalent
Other expenses	Full time equivalent
Occupancy	Square footage
Insurance	Full time equivalent

Subsequent Events

Subsequent events have been evaluated through October 27, 2025, which is the date the financial statements were available to be issued.

Notes to Financial Statements

Richmond ToolBank

December 31, 2024 and 2023

Note B - Summary of Significant Accounting Policies - Continued

Leases

Operating leases are included in operating lease right-of-use (“ROU”) assets and operating lease liabilities in the statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization uses the implicit rate when it is readily determinable. Since most of the Organization’s leases do not provide an implicit rate, to determine the present value of lease payments, management uses the Organization’s incremental borrowing rate based on the information available at lease commencement. Operating lease ROU assets also include any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization’s lease terms may include options to extend or terminate the lease when it is reasonably certain that they will exercise that option.

Note C - Cash and Concentration of Credit Risk

The Organization maintains its cash on deposit with financial institutions located in the United States of America, which are insured by the Federal Deposit Insurance Corporation (FDIC). The FDIC provides insurance coverage for up to \$250,000 of cash held by each depositor per FDIC insured bank and savings institution. From time to time, the Organization may have amounts on deposit in excess of the insured limits. Cash balances exceeded the insured amount by \$327,000 as of December 31, 2024.

Note D - Property and Equipment

Property and equipment by class of property were as follows:

	December 31,	
	2024	2023
Tools and equipment	\$ 242,941	\$ 242,941
Machinery	20,934	20,934
	263,875	263,875
Accumulated depreciation	(263,128)	(257,515)
	<u>\$ 747</u>	<u>\$ 6,360</u>

Depreciation expense was \$5,613 and \$5,990 for the years ended December 31, 2024 and 2023, respectively.

Notes to Financial Statements

Richmond ToolBank

December 31, 2024 and 2023

Note E - Non-Cash Donations

During the years ended December 31, 2024 and 2023, the Organization received no material non-cash donations of materials or tangible assets which would be reflected in the financial statements.

The Organization also receives a significant amount of contributed services from unpaid volunteers who assist the Organization with many projects. No amounts have been recognized in the statements of activities for these services because the criteria for recognition under GAAP have not been satisfied.

Note F - Concentrations of Contributors

For the year ended December 31, 2024, four contributors accounted for approximately 57% of contributions received and receivables from two contributors was 67% of total accounts receivables.

For the year ended December 31, 2023, seven contributors accounted for approximately 58% of contributions received and receivables from two contributors was 68% of total accounts receivables.

Notes to Financial Statements

Richmond ToolBank

December 31, 2024 and 2023

Note G - Operating Lease

The Organization follows guidance issued by FASB Topic 842, accounting for leases. The guidance requires an entity to recognize most leases, including operating leases on the statement of financial position of the lessee. As of December 31, 2024 and 2023 the operating lease asset had accumulated amortization of \$38,749 and \$125,622, respectively. As of December 31, 2024 and 2023, the current operating lease liability had a balance of \$67,758 and \$41,688, respectively.

	December 31,	
	2024	2023
Leases costs	\$ 77,061	\$ 62,213
Weighted average remaining lease term (months)	54	6
Weighted average discount rate	3.25%	3.25%

	<u>Year Ending December 31,</u>	
	2025	\$ 77,442
	2026	79,765
	2027	82,158
	2028	84,623
	2029	35,693
Total minimum lease payments		<u>359,681</u>
Less: amount representing interest		<u>24,653</u>
Present value of net minimum lease payments		335,028
Less: current maturities of operating lease obligations		<u>67,758</u>
Long-term operating lease obligations		<u><u>\$ 267,270</u></u>

Notes to Financial Statements

Richmond ToolBank

December 31, 2024 and 2023

Note H - Liquidity

The Organization’s financial assets available within one year of the statements of financial position for general expenditures are as follows:

	December 31,	
	2024	2023
Cash and cash equivalents	\$ 576,268	\$ 413,719
Accounts receivable	15,711	22,562
	<u>\$ 591,979</u>	<u>\$ 436,281</u>

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.