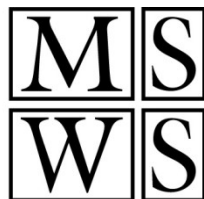


BALTIMORE COMMUNITY TOOLBANK, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2024

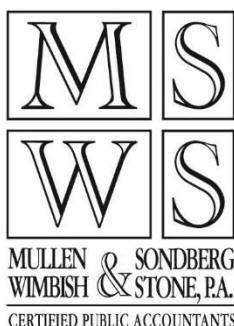


MULLEN SONDBERG WIMBISH & STONE, PA

CERTIFIED PUBLIC ACCOUNTANTS

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888 Bestgate Road • Suite 310 • Annapolis, Maryland 21401

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To Management and 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 statements of financial position as of December 31, 2024, and the related statements 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.

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

To Management and 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 2023 financial statements and in our conclusion dated August 29, 2024, stated that based on our review, we were not aware of any material modifications that should be made to the 2023 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, 2023, for it to be consistent with the reviewed financial statements from which it has been derived.



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

Annapolis, Maryland
September 26, 2025

Baltimore Community ToolBank, Inc.
STATEMENT OF FINANCIAL POSITION
December 31, 2024 and 2023

ASSETS			
		<u>2024</u>	<u>2023</u>
CURRENT ASSETS			
Cash		\$ 113,332	\$ 95,496
Rental inventory		251,448	317,794
Prepaid expenses		<u>7,143</u>	<u>7,143</u>
Total current assets		<u>371,923</u>	<u>420,433</u>
PROPERTY AND EQUIPMENT			
Net of accumulated depreciation		<u>3,820</u>	<u>5,878</u>
OTHER ASSETS			
Security deposits		14,285	14,285
Operating lease right of use asset		<u>289,433</u>	<u>364,814</u>
Total other assets		<u>303,718</u>	<u>379,099</u>
Total assets		<u><u>\$ 679,461</u></u>	<u><u>\$ 805,410</u></u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued expenses		\$ 3,195	\$ 4,912
Operating lease liability		<u>76,574</u>	<u>72,232</u>
Total current liabilities		<u>79,769</u>	<u>77,144</u>
LONG-TERM LIABILITIES			
Operating lease liability		<u>217,581</u>	<u>294,155</u>
Total liabilities		<u>297,350</u>	<u>371,299</u>
NET ASSETS			
Without donor restrictions		382,111	425,384
With donor restrictions		<u>-</u>	<u>8,727</u>
Total net assets		<u>382,111</u>	<u>434,111</u>
Total liabilities and net assets		<u><u>\$ 679,461</u></u>	<u><u>\$ 805,410</u></u>

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

Baltimore Community ToolBank, Inc.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024
With Summarized Financial Information for the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	2024	2023
REVENUES AND OTHER SUPPORT				
Contributions - financial assets	\$ 250,043	\$ -	\$ 250,043	\$ 216,612
Program service revenue	88,219	-	88,219	78,177
Special events, net of direct expenses	47,352	-	47,352	14,592
Contributions - nonfinancial assets	4,114	-	4,114	13,182
Other income	1,728	-	1,728	2,436
Interest income	-	-	-	16
	<u>391,456</u>	<u>-</u>	<u>391,456</u>	<u>325,015</u>
Net assets released from restrictions	<u>8,727</u>	<u>(8,727)</u>	<u>-</u>	<u>-</u>
Total revenues and other support	<u>400,183</u>	<u>(8,727)</u>	<u>391,456</u>	<u>325,015</u>
EXPENSES				
Program services	384,384	-	384,384	312,640
Supporting services				
Management and general	36,287	-	36,287	36,566
Fundraising	<u>22,785</u>	<u>-</u>	<u>22,785</u>	<u>18,566</u>
Total expenses	<u>443,456</u>	<u>-</u>	<u>443,456</u>	<u>367,772</u>
Change in net assets	(43,273)	(8,727)	(52,000)	(42,757)
NET ASSETS, BEGINNING OF YEAR	<u>425,384</u>	<u>8,727</u>	<u>434,111</u>	<u>476,868</u>
NET ASSETS, END OF YEAR	<u>\$ 382,111</u>	<u>\$ -</u>	<u>\$ 382,111</u>	<u>\$ 434,111</u>

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

Baltimore Community ToolBank, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024
With Summarized Financial Information for the Year Ended December 31, 2023

		Supporting Services		Total	
	Program Services	Management and General	Fundraising	2024	2023
Salaries	\$ 151,924	\$ 17,874	\$ 8,937	\$ 178,735	\$ 183,144
Fringe benefits	21,276	2,503	1,252	25,031	22,859
Payroll taxes	11,911	1,401	701	14,013	16,151
Total salaries and related expenses	185,111	21,778	10,890	217,779	222,154
Rent	79,086	9,775	-	88,861	76,094
Inventory writeoff	72,376	-	-	72,376	-
Fundraising supplies	-	-	25,949	25,949	23,682
Professional fees	15,643	1,840	920	18,403	18,345
Utilities	7,434	875	437	8,746	6,306
Direct program costs	7,686	-	-	7,686	5,370
Insurance	5,374	632	316	6,322	8,010
Board expenses	3,213	378	189	3,780	3,749
Donated goods and services	-	-	3,010	3,010	3,210
Office expense	1,706	214	213	2,133	2,384
Depreciation	1,749	206	103	2,058	1,550
Website	1,581	186	93	1,860	1,947
Miscellaneous expenses	1,399	165	82	1,646	9,987
Travel and entertainment	844	99	50	993	1,117
Bank service charges	488	57	29	574	2,070
Repairs and maintenance	354	42	21	417	1,128
Dues and subscriptions	340	40	20	400	2,611
Advertising	-	-	-	-	600
Total expenses	384,384	36,287	42,322	462,993	390,314
Less: special events expense offsets against revenue in the statement of activities	-	-	(19,537)	(19,537)	(22,542)
Total expenses reported in the statement of activities	\$ 384,384	\$ 36,287	\$ 22,785	\$ 443,456	\$ 367,772

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

Baltimore Community ToolBank, Inc.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2024

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (52,000)	\$ (42,757)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	2,058	1,550
In-kind donations of inventory	(4,114)	(7,499)
Operating lease expense	88,860	62,518
Increase (decrease) in operating assets:		
Rental inventory	56,981	(6,300)
Prepaid expenses	-	(2,409)
Security deposit	-	(11,160)
Decrease in operating liabilities:		
Accounts payable and accrued expenses	(1,717)	(3,360)
Operating lease liability	<u>(72,232)</u>	<u>(60,945)</u>
Net change in cash provided by (used in) operating activities	<u>17,836</u>	<u>(70,362)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	<u>-</u>	<u>(5,084)</u>
Net change in cash and cash equivalents	<u>17,836</u>	<u>(75,446)</u>
Cash at beginning of year	<u>95,496</u>	<u>170,942</u>
Cash at end of year	<u><u>\$ 113,332</u></u>	<u><u>\$ 95,496</u></u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Non-cash investing and financing activities:		
Right of use assets received in exchange for new operating lease obligations	<u><u>\$ -</u></u>	<u><u>\$ 401,402</u></u>

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

Baltimore Community ToolBank, Inc.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

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

Summarized Comparative Information

The financial statements include certain prior year summarized comparative information. 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, 2023, from which the summarized information was derived.

Baltimore Community ToolBank, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
December 31, 2024

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. 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.

Contributions - Nonfinancial Assets

Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals processing those skills, and would typically need to be purchased if not provided by donation. Donated tools are recorded at their estimated fair market value (retail price) at the time of donation, consistent with nonprofit accounting standards. Contributions of tangible assets are recognized at fair value when received. Fair value is determined by using estimated retail pricing of identical or similar products. The amounts reflected in the accompanying financial statements included in donations are offset by like amounts included in expenses or additions to property and equipment or other identical assets. The Organization also may receive donated services from unpaid volunteers that are not recorded in the accompanying financial statements since they do not meet the recognition credit.

The amounts that have been recognized in the statement of activities because the criteria for recognition has been satisfied for the years ended December 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Donated auction items (net in special events)	\$ 13,881	\$ 11,737
Donated supplies, tools and equipment	<u>4,114</u>	<u>13,182</u>
Total contributions - nonfinancial assets	<u>\$ 17,995</u>	<u>\$ 24,919</u>

Baltimore Community ToolBank, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
December 31, 2024

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

Contributions - Nonfinancial Assets

The Organization's general practice is to utilize donated materials and equipment to support the Organization's overall purpose. For years ended December 31, 2024 and 2023, contributions - nonfinancial assets were utilized for the Organization's general purpose. There were no donor restrictions for any contributed non-financial assets during the years ended December 31, 2024 and 2023.

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.

Rental Inventory

The Organization maintains an inventory of tools used for community rental purposes. Inventory is tracked using Salesforce, where each item is assigned a retail value determined by National Toolbank. This retail value serves as the basis for calculating rental fees, which are set at a specific percentage of the retail price.

Donated inventory tools are recorded at their estimated fair market value (retail price) at the time of donation, consistent with nonprofit accounting standards.

Purchased inventory is recorded at retail value rather than historical cost or depreciated value. This approach reflects the operational model of the Organization, where tools (whether purchased or donated) are rented out based on their retail value. The organization does not apply depreciation to inventory items. Instead, inventory is evaluated semi-annually to identify and record any impairment due to damage, obsolescence, or loss of utility. This valuation methodology is disclosed for transparency and is applied consistently. The organization has assessed this departure from GAAP and determined it to be immaterial to the financial statements. Inventory valuation is monitored every six months to ensure that any necessary impairments are recognized in a timely manner.

Any adjustments to inventory value, such as write-offs due to damage or obsolescence, are recognized as expenses in the period incurred and recorded under "Inventory Write-Off Expense".

Baltimore Community ToolBank, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
December 31, 2024

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

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.

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.

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, 2024 and 2023 amounted to \$-0- and \$600, respectively.

Baltimore Community ToolBank, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
December 31, 2024

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

Leases

The Organization recognizes a right of use (ROU) asset and lease liability on the statement of financial position for all leases with a term of longer than 12 months. Leases are classified as finance or operating. Finance leases are expensed through interest and amortization expense and operating leases are expensed through rent expense on the statement of activities.

The Organization's right of use assets and lease liabilities are related to leases for office space. Certain leases may include one or more options to renew, with renewal terms that can be extended beyond the original lease term at management's discretion. Renewal periods are included in the expected lease term if they are reasonably certain of being exercised by management. There are no leases that contain any material residual value guarantees, material restrictions or covenants.

Long-term leases (leases with terms greater than 12 months) are recorded as liabilities at the present value of the minimum lease payments not yet paid. Rates are determined and estimated based on various incremental borrowing risk-free rates when the rate implicit in the lease is not readily determinable.

Short-term leases (leases with an initial term of 12 months or less or leases that are cancelable by the lessee and lessor without significant penalties) are not capitalized but expensed on a straight-line basis over the lease term.

Note 3 - Availability and Liquidity of Resources

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

	<u>2024</u>	<u>2023</u>
Financial assets at year end:		
Cash	\$ 113,332	\$ 95,496
Rental inventory	251,448	317,794
Total financial assets	<u>364,780</u>	<u>413,290</u>
Less: amounts not available to be used within one year:		
Net assets with donor restrictions	<u>-</u>	<u>(8,727)</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$ 364,780</u></u>	<u><u>\$ 404,563</u></u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$111,000).

Baltimore Community ToolBank, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
December 31, 2024

Note 4 - Property and Equipment

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

	Estimated Lives	2024	2023
Furniture and equipment	5 years	\$ 30,218	\$ 30,218
Less: accumulated depreciation		<u>(26,398)</u>	<u>(24,340)</u>
Net property and equipment		<u>\$ 3,820</u>	<u>\$ 5,878</u>

Depreciation expense for the years ended December 31, 2024 and 2023 is \$2,058 and \$1,550, respectively.

Note 5 - Retirement Plan

In January 2019, the Organization switched from a 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, 2024 and 2023 was \$4,171 and \$4,216, respectively and is included in fringe benefits on the statement of functional expenses.

Note 6 - Operating Lease Obligations

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. In July 2021, the Organization exercised the option to renew the agreement for an additional two years. The Organization entered into a new lease for the property in 2023 for three years with a two year renewal option.

Rent expense for the years ended December 31, 2024 and 2023 was \$88,861 and \$76,094, respectively.

The Organization has recognized an operating right of use asset in exchange for an operating lease liability, initially measured at the present value of the lease payments in the statement of financial position. The Organization used the risk free rate of return to calculate present value of the lease payments. The present value of the operating lease right of use asset for the year ended December 31, 2024 and 2023 amounted to \$289,433 and \$364,814, respectively. The operating lease liability for the year ended December 31, 2024 and 2023 amounted to \$294,155 and \$366,387, respectively.

Baltimore Community ToolBank, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
December 31, 2024

Note 6 - Operating Lease Obligations (Cont.)

Future minimum lease payments under this operating lease, summarized by year, is as follows:

<u>Year Ending December 31:</u>	
2025	\$ 86,998
2026	89,607
2027	92,296
2028	<u>46,830</u>
Total undiscounted cash flows	315,731
Less: present value discount	<u>(21,576)</u>
Total	<u><u>\$ 294,155</u></u>

The weighted average remaining lease term for the operating leases at December 31, 2024 and 2023 was 48 months and 60 months, respectively. The weighted average discount rate for the operating leases at December 31, 2024 and 2023 was 4.13%.

Note 7 - Net Assets Without Donor Restrictions

Net assets without donor restrictions for the years ended December 31, 2024 and 2023 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 \$382,111 and \$425,384 for the years ended December 31, 2024 and 2023, respectively.

Note 8 - Net Assets With Donor Restrictions

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

	<u>2024</u>	<u>2023</u>
Abell Foundation Grant	\$ -	\$ 7,727
Girl Scouts of Central Maryland	-	<u>1,000</u>
	<u>\$ -</u>	<u>\$ 8,727</u>

Baltimore Community ToolBank, Inc.
NOTES TO FINANCIAL STATEMENTS (Cont.)
December 31, 2024

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:

	<u>2024</u>	<u>2023</u>
Special event revenues	\$ 66,889	\$ 37,134
Special event expenses	<u>(19,537)</u>	<u>(22,542)</u>
Total special events, net of direct expenses	<u>\$ 47,352</u>	<u>\$ 14,592</u>

Note 10 - Subsequent Events

The Organization has evaluated the impact of significant events. There have been no subsequent events through September 26, 2025, the date the Organization's financial statements were available to be issued, that require recognition or disclosure.