

# **BUILDING LIVES FOUNDATION, INC.**

## **FINANCIAL STATEMENTS**

**JUNE 30, 2023**

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# **BUILDING LIVES FOUNDATION, INC.**

## **FINANCIAL STATEMENTS AND AUDITOR’S REPORTS**

**JUNE 30, 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Building Lives Foundation, Inc.  
Nashville, Tennessee

### Opinion

We have audited the accompanying financial statements of Building Lives Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities 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 Building Lives Foundation, Inc. as of June 30, 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 Building Lives Foundation, Inc. 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 Building Lives Foundation, Inc.'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 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 Building Lives Foundation, Inc.'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 Building Lives Foundation, Inc.'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.

Joe Osterfeld, CPA  
Columbia, Tennessee  
December 8, 2023

**Building Lives Foundation, Inc.**  
**Statement of Financial Position**  
**June 30, 2023**

ASSETS

Current Assets	
Cash and cash equivalents	\$ 226,795
Prepaid expenses	19,510
Pledges & accounts receivable, net of allowance for bad debt of \$1,000	9,900
Property and equipment, net of accumulated depreciation	237,787
Total Assets	<u>\$ 493,992</u>

LIABILITIES

<u>Current Liabilities</u>	
Accounts payable	\$ 17,819
Payroll tax liabilities	6,544
Deferred concert revenue	30,200
Total Current Liabilities	<u>54,563</u>

NET ASSETS

Net assets without donor restrictions	<u>439,429</u>
Total Liabilities and Net Assets	<u>\$ 493,992</u>

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

**Building Lives Foundation, Inc.**  
**Statement of Activities**  
**For the Year Ended June 30, 2023**

<u>Revenue and Support</u>	
Fundraising - annual events	\$ 186,688
Program Services	50,400
Donations	170,051
Grant proceeds	198,492
Interest income	119
Total Revenue and Support	<u>605,750</u>
Expenses	
Program Services	287,391
Fundraising	129,584
Administrative	69,969
Toal Expense	<u>486,945</u>
Change in net position	118,805
Net Position - July 1, 2022	<u>320,624</u>
Net Position - June 30, 2023	<u>\$ 439,429</u>

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

**Building Lives Foundation, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended June 30, 2023**

	<b><u>Program Services</u></b>	<b><u>Fundraising</u></b>	<b><u>General &amp; Administrative</u></b>	<b><u>Total</u></b>
Client support	\$ 15,559	\$ -	\$ -	\$ 15,559
Salary and wages	82,499	47,874	19,914	150,287
Payroll tax expense	6,497	3,850	1,684	12,032
Depreciation	12,728	-	-	12,728
Fees, dues, and subscriptions	-	-	550	550
Food	-	-	5,288	5,288
Fundraising expense	-	77,860	-	77,860
Insurance expense	11,275	-	2,150	13,425
Interest expense	-	-	-	-
Miscellaneous	-	-	302	302
Mobile phone	1,877	-	-	1,877
Office supplies	2,045	-	-	2,045
Postage and delivery	-	-	1,201	1,201
Professional fees	6,000	-	34,552	40,552
Property tax	-	-	2,219	2,219
Rent expense	51,612	-	-	51,612
Repairs and maintenance - building	35,805	-	-	35,805
Stipend	25,525	-	-	25,525
Supplies	985	-	-	985
Utilities	13,935	-	-	13,935
Vehicle expense	21,049	-	2,109	23,158
Total Expense	<u>\$ 287,391</u>	<u>\$ 129,584</u>	<u>\$ 69,969</u>	<u>\$ 486,945</u>

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

**Building Lives Foundation, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2023**

Cash Flows From Operating Activities:

Change in net position	\$ 118,805
Adjustments to reconcile change in net position to net cash provided by operating activities:	
Depreciation	12,728
Changes in operating assets and liabilities	
(Increase) decrease in accounts receivable	2,300
(Increase) decrease in prepaid expense	(17,665)
Increase (decrease) in deferred revenue	(21,967)
Increase (decrease) in accounts payable	8,072
Increase (decrease) in payroll taxes payable	6,061
Net Cash Provided (Used) By Operating Activities	<u>108,334</u>

Cash Flows from Investing Activities

Purchase of fixed assets	<u>(50,539)</u>
Net Cash Provided (Used) By Investing Activities	<u>(50,539)</u>

Cash Flows From Financing Activities

Net Cash Provided (Used) By Financing Activities	<u>-</u>
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Net increase (decrease) in cash & cash equivalents 57,795

Cash and cash equivalents - July 1, 2021 158,330

Cash and cash equivalents - June 30, 2022 \$ 216,125

Supplemental Information:

Interest paid \$ -

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



**BUILDING LIVES FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organized in 2006, Building Lives Foundation, Inc. (BLF) is a not-for-profit corporation committed to assisting veterans, primarily in Middle Tennessee, by providing one-on-one mentoring, health and psychological care referrals, employment, transportation, housing, and financial education. The singular goal is to support and transition each veteran/client to become a productive member of the community.

The BLF program includes five major components, which working together, build a solid foundation upon which a fulfilling life can be structured as follows: (1) Job Assistance, (2) Affordable Housing, (3) Apartment Furnishings, (4) Vehicle Program, and (5) Guidance. Additionally, services are offered by the BLF through a program known as “The Academy” which provides basic needs, housing, meals, transportation, etc., for the participants while taking part in a work-therapy program during a transition period.

BLF is governed by a board of directors.

Basis of Accounting

The financial statements of BLF have been prepared on the accrual basis of accounting and accordingly reflect all significant accounts receivable, accounts payable, and other liabilities.

Basis of Presentation

Financial statement presentation follows US generally accepted accounting principles which require BLF to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

- Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations.
- Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents are defined as all cash on hand and deposited in FDIC insured bank accounts with an initial maturity of three months or less.

**BUILDING LIVES FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Accounts and Grants Receivable

Account receivables are stated at their net realizable value. It is the opinion of management that all receivables at fiscal year-end are collectible.

Management periodically reviews all delinquent receivables and charges off accounts, grants, and notes after collection efforts are exhausted. The allowance for doubtful accounts receivable represents an amount which, in management's judgment, reflects the net collectible balance of the accounts receivable. In determining the adequacy of the allowance, management considers general economic conditions, the client's and grantor's financial ability, the age of the receivable, and any potential collateral.

Donated Services

Officers, members of the Board of Directors, and other volunteers of BLF have assisted BLF in the accomplishment of its goals and objectives by the donation of their time and services. No amounts have been reflected in the financial statements as it was not practicable to determine the valuation of such services to the BLF, and the BLF exercises no significant control over the major elements of donated services.

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

Income Tax Status

BLF is an organization which is not considered a private foundation and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. BLF's Form 990, Return of Organization Exempt from Income Tax, for the years ending June 30, 2021, 2022, and 2023 are subject to examination by the IRS, generally for 3 years after they were filed. There are no tax examinations currently in process. However, income from certain activities not directly related to the BLF's tax-exempt purpose is subject to taxation as unrelated business income.

As of June 30, 2023, BLF has recognized in the financial statements the effects of all tax positions and continually evaluates expiring statutes of limitations, audits, changes in tax law, and new authoritative rulings. Management has concluded that BLF has taken no uncertain tax positions as of June 30, 2023.

**BUILDING LIVES FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, costs have been allocated among the programs and supporting services benefitted based on time and square footage used for the various programs and services.

Revenue Recognition

Contributions received are recorded with donor restrictions or without donor restrictions support depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net position with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Property and Equipment

Property and equipment are carried at cost, if donated, at the appropriate fair value at the date of donation. Depreciation is computed on a straight-line basis over the estimated useful life of the asset and is reflected as expense in the Statement of Functional Expenses.

Fair Values of Financial Instruments

Financial instruments of BLF include cash, short-term accounts receivable, accounts payable, and notes payable. Management estimates that the fair value of all financial instruments at fiscal year-end does not differ materially from the carrying values of the financial instruments recorded in the accompanying Statement of Financial Position.

Compensated Absences

Employees of BLF are entitled to paid vacation, paid sick leave, and personal days off, depending on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. BLF's policy is to recognize the cost of compensated absences when actually paid to employees.

**NOTE 2 – CASH**

All cash of BLF is deposited in FDIC insured banks. At June 30, 2023, BLF did not have any deposits that exceeded the FDIC deposit insurance coverage.

**BUILDING LIVES FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 3 – ACCOUNTS RECEIVABLE**

Account receivable consists of amounts due for services performed and advances to employees. An allowance for uncollectible accounts has been provided in the amount of \$1,000.

**NOTE 4 – PROPERTY AND EQUIPMENT**

Useful lives are 19-40 years for building and improvements, 5 to 11 years for furniture and equipment, and 5 years for vehicles. Property and equipment consist of:

Land	\$	50,000
Building		202,985
Vehicles and Equipment		45,576
Total		<u>298,561</u>
Less: accumulated depreciation		<u>(60,207)</u>
Net Property and Equipment	\$	<u>238,354</u>

**NOTE 5 – FUNDRAISING EVENTS**

During the fiscal year ended June 30, 2023, BLF sponsored five fundraising events as sources of additional revenue and greater public awareness. The events were Christmas ‘warehouse sales’ held in Nashville, TN, Bloomington, IN, and Conyers, GA, a concert, and various other events.

**NOTE 6 – LEASES**

Historically, BLF has entered into six-month leases to provide a number of veterans with housing. The veterans are required to reimburse BLF monthly. Leases are cancelable if a client moves out. As of June 30, 2023, there were no such leases to which BLF was liable for payment of rents.

**NOTE 7 – CONCENTRATION**

BLF receives a significant amount of its support from the community, corporations, and other organizations, especially related to its fundraising efforts. Any significant reduction in the level of this support, if this were to occur, could have an adverse effect on its programs and activities.

**BUILDING LIVES FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 9 – COVID-19 OUTBREAK**

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of corona virus originating in Wuhan, China (the Covid-19 outbreak) and the risk to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the Covid-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the Covid-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on BLF's financial condition, liquidity, and future results of operations in future reporting periods. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the Covid-19 outbreak and the global responses to curb its spread, BLF is not able to fully estimate the effects of the Covid-19 outbreak on its results of operations, financial condition, or liquidity for the fiscal year 2023.

Although BLF is not able to estimate the effects of the Covid-19 outbreak, management does not believe they incurred any reduction of income for the current fiscal year. General public support/donations and fundraising were significantly more than the year before, and expenses remained consistent with the prior year.

**NOTE 11 – DATE OF MANAGEMENT REVIEW**

Management has evaluated subsequent events through December 8, 2023, the date which the financial statements were available to be issued. No other material subsequent events have occurred that need to be disclosed.