

GOODLETTSVILLE HELP CENTER
Consolidated Financial Statements
December 31, 2015

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Independent Auditors' Report

To the Board of Directors of
Goodlettsville Help Center

We have audited the accompanying consolidated financial statements of Goodlettsville Help Center (a nonprofit corporation) and subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2015 and 2014, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Goodlettsville Help Center and subsidiaries as of December 31, 2015 and 2014, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Parker, Parker & Associates

March 1, 2016

GOODLETTSVILLE HELP CENTER
Consolidated Statements of Financial Position
December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Assets		
Current Assets		
Cash	\$ 70,726	\$ 70,253
Prepaid Expenses	12,088	5,736
Inventory	20,115	16,457
Total Current Assets	<u>102,929</u>	<u>92,446</u>
Property and Equipment		
Land	100,000	100,000
Building	142,195	142,195
Equipment	24,922	24,922
Improvements	85,372	85,372
Vehicles	8,221	18,848
Construction In Progress	1,405	1,405
Accumulated Depreciation	(100,875)	(94,931)
Net Property and Equipment	<u>261,240</u>	<u>277,811</u>
Other Assets		
Deposits	4,693	4,693
Total Other Assets	<u>4,693</u>	<u>4,693</u>
Total Assets	<u><u>\$ 368,862</u></u>	<u><u>\$ 374,950</u></u>
Liabilities and Net Assets		
Current Liabilities		
Payroll Taxes Payable	\$ 2,606	\$ 1,733
Sales Taxes Payable	1,302	1,023
Total Current Liabilities	<u>3,908</u>	<u>2,756</u>
Net Assets		
Unrestricted Net Assets	355,109	362,349
Temporarily Restricted Net Assets	9,845	9,845
Total Net Assets	<u>364,954</u>	<u>372,194</u>
Total Liabilities and Net Assets	<u><u>\$ 368,862</u></u>	<u><u>\$ 374,950</u></u>

See notes to consolidated financial statements.

GOODLETTSVILLE HELP CENTER
Consolidated Statements of Activities
For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Unrestricted Net Assets		
Community Projects		
Fundraisers	\$ 34,125	\$ 33,937
Total Community Projects	<u>34,125</u>	<u>33,937</u>
Contributions and Grants		
Contributions	45,714	43,086
Grants	2,820	2,820
In-Kind Donations	455,302	539,519
United Way	1,867	1,915
Total Contributions and Grants	<u>505,703</u>	<u>587,340</u>
Other Income		
Interest Income	153	306
Thrift Store Sales	191,371	179,753
Total Other Income	<u>191,524</u>	<u>180,059</u>
Total Support and Income	<u>731,352</u>	<u>801,336</u>
Net Assets Released from Restrictions		
Restrictions Satisfied by Payments	<u>-</u>	<u>1,405</u>
Total Support, Income and Reclassifications	<u>731,352</u>	<u>802,741</u>
Expenses		
Program Expenses		
Client Services	23,741	33,744
Food	263,112	348,349
Payroll	90,871	90,000
Payroll Taxes	6,952	6,885
Rent	45,400	38,400
Thrift Store Cost of Goods Sold	191,371	179,752
Utilities	15,425	13,821
Vehicle Expense	1,068	1,679
Total Program Expenses	<u>637,940</u>	<u>712,630</u>
Supporting Services		
General and Administrative Expenses		
Advertising	1,111	2,060
Audit	7,736	7,700
Copier Expenses	2,698	2,702
Depreciation	14,189	14,455
Dues and Registration Fees	704	760
Insurance	8,546	10,101
Legal Fees	1,740	1,395
Merchant Fees	3,351	2,962
Other Expenses	550	7,464
Payroll	30,086	28,324
Payroll Taxes	2,302	1,837
Pest Control	450	405
Postage	348	274
Repairs & Maintenance	324	4,040
Supplies	2,138	3,445
Taxes & Fees	457	22
Utilities	14,200	14,897
Volunteer Recognition	656	1,259
Loss on Disposal of Property and Equipment	2,382	-
Total General and Administrative Expenses	<u>93,968</u>	<u>104,102</u>
Fundraising Expenses	<u>6,685</u>	<u>12,264</u>
Total Supporting Services	<u>100,653</u>	<u>116,366</u>
Total Expenses	<u>738,592</u>	<u>828,996</u>
Decrease in Unrestricted Net Assets	<u>(7,240)</u>	<u>(26,255)</u>
Temporarily Restricted Net Assets		
Contributions	-	8,000
Amounts Released from Restriction	-	(1,405)
Increase in Temporarily Restricted Net Assets	<u>-</u>	<u>6,595</u>
Decrease in Net Assets	<u>(7,240)</u>	<u>(19,660)</u>
Net Assets - Beginning of Year	<u>372,194</u>	<u>391,854</u>
Net Assets - End of Year	<u>\$ 364,954</u>	<u>\$ 372,194</u>

See notes to consolidated financial statements.

GOODLETTSVILLE HELP CENTER
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash Flows From Operating Activities		
Decrease in Net Assets	<u>\$ (7,240)</u>	<u>\$ (19,660)</u>
Adjustments to Reconcile Decrease in Net Assets to		
Net Cash Provided (Used) by Operating Activities:		
Depreciation	14,189	14,455
Loss on Disposal of Property and Equipment	2,382	-
(Increase) Decrease in:		
Contributions Receivable	-	1,750
Prepaid Expenses	(6,352)	1,669
Inventory	(3,658)	(8,457)
Increase (Decrease) in:		
Payroll Taxes Payable	873	(308)
Sales Taxes Payable	279	(2,540)
Contingent Liability	<u>-</u>	<u>(20,133)</u>
Total Adjustments	<u>7,713</u>	<u>(13,564)</u>
Net Cash Provided (Used) by Operating Activities	<u>473</u>	<u>(33,224)</u>
Cash Flows From Investing Activities		
Purchase of Fixed Assets	<u>-</u>	<u>(7,350)</u>
Net Cash Used by Investing Activities	<u>-</u>	<u>(7,350)</u>
Net Increase (Decrease) In Cash	473	(40,574)
Cash - Beginning of Year	<u>70,253</u>	<u>110,827</u>
Cash - End of Year	<u><u>\$ 70,726</u></u>	<u><u>\$ 70,253</u></u>

See notes to consolidated financial statements.

GOODLETTSVILLE HELP CENTER
Notes to Consolidated Financial Statements
December 31, 2015 and 2014

Note 1. Summary of Significant Accounting Policies

A. Organization and Nature of Activities

Goodlettsville Help Center ("GHC") is a nonprofit organization whose purpose is to help churches, businesses, and the community eliminate duplicate requests from needy families by providing a central location to meet their basic needs. Their needs can be assistance for utilities, food, shelter, prescriptions, transportation and education. GHC also acts as a liaison to the local Police Department for persons seeking assistance. A thrift store is open to the public with reduced rates to support the entire community. All clients receiving direct assistance live in the Goodlettsville, Tennessee area, which encompasses portions of Davidson, Robertson and Sumner counties.

B. Principles of Consolidation

The accompanying consolidated financial statements include the accounts of GHC and Treasure Hunters Thrift Store, LLC. GHC is the sole member of Treasure Hunters Thrift Store, LLC. All significant intercompany transactions have been eliminated.

C. Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

D. Financial Statement Presentation

Financial statement presentation is reported in accordance with the FASB Accounting Standards Codification for *Presentation of Financial Statements, Not-For-Profit Entities*. Under those provisions, net assets and revenues, gains, and losses are classified based on the absence or existence and nature of donor-imposed restrictions as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed restrictions that can be fulfilled by actions of GHC pursuant to those restrictions or that expire by the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed restrictions that may be maintained permanently by GHC.

E. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash includes cash on hand and amounts in banks. GHC has no cash equivalents.

G. Thrift Store Inventory and Donations

Inventory, which consists of donated clothing, household goods, furniture, and various other items, are held for sale at the thrift store. Since there is no purchase cost to the Organization, inventory and donations revenue are recorded at fair value determined by the price at which the item can be sold on the date of donation.

H. Property and Equipment

Property and Equipment with cost greater than \$500 and useful lives greater than one year are recorded at cost or at the estimated fair market value at the date of donation. Depreciation is calculated using the straight-line method over an estimated useful life of 5 - 39 years. Expenditures for repairs and maintenance are charged to expense as incurred. Donations of property and equipment are reported at their estimated fair value.

GOODLETTSVILLE HELP CENTER
Notes to Consolidated Financial Statements – Continued
December 31, 2015 and 2014

Note 1. Summary of Significant Accounting Policies – Continued

H. Property and Equipment – Continued

Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

I. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. If donor-restricted support is given and the restriction is released in the same accounting period, the contribution is considered as unrestricted.

J. Contributed Services

Contributions of services are recognized only if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not donated.

K. Income Taxes

GHC is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Treasure Hunters Thrift Store, LLC is considered a disregarded entity for federal income tax purposes and will be included on GHC's Form 990, Return of Organization Exempt from Income Tax.

L. Advertising Costs

GHC expenses advertising costs as incurred. Advertising expenses for the year ended December 31, 2015 and 2014 were \$1,111 and \$2,060.

M. Reclassifications

Certain reclassifications have been made to the 2014 financial statements in order to conform to the 2015 financial statement presentation.

Note 2. In-Kind Donations

GHC receives donated food and clothing that is either sold in the thrift store or distributed to needy families. The value of donated food and clothing included in the financial statements and the corresponding expenses for the years ended December 31, 2015 and 2014 are as follows:

	Revenues	
	2015	2014
In-Kind Donations	\$ 455,302	\$ 539,519
	<u>\$ 455,302</u>	<u>\$ 539,519</u>

GOODLETTSVILLE HELP CENTER
Notes to Consolidated Financial Statements – Continued
December 31, 2015 and 2014

Note 2. In-Kind Donations – Continued

Assets and Expenses		
	2015	2014
Food	260,273	344,609
Inventory	3,658	8,457
Rent	-	3,200
Thrift Store Cost of Goods Sold	191,371	179,753
Audit	-	3,500
	<u>\$ 455,302</u>	<u>\$ 539,519</u>

Note 3. Temporarily Restricted Net Assets

Temporarily restricted net assets as of December 31, 2015 and 2014 include contributions for capital improvements.

Note 4. Leases

GHC leases retail space for the thrift store for \$3,200 per month. The lease expires in October 2016 with an option to lease for an additional two years. Future minimum lease payments are as follows:

Year Ending	Amount
December 31,	
2016	\$ 37,000
	<u>\$ 37,000</u>

Rent Expense for the year ended December 31, 2015 and 2014 was \$45,400 and \$38,400.

Note 5. Subsequent Events

GHC has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended December 31, 2015 through March 1, 2016, the date the financial statements were available to be issued. There were no subsequent events that required recognition or disclosure in the financial statements.