

GOODLETTSVILLE HELP CENTER
Consolidated Financial Statements
December 31, 2016

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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, 2016 and 2015, 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, 2016 and 2015, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Blankenship CPA Group, PLLC

March 30, 2017

GOODLETTSVILLE HELP CENTER
Consolidated Statements of Financial Position
December 31, 2016 and 2015

	2016	2015
Assets		
Current Assets		
Cash	\$ 113,397	\$ 70,726
Prepaid Expenses	9,251	12,088
Inventory	25,246	20,115
Total Current Assets	<u>147,894</u>	<u>102,929</u>
Property and Equipment		
Land	100,000	100,000
Building	142,195	142,195
Equipment	25,967	24,922
Improvements	85,372	85,372
Vehicles	8,221	8,221
Construction In Progress	21,373	1,405
Accumulated Depreciation	<u>(112,751)</u>	<u>(100,875)</u>
Net Property and Equipment	<u>270,377</u>	<u>261,240</u>
Other Assets		
Deposits	<u>3,782</u>	<u>4,693</u>
Total Other Assets	<u>3,782</u>	<u>4,693</u>
Total Assets	<u><u>\$ 422,053</u></u>	<u><u>\$ 368,862</u></u>
Liabilities and Net Assets		
Current Liabilities		
Payroll Taxes Payable	\$ 2,871	\$ 2,606
Sales Taxes Payable	<u>1,695</u>	<u>1,302</u>
Total Current Liabilities	<u>4,566</u>	<u>3,908</u>
Net Assets		
Unrestricted Net Assets	399,162	355,109
Temporarily Restricted Net Assets	<u>18,325</u>	<u>9,845</u>
Total Net Assets	<u>417,487</u>	<u>364,954</u>
Total Liabilities and Net Assets	<u><u>\$ 422,053</u></u>	<u><u>\$ 368,862</u></u>

See notes to consolidated financial statements.

GOODLETTSVILLE HELP CENTER
Consolidated Statements of Activities
For the Years Ended December 31, 2016 and 2015

	2016	2015
Unrestricted Net Assets		
Community Projects		
Fundraisers	\$ 37,071	\$ 34,125
Total Community Projects	37,071	34,125
Contributions and Grants		
Contributions	79,357	45,714
Grants	1,880	2,820
In-Kind Donations	466,478	455,302
United Way	1,668	1,867
Total Contributions and Grants	549,383	505,703
Other Income		
Interest Income	153	153
Thrift Store Sales	235,056	191,371
Total Other Income	235,209	191,524
Total Support and Income	821,663	731,351
Net Assets Released from Restrictions		
Restrictions Satisfied by Payments	-	1,405
Total Support, Income and Reclassifications	821,663	732,756
Expenses		
Program Expenses		
Client Services	23,513	23,743
Food	234,305	263,112
Payroll	108,598	90,871
Payroll Taxes	8,308	6,952
Rent	44,400	45,400
Thrift Store Cost of Goods Sold	234,826	191,371
Utilities	15,585	15,425
Vehicle Expense	2,271	1,068
Total Program Expenses	671,806	637,941
Supporting Services		
General and Administrative Expenses		
Advertising	89	1,111
Audit	7,713	7,736
Copier Expenses	2,479	2,698
Depreciation	12,175	14,189
Dues and Registration Fees	260	704
Insurance	13,622	8,546
Legal Fees	-	1,740
Merchant Fees	4,527	3,351
Other Expenses	396	549
Payroll	33,708	30,086
Payroll Taxes	3,160	2,302
Pest Control	600	450
Postage	322	348
Repairs & Maintenance	2,767	324
Supplies	2,206	2,138
Taxes & Fees	414	457
Utilities	14,403	14,200
Volunteer Recognition	72	656
Loss on Disposal of Property and Equipment	-	2,381
Total General and Administrative Expenses	98,913	93,966
Fundraising Expenses	6,891	6,685
Total Supporting Services	105,804	100,651
Total Expenses	777,610	738,591
Increase (Decrease) in Unrestricted Net Assets	44,053	(5,835)
Temporarily Restricted Net Assets		
Contributions	8,480	-
Amounts Released from Restriction	-	(1,405)
Increase (Decrease) in Temporarily Restricted Net Assets	8,480	(1,405)
Increase (Decrease) in Net Assets	52,533	(7,240)
Net Assets - Beginning of Year	364,954	372,194
Net Assets - End of Year	\$ 417,487	\$ 364,954

See notes to consolidated financial statements.

GOODLETTSVILLE HELP CENTER
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash Flows From Operating Activities		
Increase (Decrease) in Net Assets	\$ 52,533	\$ (7,240)
Adjustments to Reconcile Increase (Decrease) in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation	12,175	14,189
Loss on Disposal of Property and Equipment	-	2,382
(Increase) Decrease in:		
Prepaid Expenses	2,837	(6,352)
Inventory	(5,131)	(3,658)
Deposits	911	-
Increase (Decrease) in:		
Payroll Taxes Payable	265	873
Sales Taxes Payable	393	279
	<u>11,450</u>	<u>7,713</u>
Total Adjustments		
	<u>63,983</u>	<u>473</u>
Cash Flows From Investing Activities		
Purchase of Fixed Assets	(21,312)	-
Net Cash Used by Investing Activities	<u>(21,312)</u>	<u>-</u>
Net Increase In Cash	42,671	473
Cash - Beginning of Year	<u>70,726</u>	<u>70,253</u>
Cash - End of Year	<u><u>\$ 113,397</u></u>	<u><u>\$ 70,726</u></u>

See notes to consolidated financial statements.

GOODLETTSVILLE HELP CENTER
Notes to Consolidated Financial Statements
December 31, 2016 and 2015

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, 2016 and 2015

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 years ended December 31, 2016 and 2015 were \$89 and \$1,111.

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, 2016 and 2015 are as follows:

Revenues		
	2016	2015
In-Kind Donations	\$ 466,478	\$ 455,302
	<u>\$ 466,478</u>	<u>\$ 455,302</u>
Assets and Expenses		
	2016	2015
Food	206,522	260,273
Inventory	5,131	3,658
Thrift Store Cost of Goods Sold	234,826	191,371
	<u>\$ 446,478</u>	<u>\$ 455,302</u>

GOODLETTSVILLE HELP CENTER
Notes to Consolidated Financial Statements – Continued
December 31, 2016 and 2015

Note 3. Temporarily Restricted Net Assets

Temporarily restricted net assets as of December 31, 2016 and 2015 include contributions for capital improvements.

Note 4. Leases

GHC leases retail space for the thrift store for \$3,700 per month. The lease expired in October 2017 with an option to lease for an additional year. Future minimum lease payments are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2017	\$ 44,400
	<u>\$ 44,400</u>

Rent Expense for the year ended December 31, 2016 and 2015 was \$44,400 and \$45,400.

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, 2016 through March 30, 2017, the date the financial statements were available to be issued. There were no subsequent events that required recognition or disclosure in the financial statements.