

GOODLETTSVILLE HELP CENTER, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2005



C. David Pitzer, P.C. Certified Public Accountants


INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Goodlettsville Help Center, Inc.
Goodlettsville, TN 37072

We have audited the accompanying statement of financial position of **Goodlettsville Help Center, Inc. (A Nonprofit Organization)**, as of December 31, 2005, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Goodlettsville Help Center, Inc.** as of December 31, 2005, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles in the United States of America.


C. David Pitzer, P. C.

October 31, 2006

GOODLETTSVILLE HELP CENTER, INC.

Statement of Financial Position

DECEMBER 31, 2005

ASSETS

Current assets	
Cash	\$ 38,257.44
Total current assets	<u>38,257.44</u>
Property and equipment	
Land	100,000.00
Building	149,489.95
	<u>249,489.95</u>
Less: accumulated depreciation	24,342.08
Total property and equipment	<u>225,147.87</u>
Other assets	
Utility deposits	493.29
	<u>493.29</u>
	<u>\$263,898.60</u>

LIABILITIES AND NET ASSETS

Current liabilities	
Current portion of long-term debt	\$ 12,741.64
Withheld payroll taxes	609.26
Sales tax payable	739.00
Total current liabilities	<u>14,089.90</u>
Long-term debt	
Note payable - building	52,642.41
Less: current portion	<u>12,741.64</u>
Total long-term debt	<u>39,900.77</u>
Total liabilities	<u>53,990.67</u>
Net assets	
Net assets	<u>209,907.93</u>
Total net assets	<u>209,907.93</u>
	<u>\$263,898.60</u>

See independent auditors' report and notes to financial statements.

GOODLETTSVILLE HELP CENTER, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2005

Public support and revenue

Public support

Governmental	\$ 2,000.00
United Ways	3,726.78
Churches	40,523.00
Individuals	12,639.41
Community business and organizations	13,994.73
Grants	32,102.16
In-Kind	178,500.00
Total support	<u>283,486.08</u>

Revenues

Sales	40,008.98
ETL Fees	540.00
Rent	6,000.00
Fundraising	14,639.73
Interest earned	10.41
Total revenues	<u>61,199.12</u>

Total public support and revenues 344,685.20

Expenses

Program Services

Housing	5,925.28
Clothing, etc.	102,000.00
Expressway to Learning	1,513.30
Food	80,703.61
Medical	385.95
Transportation	2378.25
Utilities	54,058.64
Other	52.00
Total program services	<u>247,017.03</u>

General and administrative

Salaries	49,564.64
Payroll taxes	4,098.11

See independent auditors' report and notes to financial statements.

GOODLETTSVILLE HELP CENTER, INC.

STATEMENTS OF ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2005

General and administrative (continued)	
Depreciation	\$ 4,375.52
Dues	145.00
Insurance	3271.56
Interest	4,140.35
Automobile and truck expense	1,853.61
Repairs and maintenance	6609.12
Telephone	897.61
Office expense	2,154.26
Property taxes	4,634.82
Utilities	6,420.49
Total general and administrative	<u>88,165.09</u>
Total expenses	<u>335,182.12</u>
Increase in net assets	<u>9,503.08</u>
Net assets at beginning of year	<u>200,404.85</u>
Net assets at end of year	<u>\$ 209,907.93</u>

See independent auditors' report and notes to financial statements.

GOODLETTSVILLE HELP CENTER, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2005

Cash flow from operating activities	
Increase in net assets	\$ 9,503.08
Adjustments to reconcile decrease in net assets to net cash used by operating activities:	
Depreciation	4,375.52
Decrease in Escrow	(15.00)
Increase in sales tax payable	319.30
Increase in payroll taxes payable	107.35
	<u>4,787.17</u>
Net cash provided by operating activities	<u>14,290.25</u>
Cash flow from financing activities	
Principal payments	<u>(11,882.65)</u>
Net cash used by financial activities	<u>(11,882.65)</u>
Net increase in cash.	(2,407.60)
Cash at beginning of year	<u>35,849.84</u>
Cash at end of year	<u>\$ 38,257.44</u>

Supplemental Cash Flow Information

Cash paid during the year for:	
Interest	<u>\$ 4,140.35</u>

See independent auditors' report and notes to financial statements.

GOODLETTSVILLE HELP CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

The Goodlettsville Help Center, Inc., a Tennessee nonprofit corporation chartered in 1987 to coordinate humanitarian and outreach activities of member organizations to coordinate a singleness of purpose and mission in order to avoid duplicity.

B. Accounting Method

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported 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 stipulations that may or will be met, either by actions of the Organization and/or passage of time. Restrictions that are fulfilled in the same accounting period in which the contributions are received are reported in the statement of activities as unrestricted.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that may be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned and any related investments for general or specific purposes.

GOODLETTSVILLE HELP CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as temporarily restricted or permanently restricted support, depending on the nature of the restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the organization reports the support as unrestricted.

D. Property and Equipment

Purchased property and equipment are recorded at cost. Property and equipment are depreciated using the straight-line method over lives ranging 3-40 years.

E. Income Taxes

The organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, no provision for federal income taxes is reflected in the accompanying financial statements.

F. Cash and Cash Equivalents

For purposes of the statement of cash flows, the organization considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

GOODLETTSVILLE HELP CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

G. Contributed Services

The Center receives many contributed services from various friends. These services do not meet the requirements for recognition in the financial statements and have not been recorded or reflected in the accompanying financial statements.

NOTE 2 - LONG-TERM LIABILITIES

On February 4, 2000, the Organization had a note payable to Howard and Evelyn Felton for \$115,000.00. Interest accrues at 7% apr for 10 years at a principal and interest payment of \$1,335.25 per month. The note is secured by land and building located at 108 Depot Street. Maturities by year are as follows:

Fiscal year ending December 31, 2006	\$ 12,741.64
2007	13,662.74
2008	14,650.42
2009	<u>11,587.61</u>
	<u>\$ 52,642.41</u>

Note 3 - RISK CONCENTRATION

The Organization's ability to receive donation and grants.