

GOODLETTSVILLE HELP CENTER
Financial Statements
December 31, 2013

Contents

	<u>Page</u>
Independent Auditors' Report	1
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Notes to Financial Statements	5 - 7

Parker, Parker & Associates, PLC

Certified Public Accountants

1000 NORTHCHASE DRIVE - SUITE 260
GOODLETTSVILLE, TN 37072

STEVEN B. PARKER, CPA
CHARLES N. PARKER, CPA
KAREN R. STEPHENS, CPA
LAUREN S. ALLEN, CPA
J. MATTHEW STAMPER, CPA
JILL C. COLEMAN, CPA
JANA N. LOWE, CPA
SHANE C. GIBSON, CPA

TELEPHONE: 615-859-8800
FAX: 615-859-8188
WWW.PARKERCPA.NET

Independent Auditors' Report

To the Board of Directors of
Goodlettsville Help Center

We have audited the accompanying financial statements of Goodlettsville Help Center (a nonprofit organization), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Goodlettsville Help Center as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



August 7, 2014

GOODLETTSVILLE HELP CENTER
Statements of Financial Position
December 31, 2013 and 2012

	2013	2012
Assets		
Current Assets		
Cash	\$ 110,827	\$ 110,811
Contributions Receivable	1,750	-
Prepaid Expenses	7,405	6,876
Inventory	8,000	-
Total Current Assets	<u>127,982</u>	<u>117,687</u>
Property and Equipment		
Land	100,000	100,000
Building	142,195	142,195
Equipment	23,716	14,964
Improvements	83,922	78,352
Vehicles	15,559	7,338
Accumulated Depreciation	<u>(80,476)</u>	<u>(68,675)</u>
Net Property and Equipment	<u>284,916</u>	<u>274,174</u>
Other Assets		
Deposits	<u>4,693</u>	<u>993</u>
Total Other Assets	<u>4,693</u>	<u>993</u>
Total Assets	<u><u>\$ 417,591</u></u>	<u><u>\$ 392,854</u></u>
Liabilities and Net Assets		
Current Liabilities		
Payroll Taxes Payable	\$ 2,041	\$ 1,613
Sales Taxes Payable	3,563	2,276
Contingent Liability	<u>20,133</u>	<u>-</u>
Total Current Liabilities	<u>25,737</u>	<u>3,889</u>
Net Assets		
Unrestricted Net Assets	388,604	388,965
Temporarily Restricted Net Assets	<u>3,250</u>	<u>-</u>
Total Net Assets	<u>391,854</u>	<u>388,965</u>
Total Liabilities and Net Assets	<u><u>\$ 417,591</u></u>	<u><u>\$ 392,854</u></u>

See notes to financial statements.

GOODLETTSVILLE HELP CENTER
Statements of Activities
For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Unrestricted Net Assets		
Community Projects		
Fundraisers	\$ 37,229	\$ 33,642
Contributions and Grants		
Contributions	53,371	58,616
Grants	2,870	6,499
In-Kind Donations	591,055	478,645
United Way	2,583	3,106
Total Contributions and Grants	<u>649,879</u>	<u>546,866</u>
Other Income		
Interest Income	376	530
Thrift Store Sales	174,478	147,982
Total Other Income	<u>174,854</u>	<u>148,512</u>
Total Support and Income	<u>861,962</u>	<u>729,020</u>
Expenses		
Program Expenses		
Clothing and Merchandise	67,500	105,850
Computer Lab	25	107
Education	400	135
Food	352,451	384,605
Lodging	7,331	7,948
Medical	1,509	1,593
Payroll	67,184	56,544
Payroll Taxes	5,140	4,326
Rent	9,600	-
Thrift Store Cost of Goods Sold	174,478	-
Transportation	3,878	2,828
Utilities	29,337	25,694
Vehicle Expense	1,177	1,928
Other	2,730	169
Total Program Expenses	<u>722,740</u>	<u>591,727</u>
Supporting Services		
General and Administrative Expenses		
Advertising	2,294	4,864
Audit	7,017	7,433
Copier Expenses	2,944	2,340
Depreciation	11,801	9,387
Dues	120	115
Insurance	10,264	7,099
Janitorial	1,800	2,600
Merchant Fees	2,419	1,928
Other Expenses	21,062	735
Payroll	38,050	41,685
Payroll Taxes	2,037	4,577
Pest Control	242	466
Postage	292	571
Registration Fees	135	-
Repairs & Maintenance	5,369	6,353
Supplies	4,560	4,146
Taxes	622	362
Utilities	17,340	14,559
Vehicle	1,636	1,971
Volunteer Recognition	1,902	1,980
Total General and Administrative Expenses	<u>131,906</u>	<u>113,171</u>
Fundraising Expenses	<u>7,677</u>	<u>10,126</u>
Total Supporting Services	<u>139,583</u>	<u>123,297</u>
Total Expenses	<u>862,323</u>	<u>715,024</u>
Increase (Decrease) in Unrestricted Net Assets	<u>(361)</u>	<u>13,996</u>
Temporarily Restricted Net Assets		
Contributions	3,250	-
Increase in Temporarily Restricted Net Assets	<u>3,250</u>	<u>-</u>
Increase in Net Assets	2,889	13,996
Net Assets - Beginning of Year	<u>388,965</u>	<u>374,969</u>
Net Assets - End of Year	<u>\$ 391,854</u>	<u>\$ 388,965</u>

See notes to financial statements.

GOODLETTSVILLE HELP CENTER
Statements of Cash Flows
For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash Flows From Operating Activities		
Increase in Net Assets	\$ 2,889	\$ 13,996
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	11,801	9,387
(Increase) Decrease in:		
Contributions Receivable	(1,750)	303
Prepaid Expenses	(529)	(71)
Inventory	(8,000)	-
Deposits	(3,700)	-
Increase (Decrease) in:		
Payroll Taxes Payable	428	(38)
Sales Taxes Payable	1,287	333
Contingent Liability	20,133	-
	<u>19,670</u>	<u>9,914</u>
Total Adjustments		
	<u>22,559</u>	<u>23,910</u>
Net Cash Provided by Operating Activities		
	<u>22,559</u>	<u>23,910</u>
Cash Flows From Investing Activities		
Purchase of Fixed Assets	<u>(22,543)</u>	<u>(27,485)</u>
Net Cash Used by Investing Activities	<u>(22,543)</u>	<u>(27,485)</u>
Net Increase (Decrease) In Cash	16	(3,575)
Cash - Beginning of Year	<u>110,811</u>	<u>114,386</u>
Cash - End of Year	<u>\$ 110,827</u>	<u>\$ 110,811</u>

See notes to financial statements.

GOODLETTSVILLE HELP CENTER
Notes to Financial Statements - Continued
December 31, 2013 and 2012

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. 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.

C. 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.

D. 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.

E. 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.

F. 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.

G. Property and Equipment

Equipment is 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. 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

GOODLETTSVILLE HELP CENTER
Notes to Financial Statements - Continued
December 31, 2013 and 2012

Note 1. Summary of Significant Accounting Policies – Continued

G. Property and Equipment – Continued

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.

H. 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.

I. 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.

J. Income Taxes

GHC is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

GHC's 2011, 2012, and 2013 Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by the Internal Revenue Service, generally for three years from the date filed.

K. Advertising Costs

GHC expenses advertising costs as incurred. Advertising expenses for the year ended December 31, 2013 and 2012 were \$2,294 and \$4,864.

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, 2013 and 2012 are as follows:

Revenues		
	2013	2012
In-Kind Donations	\$ 591,055	\$ 478,645
	<u>\$ 591,055</u>	<u>\$ 478,645</u>
Assets and Expenses		
	2013	2012
Clothing and Merchandise	67,500	105,850
Food	327,978	369,295
Inventory	8,000	-
Rent	9,600	-
Thrift Store Cost of Goods Sold	174,477	-
Audit	3,500	3,500
	<u>\$ 591,055</u>	<u>\$ 478,645</u>

GOODLETTSVILLE HELP CENTER
Notes to Financial Statements - Continued
December 31, 2013 and 2012

Note 3. Temporarily Restricted Net Assets

Temporarily restricted net assets as of December 31, 2013 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:

<u>Year Ending December 31,</u>	<u>Amount</u>
2014	\$ 35,200
2015	43,900
2016	37,000
	<u>\$ 116,100</u>

Rent Expense for the year ended December 31, 2013 was \$9,600.

Note 5. Loss Contingency

During 2013, an employee had a work-related injury. GHC did not have workers compensation insurance coverage at the time. Subsequent to year end, a workers compensation claim was filed by the employee. GHC became liable for penalties for being uninsured, all medical bills related to the injury, and workers compensation pay. This liability has been accrued at December 31, 2013.

Note 6. Subsequent Events

GHC has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended December 31, 2013 through August 7, 2014, the date the financial statements were available to be issued. Except for the events described in Note 6, there were no subsequent events that required recognition or disclosure in the financial statements.