TUCKER'S HOUSE

AUDITED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

COLUMBIA
102 W 7th St. Ste 100
Columbia, TN 38401
931.388.0517

LAWRENCEBURG
103 Jackson St.
Lawrenceburg, TN 38464
931.762.6877

FRANKLIN
3401 Mallory Ln.
Franklin, TN 37607
615.610.3839

GregLemonCPA,PLLC
lemon-cpa.com

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YEAR ENDED DECEMBER 31, 2021

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GREG LEMON CPA, PLLC

3401 MALLORY LANE
FRANKLIN, TN 37067
TELEPHONE (615) 610-3839

102 WEST 7TH STREET, SUITE 100
COLUMBIA, TENNESSEE 38401
TELEPHONE (931) 388-0517
FAX (931) 381-3440

103 JACKSON STREET
LAWRENCEBURG, TN 38464
TELEPHONE (931) 762-6877
FAX (931) 321-2022

WEBSITE LEMON-CPA.COM

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Tucker's House
Franklin, Tennessee

Opinion

I have audited the accompanying financial statements of Tucker's House (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tucker's House as of December 31, 2021, 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

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Tucker's House and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management 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.

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 Tucker's House'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

My 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 my 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, I:

- 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 Tucker's House'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tucker's House's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Greg Lemon CPA, PLLC

Greg Lemon CPA, PLLC
Columbia, Tennessee
September 16, 2022

TUCKER'S HOUSE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

Current assets	
Cash and cash equivalents	$ 249,874
Contributions receivable	11,186
Other receivable	6,873
Prepaid expenses	4,869
Equipment inventory	84,839
Total current assets	357,641
Property and equipment	
Furniture and equipment	10,350
Leasehold improvements	1,099
Vehicles	26,713
Less accumulated depreciation	(14,943)
Total property and equipment	23,219
Other assets	
Deposits	1,825
Total assets	$ 382,685

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable	$ 7,672
Credit cards payable	290
Accrued liabilities	12
Deferred revenue	10,000
Total current liabilities	17,974
Net assets	
Net assets without donor reestrictions	364,711
Total liabilities and net assets	$ 382,685

The accompanying notes are an intergral part of these financial statements.

TUCKER'S HOUSE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue			
Contributions	$ 343,242	$ -	$ 343,242
In-kind contributions	138,090	-	138,090
Grant revenue	119,105	10,000	129,105
Program service fees	38,938	-	38,938
Special event revenue	64,008	-	64,008
Miscellaneous	657	-	657
Gain on sale of asset	615	-	615
PPP and EIDL loan forgiveness	39,483	-	39,483
Released from restrictions	25,034	(25,034)	-
Total public support and revenue	769,172	(15,034)	754,138
Expenses			
Program services	458,603	-	458,603
Management and general	55,623	-	55,623
Fundraising	150,979	-	150,979
Total expenses	665,205	-	665,205
Increase (decrease) in net assets	103,967	(15,034)	88,933
Net assets, beginning of year	260,744	15,034	275,778
Net assets, end of year	$ 364,711	$ -	$ 364,711

The accompanying notes are an intergral part of these financial statements.

TUCKER'S HOUSE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program Services	Management and General	Fundraising	Total
Salaries and related expenses				
Salaries	$ 158,952	$ 17,118	$ 68,472	$ 244,542
Payroll taxes	12,187	1,312	5,250	18,749
Total salary and related expenses	171,139	18,430	73,722	263,291
Operating expenses				
Accounting and auditing	7,440	7,440	7,440	22,320
Automobile expenses	5,990	-	-	5,990
Bank and credit card fees	-	-	4,958	4,958
Contract services	7,545	-	10,776	18,321
Depreciation	3,282	3,281	-	6,563
Dues and subscriptions	12,109	4,036	4,036	20,181
Insurance	3,826	3,825	-	7,651
Miscellaneous	1,345	1,345	1,346	4,036
Occupancy expenses	6,041	6,041	6,041	18,123
Office supplies	10,108	10,108	10,107	30,323
Program costs	227,523	-	-	227,523
Special events	-	-	31,024	31,024
Telephone	980	980	979	2,939
Travel and meetings	1,275	137	550	1,962
Total expenses	$ 458,603	$ 55,623	$ 150,979	$ 665,205

The accompanying notes are an intergral part of these financial statements.

TUCKER'S HOUSE
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021

Cash flows from operating activities	
Increase in net assets	$ 88,933
Adjustment to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	6,563
Gain on sale of asset	(615)
(Increase) decrease in current assets:	
Contributions receivable	(1,049)
Other receivable	(3,690)
Prepaid expenses	3,880
Equipment inventory	(32,633)
(Decrease) increase in current liabilities:	
Accounts payable and accrued expenses	6,172
Credit cards payable	(6,137)
Accrued liabilities	(63)
Net cash provided by operating activities	61,361
Cash flows from investing activities	
Cash proceeds from sale of asset	615
Cash flows from financing activities	
EIDL loan forgiveness	(7,000)
Increase in cash and cash equivalents	54,976
Cash and cash equivalents, beginning of year	194,898
Cash and cash equivalents, end of year	$ 249,874

The accompanying notes are an intergral part of these financial statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General
Tucker's House, (the "Organization") is a Tennessee not-for-profit organization organized for the purpose of partnering with the families of children with disabilities by providing the home renovation and retrofitting services and resources necessary to make their homes safe and more accessible. The Organization is financed primarily through contributions from the public, as well as local grants. A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

In the year ended December 31, 2021, Tucker's House served 32 families and 97 clients. We completed 89 home projects, 17 therapy and design assessments, 11 accessible bathrooms, 12 adaptive equipment installations, 28 widened doorways for accessibility and trainings, and 22 ramp and safety equipment installations.

Basis of Presentation
The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Financial statement presentation follows the recommendations of accounting and financial supporting standards prescribed for not-for-profit organizations. Accordingly, net assets of the Organization, and changes therein are classified and reported as follows:

> *Net assets without donor restrictions* – Net assets that are not subject to or are no longer subject to donor-imposed stipulations.
>
> *Net assets with donor restrictions* – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

Cash and Cash Equivalents
For purposes of the statements of cash flows, the Organization considers all unrestricted and highly liquid investments, with an initial maturity of three months or less, to be cash equivalents.

Contributions and Contributions Receivable
Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are received subject to certain donor stipulations are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which contributions are recognized.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Contributions Receivable (Continued)
All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires because the contributed resources are spent in accordance with the donor's instructions or because of passage of time, net assets with donor restrictions are reclassified to net assets without donor restrictions. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

Property and Equipment
Property and equipment are recorded at cost at the date of purchase or at estimated fair value at the date of the gift to the Organization. Depreciation is computed using straight-line depreciation methods based on the estimated useful life of the assets. Estimated useful lives are 5 years for office furniture, computer equipment, and vehicles, and 15 years for leasehold improvements. Depreciation expense totaled $6,563 for the year ended December 31, 2021.

Equipment Inventory
Equipment inventory consists of equipment purchased by the Organization or donated by the community for the use of placement in the home renovations and retrofitting services of the Organization's clients. Donated inventory is recorded at the fair market value at the date of donation. Inventory cost is determined based on the first-in, first-out (FIFO) method.

Income Taxes
The Organization is a Tennessee not-for-profit organization which is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, federal income taxes are not provided in the accompanying financial statements.

The Organization accounts for income taxes in accordance with income tax accounting guidance in Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") *Topic 740, Income Taxes*. The guidance prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. The Organization does not believe there were any uncertain tax positions at December 31, 2021. Additionally, the Organization has not recognized any tax related interest and penalties in the accompanying financial statements. Tax years that remain open for examination include years ended December 31, 2019 through December 31, 2021.

Allocation of Functional Expenses
The cost of providing program services and supporting services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allocation of Functional Expenses (Continued)
Costs common to multiple functions have been allocated among the related functions using a reasonable allocation method that is consistently applied, as follows:

- Payroll and payroll taxes are allocated based on approximate time spent in activities related to the program and various support services based on responsibilities assigned to personnel.
- Occupancy, and other office expenses that cannot be directly identified are also allocated pro-rata among the benefitting program and support services based on estimated usage.
- Travel, auto, and meeting costs are allocated among the benefitting program and support services based on estimated utilization.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the website is updated with request for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising.

Compensated Absences
The Organization has not accrued a liability for compensated absences since amounts cannot be reasonably estimated, and any amounts would be considered immaterial.

Use of Estimates in Preparation of Financial Statements
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B – CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Organization to credit risk consist of cash and cash equivalents and contributions receivable. The Organization maintains cash accounts at financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC"). At times, cash balances may exceed FDIC limits. At December 31, 2021, balances did not exceed federally insured limits. Contributions receivable consist of corporate and individual pledges for the annual campaign, which are widely dispersed to mitigate credit risk.

NOTE C - COMMITMENTS

The Organization has an agreement with an outsourced bookkeeping firm to provide monthly accounting services. The contract includes accounting for all receipts, balancing the pledge cards and handling disbursements as authorized by the annual budget for a monthly fee. The agreement is renewed annually. Total payments in 2021 amounted to $13,820.

NOTE D – IN-KIND CONTRIBUTIONS

In-kind contribution received by the Organization are recorded based on their estimated value on the date of receipt. Donated construction labor and supplies are recorded as contributions at the date of gift and as program costs when the donated labor and supplies are placed into service. If the Organization receives a contribution of equipment, the contributed equipment is recognized as equipment inventory at its estimated fair value at the date of gift and as program costs when the donated equipment is place into service. In addition, the Organization received in-kind contributions of special event expenses which are recorded as special event income and special event expenses.

The Organization received contributions of labor and supplies and equipment inventory with an estimated fair value of $103,850 and $34,240, respectively, for the year ended December 31, 2021.

NOTE E - LIQUIDITY

The Organization's primary sources of support are revenues generated through contributions and grants. The Organization has a policy to manage its liquidity and reserves following three guiding principles: operating within a prudent range of financial stability, maintaining adequate liquidity to fund near-term operations, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

The following table reflects the Organization's financial assets (cash and cash equivalents and receivables) as of December 31, 2021, reduced by amounts not available for general expenditures within one year:

Financial assets:	
Cash and cash equivalents	$ 249,874
Receivables	18,059
Financial assets available to meet cash needs for general expenditures within one year	$ 267,933

NOTE F – DEFERRED REVENUE

Deferred revenue at December 31, 2021 totaled $10,000, which is related to a fundraising sponsorship for the fiscal year ended December 31, 2022.

NOTE G – EIDL LOAN

The Organization received $7,000 under the SBA Economic Injury Disaster Loan Advance program, which is an emergency grant that provides emergency working capital for businesses by providing $1,000 per employee up to a maximum of $10,000. The loan was forgiven February 26, 2021 and recorded as income in the current year.

NOTE H – PPP LOAN

On January 25, 2021, the Organization was granted a loan from Pinnacle Financial Partners in the aggregate amount of $32,198 as loan and total forgiveness included interest of $285 for a total of $32,483, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The Organization used all of the proceeds from the Loan for qualifying expenses and received approval of its application for the Loan to be forgiven on December 15, 2021.

NOTE I – SUBSEQUENT EVENTS

The Organization evaluated subsequent events through September 16, 2022, which is the date the financial statements were available to be issued.