

**HOPE STATION
INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS**

DECEMBER 31, 2021

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT-----	1-2
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FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION-----	3
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STATEMENT OF ACTIVITIES-----	4
------------------------------	---

STATEMENT OF CASH FLOWS-----	5
------------------------------	---

STATEMENT OF FUNCTIONAL EXPENSES-----	6
---------------------------------------	---

NOTES TO FINANCIAL STATEMENTS-----	7
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Hope Station, Inc.
P.O. Box 1153
LaVergne, TN 37086

Opinion

We have audited the accompanying financial statements of Hope Station, Inc. (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, cash flows and functional expenses for the year then ended and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Hope Station, Inc. 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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hope Station and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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, and for the design, implantation, 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 Hope Station's ability to continue as a going concern.

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our opinion. Reasonable assurance is a high level of assurance but is no absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

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

We are 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 we identified during the audit.

A handwritten signature in blue ink that reads "SPD CPA Firm". The signature is stylized and cursive.

SPD CPA Firm
February 4, 2022

HOPE STATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 138,558
Overpayments (To be Refunded)	<u>2,292</u>
Total Current Assets	140,850

NONCURRENT ASSETS

Furniture and Equipment	2,421
Accumulated Depreciation	(445)

TOTAL ASSETS	<u><u>\$ 142,826</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	\$ -
TOTAL LIABILITIES	<u>-</u>

NET ASSETS

Net Assets Without Donor Restrictions	<u>142,826</u>
Total Net Assets	<u><u>\$ 142,826</u></u>

TOTAL LIABILITIES AND NET ASSETS

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

HOPE STATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Revenue and support

Contributions	\$ 123,196
Fundraising Events	65,986
Grants	278,639
Other Income	467,821
Total revenue and support	

Expenses

Program Expenses	349,165
General and Administrative Expenses	57,641
Fundraising Events	15,590
	422,396
Increase in Net Assets Without Donor Restrictions	45,425
Net Assets, Beginning of Year	97,401
Net assets, end of year	\$ 142,826

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

**HOPE STATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Cash flows from operating activities

Increase in net assets	\$ 45,425
Adjustments to reconcile change used in net assets to used net cash provided by (used in) operating activities:	
Depreciation	356
Due from paycor	(2,292)
Decrease in deferred compensation	(3,300)
Net cash provided by operating activities	<u>40,189</u>

Cash flows from investing activities

Purchase of office equipment	<u>(2,421)</u>
Net cash used by investing activities	<u>(2,421)</u>

Cash flows from financing activities

Net increase in cash and cash equivalents	37,768
Cash and cash equivalents, beginning of year	<u>100,790</u>
Cash and cash equivalents, end of year	<u><u>\$ 138,558</u></u>

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

HOPE STATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services	General and Administrative	Fundraising Events	Total
Contract Services	\$ -	\$ 827	\$ -	\$ 827
Other Expenses	-	1,877	-	1,877
Rent/Mortgage Assistance	247,618	-	-	247,618
Utilities	14,358	-	-	14,358
Advertising & Marketing	-	688	-	688
Bank Fees	-	130	-	130
Depreciation	-	356	-	356
Dues and Memberships	-	262	-	262
Equipment expense	-	277	-	277
Independent contractors	41,114	-	-	41,114
License and permit	-	210	-	210
Merchant fees	-	175	-	175
Miscellaneous	-	908	-	908
Office expenses	-	735	-	735
Office Rent	-	6,000	-	6,000
Office supplies	779	1,998	-	2,777
Officer Compensation	42,044	28,029	-	70,073
Payroll taxes	3,252	2,168	-	5,420
Postage - General Use	-	289	-	289
Professional Fees	-	6,565	-	6,565
Tech Support	-	82	-	82
Utilities- office	-	450	-	450
Donations	-	5,615	-	5,615
Hopeful Hearts	-	-	15,590	15,590
Total expenses	<u>\$ 349,165</u>	<u>\$ 57,641</u>	<u>\$ 15,590</u>	<u>\$ 422,396</u>

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

**HOPE STATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE 1---NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

Hope Station (The Organization) is a 501 (c) (3) non-profit organization that helps single working mothers who are in need of emergency rental and utilities assistance.

Basis of Presentation

The financial statements of The Organization have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables and other liabilities. The financial statement presentation follows the recommendations of the Financial Accounting Standard Board's Accounting Standard Codification (FASB ASC 958), Financial Statements of Not-for-profit Organizations. Under FASB ASC 958, The Organization is reporting information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Financial position and activities are classified based on the existence or absence of donor restrictions as follows:

Net Assets without donor restrictions — Net assets that are not restricted by explicit donor stipulations or by law.

Net Assets with donor restrictions — Net assets, accepted by board actions, subject to donor stipulations that require the asset be invested in perpetuity.

At December 31, 2021, The Organization had no assets with donor restrictions.

Support and Expenses

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor 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. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

The Organization reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used.

Use of Estimates

The financial statements are prepared in conformity with generally accepted accounting principles. Management is required to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures. Actual results could differ from those estimates.

In-Kind Donations

The Organization follows the recommendations of the Financial Accounting Standard Board's Accounting

HOPE STATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Standard Codification (FASB ASC 958), Financial Statements of Not-for-profit Organizations regarding contributions received and contributions made. These standards require recording the value of donated goods or services that create or enhance non-financial assets require specialized skills. Subject matter experts lend their time and talents at no charge to spare the organization the cash outlay for such goods and services rendered. All in-kind donations are captured and reported appropriately in the organizations financial records.

The Organization records donated goods at fair value.

Income Taxes

The Organization is operated as a tax-exempt entity as described under Section 501(c)(3) of the Internal Revenue Code and is therefore exempt from Federal and State income taxes. Accordingly, no provisions for income taxes have been recorded.

Fair Values of Financial Instruments

The carrying values of current assets and current liabilities approximate fair values due to the short maturities of these instruments. The fair values of the noncurrent liabilities approximate the carrying amounts and are estimated based on current rates offered to The Organization.

Functional Expenses

Management allocates expenses on a functional basis among its various programs and support services. Expenses and support services that can be identified with a specific program are allocated directly to their natural expenditure classification. Other expenses that are common to several programs are allocated based on various relationships.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and savings accounts. The carrying amount reported in the statement of financial position for cash and cash equivalents approximates its fair value. Management believes The Organization is not exposed to any significant credit risk on cash and cash equivalents.

Property and Equipment

Property and equipment, with an initial cost or market value at date of donation of \$1,000 or more, are recorded at cost. Depreciation is computed under the straight-line method over the estimated useful lives of the respective assets that are as follows:

<u>Assets</u>	<u>Years</u>
Buildings	30-40
Additions to Building	10-15
Furniture and Equipment	3-15
Vehicles	5

HOPE STATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 2—LIQUIDITY AND AVAILABILITY

The Organization has \$138,558 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, all consisting of cash. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date.

NOTE 3---GRANTS

The Organization received grants throughout the year to support their ongoing mission. During the years ended December 31, 2021, the following grants were received:

Organization

United Way of Greater Nashville	\$ 246,250
Jackson National Life Insurance	24,000
Rutherford County Rental Assistance Program	8,715
Nashville Predators Foundation	2,000
MDHA Grant Funds Reimbursed	<u>(2,326)</u>
Total	<u>\$ 278,639</u>

The Rutherford County Rental Assistance Program Grant is for \$45,200 of which \$8,715 has been expended. All grant funds were received without donor restrictions.

NOTE 4---SPECIAL EVENTS

The Organization has special events during the year that represents the majority of their fundraising revenue and expenses. During the years ended December 31, 2021, those revenues and expenses included the following:

Event	Gross Receipts	Expenses	Total
Hash Browns for Hope	\$ 39,256	\$ ---	\$ 39,256
Hopeful Hearts	25,000	15,590	9,410
Other Fundraising Activities	<u>1,730</u>	<u>----</u>	<u>1,730</u>
Total	<u>\$ 65,986</u>	<u>\$ 15,590</u>	<u>\$ 50,396</u>

NOTE 5 – OFFICE SPACE

The Organization leases office space from Corinthian Baptist Church for \$500 per month. Total office rent expense as of December 31, 2021 was \$6,000. There is no formal lease agreement and the Organization has no future lease obligations.

**HOPE STATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

NOTE 6---SUBSEQUENT EVENTS

There were no other subsequent events requiring disclosure as of February 4, 2022, the date management evaluated such events. February 4, 2022 is the date the financial statements were available to be issued.