TUCKER'S HOUSE

AUDITED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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TUCKER’S HOUSE
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

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

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, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

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, 2020, 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.

Greg Lemon CPA, PLLC

Greg Lemon CPA, PLLC
Columbia, Tennessee
September 10, 2021

TUCKER'S HOUSE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
Current assets			
Cash and cash equivalents	$ 179,864	$ 15,034	$ 194,898
Contributions receivable	10,137	-	10,137
Other receivable	3,183	-	3,183
Prepaid expenses	8,749	-	8,749
Equipment inventory	52,206	-	52,206
Total current assets	254,139	15,034	269,173
Property and equipment			
Furniture and equipment	10,350	-	10,350
Leasehold improvements	1,099	-	1,099
Vehicles	33,828	-	33,828
Less accumulated depreciation	(15,495)	-	(15,495)
Total property and equipment	29,782	-	29,782
Other assets			
Deposits	1,825	-	1,825
Total assets	$ 285,746	$ 15,034	$ 300,780
LIABILITIES AND NET ASSETS			
Current liabilities			
Accounts payable	$ 1,500	$ -	$ 1,500
Credit cards payable	6,427	-	6,427
Accrued liabilities	75	-	75
EIDL loan payable	7,000	-	7,000
Deferred revenue	10,000	-	10,000
Total current liabilities	25,002	-	25,002
Net assets			
Without donor restrictions	260,744	-	260,744
With donor restrictions	-	15,034	15,034
Total net assets	260,744	15,034	275,778
Total liabilities and net assets	$ 285,746	$ 15,034	$ 300,780

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

TUCKER'S HOUSE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue			
Contributions	$ 299,152	$ -	$ 299,152
In-kind contributions	112,299	-	112,299
Grant revenue	60,995	30,034	91,029
Program service fees	39,295	-	39,295
Special event revenue	63,554	-	63,554
Miscellaneous	15	-	15
PPP loan forgiveness	32,198	-	32,198
Released from restrictions	15,000	(15,000)	-
Total public support and revenue	622,508	15,034	637,542
Expenses			
Program services	467,419	-	467,419
Management and general	38,662	-	38,662
Fundraising	119,561	-	119,561
Total expenses	625,642	-	625,642
Increase (decrease) in net assets	(3,134)	15,034	11,900
Net assets, beginning of year	263,878	-	263,878
Net assets, end of year	$ 260,744	$ 15,034	$ 275,778

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

TUCKER'S HOUSE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program Services	Management and General	Fundraising	Total
Salaries and related expenses				
Salaries	$ 142,416	$ 15,337	$ 61,349	$ 219,102
Payroll taxes	11,807	1,271	5,086	18,164
Total salary and related expenses	154,223	16,608	66,435	237,266
Operating expenses				
Accounting	6,888	6,888	6,889	20,665
Automobile expenses	3,065	-	-	3,065
Bank and credit card fees	-	-	2,749	2,749
Contract services	6,301	-	13,144	19,445
Depreciation	1,586	1,585	-	3,171
Dues and subscriptions	6,153	2,051	2,051	10,255
Insurance	3,429	3,429	-	6,858
Miscellaneous	114	114	115	343
Occupancy expenses	5,321	5,321	5,322	15,964
Office supplies	1,650	1,650	1,649	4,949
Program costs	277,285	-	-	277,285
Special events	-	-	20,051	20,051
Telephone	969	969	969	2,907
Travel and meetings	435	47	187	669
Total expenses	$ 467,419	$ 38,662	$ 119,561	$ 625,642

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

TUCKER'S HOUSE
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

Cash flows from operating activities		
Increase in net assets	$	11,900
Adjustment to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation		3,171
(Increase) decrease in current assets:		
Contributions receivable		25,908
Other receivable		(2,008)
Prepaid expenses		(2,764)
Equipment inventory		12,151
(Decrease) increase in current liabilities:		
Accounts payable and accrued expenses		(147)
Credit cards payable		4,855
Accrued liabilities		75
Deferred revenue		10,000
Net cash provided by operating activities		63,141
Cash flows from investing activities		
Purchase of fixed assets		(26,521)
Cash flows from financing activities		
Proceeds from EIDL loan		7,000
Increase in cash and cash equivalents		43,620
Cash and cash equivalents, beginning of year		151,278
Cash and cash equivalents, end of yea	$	194,898

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, 2020, Tucker's House served 43 families and 145 clients. We completed 130 home projects, 23 architectural design assessments, 17 accessible bathrooms, 22 lift and equipment installs, 24 widened doorways for accessibility, 9 Durable Medical Equipment placement and trainings, and 16 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 Pledges 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 Pledges 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 $3,171 for the year ended December 31, 2020.

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, 2020. 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, 2018 through December 31, 2020.

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 pledges 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, 2020, balances did not exceed federally insured limits. Pledges 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 of $1,100. The agreement is renewed annually.

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 $95,827 and $16,472, respectively, for the year ended December 31, 2020.

NOTE E - LIQUIDITY

The Organization's primary sources of support are revenues generated through contributions and grants. As shown on the face of the statement of financial position, the Organization holds net assets with donor

The following table reflects the Organization's financial assets (cash and cash equivalents and receivables) as of December 31, 2020 reduced by amounts not available for general expenditures within one year:

Financial assets:	
Cash and cash equivalents	$ 194,898
Receivables	13,320
Financial assets, at yearend	208,218
Less those unavailable for general expenditure within one year, due to:	
Donor imposed restrictions	(15,034)
Financial assets available to meet cash needs for general expenditures within one year	$ 193,184

NOTE F – DEFERRED REVENUE

Deferred revenue at December 31, 2020 totaled $10,000, which is related to a fundraising sponsorship for the fiscal year ended December 31, 2021.

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 amount was recorded as a loan in the current year, as it was not forgiven until February 26, 2021.

NOTE H – PPP LOAN

On April 24, 2020, the Organization was granted a loan from Pinnacle Financial Partners in the aggregate amount of $32,198, 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 November 5, 2020.

NOTE I – SUBSEQUENT EVENTS

The Organization evaluated subsequent events through September 10, 2021, which is the date the financial statements were available to be issued.