



the help center

**Financial Statements
with
Independent Auditors' Report**

June 30, 2022 and 2021

HELP CENTER, INC.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Help Center, Inc.
Bozeman, MT

Opinion

We have audited the accompanying financial statements of Help Center, Inc. (a nonprofit Organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Help Center, Inc., as of June 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Help Center, Inc. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Help Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our 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 judgement made by a reasonable user based on the financial statements.



In performing an audit in accordance with generally accepted auditing standards, 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 Help Center, Inc.'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 Help Center, Inc.'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.

Amatics CPA Group

Bozeman, Montana

January 6, 2023

HELP CENTER, INC.
Statement of Financial Position
As of June 30,

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 646,524	\$ 566,092
Accounts receivable	4,827	5,522
Grants receivable	275,818	199,301
Prepaid expenses	40,900	12,440
Total Current Assets	<u>968,069</u>	<u>783,355</u>
Property and Equipment		
Land	320,000	320,000
Buildings	368,913	368,913
Building improvements	34,795	34,795
Equipment and software	120,404	105,904
Vehicles	23,257	23,257
Less: Accumulated depreciation	<u>(375,558)</u>	<u>(354,050)</u>
Property and Equipment (net)	<u>491,811</u>	<u>498,819</u>
Other Assets		
Deposits	<u>200</u>	<u>200</u>
Non Current Assets		
Grants receivable	<u>50,000</u>	<u>100,000</u>
Total Non Current Assets	<u>50,000</u>	<u>100,000</u>
Total Assets	<u>\$ 1,510,080</u>	<u>\$ 1,382,374</u>

The accompanying notes are an integral part of these statements.

HELP CENTER, INC.
Statement of Financial Position (continued)
As of June 30,

	<u>2022</u>	<u>2021</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 19,741	\$ 9,397
Accrued wages and related liabilities	29,672	27,767
Accrued vacation and sick leave	53,135	46,556
Credit card liabilities	5,678	1,444
Accrued expenses	51	3,294
Current portion of SBA Disaster Loan	603	-
Total Current Liabilities	<u>108,880</u>	<u>88,458</u>
Long-term Liabilities		
SBA Disaster Loan	<u>24,397</u>	<u>25,000</u>
Total Liabilities	<u>133,277</u>	<u>113,458</u>
Net Assets		
Without donor restrictions	1,156,803	1,118,916
With donor restrictions	<u>220,000</u>	<u>150,000</u>
Total Net Assets	<u>1,376,803</u>	<u>1,268,916</u>
Total Liabilities and Net Assets	<u>\$ 1,510,080</u>	<u>\$ 1,382,374</u>

The accompanying notes are an integral part of these statements.

HELP CENTER, INC.
Statement of Activities
For the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Increases in Net Assets			
Thrift store sales	\$ 439,356	\$ -	\$ 439,356
Contributions	82,300	-	82,300
In-kind contributions	9,588	-	9,588
Grant income	555,745	120,000	675,745
Service income	187,846	-	187,846
Fundraising events	136,331	-	136,331
Interest income	65	-	65
Total Increases in Net Assets	<u>1,411,231</u>	<u>120,000</u>	<u>1,531,231</u>
Net Assets Released From Restrictions			
Satisfaction of Time and Program Restrictions	<u>50,000</u>	<u>(50,000)</u>	<u>-</u>
Decreases in Net Assets			
Programs:			
Help Center	451,217	-	451,217
Sexual Assault Counseling Center	106,878	-	106,878
Sacks of Bozeman	220,850	-	220,850
Hearts and Homes	206,916	-	206,916
Child Advocacy Program	115,546	-	115,546
Pass-through Program	20,641	-	20,641
Total Programs	<u>1,122,048</u>	<u>-</u>	<u>1,122,048</u>
General and administrative	<u>301,296</u>	<u>-</u>	<u>301,296</u>
Total Decreases in Net Assets	<u>1,423,344</u>	<u>-</u>	<u>1,423,344</u>
Change in Net Assets	37,887	70,000	107,887
Net Assets, Beginning of Year	<u>1,118,916</u>	<u>150,000</u>	<u>1,268,916</u>
Net Assets, End of Year	<u>\$ 1,156,803</u>	<u>\$ 220,000</u>	<u>\$ 1,376,803</u>

The accompanying notes are an integral part of these statements.

HELP CENTER, INC.
Statement of Activities
For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Increases in Net Assets			
Thrift store sales	\$ 358,501	\$ -	\$ 358,501
Contributions	88,618	-	88,618
Grant income	603,032	-	603,032
United Way funding	50,000	150,000	200,000
Service income	288,905	-	288,905
Fundraising events	120,601	-	120,601
PPP loan forgiveness	164,062	-	164,062
Gain (Loss) on sale of assets	(685)	-	(685)
Total Increases in Net Assets	<u>1,673,034</u>	<u>150,000</u>	<u>1,823,034</u>
Net Assets Released From Restrictions			
Satisfaction of Time and Program Restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Decreases in Net Assets			
Programs:			
Help Center	407,650	-	407,650
Sexual Assault Counseling Center	104,829	-	104,829
Sacks of Bozeman	227,311	-	227,311
Hearts and Homes	203,672	-	203,672
Child Advocacy Program	121,822	-	121,822
Pass-through Program	43,277	-	43,277
Total Programs	<u>1,108,561</u>	<u>-</u>	<u>1,108,561</u>
General and administrative	<u>185,139</u>	<u>-</u>	<u>185,139</u>
Total Decreases in Net Assets	<u>1,293,700</u>	<u>-</u>	<u>1,293,700</u>
Change in Net Assets	379,334	150,000	529,334
Net Assets, Beginning of Year	<u>739,582</u>	<u>-</u>	<u>739,582</u>
Net Assets, End of Year	<u>\$ 1,118,916</u>	<u>\$ 150,000</u>	<u>\$ 1,268,916</u>

The accompanying notes are an integral part of these statements.

HELP CENTER, INC.
Statement of Functional Income and Expenses
For the Year Ended June 30, 2022

	Help Center	Sexual Assault Counseling Center	Sacks of Bozeman	Hearts and Homes	Child Advocacy Center	Pass - through Program	Total Programs	General and Administrative	Total
Income and support									
Thrift store sales	\$ -	\$ -	\$ 439,356	\$ -	\$ -	\$ -	\$ 439,356	\$ -	\$ 439,356
Contributions	72,298	2,061	224	2,561	2,061	-	79,205	3,095	82,300
In-kind contributions	7,488	200	700	200	200	-	8,788	800	9,588
Grant income	249,333	121,242	-	31,907	123,263	-	525,745	150,000	675,745
Service income	26,114	7,500	-	146,732	7,500	-	187,846	-	187,846
Fundraising events	133,428	209	-	209	241	-	134,087	2,244	136,331
Interest income	-	-	-	-	-	-	-	65	65
Total income and support	488,661	131,212	440,280	181,609	133,265	-	1,375,027	156,204	1,531,231
Expenses									
Salaries	313,128	88,524	140,522	154,175	93,460	18,876	808,685	132,395	941,080
Employee benefits	5,640	1,173	547	388	1,173	-	8,921	3,810	12,731
Payroll taxes	28,092	7,705	12,830	13,470	8,262	1,589	71,948	11,522	83,470
Advertising	1,108	-	392	680	-	-	2,180	304	2,484
Bank and processing fees	1,148	-	15,139	3,457	-	-	19,744	178	19,922
Depreciation	19,505	18	435	1,467	84	-	21,509	-	21,509
Dues and subscriptions	3,074	-	-	648	3,600	-	7,322	175	7,497
Education	1,539	250	619	478	315	-	3,201	1,026	4,227
Fundraising	21,217	-	9	-	-	-	21,226	387	21,613
Insurance	9,346	4,860	9,347	4,138	3,485	164	31,340	5,563	36,903
Interest and loan amortization	-	-	-	-	-	-	-	541	541
Landfill fees	-	-	5,166	190	115	-	5,471	-	5,471
Meals	-	-	63	45	333	-	441	-	441
Miscellaneous	904	115	641	126	285	-	2,071	694	2,765
Printing, postage and publications	93	-	464	15	-	-	572	436	1,008
Professional fees	480	-	-	-	-	-	480	103,440	103,920
Professional fees capital campaign	-	-	-	-	-	-	-	30,000	30,000
Property taxes	10	3	7	6	-	-	26	-	26
Reimbursements	2,286	497	44	154	497	12	3,490	1,445	4,935
Rent	-	-	1,970	-	-	-	1,970	-	1,970
Repairs and maintenance	707	620	8,246	7,432	-	-	17,005	-	17,005
Security	-	-	1,079	-	-	-	1,079	-	1,079
Software	15,901	1,675	192	2,577	924	-	21,269	3,963	25,232
Supplies and equipment	5,420	180	6,582	3,230	29	-	15,441	2,601	18,042
Telephone	8,842	-	3,651	7,764	1,220	-	21,477	-	21,477
Travel	101	29	-	266	-	-	396	-	396
Utilities	4,473	759	6,613	2,706	1,331	-	15,882	-	15,882
Vacation expense	8,203	470	6,292	2,961	433	-	18,359	2,816	21,175
Vehicle fuel and oil	-	-	-	543	-	-	543	-	543
Total Expenses	451,217	106,878	220,850	206,916	115,546	20,641	1,122,048	301,296	1,423,344
Change in Net Assets	\$ 37,444	\$ 24,334	\$ 219,430	\$ (25,307)	\$ 17,719	\$ (20,641)	\$ 252,979	\$ (145,092)	\$ 107,887

The accompanying notes are an integral part of these statements.

HELP CENTER, INC.
Statement of Functional Income and Expenses
For the Year Ended June 30, 2021

	Help Center	Sexual Assault Counseling Center	Sacks of Bozeman	Hearts and Homes	Child Advocacy Center	Pass - through Program	Total Programs	General and Administrative	Total
Income and support									
Thrift store sales	\$ 550	\$ -	\$ 357,951	\$ -	\$ -	\$ -	\$ 358,501	\$ -	\$ 358,501
Contributions	87,945	-	618	-	55	-	88,618	-	88,618
Grant income	244,119	100,847	74,485	20,000	100,079	47,358	586,888	16,144	603,032
United Way funding	133,580	22,140	-	22,140	22,140	-	200,000	-	200,000
Service income	18,435	-	-	270,470	-	-	288,905	-	288,905
Fundraising events	105,380	-	-	-	-	-	105,380	15,221	120,601
Loss on sale of assets	(685)	-	-	-	-	-	(685)	-	(685)
PPP loan forgiveness	-	-	-	-	-	-	-	164,062	164,062
Total income and support	589,324	122,987	433,054	312,610	122,274	47,358	1,627,607	195,427	1,823,034
Expenses									
Salaries	302,061	82,434	161,965	150,877	94,693	32,898	824,928	115,317	940,245
Employee benefits	13,212	2,385	1,878	1,240	2,385	3,770	24,870	7,770	32,640
Payroll taxes	26,588	7,322	14,633	13,374	8,347	3,382	73,646	5,203	78,849
Advertising	922	-	526	221	-	25	1,694	-	1,694
Bank and processing fees	1,364	-	1,144	254	-	-	2,762	975	3,737
Depreciation	10,487	72	1,740	5,868	336	-	18,503	-	18,503
Dues and subscriptions	632	-	-	-	500	-	1,132	275	1,407
Education	4,793	675	1,199	1,409	1,339	-	9,415	4,397	13,812
Fundraising	6,028	-	-	-	-	-	6,028	5,689	11,717
Insurance	6,496	4,772	9,464	4,348	3,488	622	29,190	1,440	30,630
Interest and loan amortization	-	-	-	-	-	-	-	688	688
Landfill fees	82	-	5,856	41	36	-	6,015	-	6,015
Meals	-	22	-	202	-	-	224	-	224
Miscellaneous	226	-	170	160	195	-	751	69	820
Printing, postage and publications	402	161	178	-	112	-	853	248	1,101
Professional fees	-	-	160	-	50	-	210	34,180	34,390
Property taxes	760	858	424	1,538	-	-	3,580	-	3,580
Rent	-	-	2,249	-	-	-	2,249	-	2,249
Repairs and maintenance	5,467	1,450	5,726	6,316	936	-	19,895	-	19,895
Security	-	-	240	-	-	-	240	-	240
Software	13,760	1,133	59	2,056	1,652	-	18,660	2,355	21,015
Supplies and equipment	2,906	2,576	5,572	4,983	4,605	899	21,541	2,634	24,175
Telephone	4,069	-	1,652	2,068	480	-	8,269	-	8,269
Travel	2	-	-	625	-	355	982	-	982
Utilities	3,698	19	7,050	1,803	1,803	-	14,373	-	14,373
Vacation expense	3,695	950	5,359	5,597	865	1,326	17,792	3,899	21,691
Vehicle fuel and oil	-	-	67	692	-	-	759	-	759
Total Expenses	407,650	104,829	227,311	203,672	121,822	43,277	1,108,561	185,139	1,293,700
Change in Net Assets	\$ 181,674	\$ 18,158	\$ 205,743	\$ 108,938	\$ 452	\$ 4,081	\$ 519,046	\$ 10,288	\$ 529,334

The accompanying notes are an integral part of these statements.

HELP CENTER, INC.
Statement of Cash Flows
For the Years Ended June 30,

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 107,887	\$ 529,334
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Forgiveness of Paycheck Protection Program loan	-	(164,062)
Depreciation expense	21,509	18,503
Loss/(Gain) on sale of assets	-	685
(Increase) decrease in operating assets		
Grants receivable	(26,517)	(248,430)
Accounts receivable	695	50,023
Prepaid expenses	(28,460)	(2,228)
Increase (decrease) in operating liabilities		
Accounts payable	10,344	2,046
Accrued wages and related liabilities	1,905	(3,874)
Accrued vacation	6,579	5,001
Credit card liabilities	4,234	1,444
Accrued expenses	(3,243)	3,294
Net Cash Provided by Operating Activities	<u>94,933</u>	<u>191,736</u>
Cash Flows from Investing Activities		
Cash paid for the purchase of assets	<u>(14,501)</u>	<u>(25,865)</u>
Net Cash Provided/(Used) by Investing Activities	<u>(14,501)</u>	<u>(25,865)</u>
Cash Flows from Financing Activities		
Proceeds from SBA Disaster Loan	<u>-</u>	<u>25,000</u>
Net Cash Provided/(Used) by Financing Activities	<u>-</u>	<u>25,000</u>
Net Change in Cash	80,432	190,871
Cash at Beginning of Year	<u>566,092</u>	<u>375,221</u>
Cash at End of Year	<u>\$ 646,524</u>	<u>\$ 566,092</u>
Supplementary Information:		
Interest paid	\$ 541	\$ 688
Forgiveness of Paycheck Protection Program Loan	\$ -	\$ 164,062
Noncash Activities:		
In-kind donations	\$ 9,588	\$ -

The accompanying notes are an integral part of these statements.

HELP CENTER, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2022 and 2021

1. Activities and Significant Accounting Policies

Nature of Activities

Help Center, Inc. is a non-profit organization, which is incorporated in the State of Montana under the Montana Non-Profit Corporation Act, Section 35-2-101, MCA. The entity is tax exempt for Federal purposes under Section 501(c)(3) of the Internal Revenue Code.

Help Center, Inc. (the “Agency”) provides leadership to its communities as the umbrella agency for 5 programs. Help Center 211 is dedicated to providing 24/7/365 confidential local crisis counseling, suicide intervention, and community wide suicide prevention trainings and education, HC211 additionally provides the 211 comprehensive resource/referral lines and suicide crisis lines for thirteen counties as well as a statewide database of health and human services online in collaboration with Montana's 211 call centers, Montana211.org. The Sexual Assault Counseling Center, the only designated rape crisis center in Montana, provides medical, legal and personal advocacy and long and short-term trauma based sexual assault interventions and counseling. Hearts and Home provides critical support services and parenting education to families who currently have children in foster, kinship, or dual custody care by providing program and training that aims to preserve and strengthen family ties. The Gallatin County Child Advocacy Center provides comprehensive services to children who have suffered sexual abuse or severe physical abuse as well as other crimes against children through the activities of a multidisciplinary team, including forensic interviews, legal, personal and medical advocacy, mental health services, and follow up support services for children and their non-offending family members.

Their innovative Sacks Thrift Store offers affordable merchandise and recycling to the community. Approximately 29% and 24% of the Agency's revenues are derived from operation of the thrift store for the years ended June 30, 2022 and 2021, respectively.

Basis of Accounting

The Agency prepares its financial statements in accordance with generally accepted accounting principles (GAAP), which involves the application of accrual accounting. Consequently, revenues and gains are recognized when earned and expenses and losses are recorded when incurred. Inventory of donated goods held for resale are not recorded on the financial statements as the Agency has no basis in the donated goods and the fair market value of the items is uncertain at the time of donation.

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Agency and changes therein are classified as follows:

Net assets without donor restrictions – Net assets that are not subject to donor imposed stipulations.

HELP CENTER, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2022 and 2021

1. Activities and Significant Accounting Policies (continued)

Basis of Accounting (continued)

Net assets with donor restrictions – Net assets subject to donor imposed restrictions that either expire by the passage of time or can be fulfilled by actions of the Agency pursuant to the donor’s stipulations. Restricted contributions whose restrictions are met in the same reporting period are reflected as contributions without restrictions by the Agency.

This net asset classification also includes net assets subject to donor imposed stipulations that require they be maintained permanently by the Agency. Generally, the donors of these assets permit the use of all or part of the income earned on any related investments for general or specific purposes.

The agency had \$220,000 and \$150,000 of donor restricted net assets as of June 30, 2022 and 2021, respectively. The June 30, 2022 balance consists of \$100,000 for the United Way funding that is time restricted and \$120,000 that is purpose restricted to the capital campaign project. The June 30, 2021 balance consists of \$150,000 for the United Way funding that is time restricted.

Contributions and Promises to Give

Contributions, including unconditional promises to give, are recognized as with or without donor restricted support in accordance with donor stipulations. Unconditional promises to give are valued at the present value of the anticipated cash flows, net of an estimated allowance for uncollectible amounts. The Agency records special event revenue equal to the fair value of direct benefit to donors, and contribution income for the excess received when the event takes place.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as donor restricted support. When donor restrictions expire, restricted net assets are reported in the statement of activities as net assets released from restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Agency reports the support as without donor restrictions.

In-Kind Support

The Agency records various types of in-kind support including donated services, property and equipment. Contributed professional services are recognized if the services provided at the time of receipt create or enhance long-lived assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

HELP CENTER, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2022 and 2021

1. Activities and Significant Accounting Policies (continued)

In-Kind Support (continued)

The Agency recognized \$1,480 of contributed accounting and legal services as in-kind contributions on the statement of functional income and expenses for the year ended June 30, 2022.

Donations of property and equipment are recorded as support at their estimated fair value at time of receipt. Such donations are reported as without donor restricted support 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 and reported as restricted support.

Absent donor stipulations regarding how long those donated assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Agency reclassifies donor restricted net assets to net assets without donor restrictions at that time. The Agency did not monetize any contributed nonfinancial assets.

Service Income

The Agency receives service income revenue for services provided or work performed for other organizations. Revenue is recognized over time, as contractual obligations are met and services are provided. All funds are considered to be without donor restriction as services have been performed prior to funds being received. Accounts receivable related to service income at December 31, 2022, 2021 and 2020 were \$4,827, \$5,522 and \$55,545, respectively.

Thrift Store Sales

The Agency sells goods to customers and recognizes revenue at a point in time when the goods transfer ownership from the Agency to the customer. Thrift store sales are considered to be without donor restriction as the sale takes place as funds are received.

Cash and Cash Equivalents

For statement of cash flows purposes, the Agency considers liquid instruments purchased with an original maturity of three months or less to be cash equivalents. At June 30, 2022 and 2021, cash and cash equivalents are made up of a checking and savings account, certificates of deposit, and cash on hand. These balances were insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2022 and 2021, balances exceeded the FDIC limit by \$392,495 and \$323,688, respectively. There were no restrictions on cash as of June 30, 2022 and 2021.

HELP CENTER, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2022 and 2021

1. Activities and Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation. Asset purchases that are capital in nature are capitalized if the cost is \$5,000 or more. Depreciation is computed utilizing the straight-line method of depreciation. The estimated useful lives are as follows:

Buildings and improvements	30 to 39 years
Equipment and software	3 to 10 years
Vehicles	5 years

Vacation and Sick Leave

Regular employees working half-time (20 hours/week) or more accrue annual vacation and sick leave beginning on the first day of employment. Sick leave can be used immediately. Annual vacation will be granted retroactively after successful completion of a six-month probationary period.

Employees can earn up to 200 hours of vacation leave per fiscal year and can carry over a maximum of 250 hours to the next fiscal year dependent on years of service with the Agency. Upon termination, after probation, employees can be paid for their accrued annual leave.

Grants Receivable

Grants that have been awarded to the Agency for the fiscal year but not yet received are recorded as grants receivable. Due to the nature of the contracts with the granting agencies the Agency believes these monies are fully collectable therefore the Agency does not record an allowance for doubtful accounts.

Fundraising Costs

The Agency sponsors an annual "Run for Your Life," a fundraiser held in Bozeman. Costs consist of renting hotel lobby spaces, advertising, promotion, and arrangement of the race. Revenue comes from runner participation fees and program sponsorships donated by local businesses. Other small fundraising events held are community organized events to raise funds for miscellaneous unexpected expenses for the Agency.

Advertising

The Agency expenses advertising costs as they are incurred.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

HELP CENTER, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2022 and 2021

1. Activities and Significant Accounting Policies (continued)

Income Taxes

Help Center, Inc. is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. The determination of tax exempt status is considered to be a tax position taken with respect to the provisions of GAAP.

The Agency's policy is to evaluate the likelihood that its uncertain tax positions will prevail upon examination based on the extent to which those positions have substantial support within the Internal Revenue Code and Regulations, Revenue Rulings, court decisions, and other evidence. It is the opinion of management that the Agency has no uncertain tax positions that would be subject to recognition under these standards. The Agency files Form 990 in the U.S. federal jurisdiction.

Functional Allocation of Income and Expenses

<u>Expense</u>	<u>Allocation Method</u>
Payroll	Each position/employee is directly charged to one program except for management/administrative positions
Management/administrative payroll	Allocated across all programs based on overall time
Utilities	Allocated based on square footage or by physical location
Insurance	Allocated to programs based on overall expense by program
Administrative expenses	Based on FTE per program
All other expenses	Directly charged to programs

Pass-through Program

The Agency has partnered with the City of Bozeman on a program to end violence against women. The Agency passes-through income from the City of Bozeman to employ one individual to fulfill the mission of the program. For the year ended June 30, 2022, the pass-through program had income of \$0 and expenses of \$20,641 and for the year ended June 30, 2021, the pass-through program had income of \$47,358 and expenses of \$43,277.

Subsequent Events

Management has evaluated subsequent events through January 6, 2023, the date which the financial statements were available for issue.

Adoption of New Accounting Standards

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-19, *Revenue from Contracts with Customers (Topic 606)*. This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods or services and guidance on accounting for certain contracts. The ASU also contains significant new required disclosures related to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

HELP CENTER, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2022 and 2021

1. Activities and Significant Accounting Policies (continued)

Adoption of New Accounting Standard (continued)

The Agency adopted the new standard, effective July 1, 2020, the first day of the Agency's fiscal year, using the modified retrospective method.

The Agency's services that fall within the scope of ASC 606 are presented within fundraising events revenue, store sales, and service income, some of which are recognized over-time and some at a point in time based on the transfer of control. The remaining portion of the Agency's revenue comes from contributions and grants which is outside the scope of ASC 606. Refer to Revenue Recognition disclosure within Note 1 for the Agency's accounting policies for revenue sources.

The adoption of this ASU did not have a significant impact on the Agency's financial statements. The majority of the Agency's revenue arrangements generally consist of a single performance obligation to transfer promised goods or services and do not contain variable consideration.

Based on the Agency's evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as a result of the adoption.

In September 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The standards requires nonprofits to expand their financial statement presentation and disclosure of contributed nonfinancial assets, including in-kind contributions. The standard includes disclosure of information on an entity's policies on contributed nonfinancial assets about monetization and utilization during the reporting period, information on donor-imposed restrictions, and valuation techniques.

The Agency adopted this standard, as amended, retrospectively for the fiscal year ended June 30, 2022. The standard did not have a material impact on the financial statements. The Agency has updated disclosures as necessary.

2. United Way Program

Historically, United Way funding was applied for on an annual basis and approved by the Board of Directors of Greater Gallatin United Way. For the year ended June 30, 2021, the United Way awarded \$50,000 to the Help Center. Since the grant was spent within the year, it is recorded as without donor restricted support on the 2021 statement of activities.

In June 2021, United Way committed \$150,000 to Help Center, payable to Help Center on a monthly basis beginning July 1, 2022. The grant spans three years.

HELP CENTER, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2022 and 2021

2. United Way Program (continued)

The full amount of the three year grant is recorded in revenue and grants receivable at June 30, 2021. As there is a time restriction on these funds, they are reported as with donor restrictions on the 2021 statement of activities. The \$50,000 received during fiscal year 2022 is recorded in net assets released from restrictions.

3. Cash and Cash Equivalents

Cash balances at June 30, 2022 and 2021, were as follows:

	<u>2022</u>	<u>2021</u>
Cash on hand	\$ 170	\$ 170
Cash in checking	389,499	314,133
Cash in savings	101,761	101,740
Certificates of Deposit	150,094	150,049
Undeposited Funds	<u>5,000</u>	<u>-</u>
Total cash and cash equivalents	<u>\$ 646,524</u>	<u>\$ 566,092</u>

4. Prepaid Expenses

Prepaid expenses consist of insurance and other overpayments paid during the fiscal year and are expensed in the subsequent fiscal year. The balances were \$40,900 and \$12,440 as of June 30, 2022 and 2021, respectively.

5. Grants Receivable

The Agency recorded grants receivable of \$325,818 and \$299,301 for the years ended June 30, 2022 and 2021, respectively. Grants receivable consist of grant monies that were awarded to the Agency during the fiscal year and not yet received as of year-end. As of June 30, 2022 and 2021, 62% and 45% of the grants receivable balance was due from one granting agency.

6. Long-Term Debt

The Agency has a line of credit in the amount of \$50,958 through First Security Bank with an interest rate of 6.25% with a maturity date of April 15, 2023. As of June 30, 2022 and 2021, the Agency had a borrowing balance of \$0 against this line of credit.

HELP CENTER, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2022 and 2021

6. Long-Term Debt (continued)

The Agency has an SBA loan in the amount of \$25,000 with an interest rate of 2.75% with a maturity date of July 2, 2050. The loan proceeds are for working capital to alleviate economic injury caused by disaster. Loan payments were deferred until July 2, 2022, however, the Agency began making monthly payments in July of 2021 towards accrued interest.

At June 30, 2022 and 2021, the Agency had the following long-term debt:

	<u>2022</u>	<u>2021</u>
Small Business Administration Loan, interest rate of 2.75%, monthly installment payments, including principal and interest, of \$107 beginning July 2, 2022, per SBA deferment, maturing July 2, 2050.	\$ 25,000	\$ 25,000
Less: current portion	(603)	
	<u>\$ 24,397</u>	<u>\$ 25,000</u>

Scheduled annual maturities of debt subsequent to June 30, 2022 are as follows:

	<u>Principal</u>
2023	\$ 603
2024	619
2025	637
2026	654
2027	673
Thereafter	<u>21,814</u>
Total	<u>\$ 25,000</u>

7. Endowment Fund Held On Behalf of the Agency

The One Valley Community Foundation has endowment funds held on behalf of the Help Center, Inc. in the amount of \$11,373 and \$14,568, as of June 30, 2022 and 2021, respectively. These amounts do not qualify to be recognized on the Agency's statement of financial position, but may provide an income stream in future reporting periods.

HELP CENTER, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2022 and 2021

8. Liquidity and Availability of Resources

Financial assets available for general expenses (without donor or other restrictions limiting their use), within one year of the statement of financial position date, comprise the following:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 646,524	\$ 566,092
Accounts receivable	4,827	5,522
Grants receivable	275,818	299,301
Less: those unavailable due to donor restrictions	<u>(170,000)</u>	<u>(150,000)</u>
Total	<u>\$ 757,169</u>	<u>\$ 720,915</u>

The Agency is substantially supported by grants and donations. The Agency has various sources of liquidity at its disposal, including cash and cash equivalents. The Agency strives to maintain three to six months' of operating costs in reserves. This allows the Agency to appropriately respond to emergency or unforeseen situations. Furthermore, reserve funds allow the Agency to maintain needed cash flow throughout the fiscal year.

9. Recent Accounting Pronouncements

The FASB issued Accounting Standard Update (ASU) 2016-02: *Leases* in February 2016. This ASU requires the recognition of lease assets and liabilities in the financial statements as a "right-to-use" asset and a lease liability. This ASU is effective for periods beginning on or after December 15, 2021. Early implementation was permitted; however, the Agency elected not to early implement and is currently evaluating the impact to its financial statements upon implementation.

10. Coronavirus Pandemic

The Agency has been impacted by the effects of the world-wide coronavirus pandemic. The Agency is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the full impact to the Agency's net assets position is not known.

HELP CENTER, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2022 and 2021

11. Paycheck Protection Loan

The Agency applied for and was granted a \$164,062 loan under the Payroll Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner in 2020. The loan is uncollateralized and is fully guaranteed by the Federal government. The Agency recorded forgiveness of the loan in 2021 and recognized \$164,062 of income related to the loan for the year ended June 30, 2021.