



the help center

**Financial Statements
with
Independent Auditors' Report**

June 30, 2021 and 2020

HELP CENTER, INC.
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June 30, 2021 and 2020

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

Prior Period Financial Statements

The financial statements of Help Center, Inc. as of June 30, 2020 were audited by other auditors whose report dated May 17, 2021 expressed an unmodified opinion on those statements.

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, including omissions, 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, 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

February 28, 2022

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

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 566,092	\$ 375,221
Accounts receivable	5,522	55,545
Grants receivable	199,301	50,871
Prepaid expenses	12,440	10,212
Total Current Assets	<u>783,355</u>	<u>491,849</u>
Property and Equipment		
Land	320,000	320,000
Buildings	368,913	368,913
Building improvements	34,795	34,794
Equipment and software	105,904	97,311
Vehicles	23,257	16,058
Less: Accumulated depreciation	<u>(354,050)</u>	<u>(344,934)</u>
Property and Equipment (net)	<u>498,819</u>	<u>492,142</u>
Other Assets		
Deposits	<u>200</u>	<u>200</u>
Non Current Assets		
Grants receivable	<u>100,000</u>	<u>-</u>
Total Non Current Assets	<u>100,000</u>	<u>-</u>
Total Assets	<u>\$ 1,382,374</u>	<u>\$ 984,191</u>

The accompanying notes are an integral part of these statements.

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

	<u>2021</u>	<u>2020</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 9,397	\$ 7,351
Accrued wages and related liabilities	27,767	31,641
Accrued vacation and sick leave	46,556	41,555
Credit card liabilities	1,444	-
Accrued expenses	3,294	-
Total Current Liabilities	<u>88,458</u>	<u>80,547</u>
Long-term Liabilities		
SBA Disaster Loan	25,000	-
Payroll Protection Program refundable advance	-	164,062
Total Liabilities	<u>113,458</u>	<u>244,609</u>
Net Assets		
Without donor restrictions	1,118,916	739,582
With donor restrictions	150,000	-
Total Net Assets	<u>1,268,916</u>	<u>739,582</u>
Total Liabilities and Net Assets	<u>\$ 1,382,374</u>	<u>\$ 984,191</u>

The accompanying notes are an integral part of these statements.

HELP CENTER, INC.
Statements of Activities
For the Years 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	1,673,034	150,000	1,823,034
Net Assets Released From Restrictions			
Satisfaction of Time and Program Restrictions	-	-	-
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	1,108,561	-	1,108,561
General and administrative	185,139	-	185,139
Total Decreases in Net Assets	1,293,700	-	1,293,700
Change in Net Assets	379,334	150,000	529,334
Net Assets, Beginning of Year	739,582	-	739,582
Net Assets, End of Year	\$ 1,118,916	\$ 150,000	\$ 1,268,916

The accompanying notes are an integral part of these statements.

HELP CENTER, INC.
Statements of Activities
For the Years Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Increases in Net Assets			
Thrift store sales	\$ 343,472	\$ -	\$ 343,472
Contributions	87,494	-	87,494
Grant income	565,617	-	565,617
United Way funding	50,000	-	50,000
Service income	147,438	-	147,438
Fundraising events	107,900	-	107,900
Gain (Loss) on sale of assets	244,105	-	244,105
Total Increases in Net Assets	1,546,026	-	1,546,026
Net Assets Released From Restrictions			
Satisfaction of Time and Program Restrictions	-	-	-
Decreases in Net Assets			
Programs:			
Help Center	393,397	-	393,397
Sexual Assault Counseling Center	99,090	-	99,090
Sacks of Bozeman	217,058	-	217,058
Sacks of Belgrade	40,389	-	40,389
Hearts and Homes	142,088	-	142,088
Child Advocacy Program	97,946	-	97,946
Pass-through Program	40,480	-	40,480
Total Programs	1,030,448	-	1,030,448
General and administrative	136,012	-	136,012
Total Decreases in Net Assets	1,166,460	-	1,166,460
Change in Net Assets	379,566	-	379,566
Net Assets, Beginning of Year	360,016	-	360,016
Net Assets, End of Year	\$ 739,582	\$ -	\$ 739,582

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 Functional Income and Expenses
For the Year Ended June 30, 2020

	Help Center	Sexual Assault Counseling Center	Sacks of Bozeman	Sacks of Belgrade	Hearts and Homes	Child Advocacy Center	Pass - through Program	Total Programs	General and Administrative	Total
Income and support										
Thrift store sales	\$ 8	\$ -	\$ 337,638	\$ 5,826	\$ -	\$ -	\$ -	\$ 343,472	\$ -	\$ 343,472
Contributions	86,153	-	776	72	325	-	-	87,326	168	87,494
Grant income	202,349	112,753	-	-	24,700	86,560	39,255	465,617	100,000	565,617
United Way funding	33,250	5,600	-	-	5,550	5,600	-	50,000	-	50,000
Service income	18,348	-	-	-	129,090	-	-	147,438	-	147,438
Fundraising events	107,900	-	-	-	-	-	-	107,900	-	107,900
Gain on sale of assets	-	-	-	244,105	-	-	-	244,105	-	244,105
Total income and support	448,008	118,353	338,414	250,003	159,665	92,160	39,255	1,445,858	100,168	1,546,026
Expenses										
Salaries	247,341	80,572	160,359	3,353	100,227	71,758	34,193	697,803	107,705	805,508
Employee benefits	12,627	1,587	540	19	2,790	1,513	2,670	21,746	7,457	29,203
Payroll taxes	23,321	7,241	14,104	375	9,148	6,289	2,493	62,971	9,731	72,702
Advertising	1,843	262	676	-	-	-	-	2,781	-	2,781
Bank and processing fees	790	12	752	28	442	-	-	2,024	571	2,595
Depreciation	10,659	72	1,740	-	5,868	336	-	18,675	-	18,675
Dues and subscriptions	1,132	-	-	-	225	1,100	-	2,457	20	2,477
Education	16,320	1,576	1,299	100	2,011	1,583	-	22,889	1,425	24,314
Fundraising	14,425	-	-	-	-	-	-	14,425	-	14,425
Insurance	10,025	4,984	10,453	353	4,120	3,669	611	34,215	2,090	36,305
Interest and loan amortization	-	-	-	-	50	-	-	50	1,969	2,019
Landfill fees	-	-	4,201	2,219	185	111	-	6,716	-	6,716
Meals	-	69	-	41	15	-	-	125	-	125
Merchandising costs	-	-	511	-	-	-	-	511	-	511
Miscellaneous	1,924	1,091	175	28,318	198	4,266	-	35,972	8	35,980
Printing, postage and publications	350	29	127	-	-	-	-	506	-	506
Professional fees	28,664	-	-	-	-	-	-	28,664	-	28,664
Property taxes	548	521	370	4,704	754	-	-	6,897	-	6,897
Rent	-	-	2,012	-	-	-	-	2,012	-	2,012
Repairs and maintenance	2,800	585	2,175	18	4,166	2,066	-	11,810	-	11,810
Security	-	-	240	30	-	-	-	270	-	270
Supplies and equipment	3,882	387	3,815	89	3,161	349	-	11,683	-	11,683
Telephone	4,440	-	1,790	144	2,460	613	-	9,447	-	9,447
Travel	-	79	-	-	307	564	-	950	-	950
Utilities	3,536	18	6,283	447	1,528	1,528	-	13,340	-	13,340
Vacation expense	8,770	5	5,421	151	4,433	2,201	513	21,494	5,036	26,530
Vehicle fuel and oil	-	-	15	-	-	-	-	15	-	15
Total Expenses	393,397	99,090	217,058	40,389	142,088	97,946	40,480	1,030,448	136,012	1,166,460
Change in Net Assets	\$ 54,611	\$ 19,263	\$ 121,356	\$ 209,614	\$ 17,577	\$ (5,786)	\$ (1,225)	\$ 415,410	\$ (35,844)	\$ 379,566

The accompanying notes are an integral part of these statements.

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

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 529,334	\$ 379,566
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Forgiveness of Paycheck Protection Program loan	(164,062)	-
Depreciation expense	18,503	18,675
Loss/(Gain) on sale of assets	685	(244,105)
(Increase) decrease in operating assets		
Grants receivable	(248,430)	(50,765)
Accounts receivable	50,023	29,215
Prepaid expenses	(2,228)	(3,919)
Increase (decrease) in operating liabilities		
Accounts payable	2,046	383
Accrued wages and related liabilities	(3,874)	8,271
Accrued vacation	5,001	10,212
Credit card liabilities	1,444	-
Accrued expenses	3,294	-
Net Cash Provided by Operating Activities	<u>191,736</u>	<u>147,533</u>
Cash Flows from Investing Activities		
Cash received from sale of assets	-	488,645
Cash paid for the purchase of assets	(25,865)	(6,540)
Net Cash Provided/(Used) by Investing Activities	<u>(25,865)</u>	<u>482,105</u>
Cash Flows from Financing Activities		
Proceeds from SBA Disaster Loan	25,000	-
Payments on line of credit	-	(15,000)
Proceeds from Paycheck Protection Program loan	-	164,062
Payments on debt	-	(412,353)
Net Cash Provided/(Used) by Financing Activities	<u>25,000</u>	<u>(263,291)</u>
Net Change in Cash	190,871	366,347
Cash at Beginning of Year	375,221	8,874
Cash at End of Year	<u>\$ 566,092</u>	<u>\$ 375,221</u>
Supplementary Information:		
Interest paid	\$ 688	\$ 2,019
Forgiveness of Paycheck Protection Program Loan	\$ 164,062	\$ -

The accompanying notes are an integral part of these statements.

HELP CENTER, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2021 and 2020

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. The Agency’s innovative Sacks Thrift Store offers affordable merchandise and recycling to the community.

Their innovative Sacks Thrift Store offers affordable merchandise and recycling to the community. Approximately 22% and 22% of the Agency's revenues are derived from operation of the thrift store for the years ended June 30, 2021 and 2020, 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, 2021 and 2020

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 \$150,000 and \$0 of donor restricted net assets as of June 30, 2021 and 2020, respectively.

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 with or 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, 2021 and 2020

1. Activities and Significant Accounting Policies (continued)

In-Kind Support (continued)

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.

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. Account receivables related to service income at December 31, 2021, 2020 and 2019 were \$5,522, \$55,545 and \$63,210, 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, 2021 and 2020, cash and cash equivalents are made up of a checking and savings account, certificate of deposit, and cash on hand. These balances were insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2021, balances exceeded the FDIC limit by \$323,688. Balances at June 30, 2020 were fully insured by the FDIC. There were no restrictions on cash as of June 30, 2021 and 2020.

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

HELP CENTER, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2021 and 2020

1. Activities and Significant Accounting Policies (continued)

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 downtown 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.

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.

HELP CENTER, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2021 and 2020

1. Activities and Significant Accounting Policies (continued)

Income Taxes (continued)

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 and rent	Allocated based on square footage or by physical location
Insurance	Allocated to programs based on overall expense by program
Phone expenses	Allocated based on number of phone lines used by each 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, 2021, the pass-through program had income of \$47,358 and expenses of \$43,277 and for the year ended June 30, 2020, the program had income \$39,255 and expenses of \$40,480.

Subsequent Events

Management has evaluated subsequent events through February 28, 2022, the date which the financial statements were available for issue.

Adoption of New Accounting Standard

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. 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.

HELP CENTER, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2021 and 2020

1. Activities and Significant Accounting Policies (continued)

Adoption of New Accounting Standard (continued)

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 June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This ASU provides additional guidance on characterizing grants and similar contracts with resource providers as either exchange transactions or contributions, as well as distinguishing between conditional and unconditional contributions, which may impact the timing of revenue recognition. Under the new standard, if a transaction is considered an exchange transaction, it is accounted for under the applicable revenue recognition standards.

The Agency adopted this standard prospectively for contributions received for the fiscal year ended June 30, 2020. The Agency did not consider the clarifications to materially modify how contributions are recorded and as such, the impact of this new standard is not material to the financial statements or disclosures.

2. United Way Program

United Way funding has historically been applied for on an annual basis and approved by the Board of Directors of Greater Gallatin United Way. For the years ended June 30, 2021 and 2020, the United Way awarded \$50,000 and \$50,000 to the Help Center, respectively. Since these grants are spent within the year, they are recorded as without donor restricted support.

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 will span three years. The full amount of the three year grant is recorded in revenue and grants receivable at June 30, 2021.

HELP CENTER, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2021 and 2020

2. United Way Program (continued)

As there is a time restriction on these funds, they are reported as with donor restrictions on the 2021 Statement of Activities.

3. Cash and Cash Equivalents

Cash consists of balances in checking and cash on hand. Cash balances at June 30, 2021 and 2020, is as follows:

	<u>2021</u>	<u>2020</u>
Cash on hand	\$ 170	\$ 194
Cash in checking	314,133	148,303
Cash in savings	101,740	76,720
Certificates of Deposit	<u>150,049</u>	<u>150,004</u>
Total cash and cash equivalents	<u>\$ 566,092</u>	<u>\$ 375,221</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 \$12,640 and \$10,212 as of June 30, 2021 and 2020, respectively.

5. Grants Receivable

The Agency recorded grants receivable of \$299,301 and \$50,871 for the years ended June 30, 2021 and 2020, 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, 2021 and 2020, 45% and 52% of the grants receivable balance was due from one granting agency.

6. Long-Term Debt

In fiscal year 2014, the Agency refinanced its outstanding loans. The refinance loan was issued with \$6,843 of loan fees. These loans were paid off as of June 30, 2020.

The Agency had a line of credit in the amount of \$50,958 through First Security Bank with an interest rate of 6.50% with a maturity date of April 15, 2022. As of June 30, 2021 and 2020, 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, 2021 and 2020

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, 2022. The loan proceeds are for working capital to alleviate economic injury caused by disaster. Loan payments are deferred until July 2, 2022.

At June 30, 2021 and 2020, the Agency had the following long-term debt:

	<u>2021</u>	<u>2020</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	\$ -
	<u>\$ 25,000</u>	<u>\$ -</u>

7. Endowment Fund Held On Behalf of the Agency

The Bozeman Area Community Foundation has endowment funds held on behalf of the Help Center, Inc. in the amount of \$14,568 and \$12,211, as of June 30, 2021 and 2020, 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.

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>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 566,092	\$ 375,221
Accounts receivable	5,522	55,545
Grants receivable	199,301	50,871
Less: those unavailable due to donor restrictions	<u>(150,000)</u>	<u>-</u>
Total	<u>\$ 620,915</u>	<u>\$ 481,637</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.

HELP CENTER, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2021 and 2020

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.

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 initially recorded the loan as a refundable advance and subsequently recognized other income in accordance with guidance for conditional contributions, that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The Agency recognized \$164,062 of other income for the year ended June 30, 2021. Subsequent to June 30, 2021, the loan was forgiven in full.