



Help Center, Inc.
Financial Statements
with
Independent Auditors' Report
June 30, 2023 and 2022

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, 2023 and 2022, 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, 2023 and 2022, 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 audits. 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.



Bozeman, Montana
January 31, 2024

HELP CENTER, INC.
Statements of Financial Position
As of June 30, 2023

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,185,137	\$ 646,524
Accounts receivable	2,908	4,827
Short term pledges receivable	171,128	-
Lifeline contract receivable	174,917	86,086
Short term grants receivable	94,250	189,732
Prepaid expenses	40,902	40,900
Total Current Assets	<u>1,669,242</u>	<u>968,069</u>
Property and Equipment		
Land	320,000	320,000
Buildings	368,913	368,913
Building improvements	40,347	34,795
Equipment and software	120,404	120,404
Construction In Process	5,787	-
Vehicles	23,257	23,257
Less: Accumulated depreciation	<u>(396,672)</u>	<u>(375,558)</u>
Property and Equipment (net)	<u>482,036</u>	<u>491,811</u>
Other Assets		
Long term pledges receivable, net	163,297	-
Long term grants receivable	-	50,000
Deposits	200	200
Total Other Assets	<u>163,497</u>	<u>50,200</u>
Total Assets	<u>\$ 2,314,775</u>	<u>\$ 1,510,080</u>

The accompanying notes are an integral part of these statements.

HELP CENTER, INC.
Statements of Financial Position (continued)
As of June 30, 2023

	<u>2023</u>	<u>2022</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 19,037	\$ 19,741
Accrued wages and related liabilities	40,605	29,672
Accrued vacation and sick leave	59,053	53,135
Credit card liabilities	6,062	5,678
Accrued expenses	5,215	51
Current portion of SBA Disaster Loan	568	603
Total Current Liabilities	<u>130,540</u>	<u>108,880</u>
Long-term Liabilities		
SBA Disaster Loan	23,829	24,397
Total Liabilities	<u>154,369</u>	<u>133,277</u>
Net Assets		
Without donor restrictions	1,570,400	1,156,803
With donor restrictions	590,006	220,000
Total Net Assets	<u>2,160,406</u>	<u>1,376,803</u>
Total Liabilities and Net Assets	<u>\$ 2,314,775</u>	<u>\$ 1,510,080</u>

The accompanying notes are an integral part of these statements.

HELP CENTER, INC.
Statement of Activities
For the Year Ended June 30, 2023

	Without Donor	With Donor Restrictions	Total
Increases in Net Assets			
Thrift store sales	\$ 464,697	\$ -	\$ 464,697
Contributions	278,953	354,738	633,691
In-kind contributions	10,022	-	10,022
Grant income	325,023	11,768	336,791
Lifeline contract income	717,359	-	717,359
Service income	136,885	-	136,885
Fundraising events	84,141	98,500	182,641
Interest income	690	-	690
Miscellaneous Income	4,010	-	4,010
Total Increases in Net Assets	<u>2,021,780</u>	<u>465,006</u>	<u>2,486,786</u>
Net Assets Released From Restrictions			
Satisfaction of Time and Program Restrictions	<u>95,000</u>	<u>(95,000)</u>	<u>-</u>
Decreases in Net Assets			
Programs:			
Help Center	529,025	-	529,025
Sexual Assault Counseling Center	110,293	-	110,293
Sacks of Bozeman	231,655	-	231,655
Hearts and Homes	180,000	-	180,000
Child Advocacy Program	150,529	-	150,529
Pass-through Program	51,144	-	51,144
Total Programs	<u>1,252,646</u>	<u>-</u>	<u>1,252,646</u>
General and administrative	315,268	-	315,268
Fundraising	135,269	-	135,269
Total Decreases in Net Assets	<u>1,703,183</u>	<u>-</u>	<u>1,703,183</u>
Change in Net Assets	413,597	370,006	783,603
Net Assets, Beginning of Year	<u>1,156,803</u>	<u>220,000</u>	<u>1,376,803</u>
Net Assets, End of Year	<u>\$ 1,570,400</u>	<u>\$ 590,006</u>	<u>\$ 2,160,406</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	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	353,160	120,000	473,160
Lifeline contract income	202,585	-	202,585
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 Functional Income and Expenses
For the Year Ended June 30, 2023

	Help Center	Sexual Assault Counseling Center	Sacks of Bozeman	Hearts and Homes	Child Advocacy Center	Office of Violence against Women	Total Programs	General and Administrative	Fundraising	Total
Income and support										
Thrift store sales	\$ -	\$ -	\$ 464,615	\$ 82	\$ -	\$ -	\$ 464,697	\$ -	\$ -	\$ 464,697
Contributions	50,745	9,011	1,344	2,137	287	-	63,524	570,167	-	633,691
In-kind contributions	8,392	-	250	-	400	-	9,042	980	-	10,022
Grant income	2,750	123,261	-	770	143,427	24,283	294,491	42,300	-	336,791
Lifeline contract income	717,359	-	-	-	-	-	717,359	-	-	717,359
Service income	21,421	-	-	115,464	-	-	136,885	-	-	136,885
Fundraising events	140,592	-	-	-	-	-	140,592	-	42,049	182,641
Interest income	-	-	-	-	-	-	-	690	-	690
Miscellaneous Income	1,642	143	300	-	-	-	2,085	1,925	-	4,010
Total income and support	942,901	132,415	466,509	118,453	144,114	24,283	1,828,675	616,062	42,049	2,486,786
Expenses										
Salaries	395,498	89,704	149,111	135,880	124,753	46,198	941,144	143,273	-	1,084,417
Payroll taxes	33,572	7,621	12,878	11,640	10,663	3,956	80,330	12,903	-	93,233
Advertising	889	-	1,222	56	-	-	2,167	7,689	-	9,856
Bank and processing fees	1,477	-	10,573	2,660	-	-	14,710	74	-	14,784
Contract Labor	1,080	450	-	900	450	-	2,880	-	-	2,880
Depreciation	9,501	845	8,445	1,478	845	-	21,114	-	-	21,114
Dues and subscriptions	955	250	-	-	600	-	1,805	994	-	2,799
Education	812	-	900	649	-	-	2,361	2,508	-	4,869
Fundraising	28,488	-	187	-	-	-	28,675	-	742	29,417
Insurance	12,808	6,158	11,410	4,890	4,743	772	40,781	2,112	-	42,893
Interest and loan amortization	-	-	-	-	-	-	-	10,741	-	10,741
IT Services	-	-	-	-	-	-	-	2,160	-	2,160
Landfill fees	-	-	5,044	160	160	-	5,364	-	-	5,364
Meals	472	-	-	-	-	-	472	-	-	472
Miscellaneous	2,111	1,393	242	177	50	-	3,973	20	-	3,993
Office	600	-	-	-	-	-	600	-	-	600
Printing, postage and publications	344	1	126	4	101	40	616	805	-	1,421
Professional fees	-	-	270	438	-	-	708	122,335	-	123,043
Professional fees capital campaign	375	-	-	-	-	-	375	-	134,527	134,902
Property taxes	1,943	-	635	1,236	-	-	3,814	-	-	3,814
Reimbursements	136	-	(7)	-	-	-	129	(129)	-	-
Rent	-	-	2,926	-	-	-	2,926	-	-	2,926
Repairs and maintenance	4,178	1,132	7,703	4,945	3,690	-	21,648	2,014	-	23,662
Security	-	-	197	-	-	-	197	-	-	197
Software	17,725	2,059	-	1,910	30	-	21,724	5,236	-	26,960
Supplies and equipment	2,619	241	8,465	1,643	326	-	13,294	1,231	-	14,525
Telephone	7,669	-	3,793	5,472	1,334	-	18,268	-	-	18,268
Travel	605	143	8	-	-	-	756	-	-	756
Utilities	4,128	-	6,575	2,924	1,541	-	15,168	-	-	15,168
Vacation expense	1,006	296	888	1,006	1,243	178	4,617	1,302	-	5,919
Vehicle fuel and oil	34	-	64	1,932	-	-	2,030	-	-	2,030
Total Expenses	529,025	110,293	231,655	180,000	150,529	51,144	1,252,646	315,268	135,269	1,703,183
Change in Net Assets	\$ 413,876	\$ 22,122	\$ 234,854	\$ (61,547)	\$ (6,415)	\$ (26,861)	\$ 576,029	\$ 300,794	\$ (93,220)	\$ 783,603

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	46,748	121,242	-	31,907	123,263	-	323,160	150,000	473,160
Lifeline contract income	202,585	-	-	-	-	-	202,585	-	202,585
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.
Statements of Cash Flows
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ 783,603	\$ 107,887
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation expense	21,114	21,509
(Increase) decrease in operating assets		
Accounts receivable	1,919	695
Pledges receivable	(284,425)	-
Lifeline contract receivable	(88,831)	-
Grants receivable	95,482	(26,517)
Prepaid expenses	(2)	(28,460)
Increase (decrease) in operating liabilities		
Accounts payable	(704)	10,344
Accrued wages and related liabilities	10,933	1,905
Accrued vacation	5,918	6,579
Credit card liabilities	384	4,234
Accrued expenses	5,164	(3,243)
Net Cash Provided by Operating Activities	<u>550,555</u>	<u>94,933</u>
Cash Flows from Investing Activities		
Cash paid for the purchase of assets	<u>(11,339)</u>	<u>(14,501)</u>
Net Cash Used by Investing Activities	<u>(11,339)</u>	<u>(14,501)</u>
Cash Flows from Financing Activities		
Payments on debt	<u>(603)</u>	<u>-</u>
Net Cash Used by Financing Activities	<u>(603)</u>	<u>-</u>
Net Change in Cash	538,613	80,432
Cash at Beginning of Year	<u>646,524</u>	<u>566,092</u>
Cash at End of Year	<u>\$ 1,185,137</u>	<u>\$ 646,524</u>
Supplementary Information:		
Interest paid	<u>\$ 10,741</u>	<u>\$ 541</u>
Noncash Activities:		
In-kind donations	<u>\$ 10,022</u>	<u>\$ 9,588</u>

The accompanying notes are an integral part of these statements.

HELP CENTER, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2023 and 2022

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.

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, 2023 and 2022

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 \$590,006 and \$220,000 of donor restricted net assets as of June 30, 2023 and 2022, respectively. The June 30, 2023 balance consists of \$50,000 for the United Way funding that is time restricted, \$75,000 that is purpose restricted for the fundraising contract, \$11,768 that is purpose restricted to the CAC Program, \$1,500 that is purpose restricted for a new sign for Hearts & Homes and the CAC Program, \$401,738 that is purpose restricted to the capital campaign project, and \$50,000 that is purpose restricted for website design and marketing materials. 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.

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.

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. Conditional pledges are not recognized until they become unconditional, that is, when the conditions on which they depend on are substantially met. 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.

HELP CENTER, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2023 and 2022

1. Activities and Significant Accounting Policies (continued)

Contributions and Promises to Give (continued)

At June 30, 2023 and 2022, the Agency had \$344,400 and \$0, respectively in pledges receivable. There are \$171,128 of pledges that are considered current as they are expected to be collected within one year and were considered fully collectible. Pledges that were not collectible in the current year were discounted based on the long term applicable federal rate of 3.79%. The amount and fiscal year of expected payment for each discounted pledges receivable are as follows: \$93,586 in 2025; \$44,141 in 2026; \$25,570 in 2027. Help Center uses the direct write-off method to determine uncollectible unconditional pledges. This approximates management's best estimate of an allowance for pledges receivable. The use of this method does not result in a material difference from the allowance method required by accounting principles generally accepted in the United States.

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.

The Agency recognized \$1,230 and \$1,420 of contributed accounting and legal services as in-kind contributions on the statement of functional income and expenses for the years ended June 30, 2023 and 2022, respectively. The Agency recognized \$8,792 and \$8,168 of contributed miscellaneous services related to fundraisers as in-kind contributions on the statement of functional income and expenses for the years ended June 30, 2023 and 2022, respectively.

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.

HELP CENTER, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2023 and 2022

1. Activities and Significant Accounting Policies (continued)

Lifeline Contract Income

The Agency entered into a contract with the State of Montana’s Department of Public Health and Human Services during the year ended June 30, 2022 to provide services related to the 988 Suicide and Crisis Lifeline. The funding came through an RFP process to provide services, however as the state government does not receive commensurate value under the contract, it is classified as donation revenue rather than service income and is not subject to *606 Revenue Recognition* under generally accepted accounting principles. At June 30, 2023 and 2022, the Agency had receivables related to this contract of \$174,917 and \$86,086.

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 June 30, 2023, 2022 and 2021 were \$2,908, \$4,827, and \$5,522, respectively.

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, 2023 and 2022, 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, 2023 and 2022, balances exceeded the FDIC limit by \$932,931 and \$392,495, respectively. There were no restrictions on cash as of June 30, 2023 and 2022.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation, if purchased and at fair value if contributed. 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.

HELP CENTER, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2023 and 2022

1. Activities and Significant Accounting Policies (continued)

Grants and Lifeline Contract 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.

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.

HELP CENTER, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2023 and 2022

1. Activities and Significant Accounting Policies (continued)

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, 2023, the pass-through program had income of \$24,283 and expenses of \$51,144 and for the year ended June 30, 2022, the pass-through program had income of \$0 and expenses of \$20,641.

Subsequent Events

Management has evaluated subsequent events through January 31, 2024, the date which the financial statements were available for issue.

Reclassification

Certain prior year amounts have been reclassified to conform with the current year presentation.

Adoption of New Accounting Standards

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which supersedes existing guidance for accounting for leases under Topic 840, Leases. The FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, Land Easement Practical Expedient for Transition to Topic 842; ASU 2018-10 Codification Improvements to Topic 842, Lease; ASU 2018-11, Leases (Topic 842): Targeted Improvements; ASU 2018-20, Narrow-scope Improvements for Lessors; and ASU 2019-02, Leases (Topic 842): Codification Improvements. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the balance sheet.

The Agency elected to adopt these ASUs effective July 1, 2022 with minimal impact to its financial statements. The only lease the Agency has is for storage space with a cost of less than \$3,000 a year which was determined to be immaterial for purposes of these standards. As such, a lease asset and liability were not booked for the Agency.

HELP CENTER, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2023 and 2022

2. United Way Program

In June 2021, the Greater Gallatin 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.

The full amount of the three year grant was recorded in revenue and grants receivable at June 30, 2021. As there is a time restriction on these funds, they were reported as with donor restrictions on the fiscal year 2021 statement of activities. The \$50,000 received during fiscal year 2022 and 2023 is recorded in net assets released from restrictions.

3. Cash and Cash Equivalents

Cash balances at June 30, 2023 and 2022, were as follows:

	<u>2023</u>	<u>2022</u>
Cash on hand	\$ 170	\$ 170
Cash in checking	457,423	389,499
Cash in savings	577,026	101,761
Certificates of Deposit	150,518	150,094
Undeposited Funds	-	5,000
Total cash and cash equivalents	<u>\$ 1,185,137</u>	<u>\$ 646,524</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 \$40,902 and \$40,900 as of June 30, 2023 and 2022, respectively.

5. Grants and Lifeline Contract Receivable

The Agency recorded grants and Lifeline contract receivables of \$269,167 and \$325,818, for the years ended June 30, 2023 and 2022, 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, 2023 and 2022, 65% and 62% of the grants and Lifeline contract receivable balance was due from one agency.

HELP CENTER, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2023 and 2022

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 9.75% with a maturity date of April 15, 2024. As of June 30, 2023 and 2022, the Agency had a borrowing balance of \$0 against this line of credit.

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, 2023 and 2022, the Agency had the following long-term debt:

	<u>2023</u>	<u>2022</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.	\$ 24,397	\$ 25,000
Less: current portion	(568)	(603)
	<u>\$ 23,829</u>	<u>\$ 24,397</u>

Scheduled annual maturities of debt subsequent to June 30, 2023 are as follows:

	<u>Principal</u>
2024	\$ 568
2025	637
2026	654
2027	673
2028	691
Thereafter	<u>21,174</u>
Total	<u>\$ 24,397</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 \$11,693 and \$11,373, as of June 30, 2023 and 2022, 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, 2023 and 2022

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>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,185,137	\$ 646,524
Accounts receivable	2,908	4,827
Pledges receivable	171,128	-
Lifeline contract receivable	174,917	86,086
Short term grants receivable	94,250	189,732
Less: those unavailable due to donor restrictions	<u>(426,709)</u>	<u>(170,000)</u>
Total	<u>\$ 1,201,631</u>	<u>\$ 757,169</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 emergencies 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) 2016-13: *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* in June 2016. This ASU replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (“CECL”) methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including accounts receivable. This ASU is effective for periods beginning after December 15, 2022. Early implementation was permitted; however, the Agency elected not to early implement and is currently evaluating the impact to its financial statements upon implementation and does not currently expect the impact to be material.

10. Subsequent Event

After the fiscal year end, the Agency paid a down payment on land and buildings commonly known as the Mental Health Campus in Bozeman, Montana. The goals of purchasing the property are to consolidate and expand all current programs in one location to better serve the Gallatin Valley and surrounding communities, to secure in perpetuity the low income housing found on the campus, and to provide space for partnering agencies. The property cost is in excess of \$4,700,000 and the Agency currently has a Capital Campaign underway to raise funds to purchase the property. Closing is expected in March 2024.