



# the help center

**Financial Statements  
with  
Independent Auditors' Report**

**June 30, 2019 and 2018**

**HELP CENTER, INC.**  
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**June 30, 2019 and 2018**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Management of  
Help Center, Inc.  
Bozeman, MT 59715

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, 2019 and 2018, and the related statements of activities, functional income and expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

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, 2019 and 2018, 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.

*Rudd + Company, PLLC*

Bozeman, Montana

May 7, 2020

**HELP CENTER, INC.**  
**Statements of Financial Position**  
**As of June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	\$ 8,874	\$ 1,032
Grants receivable	84,866	54,171
Prepaid expenses	<u>6,293</u>	<u>10,731</u>
Total Current Assets	<u>100,033</u>	<u>65,934</u>
Property and Equipment		
Land	370,000	370,000
Buildings	769,790	769,790
Building improvements	58,086	58,086
Equipment and software	86,148	47,961
Vehicles	16,058	16,058
Less: Accumulated depreciation	<u>(551,265)</u>	<u>(516,578)</u>
Property and Equipment (net)	<u>748,817</u>	<u>745,317</u>
Other Assets		
Deposits	<u>200</u>	<u>200</u>
Total Assets	<u>\$ 849,050</u>	<u>\$ 811,451</u>

The accompanying notes are an integral part of these statements.

**HELP CENTER, INC.**  
**Statements of Financial Position (continued)**  
**As of June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>Liabilities and Net Assets</b>		
Current Liabilities		
Accounts payable	\$ 6,968	\$ 7,387
Accrued wages and related liabilities	23,370	25,134
Deferred revenue	-	1,000
Accrued vacation and sick leave	31,343	31,000
Line of credit	15,000	45,000
Current portion of mortgage payable, net of loan fees	<u>21,638</u>	<u>19,959</u>
Total Current Liabilities	<u>98,319</u>	<u>129,480</u>
Long-term Liabilities		
Mortgage payable, net of current portion and loan fees	<u>390,715</u>	<u>412,382</u>
Total Liabilities	<u>489,034</u>	<u>541,862</u>
Net Assets		
Without donor restrictions	<u>360,016</u>	<u>269,589</u>
Total Liabilities and Net Assets	<u>\$ 849,050</u>	<u>\$ 811,451</u>

The accompanying notes are an integral part of these statements.

**HELP CENTER, INC.**  
**Statements of Activities**  
**For the Years Ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>Increases in Net Assets Without Donor Restrictions</b>		
Thrift store sales	\$ 388,546	\$ 354,972
Contributions	126,627	33,962
In-kind contributions	14,704	2,039
Grant income	330,321	363,312
United Way funding	45,000	45,000
Service income	95,116	48,440
Fundraising events	76,461	78,731
Rent income	-	255
Miscellaneous income	10,259	2,424
Total Increases in Net Assets Without Donor Restrictions	<u>1,087,034</u>	<u>929,135</u>
<b>Decreases in Net Assets Without Donor Restrictions</b>		
Programs:		
Help Center	349,633	360,017
Sexual Assault Counseling Center	112,769	121,099
Sacks of Bozeman	143,834	143,798
Sacks of Belgrade	87,373	80,094
Hearts and Homes	128,131	119,633
Child Advocacy Program	68,109	42,991
Pass-through Program	8,785	8,780
Total Programs	<u>898,634</u>	<u>876,412</u>
General and administrative	<u>97,973</u>	<u>103,387</u>
Total Decreases in Net Assets Without Donor Restrictions	<u>996,607</u>	<u>979,799</u>
<b>Change in Net Assets</b>	90,427	(50,664)
<b>Net Assets, Beginning of Year</b>	<u>269,589</u>	<u>320,253</u>
<b>Net Assets, End of Year</b>	<u>\$ 360,016</u>	<u>\$ 269,589</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, 2019**

	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
<b>Income and support</b>										
Thrift store sales	\$ -	\$ -	\$ 302,446	\$ 86,100	\$ -	\$ -	\$ -	\$ 388,546	\$ -	\$ 388,546
Transfers from (to)	46,613	(18,945)	(129,966)	-	16,767	(17,856)	-	(103,387)	103,387	-
Contributions	98,596	6,000	242	15	7,006	7,500	-	119,359	7,268	126,627
In-kind contributions	103	14,601	-	-	-	-	-	14,704	-	14,704
Grant income	90,279	114,636	-	-	29,291	86,665	9,450	330,321	-	330,321
United Way funding	36,000	-	-	-	4,008	4,992	-	45,000	-	45,000
Service income	13,838	394	-	-	80,884	-	-	95,116	-	95,116
Fundraising events	76,461	-	-	-	-	-	-	76,461	-	76,461
Miscellaneous income	298	-	9,961	-	-	-	-	10,259	-	10,259
<b>Total income and support</b>	<b>362,188</b>	<b>116,686</b>	<b>182,683</b>	<b>86,115</b>	<b>137,956</b>	<b>81,301</b>	<b>9,450</b>	<b>976,379</b>	<b>110,655</b>	<b>1,087,034</b>
<b>Expenses</b>										
Salaries	240,468	91,890	96,518	44,126	89,691	43,067	7,786	613,546	51,966	665,512
Employee benefits	13,635	5,968	-	-	1,163	3,666	-	24,432	3,539	27,971
Payroll taxes	20,124	7,379	7,832	3,556	7,479	3,690	629	50,689	4,362	55,051
Advertising	3,735	231	48	48	3	63	-	4,128	48	4,176
Contract labor	-	-	-	-	-	-	-	-	14,655	14,655
Depreciation	1,901	72	5,916	13,848	8,915	3,819	-	34,471	216	34,687
Education	15,826	1,124	564	539	1,818	1,326	-	21,197	450	21,647
Fundraising	16,190	-	-	-	-	-	-	16,190	648	16,838
Insurance	9,517	4,811	9,150	4,142	3,295	2,421	94	33,430	2,692	36,122
Interest and loan amortization	5,790	-	-	5,967	4,361	3,098	-	19,216	1,839	21,055
Landfill fees	-	-	5,792	3,933	138	72	-	9,935	-	9,935
Meals	-	24	18	126	57	-	-	225	-	225
Merchandising costs	-	-	890	298	-	-	-	1,188	-	1,188
Miscellaneous	1,396	2,234	505	460	323	134	-	5,052	1,366	6,418
Printing, postage and publications	597	-	85	28	-	15	-	725	182	907
Professional fees	-	-	-	-	-	-	-	-	9,750	9,750
Property taxes	1,098	-	356	155	366	366	-	2,341	-	2,341
Rent	-	-	328	-	-	-	-	328	-	328
Repairs and maintenance	3,623	-	2,195	858	2,744	1,590	-	11,010	515	11,525
Security	-	-	120	120	-	-	-	240	-	240
Supplies and equipment	1,196	827	1,407	782	1,465	91	-	5,768	1,980	7,748
Telephone	4,484	1,600	1,888	1,811	1,717	732	-	12,232	-	12,232
Travel	85	197	-	-	-	197	-	479	-	479
Utilities	3,108	-	6,053	5,951	1,475	1,475	-	18,062	-	18,062
Vacation expense	6,860	(3,588)	3,905	625	3,121	2,287	276	13,486	3,765	17,251
Vehicle fuel and oil	-	-	264	-	-	-	-	264	-	264
<b>Total Expenses</b>	<b>349,633</b>	<b>112,769</b>	<b>143,834</b>	<b>87,373</b>	<b>128,131</b>	<b>68,109</b>	<b>8,785</b>	<b>898,634</b>	<b>97,973</b>	<b>996,607</b>
<b>Change in Net Assets</b>	<b>\$ 12,555</b>	<b>\$ 3,917</b>	<b>\$ 38,849</b>	<b>\$ (1,258)</b>	<b>\$ 9,825</b>	<b>\$ 13,192</b>	<b>\$ 665</b>	<b>\$ 77,745</b>	<b>\$ 12,682</b>	<b>\$ 90,427</b>

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, 2018**

	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
<b>Income and support</b>										
Thrift store sales	\$ -	\$ -	\$ 273,466	\$ 81,506	\$ -	\$ -	\$ -	\$ 354,972	\$ -	\$ 354,972
Transfers from (to)	46,613	(18,945)	(129,966)	-	16,767	(17,856)	-	(103,387)	103,387	-
Contributions	31,881	-	298	-	1,783	-	-	33,962	-	33,962
In-kind contributions	2,039	-	-	-	-	-	-	2,039	-	2,039
Grant income	121,323	121,928	-	-	55,512	55,769	8,780	363,312	-	363,312
United Way funding	34,850	500	-	-	4,572	5,078	-	45,000	-	45,000
Service income	12,323	16,686	-	-	19,431	-	-	48,440	-	48,440
Fundraising events	78,731	-	-	-	-	-	-	78,731	-	78,731
Rent income	-	-	-	255	-	-	-	255	-	255
Miscellaneous income	1,494	930	-	-	-	-	-	2,424	-	2,424
<b>Total income and support</b>	<b>329,254</b>	<b>121,099</b>	<b>143,798</b>	<b>81,761</b>	<b>98,065</b>	<b>42,991</b>	<b>8,780</b>	<b>825,748</b>	<b>103,387</b>	<b>929,135</b>
<b>Expenses</b>										
Salaries	244,690	100,326	95,660	36,359	79,754	29,493	7,789	594,071	57,416	651,487
Employee benefits	14,304	6,219	1,824	1,331	79	1,507	-	25,264	5,657	30,921
Payroll taxes	27,588	11,259	10,060	3,879	8,648	3,325	873	65,632	6,565	72,197
Advertising	1,053	507	-	-	-	10	-	1,570	-	1,570
Dues and subscriptions	3,077	250	-	609	225	1,000	-	5,161	250	5,411
Depreciation	2,055	-	5,914	13,848	5,934	1,657	-	29,408	68	29,476
Education	16,649	1,616	59	-	1,613	2,606	13	22,556	144	22,700
Fundraising	13,485	67	-	-	-	110	-	13,662	-	13,662
Insurance	7,626	-	7,852	3,045	3,018	-	-	21,541	5,005	26,546
Interest and loan amortization	5,905	-	-	6,082	7,599	-	-	19,586	1,345	20,931
Landfill fees	-	-	3,390	2,447	281	-	-	6,118	-	6,118
Meals	26	86	171	48	67	-	-	398	-	398
Merchandising costs	-	-	758	108	-	-	-	866	-	866
Miscellaneous	731	508	28	121	697	165	20	2,270	6,825	9,095
Printing, postage and publications	918	52	38	73	-	65	29	1,175	190	1,365
Professional fees	-	-	-	-	-	-	56	56	19,551	19,607
Property taxes	1,478	-	138	155	1,151	-	-	2,922	-	2,922
Rent	-	-	1,867	51	-	-	-	1,918	-	1,918
Repairs and maintenance	6,314	-	2,728	1,803	3,326	556	-	14,727	-	14,727
Security	-	-	120	120	-	-	-	240	-	240
Supplies and equipment	1,479	186	1,785	574	1,491	601	-	6,116	173	6,289
Telephone	5,036	-	3,190	2,888	3,103	2,138	-	16,355	-	16,355
Travel	-	106	-	-	63	95	-	264	-	264
Utilities	3,215	-	6,935	5,463	2,710	-	-	18,323	-	18,323
Vacation expense	4,388	(83)	384	1,060	(126)	(337)	-	5,286	198	5,484
Vehicle fuel and oil	-	-	867	-	-	-	-	867	-	867
Volunteer coordinator expense	-	-	30	30	-	-	-	60	-	60
<b>Total Expenses</b>	<b>360,017</b>	<b>121,099</b>	<b>143,798</b>	<b>80,094</b>	<b>119,633</b>	<b>42,991</b>	<b>8,780</b>	<b>876,412</b>	<b>103,387</b>	<b>979,799</b>
Change in Net Assets	\$ (30,763)	\$ -	\$ -	\$ 1,667	\$ (21,568)	\$ -	\$ -	\$ (50,664)	\$ -	\$ (50,664)

The accompanying notes are an integral part of these statements.

**HELP CENTER, INC.**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 90,427	\$ (50,664)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation expense	34,687	29,476
(Increase) decrease in operating assets		
Grants receivable	(30,695)	(3,857)
Prepaid expenses	4,438	(3,677)
Increase (decrease) in operating liabilities		
Accounts payable	(419)	5,061
Deferred revenue	(1,000)	-
Accrued wages and related liabilities	(1,764)	5,775
Accrued vacation	343	5,485
Net Cash Provided (Used) by Operating Activities	<u>96,017</u>	<u>(12,401)</u>
<b>Cash Flows from Investing Activities</b>		
Cash paid for the purchase of assets	<u>(38,187)</u>	<u>(5,609)</u>
Net Cash Used by Investing Activities	<u>(38,187)</u>	<u>(5,609)</u>
<b>Cash Flows from Financing Activities</b>		
Payments on line of credit	(30,000)	-
Proceeds from line of credit	-	15,000
Principal payments on long-term debt	<u>(19,988)</u>	<u>(19,959)</u>
Net Cash Used by Financing Activities	<u>(49,988)</u>	<u>(4,959)</u>
Net Change in Cash	7,842	(22,969)
Cash at Beginning of Year	<u>1,032</u>	<u>24,001</u>
Cash at End of Year	<u>\$ 8,874</u>	<u>\$ 1,032</u>
<b>Supplementary Information:</b>		
Interest paid	<u>\$ 21,055</u>	<u>\$ 20,589</u>
<b>Noncash Activities:</b>		
In-kind donations	<u>\$ 14,704</u>	<u>\$ 2,039</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, 2019 and 2018**

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**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”) is dedicated to providing confidential crisis counseling, referral services, long-term sexual assault counseling and community-wide training through the Help Center and the Sexual Assault Counseling Center. The Agency also provides critical support services to families who currently have children in foster, kinship, or dual custody care by providing program and training that aim to preserve and strengthen family ties through its Heart and Homes program. The Agency is a leader in the community for providing these services. The Agency also provides suicide intervention, prevention and education, 24/7/365 crisis counseling and provides the 211 resource/referral lines for thirteen counties as well as a statewide database, MT211. Sexual Assault Counseling Center provides medical, legal and personal advocacy and short and long term trauma based counseling for survivors of sexual assault. Hearts and Homes provides supervised visitation, support services and parenting education for at risk children and their families. The Agency provides operational oversight, child friendly facility and staffing for the Gallatin County Child Advocacy Center. The Child Advocacy Center provides comprehensive services through the activities of a multidisciplinary team, including forensic interviews for children and follow up support services for non-offending family members.

Two innovative Sacks Thrift Stores offer affordable merchandise and recycling to the community. Approximately 36% and 38% of the Agency's revenues are derived from operation of the thrift stores for the years ended June 30, 2019 and 2018, 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, 2019 and 2018**

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**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 does not have any donor restricted net assets as of June 30, 2019 or 2018.

**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.

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.

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.

**HELP CENTER, INC.**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2019 and 2018**

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**1. Activities and Significant Accounting Policies (continued)**

**In-Kind Support (continued)**

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.

**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, 2019 and 2018, cash and cash equivalents are made up of a checking account and cash on hand. These balances are fully insured by the Federal Deposit Insurance Corporation. There were no restrictions on cash as of June 30, 2019 and 2018.

**Adoption of New Accounting Standard**

The Agency adopted the provisions of Accounting Standard Updated (ASU) No. 2016-14, Not-for-Profit Entities, Topic 958: Presentation of Financial statements of not-for-Profit Entities during the year ended June 30, 2019.

The adoption does not change any prior reported numbers for net assets or changes in net assets, but rather increases disclosure requirements for board-designated net assets and changes the classification of net assets from three categories to two categories, those with donor imposed restrictions and those without donor imposed restrictions. The adoption also requires additional liquidity disclosures.

**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 \$1,000 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, 2019 and 2018**

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**1. Activities and Significant Accounting Policies (continued)**

**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.

**Loan Fees**

The Agency amortizes the loan fees using the straight line method over the life of the related loans and the fees are presented as a direct deduction from the carrying amount of the loan payable.

**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, 2019 and 2018**

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**1. Activities and Significant Accounting Policies (continued)**

**Functional Allocation of Income and Expenses**

<b>Expense</b>	<b>Allocation Method</b>
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, 2019, the pass-through program had income of \$9,450 and expenses of \$8,785 and for the year ended June 30, 2018, the program had income and expenses of \$8,780.

**Subsequent Events**

Management has evaluated subsequent events through May 7, 2020, the date which the financial statements were available for issue.

**2. United Way Program**

United Way funding is applied for on an annual basis and approved by the Board of Directors of Greater Gallatin United Way. For both years ended June 30, 2019 and 2018, the United Way awarded \$45,000 to the Help Center. Since these grants are spent within the year, they are recorded as without donor restricted support.

**3. Cash and Cash Equivalents**

Cash consists of balances in checking and cash on hand. Cash balances at June 30, 2019 and 2018, is as follows:

	<b>2019</b>	<b>2018</b>
Cash on hand	\$ 716	\$ 1,310
Cash in checking	8,158	(278)
Total cash and cash equivalents	\$ 8,874	\$ 1,032

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**Notes to the Financial Statements**  
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**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 \$6,493 and \$10,931 as of June 30, 2019 and 2018, respectively.

**5. Grants Receivable**

The Agency recorded grants receivable of \$84,866 and \$54,171 for the years ended June 30, 2019 and 2018, 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, 2019 and 2018, 74% and 46% of the grants receivable balance was due from one granting agency.

**6. Property and Equipment**

Property and equipment balances as June 30, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Land	\$ 370,000	\$ 370,000
Building	769,790	769,790
Leasehold improvements	58,086	58,086
Equipment and software	86,148	57,961
Vehicles	16,058	16,058
	<u>1,300,082</u>	<u>1,261,895</u>
Less: Accumulated depreciation	<u>(551,265)</u>	<u>(516,578)</u>
Total Property and Equipment	<u>\$ 748,817</u>	<u>\$ 745,317</u>

Depreciation expense for the years ended June 30, 2019 and 2018, was \$34,687 and \$29,476, respectively.

**7. 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 fees will be amortized over the 20-year life of the loan and are presented as a reduction against the loan principal balance in the statements of financial position. Amortization expense for the years ended June 30, 2019 and 2018, was \$342 for both years.



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**7. Long-Term Debt (continued)**

The Agency has 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, 2020. As of June 30, 2019 and 2018, the Agency had a borrowing balance of \$ 15,000 and \$45,000 against this line of credit, respectively.

At June 30, 2019 and 2018, the Agency had the following long-term debt:

	<u>2019</u>
Mortgage payable to First Security Bank, variable interest rate of 4.29%, the interest rate change may not occur more than once every 10 years, \$3,295 monthly payment including interest, maturing July 25, 2033, secured by properties at 33 E. Main, Belgrade, MT, 417 E. Peach, Bozeman MT, and 3316 West Babcock, Bozeman, MT.	\$ 417,143
Less loan fees associated with mortgage payable to First Security Bank, amortized over the length of the loan maturing July 25, 2033.	(4,790)
Less current portion, net of amortized loan fees	<u>(21,638)</u>
	<u>\$ 390,715</u>

Maturities of principal on long term debt and amortized loan fees as of June 30, 2019, are as follows:

	<u>Principal</u>	<u>Loan Fees</u>
2020	\$ 21,980	\$ (342)
2021	22,991	(342)
2022	23,999	(342)
2023	25,051	(342)
2024	26,112	(342)
2025-2029	148,942	(1,711)
2030-2034	<u>148,068</u>	<u>(1,369)</u>
Total	<u>\$ 417,143</u>	<u>\$ (4,790)</u>

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**8. Leases**

The Agency owns the building where its Belgrade thrift store is located and in the past, the Agency rented out a portion of the building with a month to month lease. The Agency has no current leasing tenants for the fiscal year. Rental income from this lease for the years ended June 30, 2019 and 2018 was \$0 and \$255, respectively.

**9. 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 \$12,874 and \$12,271, as of June 30, 2019 and 2018, 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.

**10. 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:

Cash and cash equivalents	\$ 8,874
Grants receivable	<u>84,866</u>
Total	<u>\$ 93,740</u>

The Agency has not adopted a liquidity management plan for the year ended June 30, 2019.

**11. Recent Accounting Pronouncements**

The FASB issued Accounting Standard Update (ASU) 2014-09: Revenue from Contracts with Customers, Topic 606, in May 2014. This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods or services, guidance on accounting for certain contracts, and contain significant new required disclosures. This ASU is effective for periods beginning after December 15, 2018. Early implementation was permitted; however, the Agency elected not to early implement and does not expect the impact to its financial statements to be significant upon implementation.

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, 2020.

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**11. Recent Accounting Pronouncements (continued)**

Early implementation was permitted; however, the Agency elected not to early implement and does not expect the impact to its financial statements to be significant upon implementation.

**12. Subsequent Events**

On July 22, 2019, the Agency sold two buildings located in Belgrade, MT for \$250,000 each. The Agency paid off the mortgage loan from First Security Bank and received remaining proceeds from the sale of \$49,146.

Subsequent to year-end, the Agency has been negatively 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.

The Agency applied for and was granted a \$164,060 loan under the Payroll Protection Program administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The loan accrues interest, but payments are not required to begin for six months to one year after the funding of the loan. The Agency is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The Agency intends to take measures to maximize the loan forgiveness but cannot reasonably determine the portion of the loan that will ultimately be forgiven.