



the help center

**Financial Statements
with
Independent Auditors' Report**

June 30, 2018 and 2017

HELP CENTER, INC.
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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, 2018 and 2017, 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, 2018 and 2017, 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

March 7, 2019

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

	<u>2018</u>	<u>2017</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,032	\$ 24,001
Grants receivable	54,171	50,314
Prepaid expenses	<u>10,731</u>	<u>7,054</u>
Total Current Assets	<u>65,934</u>	<u>81,369</u>
Property and Equipment		
Land	370,000	370,000
Buildings	769,790	769,790
Building improvements	58,086	58,086
Equipment and software	47,961	42,352
Vehicles	16,058	16,058
Less: Accumulated depreciation	<u>(516,578)</u>	<u>(487,102)</u>
Property and Equipment (net)	<u>745,317</u>	<u>769,184</u>
Other Assets		
Deposits	<u>200</u>	<u>200</u>
Total Assets	<u>\$ 811,451</u>	<u>\$ 850,753</u>

The accompanying notes are an integral part of these statements.

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

	<u>2018</u>	<u>2017</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 7,387	\$ 2,326
Accrued wages and related liabilities	25,134	19,359
Deferred revenue	1,000	1,000
Accrued vacation and sick leave	31,000	25,515
Line of credit	45,000	30,000
Current portion of mortgage payable, net of loan fees	<u>19,959</u>	<u>19,959</u>
Total Current Liabilities	<u>129,480</u>	<u>98,159</u>
Long-term Liabilities		
Mortgage payable, net of current portion and loan fees	<u>412,382</u>	<u>432,341</u>
Total Liabilities	<u>541,862</u>	<u>530,500</u>
Net Assets		
Unrestricted	<u>269,589</u>	<u>320,253</u>
Total Liabilities and Net Assets	<u>\$ 811,451</u>	<u>\$ 850,753</u>

The accompanying notes are an integral part of these statements.

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

	<u>2018</u>	<u>2017</u>
Increases in Unrestricted Net Assets		
Thrift store sales	\$ 354,972	\$ 291,609
Contributions	33,962	20,622
In-kind contributions	2,039	-
Grant income	363,312	405,889
United Way funding	45,000	50,000
Service income	48,440	61,613
Fundraising events	78,731	62,483
Rent income	255	7,800
Miscellaneous income	2,424	724
	<u>929,135</u>	<u>900,740</u>
Decreases in Unrestricted Net Assets		
Programs:		
Help Center	360,017	306,430
Sexual Assault Counseling Center	121,099	109,355
Sacks of Bozeman	143,798	132,256
Sacks of Belgrade	80,094	83,655
Hearts and Homes	119,633	125,254
Child Advocacy Program	42,991	25,092
Pass-through Program	8,780	40,314
	<u>876,412</u>	<u>822,356</u>
Total Programs	876,412	822,356
General and administrative	<u>103,387</u>	<u>93,121</u>
	<u>979,799</u>	<u>915,477</u>
Total Decreases in Unrestricted Net Assets		
	<u>979,799</u>	<u>915,477</u>
Change in Net Assets	(50,664)	(14,737)
Net Assets, Beginning of Year	<u>320,253</u>	<u>334,990</u>
Net Assets, End of Year	<u>\$ 269,589</u>	<u>\$ 320,253</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, 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
Income and support										
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
Total income and support	329,254	121,099	143,798	81,761	98,065	42,991	8,780	825,748	103,387	929,135
Expenses										
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
Total Expenses	360,017	121,099	143,798	80,094	119,633	42,991	8,780	876,412	103,387	979,799
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.
Statement of Functional Income and Expenses
For the Year Ended June 30, 2017

	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	\$ -	\$ -	\$ 220,552	\$ 71,057	\$ -	\$ -	\$ -	\$ 291,609	\$ -	\$ 291,609
Transfers from (to) stores	34,536	-	(34,258)	(278)	10,500	(10,500)	-	-	-	-
Contributions	19,600	-	24	-	373	625	-	20,622	-	20,622
Grant income	166,750	91,641	-	-	81,934	25,250	40,314	405,889	-	405,889
United Way funding	39,000	-	-	-	11,000	-	-	50,000	-	50,000
Service income	14,074	17,880	-	-	29,054	605	-	61,613	-	61,613
Fundraising events	58,902	838	-	-	-	2,743	-	62,483	-	62,483
Rent income	-	-	-	7,800	-	-	-	7,800	-	7,800
Miscellaneous income	474	-	250	-	-	-	-	724	-	724
Total income and support	333,336	110,359	186,568	78,579	132,861	18,723	40,314	900,740	-	900,740
Expenses										
Salaries	208,069	89,114	86,417	41,182	76,342	15,362	30,266	546,752	54,650	601,402
Employee benefits	9,601	5,203	972	972	117	-	3,840	20,705	5,225	25,930
Payroll taxes	23,662	10,605	8,992	4,378	8,317	1,698	3,776	61,428	6,395	67,823
Advertising	1,157	553	234	234	32	178	20	2,408	81	2,489
Dues and subscriptions	2,266	642	-	399	175	3,200	392	7,074	250	7,324
Depreciation	2,324	-	5,914	13,848	6,200	1,657	220	30,163	68	30,231
Education	15,100	65	-	-	1,501	500	75	17,241	-	17,241
Fundraising	10,049	-	39	-	-	-	-	10,088	-	10,088
Insurance	6,275	-	6,763	2,707	2,614	-	-	18,359	5,452	23,811
Interest and loan amortization	6,296	62	-	6,344	7,937	-	-	20,639	1,296	21,935
Landfill fees	-	-	2,259	1,938	264	-	-	4,461	-	4,461
Meals	127	207	192	29	29	355	-	939	-	939
Merchandising costs	-	-	541	72	-	-	-	613	-	613
Miscellaneous	351	519	312	202	1,347	70	913	3,714	715	4,429
Printing, postage and publications	1,084	14	184	91	44	50	-	1,467	251	1,718
Professional fees	-	-	-	-	-	-	672	672	18,264	18,936
Property taxes	1,071	-	457	155	777	-	-	2,460	-	2,460
Rent	-	-	3,264	-	-	-	-	3,264	-	3,264
Repairs and maintenance	4,816	-	2,272	1,735	1,920	133	-	10,876	-	10,876
Security	-	-	90	90	-	-	-	180	-	180
Supplies and equipment	2,778	142	1,688	1,522	1,674	1,552	571	9,927	171	10,098
Telephone	7,001	-	4,805	3,505	12,350	-	-	27,661	-	27,661
Travel	303	139	-	-	136	-	673	1,251	-	1,251
Utilities	2,754	-	6,363	4,544	3,067	-	-	16,728	-	16,728
Vacation expense	1,323	2,090	(351)	(366)	411	337	(1,104)	2,340	303	2,643
Vehicle fuel and oil	-	-	743	-	-	-	-	743	-	743
Volunteer coordinator expense	23	-	106	74	-	-	-	203	-	203
Total Expenses	306,430	109,355	132,256	83,655	125,254	25,092	40,314	822,356	93,121	915,477
Change in Net Assets	\$ 26,906	\$ 1,004	\$ 54,312	\$ (5,076)	\$ 7,607	\$ (6,369)	\$ -	\$ 78,384	\$ (93,121)	\$ (14,737)

The accompanying notes are an integral part of these statements.

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

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities		
Change in Net Assets	\$ (50,664)	\$ (14,737)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation expense	29,476	30,231
(Increase) decrease in operating assets		
Grants receivable	(3,857)	(4,945)
Prepaid expenses	(3,677)	76
Increase (decrease) in operating liabilities		
Accounts payable	5,061	(205)
Deferred revenue	-	1,000
Accrued wages and related liabilities	5,775	5,262
Accrued vacation	5,485	2,641
Net Cash Provided (Used) by Operating Activities	<u>(12,401)</u>	<u>19,323</u>
Cash Flows from Investing Activities		
Cash paid for the purchase of assets	<u>(5,609)</u>	<u>-</u>
Net Cash Used by Investing Activities	<u>(5,609)</u>	<u>-</u>
Cash Flows from Financing Activities		
Proceeds from (payments) on line of credit	15,000	(958)
Principal payments on long-term debt	<u>(19,959)</u>	<u>(19,112)</u>
Net Cash Used by Financing Activities	<u>(4,959)</u>	<u>(20,070)</u>
Net Change in Cash	(22,969)	(747)
Cash at Beginning of Year	<u>24,001</u>	<u>24,748</u>
Cash at End of Year	<u>\$ 1,032</u>	<u>\$ 24,001</u>
Supplementary Information:		
Interest paid	<u>\$ 20,589</u>	<u>\$ 21,935</u>
Noncash Activities:		
Disposal of fixed assets	<u>\$ -</u>	<u>\$ 41,761</u>
In-kind donations	<u>\$ 2,039</u>	<u>\$ -</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, 2018 and 2017

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 38% and 32% of the Agency's revenues are derived from operation of the thrift stores for the years ended June 30, 2018 and 2017, 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.

Contributions and Net Assets

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Help Center, Inc. has not received any contributions with donor-imposed restrictions that would result in temporarily or permanently restricted net assets. Restricted contributions whose restrictions are met in the same reporting period are reflected as unrestricted contributions by the Agency. Restrictions on gifts of property and equipment or cash for the purchase of fixed assets expire when the asset is placed in service. There were no restricted contributions for both years ended June 30, 2018 and 2017.

HELP CENTER, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2018 and 2017

1. Activities and Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation. Asset purchases that are capital in nature are capitalized if the cost is \$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.

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, 2018 and 2017, 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, 2018 and 2017.

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.

HELP CENTER, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2018 and 2017

1. Activities and Significant Accounting Policies (Continued)

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. The Agency is generally no longer subject to examination by the Internal Revenue Service for years before fiscal year 2015.

Subsequent Events

Management has evaluated subsequent events through March 7, 2019, the date which the financial statements were available for issue.

Functional Allocation of Income and Expenses

Income and expenses by function have been allocated among program and supporting services classifications on the basis of time records and on estimates made by the Agency's management.

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, 2018, the pass-through program had income and expenses of \$8,780. The pass-through income and expense was \$40,314 for the year ended June 30, 2017.

HELP CENTER, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2018 and 2017

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, 2018 and 2017, the United Way awarded \$45,000 and \$50,000 to the Help Center, respectively. Since these grants are spent within the year, they are recorded as unrestricted support.

3. Cash and Cash Equivalents

Cash consists of balances in checking and cash on hand. Cash at June 30, 2018 and 2017, is as follows:

	<u>2018</u>	<u>2017</u>
Cash on hand	\$ 1,310	\$ 1,310
Cash in checking	<u>(278)</u>	<u>22,691</u>
Total cash and cash equivalents	<u>\$ 1,032</u>	<u>\$ 24,001</u>

4. Prepaid Expenses

Prepaid expenses consist of insurance, overpayments, and workers compensation paid during the fiscal year and are expensed in the subsequent fiscal year. The balances were \$10,931 and \$7,054 as of June 30, 2018 and 2017, respectively.

5. Grants Receivable

The Agency recorded grants receivable of \$54,171 and \$50,314 for the years ended June 30, 2018 and 2017, 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.

HELP CENTER, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2018 and 2017

6. Property and Equipment

Property and equipment as June 30, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Land	\$ 370,000	\$ 370,000
Building	769,790	769,790
Leasehold improvements	58,086	58,086
Equipment and software	47,961	42,352
Vehicles	16,058	16,058
	<u>1,261,895</u>	<u>1,256,286</u>
Less: Accumulated depreciation	<u>(516,578)</u>	<u>(487,102)</u>
Total Property and Equipment	<u>\$ 745,317</u>	<u>\$ 769,184</u>

Depreciation expense for the years ended June 30, 2018 and 2017, was \$29,476 and \$30,231, 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 in the amount of \$342 per year and these issuance costs are presented as a reduction against the loan principal balance in the Statements of Financial Position. Amortization expense for the years ended June 30, 2018 and 2017, was \$342 for both years.

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, 2018 and 2017, the Agency had a borrowing balance of \$ 45,000 and \$30,000 against this line of credit, respectively.

HELP CENTER, INC.
Notes to the Financial Statements
For the Years Ended June 30, 2018 and 2017

7. Long-Term Debt (Continued)

At June 30, 2018 and 2017, the Agency had the following long-term debt:

	<u>2018</u>	<u>2017</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.	\$ 437,473	\$ 457,774
Less loan fees associated with mortgage payable to First Security Bank, amortized over the length of the loan maturing July 25, 2033.	(5,132)	(5,474)
Less current portion, net of amortized loan fees	<u>(19,959)</u>	<u>(19,959)</u>
	<u>\$ 412,382</u>	<u>\$ 432,341</u>

Maturities of principal on long term debt and amortized loan fees for each of the next five years as of June 30, 2018, are as follows:

	<u>Principal</u>	<u>Loan Fees</u>
2019	\$ 20,301	\$ (342)
2020	21,980	(342)
2021	22,991	(342)
2022	23,999	(342)
2023	25,051	(342)
2023-2027	142,653	(1,711)
2028-2032	179,839	(1,711)
2033-2036	659	-
Total	<u>\$ 437,473</u>	<u>\$ (5,132)</u>

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8. Leases

The Agency owns the building where its Belgrade thrift store is located and the Agency offers a month to month lease for part of the building. The Agency has no current leasing tenants for the fiscal year. Rental income from this lease for the years ended June 30, 2018 and 2017 was \$255 and \$7,800, respectively.

The Agency was the lessee of telephone equipment under an operating lease expiring in fiscal year 2018. The Agency signed a new operating lease agreement with another lessor in October 2017. The new agreement was for three years, with a monthly contract amount of \$417 and maintenance fee of \$275. The total annual lease payment for this equipment for the year ended June 30, 2018 was \$6,534 and \$7,794 was paid for maintenance of this system. The total annual lease payment for the equipment for the year ended June 30, and 2017 was \$9,456 and \$7,056 was paid for maintenance of this system. The total lease payments are included in telephone expense.

The future minimum lease payments required under the above operating lease are as follows:

	<u>Equipment</u>	<u>Maintenance</u>	<u>Total</u>
2019	\$ 5,004	\$ 3,300	\$ 8,304
2020	5,004	3,300	8,304
2021	<u>1,251</u>	<u>825</u>	<u>2,076</u>
	<u>\$ 11,259</u>	<u>\$ 7,425</u>	<u>\$ 18,684</u>

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 \$12,271 and \$12,500, as of June 30, 2018 and 2017, 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. Functional Income and Expense Transfers From (To)

A specific overhead allocation is utilized throughout the year to distribute costs between the different classes. The remaining profit from both Sack stores are budgeted to cover the negative change in net assets in the general and administrative class and the Help Center. The Bozeman store had a profit of \$129,966 during the fiscal year, which was transferred to assist with the negative change in net assets of the general and administrative and the Help Center class. In fiscal year 2017, the Bozeman and Belgrade stores transferred \$34,258 and \$278, respectively, of their profit to the Help Center class.