

Micah's Place, Inc.

**Financial Statements
June 30, 2016**



Micah's Place, Inc.

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Micah's Place, Inc.

Statement of Financial Position

at June 30, 2016

Assets

Current Assets		
Cash and Cash Equivalents (Notes 1 & 9)	\$	292,961
Investments (Notes 1 & 9)		436,963
Grants Receivable		59,099
Prepaid Expenses		16,627
Inventory		15,000
Total Current Assets		<u>820,650</u>
Property & Equipment (Notes 1 & 4)		345,955
Other Assets		
Deposits		5,620
Total Assets	\$	<u>1,172,225</u>

Liabilities and Net Assets

Current Liabilities		
Accounts Payable and Accrued Expenses		<u>24,740</u>
Total Current Liabilities		24,740
Commitments & Contingencies (Note 5)		-
Net Assets		
Unrestricted		
Designated by the board of directors for operating reserve		187,000
Undesignated		546,431
Temporarily Restricted (Note 6)		-
Permanently Restricted		<u>414,055</u>
Total Net Assets		1,147,486
Total Liabilities and Net Assets	\$	<u>1,172,226</u>

The accompanying notes are an integral part of this statement

Micah's Place, Inc.

Statement of Activities

For The Year Ended June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and Revenues				
Fundraising and Contributions	\$ 245,376	\$ 25,000	\$ 102,144	\$ 372,520
Grants and Contracts	98,772	439,332	-	538,104
Other Income	-	-	-	-
Thrift Store -Retail Sales	227,605	-	-	227,605
Investment Income	15,574	-	-	15,574
Other Income - Unrealized Appreciation Investments	(5,026)	-	-	(5,026)
Assets Released from Restrictions	464,332	(464,332)	-	-
Total Revenue	<u>1,046,633</u>	<u>-</u>	<u>102,144</u>	<u>1,148,777</u>
Expenses				
Program Services	638,597	-	-	638,597
Support Services				
Fund Raising	53,783	-	-	53,783
Thrift Store Operating Costs	198,437	-	-	198,437
Administrative	110,492	-	-	110,492
Total Expenses	<u>1,001,309</u>	<u>-</u>	<u>-</u>	<u>1,001,309</u>
Decrease in net assets:	45,324	-	102,144	147,468
Net Assets, Beginning of Year	688,107	-	311,911	1,000,018
Net Assets, End of Year	<u>\$ 733,431</u>	<u>\$ -</u>	<u>\$ 414,055</u>	<u>\$ 1,147,486</u>

The accompanying notes are an integral part of this statement

Micah's Place, Inc.

Statement of Cash Flows

For The Year Ended June 30, 2016

Operating Activities

Change in Net Assets	\$ 147,468
Reconciliation of Net Assets Change to Net Cash Provided by Restricted and Unrestricted Activities	
Depreciation	38,285
Unrealized Net Change in Investments	5,026
Increase in Cash & Cash Equivalents	<u>190,779</u>
Increase in Grants Receivable	(7,145)
Increase in Prepaid Expenses	(2,542)
Increase in Inventory	(3,000)
Decrease in Accounts Payable and Accrued Liabilities	(9,984)
Cash Used by Operations	<u>168,108</u>

Investing Activities

Cash used by Investing Activities - Increase in Deposits	(1,520)
Cash used by Investing Activities - Fixed Asset Purchases	(59,967)
Cash used by Investing Activities - Investments	(80,279)
Cash used by Investing Activities	<u>(141,766)</u>

Net Decrease in Cash and Cash Equivalents	26,342
Cash & Cash Equivalents Beginning of Year	266,619
Cash & Cash Equivalents End of Year	<u><u>\$ 292,961</u></u>

The accompanying notes are an integral part of this statement

Micah's Place, Inc.

Statement of Functional Expenses

For the Year Ended June 30, 2016

	<u>Program</u>	<u>Thrift Store</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Employment Costs	416,462	107,046	58,360	43,073	624,941
Thrift Store Operating Costs	-	10,992	-	-	10,992
Dues & Memberships	4,659	-	1,200	79	5,938
Fundraising Events	-	-	494	6,349	6,843
Awareness Events	-	-	-	-	-
Insurance	17,717	4,427	1,750	64	23,958
Advertising	799	-	405	-	1,204
Office Expenses	6,800	-	9,234	89	16,123
Maintenance	15,494	4,062	842	-	20,398
Client Services	22,978	-	-	-	22,978
Shelter Operating costs	61,968	-	-	-	61,968
Contracted Services	18,936	-	14,424	838	34,198
Rent	6,896	44,891	10,914	-	62,701
Telephone	13,580	2,554	2,468	-	18,602
Travel & Entertainment	15,732	-	1,064	-	16,796
Utilities	13,489	8,699	1,038	-	23,226
Other expenses	117	1,486	7,264	3,291	12,158
Depreciation	22,970	14,280	1,035	-	38,285
Total Expenses	<u>\$ 638,597</u>	<u>\$ 198,437</u>	<u>\$ 110,492</u>	<u>\$ 53,783</u>	<u>\$ 1,001,309</u>

The accompanying notes are an integral part of this statement

MICAH'S PLACE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(1) Summary of Significant Accounting Policies:

The following is a summary of the more significant accounting policies and practices of Micah's Place, Inc. (the "Organization") which affect significant elements of the accompanying financial statements:

(a) **Organization and Purpose** - The Organization operates in Nassau County, Florida to provide shelter, support and counseling for domestic violence victims and their children. The Organization started in 2000. Funding comes from governmental grants, fundraisers, and contributions from a very strong volunteer group. The organization is managed by an Executive Director who is guided by an all volunteer board of directors.

(b) **Property and Equipment** - Property and equipment acquired by the Organization are considered to be owned by the Organization. However, funding sources may maintain an equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The assets that the organization does not ultimately control through restrictions on their use and disposal have been classified as Permanently Restricted Assets. The Federal government has a reversionary interest in those assets purchased with its funds which have a cost of \$5,000 or more and an estimated useful life of at least one year. The State of Florida has a reversionary interest in those assets purchased with its funds which have a cost of \$1,000 or more and an estimated useful life of at least one year.

Property and equipment with a value greater than \$2,500 and an estimated useful life of at least one year is recorded at cost when purchased or at estimated fair value when contributed. Depreciation is computed using the straight-line method over the estimated useful life of the assets, ranging from five to forty years. Repairs and maintenance expenses, which are not considered improvements and do not extend the useful life of the property and equipment, are expensed as incurred.

(c) **Income Taxes** - The Organization is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and therefore, no provision for income taxes has been made in the accompanying financial statements.

Micah's Place, Inc. has reviewed and evaluated the relevant technical merits of each of their tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements.

(d) **Cash and Cash Equivalents** - For the purpose of reporting cash flows, cash and cash equivalents include cash on hand, amounts in demand deposits held with banks and short-term investments with an original maturity of ninety days or less.

(e) **Investments** - Investments in marketable securities with readily determinable fair values are reported at their fair market values in the Statement of Financial Position.

MICAH'S PLACE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Summary of Significant Accounting Policies: (Continued)

(f) **Unrealized gains and losses** are included in the change in net assets. Investments consist of investment in mutual funds and are managed by an independent brokerage company.

(g) **Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(h) **Basis of Accounting** - The financial statements have been prepared on the accrual basis of accounting.

(i) **Basis of Presentation** - The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

(j) **Contributions** - 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 temporarily restricted or permanently restricted support that increases these net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the entity reports the support as unrestricted.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Contributed property and equipment is recorded at fair value at the date of donation. In the absence of donor-imposed stipulations regarding how long the contributed assets must be used, the entity has adopted a policy of not implying a time restriction on contributions of such assets.

(k) **Functional Allocation of Expenses** - The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(l) **Advertising** - Advertising is charged to operations as incurred.

MICAH'S PLACE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

Summary of Significant Accounting Policies: (Continued)

(m) **Grants and Contracts Receivable** - Grants and contracts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the history with grantors and contractors having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

(n) **Accrued Leave** - The Organization has a policy that compensates its eligible employees for unused vacation leave, up to a predetermined maximum amount, upon termination of employment. Vacation leave is accrued up to the maximum liability as earned by eligible employees and recorded as an expense in the period earned.

(o) **Inventory** - Inventory consists of donated clothing and household items sold in the thrift store. It is stated at the lower of cost or fair market value when contributed or estimated fair market value as of the financial statement date.

2) Significant Funding Sources:

The Organization receives a substantial amount of its funding and support from Florida Coalition Against Domestic Violence and the State of Florida Department of Children and Families. A significant reduction in the level of this funding, if this were to occur, could have a material adverse effect on the Organization's programs and activities.

(3) Matching Requirements:

The Organization received a portion of its support through grants and contracts. Certain grants and contracts require the Organization to provide specified amounts of matching revenue. Each contract, where applicable, has met all matching requirements. Also, for each contract that ended on or before June 30, 2016, no obligation remains outstanding to the funding source.

MICAH'S PLACE, INC.
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(4) Property and Equipment:

The following is a summary of property and equipment at June 30, 2016:

Buildings and improvements	\$ 480,809
Leasehold Improvements	75,742
Furniture and equipment	53,266
Vehicles	35,517
	<hr/> 645,334
Less accumulated depreciation	299,379
	<hr/>
Total	\$ 345,955

(5) Operating Leases:

The Organization leases the land where its shelter is located from Nassau County, Florida. The initial term of the lease is for ninety-nine years, beginning April 22, 2002 and ending April 22, 2101. The lease may be extended by mutual consent of both parties. There future minimum rental payment is \$1 per year. The Organization is required to use the property for a shelter to help domestic violence victims by providing safe shelter and support services.

The organization leases retail and office space for the thrift stores and corporate office, as well as leasing office equipment. The future obligations under these operating leases are as follows:

2017	65,965
2018	67,162
2019	62,300
	<hr/>
Total	\$ 195,428

(6) Temporarily and Permanent Restricted Net Assets:

At June 30, 2016 all restrictions placed on grants have been fulfilled. There are therefore no designated funds not yet spent in terms of the grants and no amounts set aside in Temporarily Restricted Net Assets.

A contribution was received in the fiscal year from an individual that was specified for future shelter expansion. This contribution has been shown as a permanently restricted contribution.

MICAH'S PLACE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(7) Contributed Services:

Numerous volunteers have donated significant amounts of time to the Organization's fund-raising campaigns and program services. No amounts have been reflected in the financial statements for these volunteer hours.

(8) Endowment Fund Agreement:

The Organization entered into an endowment fund agreement with the Community Foundation of North Florida, Inc. (the "Foundation"). Various third parties have made donations to the endowment fund, which have been held and invested by the Foundation. The Organization may request that all or any portion of the funds held by the Foundation be distributed to Micah's Place, Inc. These requests are subject to variance power by the Foundation. Because of the variance power held by the Foundation, endowment fund assets are not reported as assets of the Organization.

(9) Concentration of Credit Risk:

The organization maintains bank accounts primarily at one banking institution. These accounts are covered under the FDIC insurance coverage limits.

The organization has adopted investment and spending policies for its invested funds that attempt to subject the funds to low investment risk. These funds are subject to market fluctuations and credit risk based on the nature of the investment. The investment funds are not subject to FDIC insurance coverage.

(10) Subsequent Events:

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through August 23, 2016, the date which the financial statements were available to be issued. No subsequent events have been recognized or disclosed.