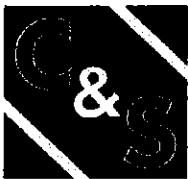


**Micah's Place, Inc.**

**Financial Statements**  
**June 30, 2017**



**COURSON  
& STAM, LLC**  
CERTIFIED PUBLIC ACCOUNTANTS

2398 Sadler Road, Amelia Island, FL 32034

# Micah's Place, Inc.

## Index to Financial Statements

	Page
Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Statement of Functional Expenses	5
Notes to Financial Statements	6



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## INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors  
Micah's Place, Inc.  
Nassau County, Florida.**

We have audited the accompanying financial statements of Micah's Place Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses and cash flows for the year 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.

### **Auditor's Responsibility**

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

An audit includes 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 Micah's Place, Inc. as at June 30, 2017, and the changes in its net assets and its cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America.

*Courson & Stam LLC*

Fernandina Beach, Florida  
September 15, 2017

# Micah's Place, Inc.

## Statement of Financial Position

at June 30, 2017

### Assets

#### Current Assets

Cash and Cash Equivalents (Notes 1 & 9)	\$	276,190
Investments (Notes 1 & 9)		470,208
Grants Receivable		177,584
Prepaid Expenses		18,928
Inventory		15,000
Total Current Assets		<u>957,910</u>

Property & Equipment (Notes 1 & 4) 383,336

#### Other Assets

Deposits 5,620

**Total Assets** \$ 1,346,866

### Liabilities and Net Assets

#### Current Liabilities

Accounts Payable and Accrued Expenses	<u>33,585</u>
Total Current Liabilities	33,585

Commitments & Contingencies (Note 5) -

### Net Assets

#### Unrestricted

Designated by the board of directors for operating reserve 187,000

Undesignated 586,726

Temporarily Restricted (Note 6) -

Permanently Restricted (Notes 6 & 12) 539,555

Total Net Assets 1,313,281

**Total Liabilities and Net Assets** \$ 1,346,866

The accompanying notes are an integral part of this statement

# Micah's Place, Inc.

## Statement of Activities

For The Year Ended June 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Support and Revenues</b>				
Fundraising and Contributions	\$ 185,714	\$ -	\$ 125,500	\$ 311,214
Grants and Contracts	138,037	550,007	-	688,044
Other Income (Note 8)	17,926	-	-	17,926
Thrift Store -Retail Sales	288,675	-	-	288,675
Investment Income	15,068	-	-	15,068
Other Income - Unrealized Appreciation Investments	29,201	-	-	29,201
Assets Released from Restrictions	550,007	(550,007)	-	-
Total Revenue	<u>1,224,628</u>	<u>-</u>	<u>125,500</u>	<u>1,350,128</u>
<b>Expenses</b>				
Program Services	805,413	-	-	805,413
Support Services				
Fund Raising	7,543	-	-	7,543
Thrift Store Operating Costs	241,081	-	-	241,081
Administrative	130,296	-	-	130,296
Total Expenses	<u>1,184,333</u>	<u>-</u>	<u>-</u>	<u>1,184,333</u>
<b>Decrease in net assets:</b>	40,295	-	125,500	165,795
<b>Net Assets, Beginning of Year</b>	733,431	-	414,055	1,147,486
<b>Net Assets, End of Year</b>	<u>\$ 773,726</u>	<u>\$ -</u>	<u>\$ 539,555</u>	<u>\$ 1,313,281</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, 2017

### Operating Activities

Change in Net Assets	\$	165,795
Reconciliation of Net Assets Change to Net Cash Provided by Restricted and Unrestricted Activities		
Depreciation		46,930
Unrealized Net Change (Increase) in Investments		(29,201)
Increase in Cash & Cash Equivalents		<u>183,524</u>
Increase in Grants Receivable		(118,483)
Increase in Prepaid Expenses		(2,301)
Change in Inventory		-
Increase in Accounts Payable and Accrued Liabilities		8,845
Cash Generated by Operations		<u>71,585</u>

### Investing Activities

Cash used by Investing Activities - Increase in Investment Values		(4,043)
Cash used by Investing Activities - Fixed Asset Purchases		(84,313)
Cash used by Investing Activities - Increase in Investments		(100,000)
Cash generated by Investing Activities - Decrease in Investments		100,000
Cash used by Investing Activities		<u>(88,356)</u>
Net Decrease in Cash and Cash Equivalents		(16,771)
Cash & Cash Equivalents Beginning of Year		292,961
<b>Cash &amp; Cash Equivalents End of Year</b>	<b>\$</b>	<b><u>276,190</u></b>

The accompanying notes are an integral part of this statement

# Micah's Place, Inc.

## Statement of Functional Expenses

For the Year Ended June 30, 2017

	<u>Program</u>	<u>Thrift Store</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Payroll	504,115	105,759	72,001	1,625	683,500
Payroll Taxes	57,347	12,291	7,083	151	76,872
Other Employment Costs	8,008	889	494	1	9,392
Thrift Store Operating Costs	-	22,096	-	1,006	23,102
Dues & Memberships	7,061	-	920	-	7,981
Fundraising Events	-	-	338	4,480	4,818
Insurance	17,082	5,557	4,354	239	27,232
Advertising	878	-	292	-	1,170
Office Expenses	9,218	4,722	6,313	4	20,257
Maintenance	20,532	7,289	570	-	28,391
Client Services	37,796	-	-	-	37,796
Shelter Operating costs	18,598	-	-	-	18,598
Contracted Services	31,740	4,057	10,319	37	46,153
Rent	16,334	48,410	13,255	-	77,999
Telephone	19,206	2,187	3,018	-	24,411
Travel & Entertainment	10,007	14	426	-	10,447
Utilities	14,282	10,435	1,320	-	26,037
Other expenses	5,051	11	8,185	-	13,247
Depreciation	28,158	17,364	1,408	-	46,930
Total Expenses	<u>\$ 805,413</u>	<u>\$ 241,081</u>	<u>\$ 130,296</u>	<u>\$ 7,543</u>	<u>\$ 1,184,333</u>

The accompanying notes are an integral part of this statement

MICAH'S PLACE, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

**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, 2017

**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, 2017

**Summary of Significant Accounting Policies:** (Continued)

(l) **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.

(m) **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, 2017, no obligation remains outstanding to the funding source.

**MICAH'S PLACE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**4 - Property and Equipment:**

The following is a summary of property and equipment at June 30, 2017:

Buildings and improvements	\$ 527,136
Leasehold Improvements	103,622
Furniture and equipment	63,372
Vehicles	35,517
	<hr/> 729,647
Less accumulated depreciation	<hr/> 346,311
<b>Total</b>	<b><hr/>\$ 383,336</b>

**5 - Operating Leases:**

The Organization leases the land where it's 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. The 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:

2018	68,038
2019	55,423
2020	1,848
2021	308
<b>Total</b>	<b>\$125,617</b>

**6 - Temporarily and Permanent Restricted Net Assets:**

At June 30, 2017 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, 2017

**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 - Date of Management's Review:**

In preparing the financial statements, Micah's Place has evaluated events and transactions for potential recognition or disclosure through September xx, 2017, the date the financial statements were available to be issued.

**11 - Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

**12 - Capital Campaign:**

Micah's Place Inc. initiated a capital campaign during the fiscal year in order to expand the shelter building. The original building was configured to house 16 persons and now sometimes houses as many as 28 people.

The initial planning is underway and a donation of \$250,000 of which \$200,000 has been received has been pledged toward the shelter expansion. The board has also indicated that it will if necessary use \$250,000 of its reserves towards the expansion.

In addition grants have been received for a new children's playground and a new fence to enclose the shelter.