

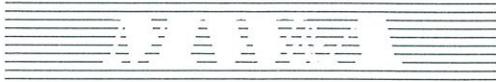
# **Goldie's Place**

## **Financial Statements**

**Years Ended June 30, 2012 and 2011**

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**INDEPENDENT AUDITORS' REPORT**

February 27, 2013

Board of Directors  
Goldie's Place  
Chicago, Illinois

We have audited the accompanying statement of financial position of Goldie's Place (Organization) as of June 30, 2012 and 2011, and the related statements of activities and cash flows, for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Goldie's Place as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses for the years ended June 30, 2012 and 2011, on pages 13 and 14 are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Mann Weitz & Associates LLC*

GOLDIE'S PLACE  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2012 AND 2011

ASSETS - Note 3

	<u>2012</u>	<u>2011</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 116,788	\$ 54,094
Grants receivable - Notes 2 and 7	102,241	45,775
Supplies inventory	2,502	5,098
Prepaid expenses	1,508	2,415
	<u>223,039</u>	<u>107,382</u>
<u>PROPERTY AND EQUIPMENT</u>		
Furniture	17,188	17,188
Office equipment	93,006	92,121
Computers and software	32,564	31,485
Leasehold improvements	104,528	104,528
	<u>247,286</u>	<u>245,322</u>
Less: Accumulated depreciation and amortization	105,776	87,252
	<u>141,510</u>	<u>158,070</u>
<u>OTHER ASSETS</u>		
Grants receivable - Notes 2 and 7	136,600	
	<u>136,600</u>	
Total Assets	<u>\$ 501,149</u>	<u>\$ 265,452</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Line of credit - Note 3	\$ -	\$ 15,308
Loan payable - Note 4	25,000	25,000
Accounts payable		1,842
Payroll liabilities	12,359	10,376
	<u>37,359</u>	<u>52,526</u>
Total Liabilities	<u>37,359</u>	<u>52,526</u>
<u>NET ASSETS</u>		
Unrestricted	235,890	137,926
Temporarily restricted - Note 6	227,900	75,000
	<u>463,790</u>	<u>212,926</u>
Total Net Assets	<u>463,790</u>	<u>212,926</u>
Total Liabilities and Net Assets	<u>\$ 501,149</u>	<u>\$ 265,452</u>

The accompanying notes are an integral part of this statement.

GOLDIE'S PLACE

STATEMENT OF ACTIVITIES  
YEARS ENDED JUNE 30, 2012 AND 2011

	2012			2011		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<u>REVENUES, GAINS AND OTHER SUPPORT</u>						
Grants						
CDBG/MOWD	\$ 51,029	\$ -	\$ 51,029	\$ 51,667	\$ -	\$ 51,667
Foundation grants-operations - Note 7	199,973	227,900	427,873	178,408	75,000	253,408
Contributions	122,510		122,510	40,006		40,006
Churches and small businesses	18,898		18,898	14,073		14,073
Donated building lease - Note 5	85,000		85,000	85,000		85,000
In-kind contributions	2,887		2,887	5,441		5,441
Special event revenue	57,300		57,300	68,069		68,069
Less: Direct costs of special events	(15,361)		(15,361)	(10,258)		(10,258)
Investment income	36		36	71		71
Total Revenues and Gains	522,272	227,900	750,172	432,477	75,000	507,477
Net assets released from restrictions - Note 6	75,000	(75,000)		70,000	(70,000)	
Total Revenues, Gains and Other Support	597,272	152,900	750,172	502,477	5,000	507,477
<u>EXPENSES</u>						
Program Services	439,311		439,311	455,564		455,564
Management and general expenses	55,552		55,552	58,075		58,075
Fundraising expenses	4,445		4,445	7,937		7,937
Total Expenses	499,308		499,308	521,576		521,576
CHANGE IN NET ASSETS	97,964	152,900	250,864	(19,099)	5,000	(14,099)
NET ASSETS						
Beginning of year	137,926	75,000	212,926	157,025	70,000	227,025
End of year	\$ 235,890	\$ 227,900	\$ 463,790	\$ 137,926	\$ 75,000	\$ 212,926

The accompanying notes are an integral part of this statement.

GOLDIE'S PLACE

STATEMENT OF CASH FLOWS  
YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 250,864	\$ (14,099)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation	18,524	18,609
Net (increase) decrease in assets		
Grants receivable	(193,066)	(12,689)
Supplies inventory	2,596	6,369
Prepaid expenses	907	1,149
Net increase (decrease) in liabilities		
Accounts payable	(1,842)	1,069
Payroll liabilities	1,983	(2,685)
	<u>79,966</u>	<u>(2,277)</u>
Net Cash Provided by (Used for) Operating Activities		
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of property and equipment	<u>(1,964)</u>	<u>(17,294)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds from line of credit	127,329	158,163
Payments on line of credit	<u>(142,637)</u>	<u>(142,855)</u>
	<u>(15,308)</u>	<u>15,308</u>
Net Cash Provided by (Used for) Financing Activities		
<u>NET INCREASE (DECREASE) IN CASH</u>	62,694	(4,263)
<u>CASH AND CASH EQUIVALENTS</u>		
Beginning of year	<u>54,094</u>	<u>58,357</u>
End of year	<u>\$ 116,788</u>	<u>\$ 54,094</u>
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</u>		
Cash paid for interest	\$ 183	\$ 498

The accompanying notes are an integral part of this statement.

## GOLDIE'S PLACE

### NOTES TO FINANCIAL STATEMENTS

#### 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### NATURE OF ACTIVITIES AND ORGANIZATION

Now in its sixteenth year of operation, Goldie's Place (Organization) is a nonprofit organization established to provide services to people who are homeless in the city of Chicago. The Mission is and the related programs of the Organization are designed to assist adults who are homeless to become self-supporting and financially independent by providing confidence building dental treatment, career development, job placement and retention support, based on a belief in human potential. Goldie's Place provides a broad range of employability and employment services including job readiness workshops, presentation and skills development, and connections to vocational and educational training opportunities. Supportive services provided at Goldie's Place include an extensive clothing closet service for interview and job-appropriate attire, and on-going case management. In addition, the Organization provides no-charge dental care through a staff of volunteer dentists and its partnership with the University of Illinois, Chicago College of Dentistry that has created the first ever off campus student run clinic at the Organization's location. In addition, the Organization is in the fourth year of its affiliation with Kennedy King College to host their Hygiene students on community clinic rotations. Goldie's Place is the only agency in Chicago providing this unique combination of services in a single location.

In the year ended June 30, 2012, Goldie's Place worked with over 1,000 people who are experiencing homelessness, some for the first time and others (the majority) who are chronically homeless. This was the fifth year of rent-free 5,100 square feet of space under the Organization's "angel donor" agreement that extends to 2027. The Organization helped people improve their job readiness and employability through coaching, resume preparation, and applied job search skills through employability workshops and one-on-one counseling. In the calendar years 2010 and 2011, an average of more than 100 individuals secured jobs, and the Organization anticipates a comparable number when calendar year 2012 results are finalized. Through the Clothes Closet service, the Organization provided interview outfits and daily wear to over 500 men and women for the second year running. The Organization provided essential dental treatment to 300 individuals through 921 patient visits (an increase of 23% over previous year) utilizing its staff of 16 volunteer dentists, students from the UIC College of Dentistry / Goldie's Place student-run clinic and senior students of the Kennedy King College Dental Hygiene program. Dental care provided in the 4-chair dental suite established in 2008 includes exams, root canals, simple and surgical extractions, full mouth radiographs, fillings, periodontal work, and prosthetics such as dentures, partials and flippers in limited numbers with the help of laboratory work donated by five participating local labs. The individuals placed in employment from the fiscal year 2011 program year generated over \$728,000 in wages over 18 months, and the estimated value of the dental care treatment provided was over \$212,000.

The Goldie's Place Vision is to help those served by "Renewing the Spirit."

GOLDIE'S PLACE

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
- Continued

NATURE OF ACTIVITIES AND ORGANIZATION - Continued

Goldie's Place Values Statement:

Acceptance

We affirm the worth and spiritual freedom of all people with equality, open mindedness, fairness and respect for diversity. We collaborate together with participants, employees, volunteers and community leaders to utilize the talents and creativity of the "team."

Compassion

We embrace the whole person and respond to emotional, ethical and spiritual concerns through empathy, appreciation, respect and the importance of dignity.

Availability

We are committed to service that is unselfish and accessible to the community that we serve, including our participants, our fellow staff and other team members.

Accountability

We are all responsible and accountable for all that we are, have, and do.

Honesty, Integrity and Humility

We strive for the highest levels of integrity and honesty, with the understanding of our own shortcomings.

Excellence and Quality

We empower each other to continually improve the outcomes of the Organization's services, to emphasize quality and to accept innovation and openness to new ideas.

Advocacy and Commitment

We are committed to our service to the Organization's participants and the mission of Goldie's Place by being an ambassador and supporter within the community of the Organization's vision, mission and values.

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared using the accrual basis of accounting. Using this method, revenues are recognized when earned, and expenses are recognized when incurred.

## GOLDIE'S PLACE

### NOTES TO FINANCIAL STATEMENTS

#### 1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

##### NATURE OF ACTIVITIES AND ORGANIZATION - Continued

##### BASIS OF PRESENTATION

Information regarding the financial position and activities of the Organization is reported in three classes of net assets, as applicable: unrestricted, temporarily restricted and permanently restricted. These classes of net assets are based on the existence or absence of externally (donor) imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- Unrestricted net assets – Unrestricted net assets are not subject to donor-imposed stipulations. They include most of the activities of the Organization, except for those amounts which are restricted by donors.
- Temporarily restricted net assets – Temporarily restricted net assets are subject to donor-imposed stipulations that can be removed through the passage of time (time restrictions) or actions of the Organization (purpose restrictions).
- Permanently restricted net assets -- Permanently restricted net assets are subject to the restrictions imposed by donors who require that the principal of these classes of net assets be invested in perpetuity and only the investment income be expended. The Organization currently does not have any permanently restricted net assets.

##### CONTRIBUTIONS

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Promises to give which are payable to the organization over more than one year are recorded at gross value which is immaterially different from present value. Contributions of cash and other assets are recorded as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and 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 Organization reports the support as unrestricted.

##### FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various programs and other activities have been summarized on a functional basis on the statement of activities. Expenses which are easily and directly associated with program expenses or supporting service are allocated directly to that functional category. Certain costs are allocated to program and supporting services based on time devoted to the functional areas and other appropriate allocation methods.

GOLDIE'S PLACE

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
- Continued

PROPERTY AND EQUIPMENT

Property and equipment are recorded at historical cost. The Organization capitalization policy is to capitalize any items with a cost in excess of \$500 deemed to have a useful life greater than one year. Amortization and depreciation are computed by use of the straight-line method on substantially all fixed assets based on estimated useful lives as follows:

<u>Description</u>	<u>Years</u>
Furniture	7
Office equipment	5 - 10
Computers and software	5 - 10
Leasehold improvements	7 - 20

Maintenance and repairs, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred. Gains or losses on dispositions of property and equipment are included in the statement of activities.

SUPPLIES INVENTORY

Supplies inventory consists of dental supplies and is stated at cost.

USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, gains and expenses during the reporting period. Actual results could differ from those estimates.

GRANTS FROM GOVERNMENTAL AGENCIES

Revenue from federal and state grants is recognized to the extent of eligible accrual-basis expenditures for each grant.

CONTRIBUTED SERVICES

A significant amount of donated services is contributed to the Organization by various individuals to support the Organization's program and supporting services. These services include dental, volunteers for the further development of the Back to Work Clothes Closet, curriculum development, legal, financial management, information technology, governance and fundraising services. The value of these services has not been included in the financial statements.

GOLDIE'S PLACE

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
- Continued

CASH AND CASH EQUIVALENTS

The Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

INCOME TAXES

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code for all business income related to its exempt purpose. The Organization is subject to income taxes on its unrelated business income after related expenses. There was no unrelated business income for the years ended June 30, 2012 and 2011.

EVALUATION OF TAX POSITIONS

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. As of June 30, 2012 and 2011, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

SUBSEQUENT EVENTS

The Organization has evaluated subsequent events for potential recognition and/or disclosures through February 27, 2013, the date financial statements were available to be issued.

2. GRANTS RECEIVABLE

Grants receivable representing outstanding unconditional grant commitments to the Organization are due as follows as of June 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Due in less than one year	\$ 102,241	\$ 45,775
Due in one to five years	<u>136,600</u>	
Total Grants Receivable	<u>\$ 238,841</u>	<u>\$ 45,775</u>

GOLDIE'S PLACE

NOTES TO FINANCIAL STATEMENTS

3. LINE OF CREDIT

During March 2012 the Organization renewed its \$25,000 line of credit with Bank Financial at prime (3.25% at June 30, 2012) plus two percent expiring April 1, 2013. This line is secured by substantially all of the assets of the Organization. No amount was outstanding at June 30, 2012 and \$15,308 was outstanding at June 30, 2011.

4. LOAN PAYABLE – RELATED PARTY

During the year ended June 30, 2010, the Organization received a loan of \$25,000 from a board member under a simple interest promissory note, which matures December 31, 2013. The interest is payable at maturity with interest at .67%, which was the Applicable Federal short-term rate for April, 2010.

5. LEASE

During December 2007, the Organization moved into a new space that was donated rent free for 20 years. A Building Covenant and Option to Purchase agreement was created on January 30, 2007, between the building owner and Goldie's Place, giving control over the building to Goldie's Place for the next 20 years. The fair rental value of the contributed space is estimated as \$85,000 annually and is included in revenues and expenses in the statement of activities.

6. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2012 and 2011, were available as follows:

	<u>2012</u>	<u>2011</u>
Dental program	\$ 227,900	\$ 40,000
Time restricted		<u>35,000</u>
Total Temporarily Restricted Net Assets	<u>\$ 227,900</u>	<u>\$ 75,000</u>

Net assets for dental program expenses and time restrictions in the amounts of \$75,000 and \$70,000 were released from restrictions during the years ended June 30, 2012 and 2011, respectively, because they satisfied the restrictions as specified by the donors.

7. CONCENTRATIONS

The Organization derived 44% of contribution revenue from one donor in the year ended June 30, 2012. \$227,900 was receivable from this donor at June 30, 2012.

SUPPLEMENTAL INFORMATION

GOLDIE'S PLACE

SCHEDULE OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2012.

	<u>Employment</u> <u>Program</u>	<u>Dental</u> <u>Program</u>	<u>Total</u> <u>Program</u> <u>Services</u>	<u>Management</u> <u>and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel expenses						
Salaries and wages	\$ 151,320	\$ 98,055	\$ 249,376	\$ 20,980	\$ -	\$ 270,355
Payroll taxes	14,438	9,356	23,794	10,349		34,144
Health insurance	1,572	305	1,878	469		2,347
Education and training				59		59
Occupancy						
Donated building rent	47,209	28,920	76,129	8,871		85,000
Utilities	4,699	3,911	8,610	935		9,545
Building maintenance	3,426	2,851	6,277	682		6,959
Direct program support	5,831	2,824	8,655			8,655
Depreciation	7,844	9,351	17,195	1,329		18,524
Office supplies	3,356	1,438	4,794	1,198		5,992
Dental supplies		6,496	6,496			6,496
Outside consultants	27,363		27,363	8,525	1,450	37,338
Telephone and internet	1,348	1,122	2,469	268		2,738
Insurance	833	536	1,370	158		1,528
Printing and postage	1,466	1,078	2,544	451	2,995	5,990
Other	558	513	1,071	58		1,129
Dues, subscriptions and publications				1,069		1,069
Repairs and maintenance		440	440			440
Interest, fees and bank charges	490	360	851	150		1,001
	<u>\$ 271,756</u>	<u>\$ 167,556</u>	<u>\$ 439,311</u>	<u>\$ 55,552</u>	<u>\$ 4,445</u>	<u>\$ 499,308</u>

GOLDIE'S PLACE

SCHEDULE OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2011

	Employment Program	Dental Program	Total Program Services	Management and General	Fundraising	Total
Personnel expenses						
Salaries and wages	\$ 161,853	\$ 105,442	\$ 267,295	\$ 29,531	\$ -	\$ 296,826
Payroll taxes	16,198	10,553	26,751	4,897		31,648
Health insurance	12,819	935	13,754	1,438		15,192
Occupancy						
Donated building rent	47,209	28,920	76,129	8,871		85,000
Utilities	5,272	3,230	8,502	991		9,493
Building maintenance	4,216	2,582	6,798	792		7,590
Direct program support	7,399	3,870	11,269			11,269
Depreciation	6,708	10,298	17,006	1,603		18,609
Office supplies	2,901	1,244	4,145	1,150		5,295
Dental supplies		11,850	11,850			11,850
Outside consultants	2,981		2,981	7,251	5,575	15,807
Telephone and internet	1,480	907	2,387	278		2,665
Insurance	1,050	643	1,693	198		1,891
Printing and postage	1,312	803	2,115	247		2,362
Other	479	293	772	90	2,362	3,224
Dues, subscriptions and publications				624		624
Repairs and maintenance		1,130	1,130			1,130
Interest, fees and bank charges	612	375	987	115		1,102
	<u>\$ 272,489</u>	<u>\$ 183,075</u>	<u>\$ 455,564</u>	<u>\$ 58,075</u>	<u>\$ 7,937</u>	<u>\$ 521,576</u>