

Goldie's Place

Financial Statements

Years Ended June 30, 2013 and 2012

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Goldie's Place
Chicago, Illinois

We have audited the accompanying financial statements of Goldie's Place (Organization), which comprise the statement of financial position as of June 30, 2013 and 2012, and the related statements of activities 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 U.S. generally accepted accounting principles; 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 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider 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 Goldie's Place as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

INDEPENDENT AUDITORS' REPORT – Continued

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses for June 30, 2013 and 2012, on pages 14 -15 is 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
MANN. WEITZ & ASSOCIATES L.L.C.

Deerfield, Illinois
January 9, 2014

GOLDIE'S PLACE

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2013 AND 2012

ASSETS - Note 3

	<u>2013</u>	<u>2012</u>
<u>CURRENT ASSETS</u>		
Cash	\$ 75,489	\$ 116,788
Grants receivable - Notes 2 and 8	126,401	102,241
Supplies inventory	3,094	2,502
Prepaid expenses	855	1,508
	<u>205,839</u>	<u>223,039</u>
<u>PROPERTY AND EQUIPMENT</u>		
Furniture	17,188	17,188
Office equipment	96,681	93,006
Computers and software	33,445	32,564
Leasehold improvements	104,528	104,528
	251,842	247,286
Less: Accumulated depreciation and amortization	<u>124,750</u>	<u>105,776</u>
	<u>127,092</u>	<u>141,510</u>
<u>OTHER ASSETS</u>		
Grants receivable - Notes 2 and 8	<u>44,700</u>	<u>136,600</u>
	<u>\$ 377,631</u>	<u>\$ 501,149</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Loan payable - Note 4	\$ 15,000	\$ 25,000
Accounts payable	3,183	
Payroll liabilities	13,386	12,359
	<u>31,569</u>	<u>37,359</u>
<u>NET ASSETS</u>		
Unrestricted	209,462	235,890
Temporarily restricted - Note 6	136,600	227,900
	<u>346,062</u>	<u>463,790</u>
	<u>\$ 377,631</u>	<u>\$ 501,149</u>

The accompanying notes are an integral part of this statement.

GOLDIE'S PLACE

STATEMENT OF ACTIVITIES
YEARS ENDED JUNE 30, 2013 AND 2012

	2013			2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<u>REVENUES, GAINS AND OTHER SUPPORT</u>						
Grants						
CDBG/MOWD	\$ 93,876	\$ -	\$ 93,876	\$ 51,029	-	\$ 51,029
Foundation grants-operations - Note 8	155,707		155,707	199,973	227,900	427,873
Contributions	58,586		58,586	122,510		122,510
Churches and small businesses	16,938		16,938	18,898		18,898
Donated building lease - Note 5	85,000		85,000	85,000		85,000
In-kind contributions	5,538		5,538	2,887		2,887
Special event revenue	56,053		56,053	57,300		57,300
Less: Direct costs of special events	(13,412)		(13,412)	(15,361)		(15,361)
Investment income	51		51	36		36
Total Revenues and Gains	458,337		458,337	522,272	227,900	750,172
Net assets released from restrictions - Note 6	91,300	(91,300)		75,000	(75,000)	
Total Revenues, Gains and Other Support	549,637	(91,300)	458,337	597,272	152,900	750,172
<u>EXPENSES</u>						
Program Services	491,019		491,019	439,311		439,311
Management and general expenses	55,741		55,741	55,552		55,552
Fundraising expenses	29,305		29,305	4,445		4,445
Total Expenses	576,065		576,065	499,308		499,308
<u>CHANGE IN NET ASSETS</u>	(26,428)	(91,300)	(117,728)	97,964	152,900	250,864
<u>NET ASSETS</u>						
Beginning of year	235,890	227,900	463,790	137,926	75,000	212,926
End of year	\$ 209,462	\$ 136,600	\$ 346,062	\$ 235,890	\$ 227,900	\$ 463,790

The accompanying notes are an integral part of this statement.

GOLDIE'S PLACE

STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ (117,728)	\$ 250,864
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation	18,974	18,524
Net (increase) decrease in assets		
Grants receivable	67,740	(193,066)
Supplies inventory	(592)	2,596
Prepaid expenses	653	907
Net increase (decrease) in liabilities		
Accounts payable	3,183	(1,842)
Payroll liabilities	1,027	1,983
	<u>(26,743)</u>	<u>79,966</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of property and equipment	<u>(4,556)</u>	<u>(1,964)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds from line of credit	175,873	127,329
Payments on line of credit	(175,873)	(142,637)
Payments on loan payable	<u>(10,000)</u>	<u></u>
	<u>(10,000)</u>	<u>(15,308)</u>
<u>NET INCREASE (DECREASE) IN CASH</u>	(41,299)	62,694
<u>CASH</u>		
Beginning of year	<u>116,788</u>	<u>54,094</u>
End of year	<u>\$ 75,489</u>	<u>\$ 116,788</u>
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW</u> <u>INFORMATION</u>		
Cash paid for interest	\$ 691	\$ 183

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 seventeenth 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, job placement, ongoing retention support, 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 2008. 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, and the only agency in the city providing free dentures to their population.

In the year ended June 30, 2013, 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 sixth 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. For each of the last four fiscal years 2010 through 2013, more than 100 individuals secured jobs, and the Organization anticipates a comparable number when fiscal year 2014 results are finalized. Through the Clothes Closet service, the Organization provided interview outfits and daily wear to over 500 men and women for the third year running. The Organization provided comprehensive dental treatment to 247 individuals through 1,034 patient visits (an increase of 12% over the previous year and a 38% increase over two years) utilizing its staff of 18 volunteer dentists, students from the UIC College of Dentistry / Goldie's Place student-run clinic, senior students of the Kennedy King College Dental Hygiene program, and its part-time staff dentist. 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 (we are awaiting updated data on the class of 2012), and the estimated value of the dental care treatment provided in fiscal 2013 was nearly \$300,000.

The agency continues to seek funding to establish its successfully piloted Dental Assistant Training Program as an ongoing career path out of homelessness.

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

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 because the Organization would not otherwise be able to afford the services.

GOLDIE'S PLACE

NOTES TO FINANCIAL STATEMENTS

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

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, 2013 and 2012.

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, 2013 and 2012, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements. The federal and state tax returns of the Foundation for the tax years 2009, 2010, and 2011 are subject to examination by the Internal Revenue Service and state taxing authorities, generally for three years after they were filed.

SUBSEQUENT EVENTS

The Organization has evaluated subsequent events for potential recognition and/or disclosures through January 9, 2014, 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, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Due in less than one year	\$ 126,401	\$ 102,241
Due in one to five years	<u>44,700</u>	<u>136,600</u>
Total Grants Receivable	<u>\$ 171,101</u>	<u>\$ 238,841</u>

3. LINE OF CREDIT

Effective April 1, 2013, the Organization increased its \$25,000 line of credit to \$50,000 with Bank Financial at prime (3.25% at June 30, 2013) plus two percent expiring May 1, 2014. This line is secured by substantially all of the assets of the Organization. No amount was outstanding at June 30, 2013 or June 30, 2012.

GOLDIE'S PLACE

NOTES TO FINANCIAL STATEMENTS

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, 2014. The interest is payable at maturity with interest at .67%, which was the Applicable Federal short-term rate for April, 2010. The amount due on this note was \$15,000 and \$25,000 at June 30, 2013 and 2012, respectively.

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 of \$136,600 and \$227,900 were available for the dental program at June 30, 2013 and 2012, respectively.

Net assets for dental program expenses and time restrictions in the amounts of \$91,300 and \$75,000 were released from restrictions during the years ended June 30, 2013 and 2012, respectively, because they satisfied the restrictions as specified by the donors.

7. VOLUNTEER SERVICES

A significant amount of volunteer services is contributed to the Organization by various individuals to support the Organization. These volunteer activities include participating on the Board of Directors and other committees as well as participating in Organization special events, program and supporting services. The value of these services has not been included in the financial statements.

8. 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
YEARENDED JUNE 30, 2013

	Employment Program	Dental Program	Total Program Services	Management and General	Fundraising	Total
Personnel expenses						
Salaries and wages	\$ 163,963	\$ 128,216	\$ 292,179	\$ 21,528	\$ -	\$ 313,707
Payroll taxes	16,726	13,079	29,805	6,724		36,530
Health insurance	4,490	871	5,361	1,340		6,701
Education and training	150	1,902	2,052			2,052
Occupancy						
Donated building rent	44,098	33,856	77,954	7,047		85,000
Utilities	5,187	3,982	9,169	829		9,998
Building maintenance	4,521	3,471	7,991	722		8,714
Direct program support	12,794	400	13,194			13,194
Depreciation	7,756	9,917	17,672	1,302		18,974
Office supplies	4,302	1,844	6,145	1,536		7,681
Dental supplies		5,086	5,086			5,086
Outside consultants	12,337		12,337	13,174	26,800	52,311
Telephone and internet	1,544	1,185	2,729	247		2,976
Insurance	1,813	1,392	3,205	290		3,495
Printing and postage	1,299	998	2,297	208	2,505	5,009
Dues, subscriptions and publications				551		551
Repairs and maintenance		1,156	1,156			1,156
Interest, fees and bank charges	1,520	1,168	2,688	243		2,931
Total	<u>\$ 282,499</u>	<u>\$ 208,521</u>	<u>\$ 491,019</u>	<u>\$ 55,741</u>	<u>\$ 29,305</u>	<u>\$ 576,065</u>

GOLDIE'S PLACE

SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2012

	Employment Program	Dental Program	Total Program Services	Management and General	Fundraising	Total
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
Total	<u>\$ 271,756</u>	<u>\$ 167,556</u>	<u>\$ 439,311</u>	<u>\$ 55,552</u>	<u>\$ 4,445</u>	<u>\$ 499,308</u>

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