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CERTIFIED PUBLIC ACCOUNTANTS

GOOD SAMARITAN HOUSE
OF GRANITE CITY, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2017

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GOOD SAMARITAN HOUSE OF GRANITE CITY, INC.

TABLE OF CONTENTS
DECEMBER 31, 2017

| | <u>Page</u> |
|-------------------------------------|-------------|
| Independent Auditor's Report | 1 |
| Financial Statements: | |
| Statement of Financial Position | 2 |
| Statement of Activities | 3 |
| Statement of Functional Expenses | 4 |
| Statement of Cash Flows | 5 |
| Notes to Financial Statements | 6 - 8 |



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Good Samaritan House of Granite City, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of the Good Samaritan House of Granite City, Inc. ("Good Samaritan House"), which comprise the statement of financial position as of December 31, 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 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 the Good Samaritan House as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Good Samaritan House's 2016 financial statements and in our report February 17, 2017 we expressed an unqualified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

C. J. Schlosser & Company L.L.C.

Certified Public Accountants
Alton, Illinois
February 15, 2018

GOOD SAMARITAN HOUSE OF GRANITE CITY, INC.

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2017

(With Comparative Totals for 2016)

| | <u>2017</u> | <u>2016</u> |
|---------------------------------------|-----------------------|-----------------------|
| <u>ASSETS</u> | | |
| Cash and Cash Equivalents | \$ 82,845 | \$ 165,815 |
| Accounts Receivable: | | |
| Grants | 25,955 | 15,892 |
| Prepaid Expenses | 3,678 | 2,449 |
| Property and Equipment: | | |
| Land | 3,500 | 3,500 |
| Buildings and Improvements | 157,626 | 157,626 |
| Equipment and Vehicles | 55,206 | 51,800 |
| | <u>216,332</u> | <u>212,926</u> |
| Less: Accumulated Depreciation | <u>(104,557)</u> | <u>(97,404)</u> |
| | <u>111,775</u> | <u>115,522</u> |
| Total Assets | <u>\$ 224,253</u> | <u>\$ 299,678</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| Liabilities: | | |
| Accounts Payable | \$ 780 | \$ 4,765 |
| Accrued Wages and Payroll Liabilities | 17,347 | 5,547 |
| Deferred Revenue | 16,359 | 16,359 |
| Total Liabilities | <u>34,486</u> | <u>26,671</u> |
| Net Assets: | | |
| Unrestricted | 188,393 | 261,007 |
| Temporarily Restricted | 1,374 | 12,000 |
| Total Net Assets | <u>189,767</u> | <u>273,007</u> |
| Total Liabilities and Net Assets | <u>\$ 224,253</u> | <u>\$ 299,678</u> |

See notes to financial statements

GOOD SAMARITAN HOUSE OF GRANITE CITY, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Comparative Totals for 2016)

| | 2017 | | | 2016 Total |
|--|-------------------|---------------------------|-------------------|-------------------|
| | Unrestricted | Temporarily Restricted | Total | |
| Support: | | | | |
| Department of Housing & Urban Development | \$ - | \$ 6,847 | \$ 6,847 | \$ 36,480 |
| IL Dept of Human Services (ETH & ESG) | - | 63,610 | 63,610 | 65,935 |
| United Way | - | 54,333 | 54,333 | 56,486 |
| Contributions | 65,353 | 3,000 | 68,353 | 147,775 |
| In-Kind Contributions | 30,025 | - | 30,025 | 20,381 |
| Transitional Housing | - | - | - | 2,171 |
| Special Events - net | 17,421 | - | 17,421 | 23,630 |
| Investment Income | 211 | - | 211 | 74 |
| Miscellaneous | - | - | - | 100 |
| Net Assets Released from Restrictions | <u>138,416</u> | <u>(138,416)</u> | <u>-</u> | <u>-</u> |
| Total Support | <u>251,426</u> | <u>(10,626)</u> | <u>240,800</u> | <u>353,032</u> |
| Expenses: | | | | |
| Program Services | 195,188 | - | 195,188 | 180,935 |
| Support Services: | | | | |
| Fundraising | 1,455 | - | 1,455 | 501 |
| Management and General | <u>127,397</u> | <u>-</u> | <u>127,397</u> | <u>76,687</u> |
| Total Expenses | <u>324,040</u> | <u>-</u> | <u>324,040</u> | <u>258,123</u> |
| Change in Net Assets | <u>(72,614)</u> | <u>(10,626)</u> | <u>(83,240)</u> | <u>94,909</u> |
| Net Assets at Beginning of Year | <u>261,007</u> | <u>12,000</u> | <u>273,007</u> | <u>178,098</u> |
| Net Assets at End of Year | <u>\$ 188,393</u> | <u>\$ 1,374</u> | <u>\$ 189,767</u> | <u>\$ 273,007</u> |

See notes to financial statements

GOOD SAMARITAN HOUSE OF GRANITE CITY, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Comparative Totals for 2016)

| | 2017 | | | | 2016 |
|----------------------------|-------------------|------------------|-------------------|-------------------|-------------------|
| | Program | Support Services | | | |
| | Services | | | | |
| | Homeless | | | | |
| | Social | Fund | Management | Total | Total |
| | Services | Raising | and General | | |
| Salaries | \$ 98,023 | \$ - | \$ 57,113 | \$ 155,136 | \$ 99,015 |
| Payroll Taxes | 8,050 | - | 4,168 | 12,218 | 8,644 |
| Advertising | - | - | 1,726 | 1,726 | - |
| Professional Fees | - | - | 53,377 | 53,377 | 35,824 |
| Client Assistance | 22,470 | - | - | 22,470 | 43,741 |
| Insurance | 7,378 | - | 1,681 | 9,059 | 9,877 |
| Travel/Conference Expense | 909 | - | 396 | 1,305 | 610 |
| Office Supplies | - | 303 | 1,491 | 1,794 | 1,414 |
| Program Supplies | 2,038 | - | - | 2,038 | 434 |
| Program Supplies - In-Kind | 30,025 | - | - | 30,025 | 20,381 |
| Drug Testing | 167 | - | - | 167 | - |
| Telephone | - | - | 4,823 | 4,823 | 4,815 |
| Postage | - | 392 | 254 | 646 | 709 |
| Printing | - | 760 | 283 | 1,043 | 650 |
| Maintenance and Repairs | 3,808 | - | - | 3,808 | 1,681 |
| Occupancy | 16,240 | - | - | 16,240 | 22,508 |
| Miscellaneous | 45 | - | 968 | 1,013 | 639 |
| Depreciation | 6,035 | - | 1,117 | 7,152 | 7,181 |
| | <u>\$ 195,188</u> | <u>\$ 1,455</u> | <u>\$ 127,397</u> | <u>\$ 324,040</u> | <u>\$ 258,123</u> |

See notes to financial statements

GOOD SAMARITAN HOUSE OF GRANITE CITY, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Comparative Totals for 2016)

| | <u>2017</u> | <u>2016</u> |
|--|------------------|-------------------|
| Cash Flows from Operating Activities: | | |
| Change in Net Assets | \$ (83,240) | \$ 94,909 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities: | | |
| Depreciation | 7,152 | 7,181 |
| (Increase) Decrease in Operating Assets: | | |
| Accounts Receivable | (10,063) | 29,594 |
| Prepaid Expenses | (1,229) | 6,357 |
| Increase (Decrease) in Operating Liabilities: | | |
| Accounts Payable | (3,985) | 2,913 |
| Accrued Wages | 11,800 | (17,760) |
| Deferred Revenue | - | 16,359 |
| Net Cash Provided by Operating Activities | <u>(79,565)</u> | <u>139,553</u> |
| Cash Flows from Investing Activities: | | |
| Payments for Buildings and Equipment | <u>(3,405)</u> | <u>(8,522)</u> |
| Net Cash Provided (Used) by Investing Activities | <u>(3,405)</u> | <u>(8,522)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (82,970) | 131,031 |
| Beginning Cash and Cash Equivalents | <u>165,815</u> | <u>34,784</u> |
| Ending Cash and Cash Equivalents | <u>\$ 82,845</u> | <u>\$ 165,815</u> |

See notes to financial statements

GOOD SAMARITAN HOUSE OF GRANITE CITY, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(With Comparative Notes for 2016)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - The Good Samaritan House of Granite City, Inc. ("Good Samaritan House") is a not-for-profit corporation organized under Internal Revenue Code 501(c)(3). The purpose of this agency is to provide immediate shelter and supportive services for homeless families in Madison County, Illinois. Support for this program is primarily provided through general public contributions and grant funding.

Accounting Method - The Good Samaritan House maintains its accounting records on the accrual basis of accounting.

The Good Samaritan House follows accounting standards set by the Financial Accounting Standards Board (FASB). In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which established the FASB Accounting Standards Codification (FASB ASC), as the sole source of authoritative U.S. generally accepted accounting principles (GAAP). FASB ASC 105 is effective for periods ending on or after September 1, 2009. The Codification had no effect on the Good Samaritan House's financial statements, as it is for disclosure purposes only.

Financial statement presentation follows the recommendations of FASB ASC 958-205 (formerly Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements for Not-for-Profit Organizations*). Under FASB ASC 958-205, the Good Samaritan House 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. The Good Samaritan House has no permanently restricted net assets at December 31, 2017. Restrictions met in the same period as the resources are received are recognized and classified as unrestricted revenues.

Income Taxes – The Good Samaritan House is operated exclusively for non-profit purposes and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements.

The Good Samaritan House has adopted the provisions of FASB ASC 740-10-25 (formerly FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes - an Interpretation of FASB No. 109*) requiring disclosure of uncertain tax positions. There has been no interest or penalties recognized in

GOOD SAMARITAN HOUSE OF GRANITE CITY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

the Statement of Activities nor in the Statement of Financial Position related to uncertain tax positions. In addition, no tax positions exist for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within the next 12 months. Tax years remaining open as of December 31, 2017 are the past three years ended December 31, 2014 through 2016. The Good Samaritan House evaluates any uncertain tax positions on a continual basis through review of its policies and procedures and discussions with outside experts.

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.

Fair Value Accounting - The fair value of financial instruments classified as current assets or liabilities (prepaid expenses, accounts receivable, accounts payable and accrued expenses) approximate carrying value due to the short-term nature of these accounts. All inputs are considered to be Level 1.

The Good Samaritan House determines the fair value of certain assets on a recurring basis through application of FASB ASC 820 (formerly SFAS No. 157, *Fair Value Measurements*) for financial assets and liabilities. FASB ASC 820 also is effective for nonfinancial instruments. There were no triggering events that required fair value measurements of the Good Samaritan House's nonfinancial assets and liabilities at December 31, 2017.

Property and Equipment - Property and equipment are stated at cost. Donated property and equipment are recorded as support at their estimated fair value. Expenditures for major renewals and improvements in excess of \$5,000 that increase the useful lives of the respective assets are capitalized. Upon retirement or disposal of assets, immaterial gains or losses are included in other income. Depreciation is computed over the estimated useful lives of the assets using the straight-line method with estimated useful lives as follows:

| <u>Type of Property and Equipment</u> | <u>Estimated Useful Lives</u> | <u>Accumulated Depreciation</u> |
|---|-----------------------------------|-------------------------------------|
| Buildings and Improvements | 10 - 40 Years | \$ 69,943 |
| Equipment | 3 - 10 Years | <u>34,614</u> |
| | | <u>\$ 104,557</u> |

Depreciation expense was \$7,152 and \$7,181 for the years ended December 31, 2017 and 2016, respectively.

GOOD SAMARITAN HOUSE OF GRANITE CITY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Cash and Cash Equivalents - For purposes of the statement of cash flows, The Good Samaritan House considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable - The Good Samaritan House records accounts receivable for amounts due from governmental agencies related to claims for reimbursements of past expenses. The amounts as recorded as accounts receivable are considered fully collectible.

In-Kind Donations - The Good Samaritan House records the value of donated goods and services when there is an objective basis to measure the value. No amount has been reflected in the financial statements for donated services, as no objective basis is available to measure the value of the service. The total of donated goods reflected in the financial statements at December 31, 2017 and 2016 is \$30,025 and \$20,381, respectively.

Summarized Financial Information for 2016 - The financial information for the year ended December 31, 2016, presented for comparative purposes, is not intended to be a complete financial statement presentation.

Subsequent Events - The Good Samaritan House has evaluated events occurring after the statement of financial position date through February 15, 2018 in order to determine their potential for recognition or disclosure in the financial statements. The latter date is the same date the financial statements were available to be issued.

NOTE 2: TEMPORARILY RESTRICTED NET ASSETS

The Good Samaritan House reported temporarily restricted net assets of \$1,374 as of December 31, 2017. This amount is comprised of unspent proceeds from an United Way grant to provide assistance with food purchases.

NOTE 3: SPECIAL EVENTS

A summary of gross revenue from fund raising events and their related costs follows:

| | <u>Gross Revenue</u> | <u>Cost</u> | <u>Net</u> |
|-----------------|--------------------------|-----------------|------------------|
| Golf Tournament | \$ 4,945 | \$ 2,287 | \$ 2,658 |
| Annual Dinner | 13,743 | 3,024 | 10,719 |
| Trivia | <u>4,355</u> | <u>311</u> | <u>4,044</u> |
| | <u>\$ 23,043</u> | <u>\$ 5,622</u> | <u>\$ 17,421</u> |