

*Combined Financial Statements
and Supplementary Information*

**THE CHRISTIAN SHARING CENTER, INC. AND
SHARING CENTER PROPERTIES, INC.**

September 30, 2017

**THE CHRISTIAN SHARING CENTER, INC.
AND SHARING CENTER PROPERTIES, INC.**

Combined Financial Statements and Supplementary Information

September 30, 2017

(With Independent Auditor's Report Thereon)

THE CHRISTIAN SHARING CENTER, INC.
AND SHARING CENTER PROPERTIES, INC.

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Independent Auditor's Report

The Board of Directors
The Christian Sharing Center, Inc. and Sharing Center Properties, Inc.:

We have audited the accompanying combined financial statements of The Christian Sharing Center, Inc. and Sharing Center Properties, Inc. (a nonprofit organization), which comprise the combined statement of financial position as of September 30, 2017, and the related combined statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Standards Applicable to Financial Audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the combined financial position of The Christian Sharing Center, Inc. and Sharing Center Properties, Inc. as of September 30, 2017, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was performed for the purpose of forming an opinion on the combined financial statements taken as a whole. The schedules on pages 17 thru 19 are presented for purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Schaefer, Tschagg, Whitcomb, Mitchell & Shuidan, LLP

Maitland, Florida
January 24, 2018

THE CHRISTIAN SHARING CENTER, INC.
AND SHARING CENTER PROPERTIES, INC.

Combined Statement of Financial Position

September 30, 2017

Assets

Current Assets:

Cash and cash equivalents, including restricted cash of \$129,862	\$ 398,114
Accounts receivable - grants	66,360
Prepaid expenses	6,852
Contributions receivable, net of allowance of \$8,700 (note 3)	24,873
Donated inventories (note 4)	325,618
Total current assets	821,817

Property and equipment, net (notes 5 and 6)	2,275,551
Contributions receivable, net of allowance of \$20,300 (note 3)	46,891
Other assets	6,487
Total assets	<u>\$ 3,150,746</u>

Liabilities and Net Assets

Current Liabilities:

Accounts payable	\$ 4,819
Current portion of long-term debt (note 6)	71,677
Accrued payroll and taxes	99,079
Accrued expenses - other	20,954
Security deposits	13,600
Total current liabilities	210,129

Long-term debt, net of current portion (note 6)	1,415,534
Total liabilities	<u>1,625,663</u>

Net assets:

Unrestricted	1,257,097
Temporarily restricted (note 11)	267,986
Total net assets	<u>1,525,083</u>
Total liabilities and net assets	<u>\$ 3,150,746</u>

See accompanying notes to financial statements.

THE CHRISTIAN SHARING CENTER, INC.
AND SHARING CENTER PROPERTIES, INC.

Combined Statement of Activities

Year ended September 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public support:			
Contributions	\$ 470,981	223,201	694,182
Grants	262,000	-	262,000
Value of non-cash contributions for clients (note 10)	2,270,049	-	2,270,049
Thrift store revenue from non-cash contributions (note 10)	815,703	-	815,703
Total public support	<u>3,818,733</u>	<u>223,201</u>	<u>4,041,934</u>
Revenue:			
Special events, net of direct benefit to donor costs of \$10,485	60,955	-	60,955
Rental income	144,453	-	144,453
Interest income	387	-	387
Other income	360	-	360
Total public support	<u>206,155</u>	<u>-</u>	<u>206,155</u>
Total public support and revenue	4,024,888	223,201	4,248,089
Net assets released from restrictions	71,892	(71,892)	-
Total public support and revenue	<u>4,096,780</u>	<u>151,309</u>	<u>4,248,089</u>
Expenses:			
Program services, including the value of non-cash contributions distributed to clients of \$2,248,007 (note 10):			
Client services	3,178,274	-	3,178,274
Thrift store	448,510	-	448,510
Supporting services:			
General and administrative	220,401	-	220,401
Fundraising	213,577	-	213,577
Total expenses	<u>4,060,762</u>	<u>-</u>	<u>4,060,762</u>
Change in net assets	36,018	151,309	187,327
Net assets, beginning of year	<u>1,221,079</u>	<u>116,677</u>	<u>1,337,756</u>
Net assets, end of year	<u>\$ 1,257,097</u>	<u>267,986</u>	<u>1,525,083</u>

See accompanying notes to financial statements.

THE CHRISTIAN SHARING CENTER, INC.
AND SHARING CENTER PROPERTIES, INC.

Combined Statement of Functional Expenses

Year ended September 30, 2017

	Combined					
	Program Services			Supporting Services		
	Client Services	Thrift Store	Total	Administrative	Fund Raising	Total Expenses
Salaries, wages and related expenses:						
Salaries and wages	\$ 502,223	237,286	739,509	146,086	146,086	1,031,681
Payroll taxes	39,704	18,760	58,464	11,549	11,549	81,562
Employee benefits	23,723	11,214	34,937	6,901	6,901	48,739
Total salaries, wages and related expenses	565,650	267,260	832,910	164,536	164,536	1,161,982
Operating expenses:						
Vehicles	3,398	8,493	11,891	3,398	1,699	16,988
Bank service charges	7,269	7,268	14,537	-	-	14,537
Contract services	3,312	-	3,312	-	-	3,312
Dues and subscriptions	105	-	105	948	-	1,053
Equipment costs	4,302	-	4,302	1,434	-	5,736
Insurance	14,803	20,741	35,544	5,932	4,356	45,832
Marketing, advertising and fundraising costs	5,127	-	5,127	250	9,318	14,695
Meetings and seminars	596	283	879	173	173	1,225
Office supplies	9,239	4,366	13,605	2,687	2,687	18,979
Printing	1,561	738	2,299	454	454	3,207
Postage & delivery	767	-	767	489	140	1,396
Professional fees	8,907	-	8,907	3,818	-	12,725
Value of non-cash contributions distributed to clients	2,248,007	-	2,248,007	-	-	2,248,007
Client assistance	159,214	-	159,214	-	-	159,214
Building maintenance and repairs	25,356	27,965	53,321	6,038	6,038	65,397
Information technology	18,200	-	18,200	6,067	-	24,267
Telephone	3,570	2,667	6,237	706	706	7,649
Utilities	24,018	26,494	50,512	5,722	5,721	61,955
Miscellaneous expense	5,850	6,085	11,935	1,319	1,319	14,573
Interest expense	25,081	27,688	52,769	5,964	5,964	64,697
Taxes and licenses	3,592	3,962	7,554	855	855	9,264
Total functional expenses before depreciation and amortization	3,137,924	404,010	3,541,934	210,790	203,966	3,956,690
Depreciation	40,350	44,500	84,850	9,611	9,611	104,072
Total expenses	\$ 3,178,274	448,510	3,626,784	220,401	213,577	4,060,762

See accompanying notes to financial statements.

THE CHRISTIAN SHARING CENTER, INC.
AND SHARING CENTER PROPERTIES, INC.

Combined Statement of Cash Flows

Year ended September 30, 2017

Cash flows from operating activities:	
Change in net assets	\$ 187,327
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	104,072
In-kind contributions of food, clothing and other items for clients	(2,270,049)
Distributions of food, clothing and other items for clients	2,248,007
In-kind contributions of thrift store items	(815,703)
Donated thrift store sales	781,160
Changes in operating assets and liabilities:	
Accounts receivable - grants	(63,040)
Contributions receivable	4,913
Prepaid expenses	1,202
Other assets	(1,337)
Accounts payable and accrued expenses	2,905
Security deposits	1,900
Net cash provided by operating activities	<u>181,357</u>
Cash flows from financing activities:	
Payments on notes payable	<u>(64,883)</u>
Net cash used in financing activities	<u>(64,883)</u>
Net increase in cash and cash equivalents	116,474
Cash and cash equivalents - beginning of year	<u>281,640</u>
Cash and cash equivalents - end of year	<u><u>\$ 398,114</u></u>
Supplemental disclosure of cash flow information:	
Cash paid for interest	<u><u>\$ 64,697</u></u>

See accompanying notes to financial statements.

THE CHRISTIAN SHARING CENTER, INC.
AND SHARING CENTER PROPERTIES, INC.

Notes to Combined Financial Statements

September 30, 2017

(1) Organization and Summary of Significant Accounting Policies

(a) Organization

The Christian Sharing Center, Inc. (the Center) was incorporated as a not-for-profit organization dedicated to providing social services to individuals and families in need. The Center also provides material assistance such as food, rent, utility payments, furniture, clothing, lodging and such other needs. The Center is supported through donations from individuals, corporations, foundations, local churches, and a grant from Seminole County, Florida. The Center also operates a thrift store.

Sharing Center Properties, Inc. (Properties) is a separate not-for-profit entity that was formed by the Center in 2004 to purchase and hold title to a shopping mall whose facilities are leased to charitable organizations and other unrelated businesses. The Center leases approximately 60% of the total space at the mall. Collectively, the Center and Properties are identified as “the Organizations”.

(b) Basis of Presentation

The accompanying combined financial statements have been prepared on the accrual basis and represent the combined financial position and combined results of operations of the Organizations. The accompanying combined financial statements include the accounts of The Christian Sharing Center, Inc. and Sharing Center Properties, Inc. (the Organizations), which have been combined due to the level of control exercised by the Center. All significant inter-company accounts and transactions have been eliminated in consolidation.

The Organizations’ resources are classified and reported based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organizations and changes therein are classified and reported as follows:

- ◆ Unrestricted net assets---Net assets that are not subject to donor-imposed stipulations.

THE CHRISTIAN SHARING CENTER, INC.
AND SHARING CENTER PROPERTIES, INC.

Notes to Combined Financial Statements

September 30, 2017

(1) **Organization and Summary of Significant Accounting Policies - Continued**

(b) **Basis of Presentation - Continued**

- ◆ Temporarily restricted net assets---Cash and other assets if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets (as defined above) and reported in the statement of activities as “Net assets released from restrictions”. If a restriction is fulfilled in the same time period in which the support is received, the Organizations report the support as unrestricted.
- ◆ Permanently restricted net assets---Net assets subject to donor-imposed stipulations that will be maintained permanently by the Organizations. There were no permanently restricted net assets at September 30, 2017.

(c) **Principles of Combination**

The combined financial statements include the accounts of The Christian Sharing Center, Inc. and Sharing Center Properties, Inc. All inter-company transactions have been eliminated in consolidation.

(d) **Revenue and Expense Recognition**

The Organizations recognize public support, revenue, and expenses on the accrual basis. Public support and revenues from grants and contracts are generally recognized as eligible costs are incurred and/or required services are performed. Functional expenses are allocated between programs on the basis of specific identification, where possible, or management’s best estimates.

(e) **Contributions**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

THE CHRISTIAN SHARING CENTER, INC.
AND SHARING CENTER PROPERTIES, INC.

Notes to Combined Financial Statements

September 30, 2017

(1) Organization and Summary of Significant Accounting Policies - Continued

(f) Unconditional Promises to Give

Unconditional promises to give are recognized as revenues in the period made or received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected within one year and at fair value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

(g) Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organizations consider all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

(h) Land, Buildings and Equipment

Land, buildings and equipment are capitalized at cost when purchased or at estimated fair value at the date of gift if donated. Assets are capitalized when the purchase price exceeds \$1,500 and the estimated useful life is more than one year. Depreciation is provided on a straight-line basis over the following estimated useful lives of the assets as follows:

Furniture and equipment	3 – 7 years
Land improvements	15 years
Building and building improvements	39 years

(i) Income Taxes

The Organizations are organized as non-profit organizations and are currently exempt from federal income taxes under the provisions of Section 501(c)(3) (the Center) and 501(c)(2) (Properties) of the Internal Revenue Code, except for Properties' unrelated business income for rental activities that is taxed at corporate rates.

THE CHRISTIAN SHARING CENTER, INC.
AND SHARING CENTER PROPERTIES, INC.

Notes to Combined Financial Statements

September 30, 2017

(1) Organization and Summary of Significant Accounting Policies - Continued

(i) Income Taxes - Continued

The Organizations have adopted provisions of the Income Tax Topic of the ASC. These provisions clarify the accounting for uncertainty in tax positions taken or expected to be taken in a tax return. The tax benefit from an uncertain tax position is only recognized in the statement of financial position if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. As of September 30, 2017, the Organizations had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

The Organizations' income tax returns are subject to review and examination by federal authorities. The Organizations are not aware of any activities that would jeopardize its tax-exempt status. The Organizations are not aware of any activities that are subject to tax on unrelated business income, excise or other taxes. The tax returns for the fiscal years ended from 2014 to 2016 are open to examination by federal authorities.

(j) 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.

(k) Concentration of Credit Risk

Financial instruments that potentially subject the Organizations to concentrations of credit risk are primarily cash and accounts receivable. The Organizations' cash deposits are placed in highly rated financial institutions which at times may exceed the Federal Deposit Insurance Corporation (FDIC) coverage. The Organizations have not experienced any losses in its cash accounts and does not believe it is exposed to any significant credit risks related to uninsured amounts.

The Organizations grant credit primarily to governmental agencies and pass-through entities. The Organizations have not experienced any losses in such accounts and does not believe it is exposed to any significant credit risks on these accounts.

THE CHRISTIAN SHARING CENTER, INC.
AND SHARING CENTER PROPERTIES, INC.

Notes to Combined Financial Statements

September 30, 2017

(1) Organization and Summary of Significant Accounting Policies - Continued

(l) Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the combined statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited on an analysis of personnel time, space utilized, and utilities consumed for the related activities.

(m) Donated Materials and Services

The Organizations record the value of donated goods or services when there is an objective basis available to measure their value. Donated materials, equipment and services are reflected as contributions in the accompanying combined financial statements at their estimated fair values at the date of receipt. No amount has been reflected in the combined financial statements for volunteer hours, as no objective basis is available to measure the value of such services. Nevertheless, a substantial number of volunteers donated significant amounts of their time in The Christian Sharing Center, Inc. and Sharing Center Properties, Inc.'s program services.

(n) Subsequent Events

In preparing these combined financial statements, the Organizations have evaluated subsequent events and transactions for potential recognition and disclosure through January 24, 2018, which is the date the combined financial statements were available to be issued. All subsequent events requiring recognition as of January 24, 2018, have been incorporated into these combined financial statements.

(2) Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of financial instruments for which it is feasible to estimate that value.

- Cash, accounts receivable, prepaid expenses and short-term contributions receivable – Carrying amount approximates fair value due to the short maturity of these instruments.

THE CHRISTIAN SHARING CENTER, INC.
AND SHARING CENTER PROPERTIES, INC.

Notes to Combined Financial Statements

September 30, 2017

(2) Fair Value of Financial Instruments - Continued

- Long-term contributions receivable – The recorded net present value of long-term contributions receivable approximates fair value, as the discount rate approximates market rates (see note 3)
- Long-term debt – The fair value of the Organizations’ long-term debt is not estimated to be significantly different than the carrying amount based upon current rates at which the Organizations could borrow funds for the remaining maturities.

(3) Contributions Receivable

As of September 30, 2017, contributors to the Center from the Good Samaritan Breakfast and other promises to give have unconditionally promised to give the following amounts:

	Less than 1 year	One to Four Years	Total
Gross pledge receivables	\$ 33,573	77,338	110,911
Less: allowance for uncollectible accounts	(8,700)	(20,300)	(29,000)
Discounts to net present value	-	(10,147)	(10,147)
Net contributions receivable	\$ 24,873	46,891	71,764

Unconditional promises to give, receivable in more than one year, are discounted to net present value using an interest rate of 6%.

(4) Donated Inventories

Donated inventories at September 30, 2017 consisted of the following:

Donated food for clients	\$ 18,000
Donated items for client vouchers	144,310
Donated items for the thrift shop	163,308
	\$ 325,618

THE CHRISTIAN SHARING CENTER, INC.
AND SHARING CENTER PROPERTIES, INC.

Notes to Combined Financial Statements

September 30, 2017

(5) Property and Equipment

Property and equipment at September 30, 2017 are summarized as follows:

Land	\$ 500,000
Buildings and improvements	2,428,599
Leasehold improvements	210,563
Site improvements	19,835
Equipment	244,583
	3,403,580
Less accumulated depreciation	(1,128,029)
Property and equipment, net	\$ 2,275,551

(6) Long-Term Debt and Note Payable

At September 30, 2017, long-term debt consists of the following:

A mortgage note collateralized by real property and guaranteed by the Center. The terms of the note call for monthly principal and interest payments of \$10,798 at 4.0% through February 15, 2023 when a balloon payment of approximately \$1,091,400 and unpaid interest is due.

A mortgage note collateralized by real property and guaranteed by the Center. The terms of the note call for monthly principal and interest payments of \$10,798 at 4.0% through February 15, 2023 when a balloon payment of approximately \$1,091,400 and unpaid interest is due.	\$ 1,487,211
Less current portion	(71,677)
Long-term debt	\$ 1,415,534

Future maturities of long-term debt (mortgage note and financing loan) are as follows:

<u>Year ending September 30</u>	
2018	\$ 71,677
2019	74,597
2020	77,637
2021	80,799
2022	84,091
Thereafter	1,098,410
	\$ 1,487,211

THE CHRISTIAN SHARING CENTER, INC.
AND SHARING CENTER PROPERTIES, INC.

Notes to Combined Financial Statements

September 30, 2017

(7) Operating Leases as Lessee

Intercompany Leases

The Center leases its facilities, including the thrift store, from Properties on operating leases that expire in December 2019. Annual rentals were \$166,918. These rentals are eliminated in the combined financial statements.

(8) Operating Leases as Lessor

Properties leases the units in the shopping plaza to charitable organizations and other business entities on leases expiring on various dates through 2020. The cost of the facilities leased is as follows:

Land	\$ 500,000
Buildings	2,025,155
Building improvements	403,444
Land improvements	19,835
Total	<u>2,948,434</u>
Less accumulated depreciation	<u>(813,710)</u>
Net depreciated cost	<u>\$ 2,134,724</u>

Future rental commitments are as follows:

Year ending September 30

2018	\$ 221,569
2019	167,304
2020	40,764

THE CHRISTIAN SHARING CENTER, INC.
AND SHARING CENTER PROPERTIES, INC.

Notes to Combined Financial Statements

September 30, 2017

(9) Retirement Plan

The Center maintains a 403(b) retirement plan for its employees. The Center contributes \$.25 for each \$1 contributed by employees up to a maximum of \$300 employee contributions per month. For the year ended September 30, 2017, the Center contributed \$6,000 to the plan.

(10) Non-Cash Contributions

The Center receives donated food, clothing, Christmas gifts, furniture, other household items and automobiles which it redistributes to individuals and families in need and for sale in the thrift store. Items donated are recorded at fair value as determined by Management using factors such as sales and inventory turnover. A standard of \$26 per bag of food and an average bag of clothing of \$120 for adults, \$90 for children and \$52 for general clothing for the homeless is used to value these donations. The food bag value is established by FEMA as a standard, the clothing bags are valued at thrift store prices, and all other items are valued based upon available resources. For the year ended September 30, 2017, \$1,391,213 was contributed in food, \$550,385 in clothing, and \$328,451 in other items for a total value of \$2,270,049 recorded as inventory and revenue, of which, \$2,248,007 were distributed to needy individuals and families and recorded to inventory and expense. The difference between the value of items received and the value of items distributed to needy individuals and families is due to the change in donated client inventories. For the year ended September 30, 2017, the Center received items to be sold in the thrift store with a value of \$815,703 recorded as inventory and revenue with actual cash sales of \$781,160 recorded to inventory and cash. The difference between the value of thrift store items received and actual cash sales is due to the change in thrift store inventory.

(11) Temporarily Restricted Net Assets

Temporarily restricted net assets at September 30, 2017 are restricted for the following:

Time restrictions:	
Pledges for periods after September 30, 2017	\$ 71,764
Grants receivable for periods after September 30, 2017	66,360
Purpose restrictions:	
Various programs	<u>129,862</u>
	<u>\$ 267,986</u>

SUPPLEMENTARY INFORMATION

CHRISTIAN SHARING CENTER, INC.
AND SHARING CENTER PROPERTIES, INC.

Combining Statement of Financial Position

September 30, 2017

	<u>Assets</u>			
	<u>The Christian Sharing Center, Inc.</u>	<u>Sharing Center Properties, Inc.</u>	<u>Eliminations</u>	<u>Combined Totals</u>
Current Assets:				
Cash and cash equivalents, including restricted cash of \$129,862	\$ 303,139	94,975	-	398,114
Accounts receivable - grants	66,360	-	-	66,360
Due from related party	12,095	-	(12,095)	-
Prepaid expenses	3,374	3,478	-	6,852
Contributions receivable, net of allowance of \$8,700	24,873	-	-	24,873
Donated inventories	325,618	-	-	325,618
Total current assets	<u>735,459</u>	<u>98,453</u>	<u>(12,095)</u>	<u>821,817</u>
Property and equipment, net	140,827	2,134,724	-	2,275,551
Contributions receivable, net of allowance of \$20,300	46,891	-	-	46,891
Other assets	6,795	2,692	(3,000)	6,487
Total assets	<u>\$ 929,972</u>	<u>2,235,869</u>	<u>(15,095)</u>	<u>3,150,746</u>

Liabilities and Net Assets

Current Liabilities:				
Accounts payable	\$ 4,819	-	-	4,819
Current portion of long-term debt	-	71,677	-	71,677
Accrued payroll and taxes	99,079	-	-	99,079
Accrued expenses - other	12,258	8,696	-	20,954
Security deposits	-	16,600	(3,000)	13,600
Due to related party	-	12,095	(12,095)	-
Total current liabilities	<u>116,156</u>	<u>109,068</u>	<u>(15,095)</u>	<u>210,129</u>
Long-term debt, net of current portion	<u>-</u>	<u>1,415,534</u>	<u>-</u>	<u>1,415,534</u>
Total liabilities	<u>116,156</u>	<u>1,524,602</u>	<u>(15,095)</u>	<u>1,625,663</u>
Unrestricted net assets	545,830	711,267	-	1,257,097
Temporarily restricted net assets	267,986	-	-	267,986
Total net assets	<u>813,816</u>	<u>711,267</u>	<u>-</u>	<u>1,525,083</u>
Total liabilities and net assets	<u>\$ 929,972</u>	<u>2,235,869</u>	<u>(15,095)</u>	<u>3,150,746</u>

THE CHRISTIAN SHARING CENTER, INC.
AND SHARING CENTER PROPERTIES, INC.

Combining Statement of Activities

Year ended September 30, 2017

	<u>The Christian Sharing Center, Inc.</u>	<u>Sharing Center Properties, Inc.</u>	<u>Eliminations</u>	<u>Combined Totals</u>
Public support:				
Contributions	\$ 694,182	-	-	694,182
Grants	262,000	-	-	262,000
Value of non-cash contributions for clients	2,270,049	-	-	2,270,049
Thrift Store revenue from non-cash contributions	815,703	-	-	815,703
Total public support	<u>4,041,934</u>	<u>-</u>	<u>-</u>	<u>4,041,934</u>
Revenue:				
Special events, net of direct benefit to donor costs of \$10,485	60,955	-	-	60,955
Rental income	-	311,371	(166,918)	144,453
Interest income	275	112	-	387
Management fees	71,500	-	(71,500)	-
Other income	360	-	-	360
Total revenue	<u>133,090</u>	<u>311,483</u>	<u>(238,418)</u>	<u>206,155</u>
Total public support and revenue	<u>4,175,024</u>	<u>311,483</u>	<u>(238,418)</u>	<u>4,248,089</u>
Expenses:				
Program services (including the value of non-cash contributions distributed to clients of \$2,248,007):				
Client services	3,153,810	116,893	(92,429)	3,178,274
Thrift store	422,391	128,074	(101,955)	448,510
Supporting services:				
General and administrative	212,983	29,435	(22,017)	220,401
Fundraising	208,158	27,436	(22,017)	213,577
Total expenses	<u>3,997,342</u>	<u>301,838</u>	<u>(238,418)</u>	<u>4,060,762</u>
Change in net assets	177,682	9,645	-	187,327
Net assets, beginning of year	<u>636,134</u>	<u>701,622</u>	<u>-</u>	<u>1,337,756</u>
Net assets, end of year	<u>\$ 813,816</u>	<u>711,267</u>	<u>-</u>	<u>1,525,083</u>

THE CHRISTIAN SHARING CENTER, INC.
AND SHARING CENTER PROPERTIES, INC.

Combining Statement of Functional Expenses

Year ended September 30, 2017

	The Christian Sharing Center, Inc.				Sharing Center Properties, Inc.				Combined				
	Program Services		Supporting Services		The Christian Sharing Center, Inc.		Total Occupancy Costs - Rental Operations		Program Services		Supporting Services		Total
	Client Services	Thrift Store	Total	Administrative	Fund-raising	Total Expenses	Eliminations	Client Services	Thrift Store	Total	Administrative	Fund-raising	Expenses
Salaries and wages	\$ 502,223	237,286	739,509	146,086	146,086	1,031,681	-	-	502,223	237,286	739,509	146,086	1,031,681
Payroll taxes	39,704	18,760	58,464	11,549	11,549	81,562	-	-	39,704	18,760	58,464	11,549	81,562
Employee benefits	23,723	11,214	34,937	6,901	6,901	48,739	-	-	23,723	11,214	34,937	6,901	48,739
Total salaries and related expenses	565,650	267,260	832,910	164,536	164,536	1,161,982	-	-	565,650	267,260	832,910	164,536	1,161,982
Vehicle expenses	3,398	8,493	11,891	3,398	1,699	16,988	-	-	3,398	8,493	11,891	3,398	16,988
Bank service charges	7,269	7,268	14,537	-	-	14,537	-	-	7,269	7,268	14,537	-	14,537
Contract services	3,312	-	3,312	-	-	3,312	-	-	3,312	-	3,312	-	3,312
Dues and subscriptions	105	-	105	948	-	1,053	-	-	105	-	105	948	1,053
Equipment costs	4,302	-	4,302	1,434	-	5,736	-	-	4,302	-	4,302	1,434	5,736
Insurance	10,263	14,380	24,643	4,113	3,020	31,776	-	-	14,803	20,741	35,544	5,932	45,832
Marketing, advertising and fundraising costs	5,127	-	5,127	250	9,318	14,695	-	-	5,127	-	5,127	250	14,695
Meetings and seminars	596	283	879	173	1,733	1,225	-	-	596	283	879	173	1,225
Office supplies	8,901	4,206	13,107	2,589	2,589	18,285	-	-	9,239	4,366	13,605	2,687	18,979
Printing	1,561	738	2,299	454	454	3,207	-	-	1,561	738	2,299	454	3,207
Postage and delivery	767	-	767	489	140	1,396	-	-	767	-	767	489	1,396
Professional fees	5,372	-	5,372	2,303	-	7,675	-	-	8,907	-	8,907	3,818	12,725
Value of non-cash contributions distributed to clients	2,248,007	-	2,248,007	-	-	2,248,007	-	-	2,248,007	-	2,248,007	-	2,248,007
Client assistance	159,214	-	159,214	-	-	159,214	-	-	159,214	-	159,214	-	159,214
Rent	63,782	70,308	136,090	15,414	15,414	166,918	-	-	-	-	-	-	-
Building maintenance and repairs	7,622	8,406	16,028	1,815	1,815	19,658	-	-	25,356	27,965	53,321	6,038	65,397
Information technology	18,200	-	18,200	6,067	-	24,267	-	-	18,200	-	18,200	6,067	24,267
Telephone	3,370	2,667	6,237	706	706	7,649	-	-	3,370	2,667	6,237	706	7,649
Utilities	17,636	19,454	37,090	4,201	4,201	45,492	-	-	24,018	26,494	50,512	5,722	61,955
Miscellaneous expense	5,511	6,085	11,596	1,319	1,319	14,234	-	-	5,850	6,085	11,935	1,319	14,573
Interest expense	-	-	-	-	-	-	-	-	25,081	27,688	52,769	5,964	64,697
Management fees	-	-	-	-	-	-	-	-	38,329	33,171	71,500	-	71,500
Taxes and licenses	-	-	-	-	-	-	-	-	4,966	4,298	9,264	-	9,264
Total functional expenses before amortization and depreciation	3,142,165	409,548	3,551,713	210,209	205,384	3,967,306	(238,418)	(238,418)	3,137,924	404,010	3,541,934	210,790	3,956,690
Depreciation	11,645	12,843	24,488	2,774	2,774	30,036	-	-	40,350	44,500	84,850	9,611	104,072
Total expenses	\$ 3,153,810	422,391	3,576,201	212,983	208,158	3,997,342	(238,418)	(238,418)	3,178,274	448,510	3,626,784	220,401	4,060,762