

TIME FOR CHANGE FOUNDATION

(A Nonprofit Organization)



**Financial Statements
and
Independent Auditors' Report**

For the Years Ended June 30, 2019 and 2018

Annually, the Board of Directors revisits the lease for the Wall Ave. house as part of its fiduciary responsibility to ensure transparency for this related party transaction. In 2007, the City of San Bernardino passed a local ordinance which prohibits group homes from providing shelter to more than two unrelated persons on parole or probation. This ordinance grandfathered the current locations but diminished the Organization’s opportunity to expand with additional group homes or relocate within the City of San Bernardino. Until such time the Organization is able to change this policy the existing locations will continue to be used to provide shelter to homeless women and children.

During the year the Organization made a \$50,000 payment to Mr. Mark Carter as payment in full on his interest in the Wall Ave. house. The payment represents 15% ownership of the Wall Ave. house and will be used as a deposit towards the purchase in the future.

Note 12 – Functionalized Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

Note 13 – Line of Credit

The Organization has an unsecured line of credit with Bank of America in the amount of \$150,000. At June 30, 2019, there was no outstanding balance on the line of credit. The line of credit is collateralized by the assets of the Organization held in accounts at Bank of America.

Note 14 – Credit Card

The entity has one unsecured credit card with Bank of America bearing interest at 22.74% on unpaid balances with a credit limit of 12,000. At year end the balance of the credit card payable is as follows:

Bank of America Card		\$	3,184
Total		<u>\$</u>	<u>3,184</u>

Note 15 – Evaluation of Subsequent Events

Management evaluated the activity of the Organization through September 30, 2019, the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to financial statements.

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