

**CHATTAHOOCHEE VALLEY JAIL MINISTRY, INC.
D/B/A SAFEHOUSE MINISTRIES
COLUMBUS, GEORGIA
FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

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Independent Auditor's Report

To the Board of Directors
Chattahoochee Valley Jail Ministry, Inc.
d/b/a Safehouse Ministries
Columbus, Georgia

We have audited the accompanying financial statements of Chattahoochee Valley Jail Ministry, Inc., a non-profit organization (the "Organization"), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, functional expenses 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 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Organization'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 Organization'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.

Board of Directors
Chattahoochee Valley Jail Ministry, Inc.
d/b/a Safehouse Ministries

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chattahoochee Valley Jail Ministry, Inc. as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Robinson, Grimes + Company, P.C.

Certified Public Accountants

August 11, 2017

CHATTAHOOCHEE VALLEY JAIL MINISTRY, INC.
D/B/A SAFEHOUSE MINISTRIES
COLUMBUS, GEORGIA
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

	<u>ASSETS</u>	
	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	\$ 70,494	\$ 58,152
Grant receivable	53,762	58,000
Prepaid expenses	2,349	2,077
Security deposits	110	110
Fixed assets (net of accumulated depreciation)	<u>325,862</u>	<u>286,921</u>
 Total assets	 <u>\$ 452,577</u>	 <u>\$ 405,260</u>

LIABILITIES AND NET ASSETS

	<u>LIABILITIES</u>	
Accounts payable	\$ 9,895	\$ 3,796
Accrued payroll taxes	2,711	851
 Total liabilities	 <u>12,606</u>	 <u>4,647</u>

	<u>NET ASSETS</u>	
Unrestricted	386,209	342,613
Temporarily restricted	<u>53,762</u>	<u>58,000</u>
 Total net assets	 <u>439,971</u>	 <u>400,613</u>
 Total liabilities and net assets	 <u>\$ 452,577</u>	 <u>\$ 405,260</u>

See Notes to Financial Statements.

CHATTAHOOCHEE VALLEY JAIL MINISTRY, INC.
D/B/A SAFEHOUSE MINISTRIES
COLUMBUS, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
SUPPORT, REVENUE AND RECLASSIFICATIONS			
Contributions	\$ 225,340	\$ 0	\$ 225,340
Grants	45,925	131,038	176,963
Program service fees	8,175	0	8,175
Net assets released from:			
Time restrictions	<u>113,276</u>	<u>(113,276)</u>	<u>0</u>
Total support, revenue and reclassifications	<u>392,716</u>	<u>17,762</u>	<u>410,478</u>
EXPENSES			
Program services	312,367	0	312,367
Supporting services	<u>58,753</u>	<u>0</u>	<u>58,753</u>
Total expenses	<u>371,120</u>	<u>0</u>	<u>371,120</u>
Change in net assets	21,596	17,762	39,358
Net assets, beginning	<u>364,613</u>	<u>36,000</u>	<u>400,613</u>
Net assets, ending	<u><u>\$ 386,209</u></u>	<u><u>\$ 53,762</u></u>	<u><u>\$ 439,971</u></u>

See Notes to Financial Statements.

CHATTAHOOCHEE VALLEY JAIL MINISTRY, INC.
D/B/A SAFEHOUSE MINISTRIES
COLUMBUS, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
SUPPORT, REVENUE AND RECLASSIFICATIONS			
Contributions	\$ 267,611	\$ 0	\$ 267,611
Grants	2,649	116,000	118,649
Program service fees	5,025	0	5,025
Net assets released from Time restrictions:	94,000	(94,000)	0
Total support, revenue and reclassifications	<u>369,285</u>	<u>22,000</u>	<u>391,285</u>
EXPENSES			
Program services	238,666	0	238,666
Supporting services	36,521	0	36,521
Total expenses	<u>275,187</u>	<u>0</u>	<u>275,187</u>
Change in net assets	94,098	22,000	116,098
Net assets, beginning	<u>248,515</u>	<u>36,000</u>	<u>284,515</u>
Net assets, ending	<u>\$ 342,613</u>	<u>\$ 58,000</u>	<u>\$ 400,613</u>

See Notes to Financial Statements.

CHATTAHOOCHEE VALLEY JAIL MINISTRY, INC.
D/B/A SAFEHOUSE MINISTRIES
COLUMBUS, GEORGIA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
EXPENSES				
Salaries	\$ 105,170	\$ 16,355	\$ 1,178	\$ 122,703
Occupancy	54,347	9,591	0	63,938
Contract labor	43,513	0	0	43,513
Resource center and program expenses	40,622	0	0	40,622
Education and training	363	0	0	363
Insurance	9,597	1,621	0	11,218
Office expenses and supplies	22,411	7,582	0	29,993
Professional fees	0	16,675	0	16,675
Payroll taxes	9,635	710	61	10,406
Repairs and maintenance	10,424	1,839	0	12,263
Miscellaneous	1,099	461	0	1,560
Depreciation	15,186	2,680	0	17,866
Total expenses	<u>\$ 312,367</u>	<u>\$ 57,514</u>	<u>\$ 1,239</u>	<u>\$ 371,120</u>

See Notes to Financial Statements.

CHATTAHOOCHEE VALLEY JAIL MINISTRY, INC.
D/B/A SAFEHOUSE MINISTRIES
COLUMBUS, GEORGIA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
EXPENSES				
Salaries	\$ 74,501	\$ 13,147	\$ 800	\$ 88,448
Occupancy	41,461	7,317	0	48,778
Contract labor	46,638	0	0	46,638
Resource center and program expenses	31,178	0	0	31,178
Education and training	588	0	0	588
Insurance	6,513	1,149	0	7,662
Office expenses and supplies	11,939	6,111	0	18,050
Professional fees	0	3,100	0	3,100
Payroll taxes	11,332	2,000	61	13,393
Repairs and maintenance	1,366	241	0	1,607
Miscellaneous	2	275	0	277
Depreciation	13,148	2,320	0	15,468
Total expenses	<u>\$ 238,666</u>	<u>\$ 35,660</u>	<u>\$ 861</u>	<u>\$ 275,187</u>

See Notes to Financial Statements.

CHATTAHOOCHEE VALLEY JAIL MINISTRY, INC.
D/B/A SAFEHOUSE MINISTRIES
COLUMBUS, GEORGIA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 39,358	\$ 116,098
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	17,866	15,468
Changes in:		
Grants receivable	4,238	(22,000)
Prepaid expenses	(272)	490
Accounts payable	6,099	(7,951)
Accrued payroll taxes	1,860	(3,696)
Total adjustments	29,791	(17,689)
Net cash provided by operating activities	69,149	98,409
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of fixed assets	(56,807)	(44,565)
Net cash used in investing activities	(56,807)	(44,565)
Net increase in cash and cash equivalents	12,342	53,844
Cash and cash equivalents, beginning	58,152	4,308
Cash and cash equivalents, ending	\$ 70,494	\$ 58,152

See Notes to Financial Statements.

CHATTAHOOCHEE VALLEY JAIL MINISTRY, INC.
D/B/A SAFEHOUSE MINISTRIES
COLUMBUS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 1: Nature of Organization

Chattahoochee Valley Jail Ministry, Inc., d/b/a Safehouse Ministries (the “Organization”) was established in 2009 to create a re-entry program that provides spiritual enrichment, education and training for inmates within the Muscogee County Jail to help equip them to successfully transition back into the community. Additionally, the Organization provides housing and basic necessities to homeless men and women, ex-offenders and recovering people transitioning back into the community of Columbus, Georgia. Chattahoochee Valley Jail Ministry, Inc. is a not-for-profit 501(c)(3) organization.

NOTE 2: Summary of Significant Accounting Policies

Basis of Accounting - The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with the principles generally accepted in the United States of America (“GAAP”) and, accordingly, reflect all significant receivables, payables, and other liabilities.

Permanently restricted net assets: Net assets subject to donor-imposed stipulations that are to be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on the related investments for general or specific purposes. The Organization presently has no net assets of this nature.

Temporarily restricted net assets: Net assets subject to donor-imposed stipulations that are to or will be met by actions of the Organization and/or the passage of time.

Unrestricted net assets: Net assets not subject to donor-imposed stipulations.

Grants Receivable - Grants receivable consist of the pledged grants due from United Way and Columbus Office of Crime Prevention as of December 31, 2016 (see Note 3). United Way grant payments are received monthly in an amount equal to 1/12th of the grant. Columbus Office of Crime Prevention grant payments are received quarterly in an amount equal to 1/4th of the grant. Due to the nature of these receivables, no allowance is deemed necessary.

Donated Assets - Donated real property is recorded as contributed at its assessed tax value as of the date of donation. Donated securities and other non-cash donations are recorded as contributed at their estimated fair values on the date of donation.

CHATTAHOOCHEE VALLEY JAIL MINISTRY, INC.
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COLUMBUS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 2: Summary of Significant Accounting Policies (Continued)

Fixed Assets and Depreciation - Assets are recorded at cost, if purchased, or estimated fair value on the date contributed, if donated, and depreciated on the straight-line method over the assets' estimated useful lives as follows:

Buildings	30 years
Building improvements	15 years
Furniture and Equipment	7 years
Computer Equipment	5 years

The Organization follows the practice of capitalizing all expenditures for property, furniture, fixtures and equipment in excess of \$2,500.

Contributions - All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. However, it is the Organization's policy to record those contributions and grants whose restrictions are met within the same reporting period as unrestricted net assets. There were no restricted contributions received for the years ending December 31, 2016 and 2015. Restricted grants received are discussed at Note 3.

Functional Expenses - The costs of providing the Organization's programs and activities have been summarized on a functional basis as shown on pages 6-7 of the financial statements. The Organization has allocated costs on a functional basis based on time studies of the Organization's management personnel. Accordingly, \$65,773 and \$36,521 of expenses have been allocated to supporting services for the years ended December 31, 2016 and 2015, respectively.

Income Taxes - The Organization is a not-for-profit organization exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and did not conduct any unrelated business activities during 2016 or 2015. Accordingly, no provision for federal or state income taxes has been made. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an Organization that is not a private foundation under Section 509(a)(2).

CHATTAHOOCHEE VALLEY JAIL MINISTRY, INC.
D/B/A SAFEHOUSE MINISTRIES
COLUMBUS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 2: Summary of Significant Accounting Policies (Continued)

GAAP requires recognition of a liability for the benefit resulting from any uncertain tax positions taken by the Organization. The income tax returns of the Organization are subject to examination by the Internal Revenue Service (“IRS”) and state taxing authorities. There are currently no audits in progress for any tax periods. Based on evaluation of the Organization’s tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effect of uncertain tax positions has been recorded.

Statement of Cash Flows - For purposes of the statements of cash flows, the Organization considers all unrestricted debt instruments with a maturity of three months or less to be cash equivalents.

Use of Estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the 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 and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications - Certain items in the 2015 financial statements have been reclassified to be in conformity with the 2016 statement presentation.

Subsequent Events - The Organization has evaluated all transactions that might qualify for subsequent event disclosure through August 11, 2017, which is the date the financial statements were available to be issued. There were no transactions that were required to be disclosed under professional guidance.

NOTE 3: Grant Revenue and Receivables

In June of 2016, the Organization was awarded an annual allocation of income from United Way which is payable monthly over the twelve-month period ending June of 2017. Also in June of 2016, the Organization was awarded an annual grant from the Office of Crime Prevention of Columbus Consolidated Government which is payable quarterly over the twelve-month period ending June of 2017. The Organization recognized the full amount of the grants as temporarily restricted income at the time of awards. Amounts are released from restriction as they are received.

CHATTAHOOCHEE VALLEY JAIL MINISTRY, INC.
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COLUMBUS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 4: Fixed Assets and Accumulated Depreciation

Fixed assets and accumulated depreciation are summarized as follows:

	<u>2016</u>	<u>2015</u>
Building and improvements	\$ 337,456	\$ 281,915
Furniture and equipment	34,286	33,020
Computer equipment	4,711	4,711
	<u>376,453</u>	<u>319,646</u>
Less: accumulated depreciation	<u>(50,591)</u>	<u>(32,725)</u>
Fixed assets (net of accumulated depreciation)	<u>\$ 325,862</u>	<u>\$ 286,921</u>

During the year ended December 31, 2016, various construction projects were completed for the renovation and expansion of residential housing facilities.

NOTE 5: Temporarily restricted net assets

Temporarily restricted net assets consist solely of the following:

	<u>2016</u>	<u>2015</u>
Time restricted:		
United Way Allocation	\$ 41,500	\$ 39,000
Columbus Consolidated Government - CDBG	595	0
Office of Crime Prevention Grant	<u>11,667</u>	<u>19,000</u>
Total temporarily restricted net assets	<u>\$ 53,762</u>	<u>\$ 58,000</u>

NOTE 6: Concentrations

For the year ended December 31, 2016, the Organization did not receive a substantial percentage of its contributions from any one donor.

At December 31, 2016, substantially all of the Organization's cash is maintained in one financial institution and is insured by the Federal Deposit Insurance Corporation.

CHATTAHOOCHEE VALLEY JAIL MINISTRY, INC.
D/B/A SAFEHOUSE MINISTRIES
COLUMBUS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

NOTE 7: Lease Agreements

The Organization leases a residential six-unit apartment building at a discounted rate of \$1 per year from the Columbus Consolidated Government. The lease was renewed in November 2016 for a 5 year term. The difference between the lease amount and comparable market lease rates, totaling \$14,400 for each of the years ending December 31, 2016 and 2015, is recorded as contribution income and lease expense in the Statements of Activities.