

**SAM BEAUFORD WOODSHOP
DBA SAM BEAUFORD WOODWORKING INSTITUTE**

Financial Statements

December 31, 2021 and 2020

SAM BEAUFORD WOODWORKING INSTITUTE
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December 31, 2021 & 2020

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January 25, 2022

**To The Board of Trustees
Sam Beauford Woodshop
dba Sam Beauford Woodworking Institute
1375 North Main Street, Building #41
Adrian, MI 49221**

Independent Auditor's Report

We have audited the accompanying financial statements of Sam Beauford Woodshop, dba Sam Beauford Woodworking Institute (a nonprofit organization) which comprise the statements of financial position as of December 31, 2021 and 2020, 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 opinions 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.

**To The Board of Trustees
Sam Beauford Woodworking Institute
January 25, 2022**

We believe that the audit evidence we have obtained is sufficient and appropriate provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sam Beauford Woodworking Institute as of December 31, 2021 and 2020, 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.

Respectfully Submitted,

Brent D. Shea, CPA

SAM BEAUFORD WOODWORKING INSTITUTE
Statement of Financial Position
December 31, 2021 & 2020

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Current Assets:		
Cash in Bank:		
Checking	\$ 9,898	\$ 7,336
Savings, Money Market	102,122	75,084
PayPal	927	556
Accounts Receivable	<u>25</u>	<u>2,975</u>
Total Current Assets	<u>112,972</u>	<u>85,951</u>
 <u>Property and Equipment</u>		
Machinery and Equipment	147,125	68,974
Less: Accumulated Depreciation	<u>(40,565)</u>	<u>(24,235)</u>
Total Property and Equipment	<u>106,560</u>	<u>44,739</u>
Total Assets	<u>\$ 219,532</u>	<u>\$ 130,690</u>
 <u>Liabilities and Net Assets</u>		
Current Liabilities:		
Payroll Liabilities	1,058	763
Unearned Revenue	<u>24,820</u>	<u>---</u>
Total Current Liabilities	<u>25,878</u>	<u>763</u>
 Total Liabilities	 25,878	 763
Net Assets Without Donor Restrictions	<u>193,654</u>	<u>129,927</u>
Total Liabilities and Net Assets	<u>\$ 219,532</u>	<u>\$ 130,690</u>

SAM BEAUFORD WOODWORKING INSTITUTE
Statement of Activities and Changes in Net Assets
December 31, 2021 & 2020

	<u>2021</u>	<u>2020</u>
<u>Support and Revenue</u>		
Revenues:		
Tuition	\$213,649	\$148,558
Donations	135,349	83,037
Interest	111	67
Other	<u>---</u>	<u>25,797</u>
Total Support and Revenues	<u>349,109</u>	<u>257,459</u>
 <u>Expenses</u>		
Program	242,535	155,076
Administrative	42,847	39,419
Total Expenses	<u>285,382</u>	<u>194,495</u>
Net Increase in Assets Without Donor Restrictions	63,727	62,964
Net Assets, Beginning of Year	<u>129,927</u>	<u>62,963</u>
Net Assets, End of Year	<u>\$193,654</u>	<u>\$ 129,972</u>

SAM BEAUFORD WOODWORKING INSTITUTE
Statement of Cash Flows
December 31, 2021 & 2020

	<u>2021</u>	<u>2020</u>
<u>Cash Flows From Operating Activities</u>		
Increase in Net Assets	\$ 63,727	\$ 62,964
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	16,330	9,485
Increase (Decrease) in:		
Accounts Receivable	2,950	(1,750)
Increase (Decrease) in:		
Accounts Payable	<u>295</u>	<u>(823)</u>
Increase (Decrease) in:		
Unearned Revenue	<u>24,820</u>	<u>---</u>
Net Cash Provided by Operating Activities	<u>108,122</u>	<u>69,878</u>
 <u>Cash Flows From Investing Activities</u>		
Capital Outlay	<u>(78,151)</u>	<u>(9,130)</u>
Net Cash Used in Investing Activities	<u>(78,151)</u>	<u>(9,130)</u>
 <u>Cash Flows From Financing Activities</u>		
Payments on Notes Payable	<u>---</u>	<u>(7,000)</u>
Net Cash Used in Financing Activities	<u>---</u>	<u>(7,000)</u>
 Net (Decrease) in Cash	 29,971	 53,746
Cash – Beginning of Year	<u>82,976</u>	<u>29,230</u>
Cash – End of Year	<u>\$ 112,947</u>	<u>\$ 82,976</u>

SAM BEAUFORD WOODWORKING INSTITUTE
Statement of Functional Expenses
December 31, 2021 & 2020

Expenses	2021			2020		
	Program	Administrative	Total	Program	Administrative	Total
Advertising	---	10,592	10,592	---	9,007	9,007
Bank Charges/Fees	---	4,558	4,558	---	2,820	2,820
Car & Truck	---	462	462	---	1,112	1,112
Contractors	13,899	---	13,899	11,468	---	11,468
Depreciation	16,330	---	16,330	9,485	---	9,485
Insurance	---	2,403	2,403	---	3,813	3,813
Licenses	1,430	---	1,430	710	---	710
Meals	4,266	---	4,266	1,482	---	1,482
Office Supplies	---	3,681	3,681	---	3,882	3,882
Other	5,653	900	6,553	1,136	225	1,361
Payroll Taxes	8,601	1,060	9,661	4,891	1,060	5,951
Postage	---	314	314	---	491	491
Rent & Lease	20,000	1,439	21,439	20,000	---	20,000
Repairs & Maintenance	2,995	614	3,609	712	397	1,109
Supplies & Materials	45,822	---	45,822	31,336	---	31,336
Training	1,200	---	1,200	650	---	650
Travel	---	---	---	275	---	275
Utilities	8,920	2,974	11,894	8,289	2,762	11,051
Wages & Salaries	<u>113,419</u>	<u>13,850</u>	<u>127,269</u>	<u>64,642</u>	<u>13,850</u>	<u>78,492</u>
Total Expenses	<u>242,535</u>	<u>42,847</u>	<u>285,382</u>	<u>155,076</u>	<u>39,419</u>	<u>194,495</u>

SAM BEAUFORD WOODWORKING INSTITUTE
Notes to Financial Statements
December 31, 2021 & 2020

Note 1 – Summary of Operations and Significant Accounting Policies

This summary of significant accounting policies of Sam Beauford Woodworking Institute is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for their integrity and objectivity. These accounting policies, as described below, have been consistently applied in the preparation of the financial statements.

Nature of Activities – The Sam Beauford Woodworking Institute was incorporated in 2017 in the state of Michigan as a non-profit entity established for the purpose of serving the community. The Sam Beauford Woodshop was created to provide education and career opportunities through the artistry of woodworking.

The Organization's revenue is generated mainly through tuition paid by students to attend the Organization's programs.

Method of Accounting – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Display of Net Assets by Class – In the accompanying financial statements the net assets of the Organization are reported in each of the following two classes: (a) net assets without donor restrictions, and (b) net assets with donor restrictions.

Net assets of the restricted class are created only by donor-imposed restrictions on their use. All other net assets, including board designated or appropriated amounts are legally unrestricted, and are reported as part of the net assets without donor restrictions class.

Contributions – contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as net assets without donor restrictions.

Use of Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents – For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

SAM BEAUFORD WOODWORKING INSTITUTE
Notes to Financial Statements
December 31, 2021 & 2020

Note 1 – Summary of Operations and Significant Accounting Policies (Continued)

Donated Services – Donated services that meet the criteria under FASB ASC 958-605-25-16, contributions received, are reflected in the financial statements at fair market value at the time of the donation. A portion of the Organization’s functions and programs are conducted by unpaid volunteers. Amounts applicable to these donated services are not reflected in the accompanying financial statements because the volunteers’ time does not meet the criteria for recognition under FASB ASC 958-605-25-16.

Property and Equipment – Property and equipment are reflected in the balance sheet at historical cost. Improvements and betterments that materially extend the useful economic life of property or equipment are capitalized, while routine repairs and maintenance costs are expensed in the period incurred. Depreciation is provided for over the estimated useful economic lives of assets using primarily straight-line rates for financial reporting purposes.

Unearned Revenue – The Organization recognizes tuition revenue in the accounting period the associated classes and programs are held. Tuition collected in accounting periods prior to the classes and programs taking place is reflected on the balance sheet as a liability. Revenue is considered earned when the classes and program begin.

Income Taxes – The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for taxes was recorded.

Accounting for Uncertainty in Income Taxes – For years beginning after January 1, 2009, the Organization is required to establish a threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Organization has evaluated the impact of the provisions of FASB ASC 740-10-50 on its financial position, results of operations, and cash flows. As a result of this evaluation, the Organization has not made and does not anticipate any adjustments that would result in a material change to its financial position.

Note 2 – Subsequent Events

Management had evaluated subsequent events through January 25, 2022, the date on which the financial statements were available to be issued. There were no events subsequent from December 31, 2021 through January 25, 2022 that had a material effect on these financial statements.

Note 3 - Concentrations

The Organization leases property at 1375 N. Main Street Adrian, MI 49221. The lease term began January 1, 2019 and runs through December 31, 2023. The lease is paid in monthly installments of \$1,666.99, for a total annual rate of \$20,000. The future lease obligations of the Organization are as follows:

<u>Fiscal Year</u>	<u>Rent</u>
December 31, 2022	20,000
December 31, 2023	<u>20,000</u>
Total	<u>\$40,000</u>