

**GEORGIA ADVANCING COMMUNITIES TOGETHER, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

# GEORGIA ADVANCING COMMUNITIES TOGETHER, INC.

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Georgia Advancing Communities Together, Inc.  
Atlanta, Georgia

I have audited the accompanying financial statements of Georgia Advancing Communities Together, Inc. which comprise the statements of financial position, as of December 31, 2014 and 2013, and the related statements of activities 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 consolidated 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

My responsibility is to express an opinion on these consolidating financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Georgia Advancing Communities Together, Inc. as of December 31, 2014 and 2013, its changes in net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Dunwoody, Georgia  
May 18, 2015

*Robt S Blad, P.C.*

# GEORGIA ADVANCING COMMUNITIES TOGETHER, INC.

## Statements of Financial Position

	As of December 31,	
	2014	2013
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 262,412	\$ 64,961
Accounts receivable	-	22,195
Prepaid expenses	900	-
<b>Total Current Assets</b>	263,312	87,156
<b>FURNITURE AND EQUIPMENT, at cost, less</b> accumulated depreciation of \$2,726 and \$2,726	-	-
<b>TOTAL ASSETS</b>	\$ 263,312	\$ 87,156
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES:</b>		
Accounts payable and accruals	\$ 8,168	\$ 8,713
Fiscal agency balances	156	11,754
<b>Total Liabilities</b>	8,324	20,467
<b>CONTINGENCY (Note 2)</b>		
<b>NET ASSETS:</b>		
Unrestricted	7,449	21,829
Temporarily restricted (Note 4)	247,539	44,860
<b>Total Net Assets</b>	254,988	66,689
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 263,312	\$ 87,156

See accompanying summary of accounting policies and notes to financial statements.

# GEORGIA ADVANCING COMMUNITIES TOGETHER, INC.

## Statement of Activities For the Year Ended December 31, 2014

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total Net Assets
<b>PUBLIC SUPPORT:</b>			
Grants and contributions (Note 3)	\$ 15,000	\$ 280,000	\$ 295,000
<b>Total Public Support</b>	15,000	280,000	295,000
<b>REVENUE:</b>			
Membership dues	1,956	-	1,956
Conference income	16,077	-	16,077
Service fees	27,409	-	27,409
Other	337	-	337
<b>Total Revenue</b>	45,779	-	45,779
<b>Total Public Support and Revenue before Transfers</b>	60,779	280,000	340,779
<b>Net Assets Released from restrictions due to satisfaction of donor-imposed requirements</b>	77,321	(77,321)	-
<b>Total Public Support and Revenue</b>	138,100	202,679	340,779
<b>EXPENSES:</b>			
Management and general	21,239	-	21,239
Program	121,946	-	121,946
Fundraising	9,295	-	9,295
<b>Total Expenses</b>	152,480	-	152,480
<b>CHANGES IN NET ASSETS</b>	(14,380)	202,679	188,299
<b>NET ASSETS:</b>			
<b>Beginning of year</b>	21,829	44,860	66,689
<b>End of year</b>	\$ 7,449	\$ 247,539	\$ 254,988

See accompanying summary of accounting policies and notes to financial statements.

# GEORGIA ADVANCING COMMUNITIES TOGETHER, INC.

## Statement of Activities For the Year Ended December 31, 2013

	<b>Unrestricted Net Assets</b>	<b>Temporarily Restricted Net Assets</b>	<b>Total Net Assets</b>
<b>PUBLIC SUPPORT:</b>			
Grants and contributions (Note 3)	\$ 35,000	\$ 52,000	\$ 87,000
Donated facilities and services	2,265	-	2,265
<b>Total Public Support</b>	<b>37,265</b>	<b>52,000</b>	<b>89,265</b>
<b>REVENUE:</b>			
Membership dues	8,926	-	8,926
Conference income	17,695	-	17,695
Service fees	22,841	-	22,841
Other	3,126	-	3,126
<b>Total Revenue</b>	<b>52,588</b>	<b>-</b>	<b>52,588</b>
<b>Total Public Support and Revenue before Transfers</b>	<b>89,853</b>	<b>52,000</b>	<b>141,853</b>
<b>Net Assets Released from restrictions due to satisfaction of donor-imposed requirements</b>	<b>37,140</b>	<b>(37,140)</b>	<b>-</b>
<b>Total Public Support and Revenue</b>	<b>126,993</b>	<b>14,860</b>	<b>141,853</b>
<b>EXPENSES:</b>			
Management and general	23,348	-	23,348
Program	104,061	-	104,061
Fundraising	9,116	-	9,116
<b>Total Expenses</b>	<b>136,525</b>	<b>-</b>	<b>136,525</b>
<b>CHANGES IN NET ASSETS</b>	<b>(9,532)</b>	<b>14,860</b>	<b>5,328</b>
<b>NET ASSETS:</b>			
<b>Beginning of year</b>	<b>31,361</b>	<b>30,000</b>	<b>61,361</b>
<b>End of year</b>	<b>\$ 21,829</b>	<b>\$ 44,860</b>	<b>\$ 66,689</b>

See accompanying summary of accounting policies and notes to financial statements.

# GEORGIA ADVANCING COMMUNITIES TOGETHER, INC.

## Statements of Cash Flows

	For the Year Ended December 31,	
	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Changes in net assets	\$ 188,299	\$ 5,328
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
(Increase) decrease in receivables	22,195	(21,745)
(Increase) decrease in prepaids	(900)	-
Increase (decrease) in accounts payable and accruals	(545)	4,702
Increase (decrease) in fiscal agent balances	<u>(11,598)</u>	<u>8,394</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>197,451</u>	<u>(3,321)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	197,451	(3,321)
<b>CASH AND CASH EQUIVALENTS:</b>		
Beginning of year	<u>64,961</u>	<u>68,282</u>
End of year	<u>\$ 262,412</u>	<u>\$ 64,961</u>

See accompanying summary of accounting policies and notes to financial statements.

# **GEORGIA ADVANCING COMMUNITIES TOGETHER, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

### **SUMMARY OF ACCOUNTING POLICIES**

#### **ORGANIZATION**

Georgia Advancing Communities Together, Inc. (the "Organization") was formed in 2001. During 2014, the Organization changed its name to Georgia Advancing Communities Together, Inc. from Georgia State Trade Association of Nonprofit Developers, Inc. The Organization's main purpose to build a network of strong nonprofit organizations engaged in housing and community development throughout Georgia. The Organization has two categories of membership: (1) Members (voting) are for nonprofit developers and (2) Affiliate Members (non-voting) are for organizations and companies that support the affordable housing field.

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Organization's net assets, revenue, support and expenses are classified based on the existence or absence of donor-imposed restrictions into three classes: permanently restricted, temporarily restricted and unrestricted net assets.

#### **PUBLIC SUPPORT AND REVENUE RECOGNITION**

Support is recognized in the year received at its fair market value. Contributions with donor-imposed restrictions are reported as restricted-support. The satisfaction or expiration of donor-imposed restrictions is recorded as a transfer from restricted to unrestricted net assets in the year the satisfaction or expiration occur.

Pledges to give payments in future years are recorded as support in the year the pledge is made.

Membership dues are recognized as revenue over the membership period (January through December).

#### **EXPENSE RECOGNITION**

All expenses are recognized in the statement of activities as decreases in unrestricted net assets.

#### **STATEMENT OF CASH FLOWS**

Cash and cash equivalents include interest bearing checking accounts. The Organization made no material interest or income tax payments during 2014 and 2013.

#### **USE OF ESTIMATES**

The preparation of financial statements in accordance with GAAP requires reliance on accounting information based on estimates which may or may not come true in the near term. Significant estimates include the allocation of expenses on a functional basis.



# GEORGIA ADVANCING COMMUNITIES TOGETHER, INC.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### SUMMARY OF ACCOUNTING POLICIES – (Continued)

#### FISCAL AGENT BALANCES

Amounts received from a donor and the Organization agrees to transfer those assets to another entity that is specified by the donor are recorded as a liability, rather than a contribution. The liability is reflected as Fiscal Agent Balances on the Statements of Financial Position and consist of the following:

	As of December 31,	
	2014	2013
Georgians for Prosperity	\$ 156	\$ 156
Partnership for Southern Equity	-	11,598
	<u>\$ 156</u>	<u>\$ 11,754</u>

#### INCOME TAXES

The Organization is exempt from income taxes under section 501 (c)(3) of the Internal Revenue Code. Accordingly, no income taxes are reflected in the accompanying financial statements. In addition, the Organization has been classified as an entity that is not a private foundation within the meaning of Section 509 (a).

#### DONATED FACILITIES AND SERVICES

Donated facilities and services are reflected in the accompanying statements at their estimated values at the date of service or donation. Under a lease agreement with an Affiliate Member, the Organization received office space at no charge through June 2013. For 2014 and 2013, the accompanying statement of activities include donated facilities of \$-0- and \$ 2,265, respectively.

#### FURNITURE AND EQUIPMENT

Furniture and equipment is stated at cost. Depreciation is computed over the estimated useful lives (3 years) of the assets using the straight line method. Acquisitions of property and equipment or repairs, maintenance, or betterments that materially prolong the useful lives of assets are capitalized.

#### SUBSEQUENT EVENTS

Subsequent events have been evaluated through the audit report date, which is the date the financial statements were available to be issued.

# **GEORGIA ADVANCING COMMUNITIES TOGETHER, INC.**

## **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

### **SUMMARY OF ACCOUNTING POLICIES – (Concluded)**

### **FAIR VALUE OF FINANCIAL INSTRUMENTS**

The Organization's financial instruments consist of receivables, accounts payable and accrued expenses and fiscal agent balances. These financial instruments are stated at cost, which approximates fair value.

### **UNCERTAIN TAX POSITIONS**

The Organization recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authority, based on the technical merits of the position. As of December 31, 2014 and 2013, there are no known items which would result in a material accrual related to where the Organization has federal or state attributable tax positions. Generally, taxing authorities have from the later of the filing date or the extended due date to examine a tax filing.

### **NOTE 1 – ASSET ACQUISITION AGREEMENT**

In 2014, the Organization reached an agreement with the local trade association, Atlanta Housing Association of Neighborhood Based Developers (AHAND), a 501(c)(3). Under the terms of the agreement, AHAND will transfer certain assets and certain liabilities to the Organization. During 2014, AHAND has transferred a total of \$15,000 which is reflected in contributions. The remaining amount to be transferred, net of liabilities, has not been determined as of report date.

### **NOTE 2 – CONTINGENCY**

The Organization depends heavily on contributions to support ongoing operations. To the extent economic conditions negatively impact future contribution levels, the Organization's ability to continue at its current level of activity could be substantially impacted.

### **NOTE 3 – ECONOMIC DEPENDENCY**

In 2014, the Organization received a \$250,000 grant from one source. In 2013, the Organization received approximately 72 percent of its total public support and revenue from three sources.

# GEORGIA ADVANCING COMMUNITIES TOGETHER, INC.

## NOTES TO FINANCIAL STATEMENTS (CONCLUDED)

### NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets include amounts in cash and receivables with the following donor-imposed restrictions:

	As of December 31,	
	2014	2013
NeighborWorks	\$ 3,300	\$ 16,840
PNC- workshops	-	8,520
Enterprise- various programs	-	19,500
Ford- support future operations And GA Housing Coalition	244,239	-
	<u>\$ 247,539</u>	<u>\$ 44,860</u>