

GEORGIA ADVANCING COMMUNITIES TOGETHER, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

GEORGIA ADVANCING COMMUNITIES TOGETHER, INC.

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	3
FINANCIAL STATEMENTS:	
Statements of Financial Position	4
Statements of Activities	5-6
Statements of Cash Flows	7
Notes to Financial Statements	8-11



BLAD & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

1832 INDEPENDENCE SQ., STE. A DUNWOODY, GA 30338
770-512-7600 WWW.BLADCPA.COM

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Georgia Advancing Communities Together, Inc. which comprise the statements of financial position, as of December 31, 2015 and 2014, 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

Our responsibility is to express an opinion on these consolidating 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 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.

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 financial statements referred to above present fairly, in all material respects, the financial position of Georgia Advancing Communities Together, Inc. as of December 31, 2015 and 2014, 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.

Blad & Associates, P.C.

Dunwoody, Georgia
June 20, 2016

GEORGIA ADVANCING COMMUNITIES TOGETHER, INC.

Statements of Financial Position

	As of December 31,	
	2015	2014
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 245,322	\$ 262,412
Pledges receivable	175,000	-
Other receivables	833	
Prepaid expenses	-	900
Total Current Assets	421,155	263,312
FURNITURE AND EQUIPMENT, at cost, less accumulated depreciation of \$2,726 and \$2,726	-	-
SECURITY DEPOSIT	550	
TOTAL ASSETS	\$ 421,705	\$ 263,312
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accruals	\$ 11,419	\$ 8,168
Fiscal agency balances	-	156
Total Liabilities	11,419	8,324
CONTINGENCY (Note 2)		
NET ASSETS:		
Unrestricted	34,617	7,449
Temporarily restricted (Note 5)	375,669	247,539
Total Net Assets	410,286	254,988
TOTAL LIABILITIES AND NET ASSETS	\$ 421,705	\$ 263,312

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, 2015

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total Net Assets
PUBLIC SUPPORT:			
Grants and contributions (Note 3)	\$ 26,489	\$ 328,500	\$ 354,989
Total Public Support	26,489	328,500	354,989
REVENUE:			
Membership dues	5,990	-	5,990
Conference income	12,992	-	12,992
Service fees	9,012	-	9,012
Other	1,725	-	1,725
Total Revenue	29,719	-	29,719
Total Public Support and Revenue before Transfers	56,208	328,500	384,708
Net Assets Released from restrictions due to satisfaction of donor-imposed requirements	200,370	(200,370)	-
Total Public Support and Revenue	256,578	128,130	384,708
EXPENSES:			
Management and general	30,362	-	30,362
Program	189,347	-	189,347
Fundraising	9,701	-	9,701
Total Expenses	229,410	-	229,410
CHANGES IN NET ASSETS	27,168	128,130	155,298
NET ASSETS:			
Beginning of year	7,449	247,539	254,988
End of year	\$ 34,617	\$ 375,669	\$ 410,286

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

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,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 155,298	\$ 188,299
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
(Increase) decrease in receivables	(175,833)	22,195
(Increase) decrease in prepaids	900	(900)
(Increase) decrease in security deposits	(550)	-
Increase (decrease) in accounts payable and accruals	3,251	(545)
Increase (decrease) in fiscal agent balances	(156)	(11,598)
	(17,090)	197,451
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(17,090)	197,451
CASH AND CASH EQUIVALENTS:		
Beginning of year	262,412	64,961
End of year	\$ 245,322	\$ 262,412

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 is 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).

PLEDGES RECEIVABLES

Pledges receivable are stated at the amount management considers to be collectible. Management reviews outstanding pledges for collectability and has determined that all pledges receivable at December 31, 2015 are collectible based on historical experience and, therefore, no allowance for uncollectible pledges is considered necessary. There were no pledge receivables at December 31, 2014.

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 2015 and 2014.

GEORGIA ADVANCING COMMUNITIES TOGETHER, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

SUMMARY OF ACCOUNTING POLICIES – (Continued)

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.

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 consists of the following:

	As of December 31,	
	2015	2014
Georgians for Prosperity	\$ -	\$ 156

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).

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, 2015 and 2014, 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 transferred certain assets and certain liabilities to the Organization. During 2014, AHAND transferred a total of \$15,000 which is reflected in contributions.

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

For the year ended December 31, 2015, the Organization received approximately \$354,000 from four sources. The related outstanding pledge receivables for these sources amounted to \$175,000 at December 31, 2015. In 2014, the Organization received a \$250,000 grant from one source. There was no pledge receivable outstanding related to this source at December 31, 2014.

NOTE 4 – SIMPLIFIED EMPLOYEE PENSION

The Organization has one full time employee. The Organization contributes to a simplified employee pension for this full time employee. For the years ended December 31, 2015 and 2014, the contributions amounted to \$5,680 and \$5,300, respectively.

GEORGIA ADVANCING COMMUNITIES TOGETHER, INC.

NOTES TO FINANCIAL STATEMENTS (CONCLUDED)

NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS

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

	As of December 31,	
	2015	2014
NeighborWorks	\$ -	\$ 3,300
Neighborhood Revitalization Peer Leadership and Learning Network	28,112	-
Time restricted	75,000	-
Ford- support future operations And GA Housing Coalition	272,557	244,239
	<u>\$ 375,669</u>	<u>\$ 247,539</u>