GEORGIA ADVANCING COMMUNITIES TOGETHER, INC.

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

GEORGIA ADVANCING COMMUNITIES TOGETHER, INC.

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B&A
BLAD & ASSOCIATES, P.C.
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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, 2019 and 2018, and the related statements of activities, statements of 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 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, 2019 and 2018, 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
February 19, 2021

GEORGIA ADVANCING COMMUNITIES TOGETHER, INC.
Statements of Financial Position

	December 31, 2019	December 31, 2018
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 174,982	$ 190,414
Pledges receivable	-	42,500
Total Current Assets	174,982	232,914
FURNITURE AND EQUIPMENT, at cost, less accumulated depreciation of $2,726 for both years	-	-
SECURITY DEPOSIT	337	337
TOTAL ASSETS	$ 175,319	$ 233,251
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accruals	$ 11,850	$ 25,499
Other liabilities	-	5,000
Total Liabilities	11,850	30,499
NET ASSETS:		
Without donor restrictions		
Unrestricted	28,014	122,925
With donor restrictions (Note 5)		
Purpose restrictions	135,455	17,177
Time restrictions	-	62,650
Total net assets with donor restrictions	135,455	79,827
Total Net Assets	163,469	202,752
TOTAL LIABILITIES AND NET ASSETS	$ 175,319	$ 233,251

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, 2019

	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
PUBLIC SUPPORT:			
Grants and contributions (Note 3)	$ 25,444	$ 170,500	$ 195,944
Total Public Support	25,444	170,500	195,944
REVENUE:			
Membership dues	13,260	-	13,260
Conference income	26,746	-	26,746
Service fees	1,100	-	1,100
Other	2,053	-	2,053
Total Revenue	43,159	-	43,159
Total Public Support and Revenue before Transfers	68,603	170,500	239,103
Net Assets Released from restrictions due to satisfaction of donor-imposed requirements	114,872	(114,872)	-
Total Public Support and Revenue	183,475	55,628	239,103
EXPENSES:			
Program	158,003	-	158,003
Management and general	53,049	-	53,049
Fundraising	67,334	-	67,334
Total Expenses	278,386	-	278,386
CHANGES IN NET ASSETS	(94,911)	55,628	(39,283)
NET ASSETS:			
Beginning of year	122,925	79,827	202,752
End of year	$ 28,014	$ 135,455	$ 163,469

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, 2018

	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
PUBLIC SUPPORT:			
Grants and contributions (Note 3)	$ 47,145	$ 7,500	$ 54,645
Total Public Support	47,145	7,500	54,645
REVENUE:			
Membership dues	9,698	-	9,698
Conference income	27,265	-	27,265
Service fees	30,800	-	30,800
Other	332	-	332
Total Revenue	68,095	-	68,095
Total Public Support and Revenue before Transfers	115,240	7,500	122,740
Net Assets Released from restrictions due to satisfaction of donor-imposed requirements	159,930	(159,930)	-
Total Public Support and Revenue	275,170	(152,430)	122,740
EXPENSES:			
Program	222,356	-	222,356
Management and general	28,595	-	28,595
Fundraising	17,452	-	17,452
Total Expenses	268,403	-	268,403
CHANGES IN NET ASSETS	6,767	(152,430)	(145,663)
NET ASSETS:			
Beginning of year	116,158	232,257	348,415
End of year	$ 122,925	$ 79,827	$ 202,752

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

GEORGIA ADVANCING COMMUNITIES TOGETHER, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2019

	Program	Management and General	Fundraising	Total
Compensation and related costs	$ 81,930	$ 27,423	$ 50,303	$ 159,656
Outside Services	47,305	14,557	4	61,866
Office	1,597	534	980	3,111
Occupancy	4,433	1,484	2,722	8,639
Travel	7,490	2,507	4,599	14,596
Insurance	716	239	439	1,394
Supplies	3,478	1,164	2,135	6,777
Telecommunications	2,485	831	1,525	4,841
Postage and printing	868	291	533	1,692
Staff training	6,819	1,613	2,959	11,391
Other	882	2,406	1,135	4,423
Total expenses	$ 158,003	$ 53,049	$ 67,334	$ 278,386

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

GEORGIA ADVANCING COMMUNITIES TOGETHER, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2018

	Program	Management and General	Fundraising	Total
Compensation and related costs	$ 109,428	$ 19,842	$ 12,458	$ 141,728
Outside Services	69,209	412	15	69,636
Office	478	87	55	620
Occupancy	5,309	963	605	6,877
Travel	14,097	2,556	1,605	18,258
Insurance	1,077	195	122	1,394
Supplies	3,239	587	369	4,195
Telecommunications	2,862	519	326	3,707
Postage and printing	1,735	315	197	2,247
Staff training	13,377	2,426	1,523	17,326
Other	1,545	693	177	2,415
Total expenses	$ 222,356	$ 28,595	$ 17,452	$ 268,403

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, 2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	$ (39,283)	$ (145,663)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
(Increase) decrease in receivables	42,500	88,467
Increase (decrease) in accounts payable and accruals	(13,649)	7,172
Increase (decrease) in other liabilities	(5,000)	5,000
Net Cash Provided by (Used in) Operating Activities	(15,432)	(45,024)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(15,432)	(45,024)
CASH AND CASH EQUIVALENTS:		
Beginning of year	190,414	235,438
End of year	$ 174,982	$ 190,414

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

GEORGIA ADVANCING COMMUNITIES TOGETHER, INC.

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.

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The net assets, revenue, support, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions into two classes:

> *Net assets without donor restrictions* are currently available for purposes under the direction of the board, designated by the board for specific use, or resources invested in furniture and equipment.
>
> *Net assets with donor restrictions* are contributed with donor stipulations for specific operating purposes or programs, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled.

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.

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).

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, 2019 and 2018, 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.

GEORGIA ADVANCING COMMUNITIES TOGETHER, INC.

SUMMARY OF ACCOUNTING POLICIES

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all highly liquid temporary investments with a maturity of three months or less. The Organization maintains its cash and cash equivalents with high credit, quality financial institutions, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

PLEDGES RECEIVABLE

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, 2019 and 2018 are collectible based on historical experience and, therefore, no allowance for uncollectible pledges is considered necessary.

During the year ended December 31, 2019, a grant contract was signed and executed with a donor for $170,000 over two years. The Organization met the first barrier and recognized $85,000; however, the second barrier has not been met and the income was not recognized at December 31, 2019.

FURNITURE AND EQUIPMENT

Furniture and equipment over $1,000 are 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. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

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 net assets with donor restrictions to net assets without donor restrictions 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).

Effective January 1, 2019, the Organization recognizes revenue from contracts in accordance with Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)* using the five-step approach. Revenues are recognized at a point in time.

GEORGIA ADVANCING COMMUNITIES TOGETHER, INC.

SUMMARY OF ACCOUNTING POLICIES

EXPENSE RECOGNITION

All expenses are recognized in the statement of activities as decreases in net assets without donor restrictions. The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support services are allocated directly according to their natural expenditure classification.

OPERATING LEASE

In March 2018, the Organization entered into a lease to rent office space under an operating lease that expires in March 2021. The lease is cancellable by either party with a 30 day notice. For the years ended December 31, 2019 and 2018, total rent expense for this operating lease was $7,724 and $6,435.

SUBSEQUENT EVENTS

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

RECENTLY ADOPTED ACCOUNTING POLICIES

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. The Organization adopted the provisions of this new standard during the year ended December 31, 2019. The provisions of the new standard did not have a material impact on the financial statements of the Organization.

In May 2014, the FASB issued a new accounting standard, ASU 2014-09 (Topic 606), which impacts revenue recognition for exchange transactions. The Organization adopted the provisions of this new standard during the year ended December 31, 2019. The provisions of the new standard did not have a material impact on the financial statements of the Organization.

In June 2018, the FASB issued a new accounting standard, ASU 2018-08 (Topic 958), to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The Organization adopted the provisions of this new standard during the year ended December 31, 2019. The provisions of the new standard did not have a material impact on the financial statements of the Organization.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENT

In February 2016, the Financial Accounting Standards Board (FASB) issued a new accounting standard, ASU No. 2016-02, Leases (Topic 842), which provides guidance for accounting for leases. The new guidance requires companies to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. The ASU is effective for fiscal years beginning after December 15, 2021. It is to be adopted using a modified retrospective approach or through a cumulative effect adjustment to the opening balance of net assets in the period of adoption. The Organization does not anticipate a material impact on the financial statements upon adoption of this new standard.

GEORGIA ADVANCING COMMUNITIES TOGETHER, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – 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 2 – PROMISES TO GIVE

A summary of promises to give in pledge receivables is as follows as of December 31:

	2019	2018
Receivables in less than one year	$ -	$ 42,500
Receivables in one to five years	-	-
Total pledge receivables	$ -	$ 42,500

NOTE 3 – CONCENTRATIONS

During the year ended December 31, 2019, the Organization received contributions of $190,500 from four sources.

During the year ended December 31, 2018, the Organization received contributions of $60,000 from two sources. As of December 31, 2018, pledges receivable includes $42,500 from an additional donor.

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, 2019 and 2018, the contributions amounted to $5,000 and 5,000, respectively.

GEORGIA ADVANCING COMMUNITIES TOGETHER, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of amounts in cash and receivables with the following donor-imposed restrictions as of December 31:

	2019	2018
NeighborWorks-CDC Capacity Building Initiative	$ 27,288	$ -
Annie E. Casey-Neighborhood Revitalization Peer Leadership and Learning Network	-	12,177
Mary Reynolds Babcock	77,917	62,650
National Low Income Housing Coalition- Our Homes Our Votes	30,250	-
Wells Fargo-Community Development	-	5,000
Total	$ 135,455	$ 79,827

NOTE 6 – LIQUIDITY AND FUNDS AVAILABLE

The Organization has $174,982 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of exclusively cash and cash equivalents. Included in the above amounts is $135,455 in donor restricted net assets; however, these funds are available to be used in the next year.

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 7 – ECONOMIC UNCERTAINTY DUE TO COVID-19 PANDEMIC

Subsequent to year end, the United States economy has been negatively impacted as a result of the COVID-19 pandemic. The Organization is currently evaluating the financial and organizational impact of the economic decline.