

HomeAid Atlanta, Inc.

REVIEWED FINANCIAL STATEMENTS

December 31, 2017



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REPORT





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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
HomeAid Atlanta, Inc.

We have reviewed the accompanying financial statements of HomeAid Atlanta, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Carr, Riggs & Ingram, LLC

CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia
October 3, 2018



FINANCIAL STATEMENTS

HomeAid Atlanta, Inc.
Statement of Financial Position
(See Independent Accountants' Review Report)

December 31, 2017

Assets

Cash and cash equivalents	\$ 57,434
Marketable securities	316,592

Total assets	\$ 374,026
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Liabilities and Net Assets

Liabilities

Deferred revenue	\$ 31,250
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Net assets

Unrestricted	342,776
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Total liabilities and net assets	\$ 374,026
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The accompanying footnotes are an integral part of this statement.

HomeAid Atlanta, Inc.
Statement of Activities
(See Independent Accountants' Review Report)

Year ended December 31, 2017

Revenue and support	
Contributions and grants	\$ 512,395
Program services	149,223
Special event revenue	104,224
Investment income	41,093
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Total revenue and support	806,935
Expenses	
Program services	661,622
Fundraising and special events	88,330
General and administrative	28,631
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Total expenses	778,583
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Change in net assets	28,352
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Net assets at December 31, 2016	314,424
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Net assets at December 31, 2017	\$ 342,776

The accompanying footnotes are an integral part of this statement.

HomeAid Atlanta, Inc.
Statement of Cash Flows
(See Independent Accountants' Review Report)

Year ended December 31, 2017

Operating activities	
Change in net assets	\$ 28,352
Adjustments to reconcile change in net assets to net cash (used in) operating activities	
Unrealized and realized gain on marketable securities, and reinvested dividends	(41,093)
Increase in liabilities	
Deferred revenue	(32,000)
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Net cash used in operating activities	(44,741)
Investing activities	
Sale of marketable securities	9,633
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Net decrease in cash and cash equivalents	(35,108)
Cash and cash equivalents at December 31, 2016	92,542
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Cash and cash equivalents at December 31, 2017	\$ 57,434

Supplemental schedule of non-cash investing and financing activities and certain cash flow information:

There were no non-cash investing and financing activities during the year ended December 31, 2017.

The accompanying footnotes are an integral part of this statement.

HomeAid Atlanta, Inc.
Notes to Financial Statements

(See Independent Accountants' Review Report)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements include the accounts of HomeAid Atlanta, Inc. (HomeAid), a Georgia, nonprofit organization. HomeAid was incorporated to assist the temporarily homeless by providing shelter and transitional housing in order to provide a path towards self-sufficiency. HomeAid's programs are primarily funded by contributions from corporations and individuals.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from those estimates.

A summary of the significant accounting policies of HomeAid applied in the preparation of the accompanying financial statements follows.

Financial Statement Presentation and Revenue Recognition

HomeAid prepares its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities* (ASC 958). Under ASC 958, HomeAid's contributions received, including unconditional promises to give, are recognized as revenues in the period received at their fair values. Deferred revenue represents sponsorship monies received in 2017 that are applicable to 2018. Also under ASC 958, HomeAid is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Temporarily restricted net assets consist of grant contributions received that are restricted as to purpose of use. Upon expending restricted funds for their intended purpose, temporarily restricted net assets are released from restrictions.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, HomeAid considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Property and Equipment

Depreciation of property and equipment is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives on a straight-line basis. Property and equipment with a cost in excess of \$1,000 and a useful life in excess of one year is capitalized.

HomeAid Atlanta, Inc.
Notes to Financial Statements
(See Independent Accountants' Review Report)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (continued)

The components of property and equipment at December 31, 2017, are as follows:

Class of Asset	Estimated Useful Lives (in years)		
Equipment	3-7	\$	5,608
Less accumulated depreciation			(5,608)
		\$	-

Concentrations of Credit Risk

Financial instruments, which potentially subject HomeAid to concentrations of credit risk, are principally cash deposits. Concentrations of credit risk with respect to cash deposits are limited due to the deposits residing in banks covered by FDIC insurance. To reduce risk, HomeAid routinely assesses the financial stability of its banks and monitors the cash levels held in each bank. As a consequence, management believes that its credit risk in cash deposits is limited.

In-Kind Contributions

Donations of goods and services are recorded as support at their estimated fair value at the time of donation. Unless specified otherwise by the donor, these donations are reported as unrestricted in the statement of activities. During the year ended December 31, 2017, HomeAid recognized donations of goods and services of approximately \$450,000. In-kind services consisted of printing and marketing services, rent and services contributed for projects.

Fair Value Measurements

HomeAid presents certain fair value disclosures for all financial assets and liabilities and for nonfinancial assets and liabilities recognized or disclosed at fair value in the financial statements on a recurring basis in accordance with FASB ASC 820, *Fair Value Measurements and Disclosures* (ASC 820).

ASC 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard also establishes a framework for measuring fair value and expands disclosures about fair value measurements. The standard further institutes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

HomeAid Atlanta, Inc.
Notes to Financial Statements
(See Independent Accountants' Review Report)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (continued)

ASC 820 describes the following three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities accessible to the entity at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs that are not corroborated by market data.

The following table sets forth, by level within the fair value hierarchy, HomeAid's assets at fair value as of December 31, 2017:

	Level 1	Level 2	Level 3	Total
Marketable Equity Securities				
Bonds	\$ 52,619	\$ -	\$ -	\$ 52,619
Growth funds	92,653	-	-	92,653
Value funds	109,833	-	-	109,833
Real Estate funds	9,127	-	-	9,127
Government funds	52,360	-	-	52,360
	<u>\$ 316,592</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 316,592</u>

NOTE 2: INVESTMENTS IN MARKETABLE SECURITIES

Investments at December 31, 2017, are recorded at fair value based on quoted market prices in accordance with ASC 958. HomeAid's investments are held for future operational or capital needs. Changes in the fair value of investments held at the end of the year are reflected in the statement of activities as unrealized gains or losses in the fair value of investments. Realized gains and losses on the sale of investments are recorded based upon the difference between the proceeds and the basis on the investments. The basis of the investments is determined by the specific-identification method. Interest income and dividends are recognized when earned.

The cost and related fair values of investments at December 31, 2017, are as follows:

	Cost	Market Value
Marketable equity securities	\$ 269,401	\$ 316,592

HomeAid Atlanta, Inc.
Notes to Financial Statements
(See Independent Accountants' Review Report)

NOTE 3: PENSION PLAN

Employees of HomeAid participate in the defined contribution pension plan (the Plan) of the Greater Atlanta Home Builders Association (the Association) (Note 6). Under the Plan, employees are eligible to participate after meeting certain age and length of service requirements.

The Plan is funded through discretionary employee contributions and allows the Association to make discretionary matching contributions. During the year ended December 31, 2017, the Association did not make any discretionary matching contributions for employees of HomeAid.

NOTE 4: COMMITMENT AND CONTINGENCIES

HomeAid has cash deposits with financial institutions, which fluctuate from time to time in excess of the insured limitation of the Federal Deposit Insurance Corporation. If these financial institutions were not to honor their contractual liability, HomeAid could incur losses. Management is of the opinion that there is no risk of loss because of the financial strength of these financial institutions.

From time to time, HomeAid may have asserted and unasserted claims arising in the normal course of business. HomeAid does not expect losses, if any, arising from these asserted and unasserted claims to have a material effect on the financial statements.

NOTE 5: INCOME TAXES

HomeAid is exempt from federal income taxes under the provisions of §501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has also determined that HomeAid is not a private foundation as defined by §509(a)(1) of the Code.

FASB ASC 740, *Income Taxes* (ASC 740), requires the use of a two-step approach for recognizing and measuring tax benefits taken or expected to be taken in a tax return and disclosures regarding uncertainties in income tax positions. Only tax positions that meet the more likely than not recognition threshold at the effective date may be recognized upon adoption of ASC 740. Management does not believe that HomeAid has any material uncertain tax positions at December 31, 2017.

NOTE 6: RELATED PARTIES

HomeAid was organized by the Association. The Association donates office space to HomeAid. During the year ended December 31, 2017, HomeAid recorded in-kind contributions of \$7,524 related to the donated space. In addition, the Association collects donations and pays certain expenses, including wages and salaries on behalf of HomeAid. During the year ended December 31, 2017, the Association incurred approximately \$168,000 related to the wages and salary expense for HomeAid. These expenses were subsequently reimbursed by HomeAid.



HomeAid Atlanta, Inc.
Notes to Financial Statements
(See Independent Accountants' Review Report)

NOTE 7: SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 3, 2018, which is the date that the financial statements were available to be issued.