

THE COWETA COMMUNITY FOUNDATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2014

With Independent Auditor's Report Thereon



CERTIFIED PUBLIC
ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Coweta Community Foundation, Inc.

We have audited the accompanying financial statements of The Coweta Community Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, functional expenses, and cash flows for the year 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 of 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 aspects, the financial position of The Coweta Community Foundation, Inc., as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.


Morrow, Georgia
November 13, 2015

THE COWETA COMMUNITY FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014

ASSETS

CURRENT ASSETS	
Cash	\$ 410,310
Investments	10,185
Contributions receivable	<u>6,103</u>
TOTAL CURRENT ASSETS	426,598
FIXED ASSETS, NET	<u>43,842</u>
TOTAL ASSETS	<u>\$ 470,440</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	\$ 2,823
Payroll liabilities	<u>4,914</u>
TOTAL CURRENT LIABILITIES	<u>7,737</u>
TOTAL LIABILITIES	<u>7,737</u>
NET ASSETS	
Unrestricted	118,750
Temporarily restricted	<u>343,953</u>
TOTAL NET ASSETS	<u>462,703</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 470,440</u>

The accompanying notes are an integral part of these financial statements.

THE COWETA COMMUNITY FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUES:			
Donations	\$ 181,305	\$ 41,648	\$ 222,953
FERST	-	60,976	60,976
Can't Never Could	-	42,968	42,968
Coweta STEM	-	42,364	42,364
CLICK	-	17,646	17,646
Stepping Stones	-	12,711	12,711
Family Patterns Matter	-	1,501	1,501
In-kind donations	16,852	-	16,852
Fundraising	13,440	-	13,440
Management fees	5,138	-	5,138
Investment return	3,062	(151)	2,911
Interest and dividend revenue	<u>693</u>	<u>1,093</u>	<u>1,786</u>
 Total support and revenues and gains before transfers	 220,490	 220,756	 441,246
 Net assets released from restrictions due to satisfaction of donor-imposed restrictions	 <u>88,151</u>	 <u>(88,151)</u>	 <u>-</u>
 TOTAL SUPPORT AND REVENUE	 308,641	 132,605	 441,246
 EXPENSES			
Program services	241,392	-	241,392
Management and general expenses	59,452	-	59,452
Fundraising expenses	<u>26,019</u>	<u>-</u>	<u>26,019</u>
 TOTAL EXPENSES	 <u>326,863</u>	 <u>-</u>	 <u>326,863</u>
 CHANGES IN NET ASSETS	 (18,222)	 132,605	 114,383
 NET ASSETS AT BEGINNING OF YEAR	 <u>136,972</u>	 <u>211,348</u>	 <u>348,320</u>
 NET ASSETS AT END OF YEAR	 <u>\$ 118,750</u>	 <u>\$ 343,953</u>	 <u>\$ 462,703</u>

The accompanying notes are an integral part of these financial statements.

THE COWETA COMMUNITY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Program Activities</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Program expenses	\$ 44,499	\$ -	\$ -	\$ 44,499
Can't Never Could	48,158	-	-	48,158
CLICK	42,802	-	-	42,802
Ferst Foundation	35,075	-	-	35,075
Coweta STEM	34,156	-	-	34,156
Stepping Stones	18,789	-	-	18,789
Family Patterns Matter	17,913	-	-	17,913
Personnel	-	26,405	-	26,405
Fundraising	-	-	26,019	26,019
Professional fees	-	12,991	-	12,991
Office expenses	-	7,456	-	7,456
Marketing	-	2,730	-	2,730
Meetings and conferences	-	2,671	-	2,671
Utilities	-	2,459	-	2,459
Insurance	-	2,043	-	2,043
Grants	-	2,000	-	2,000
Contract labor	-	697	-	697
	<u>-</u>	<u>697</u>	<u>-</u>	<u>697</u>
 TOTAL EXPENSES	 <u>\$ 241,392</u>	 <u>\$ 59,452</u>	 <u>\$ 26,019</u>	 <u>\$ 326,863</u>

The accompanying notes are an integral part of these financial statements.

THE COWETA COMMUNITY FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 114,383
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Depreciation and amortization	5,293
Unrealized loss on marketable securities	8,230
Increase in operating assets	
Contributions receivable	(6,103)
Increase in operating liabilities:	
Accounts payable	2,823
Payroll liabilities	<u>2,472</u>
 NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	 127,098
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from the sale of investments	91,270
Purchase of investments	(10,185)
Interest and dividends, reinvested	(11,612)
Purchase of equipment	<u>(49,135)</u>
 NET CASH FLOW PROVIDED BY INVESTING ACTIVITIES	 20,338
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>
 NET CHANGE IN CASH	 147,436
CASH AT THE BEGINNING OF THE YEAR	<u>262,874</u>
 CASH AT THE END OF THE YEAR	 <u>\$ 410,310</u>

The accompanying notes are an integral part of these financial statements.

THE COWETA COMMUNITY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

1. ORGANIZATION

The Coweta Community Foundation, Inc. (“Foundation”) is a nonprofit organization incorporated to enhance the sense of community in Coweta County, Georgia by encouraging philanthropic interaction. The Foundation provides a catalyst to help focus local philanthropy on the community’s changing needs and manages individual gifts and bequests that enhance and support the quality of life in Coweta County. This is accomplished through community programs and projects including: Stepping Stones, a hospital-based early intervention program; Certified Literate is Coweta’s Key (C.L.I.C.K.), an adult literacy campaign; and FERST, a community-wide program that provides books for preschoolers.

These financial statement are presented in accordance with accounting principles generally accepted in the United States of America.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

The Foundation’s net assets and its revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation therein are classified as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may be met either by actions of the Foundation or the passage of time.

Revenues are reported as increases in unrestricted net assets unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Expirations of temporary restrictions on net assets are reported as reclassifications between the applicable classes of net assets.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are reported.

THE COWETA COMMUNITY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

Management of The Coweta Community Foundation, Inc. makes estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare the financial statements in conformity with GAAP. Actual results could differ from these estimates.

Cash and cash equivalents

The Coweta Community Foundation, Inc. considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents. For the years ended December 31, 2014, The Coweta Community Foundation, Inc. had no cash equivalents.

Investments

The Foundation carries investments in marketable securities and investments in debt securities at their fair values. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Gains and losses on temporarily restricted assets are included as increases and decreases of temporarily restricted net assets.

The Foundation commingles restricted cash and investments in accounts with unrestricted cash and investments. These amounts are accounted for separately.

Property and equipment

Fixed assets are stated on the basis of cost. Depreciation is computed over the estimated useful lives of the assets using the straight-line method. Maintenance and repairs are expensed as incurred whereas major renewals and betterments are capitalized. Depreciation expense for the year ended December 31, 2014 was \$5,293.

Functional allocation of expenses

The Foundation allocates its expenses on a functional basis among its various programs and support services. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

THE COWETA COMMUNITY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “IRC”) whereby only unrelated business income, as defined by Section 512(a)(1) of the IRC is subject to federal income tax. The Foundation is also a nonprivate foundation under 509(a)(1) of the IRC. The Foundation had no income from unrelated activities and has no income taxes due as of December 31, 2014.

The Foundation’s application of ASC 740 regarding uncertain tax positions had no effect on its financial position as management believes the Foundation has no material unrecognized income tax benefits, including any potential risk of loss of its not-for-profit tax status. The Foundation would account for any potential interest or penalties related to possible future liabilities for unrecognized income tax benefits as income tax expense. The Foundation is no longer subject to examination by federal, state or local tax authorities for periods before 2011.

3. INVESTMENTS

Investments as of December 31, 2014 consisted of the following:

	<u>2014</u>
Mutual Funds	\$ <u>10,185</u>
Total	\$ <u>10,185</u>

Total investment related expenses were \$418 and \$900 for the year ended December 31, 2014.

4. FAIR VALUE MEASUREMENTS

The Foundation adopted the provisions of FASB Codification 820-10, Fair Value Measurements, for financial assets and liabilities. Under FASB Codification 820-10, fair value is based on 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. In order to increase consistency and comparability in fair value measurements, FASB Codification 820-10 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels. These levels, in order of highest priority to lowest priority, are described as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Unobservable prices that are based on inputs not quoted on active markets, but corroborated by market data.
- Level 3: Inputs are unobservable inputs for the asset that are supported by little or no market activity and that are significant to the fair value of the underlying asset.

THE COWETA COMMUNITY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

4. FAIR VALUE MEASUREMENTS (Continued)

The following table summarized the Foundation’s financial instruments measured at fair value on a recurring basis in accordance with FASB Codification 820-10 as of December 31, 2014:

	Total	Level 1	Level 2	Level 3
Mutual Funds	\$ <u>10,185</u>	\$ <u>10,185</u>	\$ -	\$ -
Total	\$ <u><u>10,185</u></u>	\$ <u><u>10,185</u></u>	\$ -	\$ -

5. FIXED ASSETS

A summary of fixed assets at December 31, 2014 is as follows:

Computers	\$ 4,759
Equipment	<u>47,535</u>
Total fixed assets	52,294
Accumulated depreciation	<u>(8,452)</u>
Net fixed assets	<u><u>\$ 43,842</u></u>

6. NET ASSETS

Included in unrestricted net assets at December 31, 2014 are donor-advised funds. Although grant recommendations are accepted from donors or other advisors of these funds, the Foundation has variance power: that is, the ultimate discretion of the use of these funds lies with the Board of Directors. Thus, such funds represent unrestricted net assets to the Foundation. However, the intent of the Foundation is to leave the principal intact and use the earnings for programs and projects.

Temporarily restricted net assets are subject to donor-imposed stipulations that may be met either by actions of the Foundation or the passage of time. The restrictions are for the donated assets to be used for specific purposes. These purposes include various fields of interest, scholarships or programs of the Foundation. At December 31, 2014, net assets consisted of:

THE COWETA COMMUNITY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

6. NET ASSETS (Continued)

Unrestricted Net Assets	
Administrative Operating Fund	\$ 29,093
Administrative Reserve Fund	15,114
Tom McKeehan Fund	43,376
Donor Advised Fund	
Shirey Troutman Fund	29,127
Barbara Taylor Fund	<u>2,040</u>
Total Unrestricted Net Assets	<u>\$ 118,750</u>
Temporarily Restricted	
Fiscal Sponsor Funds	
Coweta FERST Fund	\$ 174,609
Can't Never Could	42,968
Coweta STEM	42,364
CLICK	17,646
Stepping Stones	12,711
Family Patterns Matter	1,559
Restricted Donor Advised Funds	20,593
General Funds	12,092
Non-Profit Advisory Board	6,710
Field of Interest Funds	5,062
Agency Donor Advised Funds	4,187
Scholarships	2,342
Pass Thru Funds	<u>1,110</u>
Total Temporarily Restricted	<u>\$ 343,953</u>

7. SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 13, 2015, which is the date the financial statements were available to be issued.