



ROBIN BROWN
& ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

NORTH GWINNETT COOPERATIVE, INC.

FINANCIAL STATEMENTS
(Audited)

For the Year Ended December 31, 2014



ROBIN BROWN
& ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
North Gwinnett Cooperative, Inc.
Buford, Georgia

We have audited the accompanying statement of financial position of North Gwinnett Cooperative, Inc. (a nonprofit organization) as of December 31, 2014, and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of North Gwinnett Cooperative, Inc. as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Robin Brown & Associates, LLC

ROBIN BROWN & ASSOCIATES, LLC
Certified Public Accountants
July 17, 2015

North Gwinnett Cooperative, Inc.

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to the Financial Statements	6-9

North Gwinnett Cooperative, Inc.
Statement of Financial Position
December 31, 2014

ASSETS

	<u>12/31/2014</u>
<u>Current assets</u>	
Cash and cash equivalents	\$ 126,873
Inventory	<u>10,011</u>
Total current assets	136,884
<u>Property and equipment</u>	
Furniture, fixtures and equipment	67,633
Building improvements	9,474
Building	652,484
Accumulated depreciation	<u>(70,357)</u>
Total property and equipment, net	<u>659,234</u>
Total assets	<u>\$ 796,118</u>

LIABILITIES & NET ASSETS

<u>Current liabilities</u>	
Accounts payable	\$ -
Current portion of long-term debt	<u>-</u>
Total current liabilities	-
<u>Long-term liabilities</u>	
Long-term debt	<u>355,758</u>
Total long-term liabilities	<u>355,758</u>
Total liabilities	<u>\$ 355,758</u>
<u>Net assets (deficit)</u>	
Unrestricted net assets	\$ 432,421
Temporarily restricted net assets	7,939
Permanently restricted net assets	<u>-</u>
Total net assets	<u>\$ 440,360</u>
Total liabilities and net assets	<u>\$ 796,118</u>

See accompanying Independent Auditor's Report and Notes to the Financial Statements

North Gwinnett Cooperative, Inc.
Statement of Activities
For the Year Ended December 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and Revenue				
Individual & Civic contributions	\$ 81,739	\$ -	\$ -	\$ 81,739
Corporate & Church contributions	\$ 155,573	-	-	155,573
Capital Building Fund contributions	\$ -	22,100	-	22,100
In-kind donations - Food	\$ 116,240	-	-	116,240
In-kind donations - Thrift Store	\$ 47,719	-	-	47,719
Thrift store sales	\$ 50,492	-	-	50,492
Interest income	\$ -	360	-	360
Net assets released from restrictions:				-
Satisfaction of payments on long-term debt	\$ 31,100	(31,100)	-	-
Satisfaction of building improvements and other building expenses	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total support and revenue	\$ 482,863	(8,640)	-	\$ 474,223
Functional expenses				
Compensation and related expenses	\$ 56,302	-	-	56,302
Occupancy	\$ 80,097	-	-	80,097
Program expenses	<u>\$ 305,845</u>	<u>-</u>	<u>-</u>	<u>305,845</u>
Total functional expenses	\$ 442,244	-	-	442,244
Increase (decrease) in net assets	\$ 40,619	(8,640)	-	31,979
Net assets, Beginning of year	\$ 391,802	16,579	-	408,381
Net assets, End of year	\$ 432,421	\$ 7,939	\$ -	\$ 440,360

See accompanying Independent Auditor's Report and Notes to the Financial Statements

North Gwinnett Cooperative, Inc.
Statement of Functional Expenses
For the Year Ended December 31, 2014

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Compensation and related expenses:				
Salaries and wages	\$ 40,514	\$ -	\$ -	\$ 40,514
Payroll taxes	<u>15,788</u>	<u>-</u>	<u>-</u>	<u>15,788</u>
Total Compensation and related expenses	<u>56,302</u>	<u>-</u>	<u>-</u>	<u>56,302</u>
Occupancy expenses				
Depreciation expense	21,651	5,413		27,064
Insurance	1,809	452		2,261
Interest expense	11,458	2,864		14,322
Office supplies	2,965	741		3,706
Miscellaneous	10,105	2,526		12,631
Other	36	9		45
Rent	-	-		-
Repairs and maintenance	731	183		914
Communication and internet	5,533	1,383		6,916
Utilities	<u>9,790</u>	<u>2,448</u>	<u>-</u>	<u>12,238</u>
Total Occupancy expenses	<u>64,078</u>	<u>16,019</u>	<u>-</u>	<u>80,097</u>
Program Expenses				
Advertising	1,235			1,235
Fundraising	-		1,256	1,256
Dues and subscriptions	1,032			1,032
Client Assistance - Prescriptions	40,523			40,523
Client Assistance - Utilities	82,420			82,420
Client Assistance - Food	505			505
Client Assistance - Occupancy	12,504			12,504
In-kind donations - Food	116,240			116,240
In-kind donations - Thrift Store	<u>50,130</u>	<u>-</u>	<u>-</u>	<u>50,130</u>
Total Program expenses	<u>304,589</u>	<u>-</u>	<u>1,256</u>	<u>305,845</u>
	<u>\$ 424,969</u>	<u>\$ 16,019</u>	<u>\$ 1,256</u>	<u>\$ 442,244</u>

See accompanying Independent Auditor's Report and Notes to the Financial Statements

North Gwinnett Cooperative, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 31,979
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	27,064
(Increase) Decrease in: Inventory	<u>2,411</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>61,454</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of equipment	
NET CASH USED BY INVESTING ACTIVITIES	<u>-</u>
 CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on long-term debt	<u>(31,100)</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>(31,100)</u>
INCREASE (DECREASE) IN CASH	30,354
CASH, beginning of year	<u>96,519</u>
CASH, end of year	<u><u>\$ 126,873</u></u>
 SUPPLEMENTAL DISCLOSURE	
Cash paid for interest	\$ 14,322

See accompanying Independent Auditor's Report and Notes to the Financial Statements

North Gwinnett Cooperative, Inc.
Notes to the Financial Statements
December 31, 2014

NOTE 1 – NATURE OF BUSINESS

North Gwinnett Cooperative, Inc. (the "Organization") is a charity in Gwinnett County Georgia that provides food, clothing and financial assistance to those in need in the Buford and Sugar Hill, Georgia communities. The Organization began serving the community in 1991 and was formally organized on May 25, 1995 as a Georgia not-for-profit organization. The Organization is run by a board of directors comprised of local community and business leaders.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) **Basis of Accounting**

The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. This basis of accounting involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

The Organization adheres to the standards for financial reporting set forth in FASB Accounting Standard Codification (ASC) 958-205 (formerly known as Statement of Financial Accounting Standards No. 117), Financial Statements of Not-for-Profit Organizations and adheres to the provisions of FASB ASC 958-605 (formerly known as Statement of Financial Accounting Standards No. 116), Accounting for Contributions Received and Contributions Made.

Under these financial reporting standards, net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported 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 or will be met either by actions of the Organization and/or the passage of time.

Permanently Restricted Net Assets – net assets whose use by the Organization is limited by donor-imposed stipulations that do not expire.

(b) **Cash and Cash Equivalents**

The Organization considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents. Cash includes cash on deposit with banks and other financial institutions. Cash is maintained in a financial institution subject to federal insurance limitations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) **Use of Estimates**

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

(d) **Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits**

The FDIC insures deposits in interest bearing accounts in financial institutions up to \$250,000 per account. The Organization's cash balance does not exceed FDIC insurance limits as of December 31, 2014.

(e) **Donated Services**

No amounts have been recognized in the accompanying statement of activities for the donated services received from volunteers, because the criteria for recognition of such volunteer efforts under FASB ACS 958-605 (formerly known as SFAS No. 116) have not been satisfied.

(f) **Income Tax**

The Organization qualifies as a tax-exempt organization under Section 501c (3) of the Internal Revenue Code and, therefore, requires no provision for income taxes. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

(g) **Functional Allocation of Expenses**

The costs of providing the various programs and other activities are summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the various programs and supporting services benefited as required by FASB ACS 958-305 (formerly known as SFAS No. 117).

(h) **Compensated Absences**

No accrual of compensated absences has been made in the financial statements because the amount is not significant. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.

(i) **Advertising Expenses**

Advertising expenses are expensed when incurred.

North Gwinnett Cooperative, Inc.
Notes to the Financial Statements
December 31, 2014

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment are stated at historic cost. Maintenance and repairs of property and equipment are charged to operations and major improvements are capitalized. Upon retirement, sale or other disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts and gain or loss is included in operations. The Organization uses the straight line method for depreciation of its capitalized assets. Depreciation is estimated based on the historic cost of capitalized assets. The vast majority of the assets of the Organization were donated to the Organization. Historic cost was determined based on estimated fair value of the assets at the time the donation occurred.

Expenditures for maintenance and repairs are charged against operations. Renewals and betterments that materially extend the life of an asset are capitalized. Depreciation expense totaled \$27,064 at December 31, 2014.

NOTE 4 – RESTRICTED ASSETS

Contributions of cash and other assets are reported as temporary restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions with donor restrictions are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is received. Unrestricted contributions are recognized when received. All assets of the Organization were unrestricted at December 31, 2014.

NOTE 5 – SUBSEQUENT EVENTS

In accordance with the FASB issued Accounting Standard Codification (ASC) 855-10 (formerly know as Statement of Financial Accounting Standards No. 165), subsequent events have been evaluated through July 17, 2015 the date the financial statements have been issued.