



**NFCC**  
**North Fulton**  
**Community Charities**

**FINANCIAL STATEMENTS**

**Years Ended June 30, 2023 and 2022**



**BRADY WARE**  
**& SCHOENFELD**

## TABLE OF CONTENTS

---

	<b>Page</b>
<b>INDEPENDENT AUDITORS' REPORT</b>	1 - 2
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position	3
Statements of Activities	4 - 5
Statements of Functional Expenses	6 - 7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 14



## INDEPENDENT AUDITORS' REPORT

---

To the Board of Directors  
**North Fulton Community Charities, Inc.**

### Opinion

We have audited the accompanying financial statements of **North Fulton Community Charities, Inc.** (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **North Fulton Community Charities, Inc.** as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **North Fulton Community Charities, Inc.** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **North Fulton Community Charities, Inc.'s** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## INDEPENDENT AUDITORS' REPORT - CONTINUED

---

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 **North Fulton Community Charities, Inc.'s** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **North Fulton Community Charities, Inc.'s** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Atlanta, Georgia  
October 18, 2023

**NORTH FULTON COMMUNITY CHARITIES, INC.****STATEMENTS OF FINANCIAL POSITION**

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,428,155	\$ 3,446,381
Grants receivable	117,109	139,533
Pledges receivable, net	24,500	50,897
Other receivables	10,535	-
Inventories	354,460	332,915
Prepaid and other	<u>159,601</u>	<u>150,468</u>
Total current assets	4,094,360	4,120,194
PROPERTY AND EQUIPMENT, NET	7,870,379	7,773,911
LONG-TERM PLEDGES RECEIVABLE, NET	<u>7,445</u>	<u>-</u>
	<u>\$ 11,972,184</u>	<u>\$ 11,894,105</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 126,680	\$ 130,950
Contract liabilities	<u>32,500</u>	<u>64,500</u>
Total current liabilities	<u>159,180</u>	<u>195,450</u>
NET ASSETS		
Net assets without donor restrictions	11,330,889	11,133,268
Net assets with donor restrictions	<u>482,115</u>	<u>565,387</u>
Total net assets	<u>11,813,004</u>	<u>11,698,655</u>
	<u>\$ 11,972,184</u>	<u>\$ 11,894,105</u>

**NORTH FULTON COMMUNITY CHARITIES, INC.**

**STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Contributions and grants	\$ 2,500,198	\$ 938,877	\$ 3,439,075
Contributions of nonfinancial assets	7,044,334	-	7,044,334
Thrift shop	1,380,039	-	1,380,039
Funding from government agencies	1,159	197,406	198,565
Special events	94,339	-	94,339
Interest income	32,845	704	33,549
Bad debt recoveries	17,500	-	17,500
Net assets released from restrictions	<u>1,220,259</u>	<u>(1,220,259)</u>	<u>-</u>
Total support and revenue and reclassifications	<u>12,290,673</u>	<u>(83,272)</u>	<u>12,207,401</u>
<b>FUNCTIONAL EXPENSES</b>			
Program services			
Financial assistance	2,036,000	-	2,036,000
Thrift shop	2,752,247	-	2,752,247
Food pantry	5,171,959	-	5,171,959
Seasonal programs	552,464	-	552,464
Enrichment programs	400,673	-	400,673
Supporting services			
Fundraising	357,367	-	357,367
General and administrative	<u>823,517</u>	<u>-</u>	<u>823,517</u>
Total functional expenses	<u>12,094,227</u>	<u>-</u>	<u>12,094,227</u>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	196,446	(83,272)	113,174
<b>OTHER CHANGES IN NET ASSETS</b>			
Gain on disposal of property and equipment	<u>1,175</u>	<u>-</u>	<u>1,175</u>
<b>CHANGE IN NET ASSETS</b>	197,621	(83,272)	114,349
<b>NET ASSETS</b>			
Beginning of year	<u>11,133,268</u>	<u>565,387</u>	<u>11,698,655</u>
End of year	<u>\$ 11,330,889</u>	<u>\$ 482,115</u>	<u>\$ 11,813,004</u>

**NORTH FULTON COMMUNITY CHARITIES, INC.**

**STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2022**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUE</b>			
Contributions and grants	\$ 2,426,493	\$ 597,146	\$ 3,023,639
Contributions of nonfinancial assets	4,921,884	-	4,921,884
Thrift shop	1,254,956	-	1,254,956
Funding from government agencies	1,222	550,016	551,238
Special events	104,921	-	104,921
Interest income	6,884	101	6,985
Net assets released from restrictions	<u>1,307,568</u>	<u>(1,307,568)</u>	<u>-</u>
Total support and revenue and reclassifications	<u>10,023,928</u>	<u>(160,305)</u>	<u>9,863,623</u>
<b>FUNCTIONAL EXPENSES</b>			
Program services			
Financial assistance	1,883,914	-	1,883,914
Thrift shop	2,646,175	-	2,646,175
Food pantry	3,030,832	-	3,030,832
Seasonal programs	643,296	-	643,296
Enrichment programs	308,637	-	308,637
Supporting services			
Fundraising	292,400	-	292,400
General and administrative	<u>707,225</u>	<u>-</u>	<u>707,225</u>
Total functional expenses	<u>9,512,479</u>	<u>-</u>	<u>9,512,479</u>
<b>CHANGE IN NET ASSETS FROM OPERATIONS</b>	511,449	(160,305)	351,144
<b>OTHER CHANGES IN NET ASSETS</b>			
Loss on disposal of property and equipment	<u>(2,824)</u>	<u>-</u>	<u>(2,824)</u>
<b>CHANGE IN NET ASSETS</b>	508,625	(160,305)	348,320
<b>NET ASSETS</b>			
Beginning of year	<u>10,624,643</u>	<u>725,692</u>	<u>11,350,335</u>
End of year	<u>\$ 11,133,268</u>	<u>\$ 565,387</u>	<u>\$ 11,698,655</u>

**NORTH FULTON COMMUNITY CHARITIES, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended June 30, 2023**

	Program Services					Supporting Services		Total Expenses
	Financial Assistance	Thrift Shop	Food Pantry	Seasonal Programs	Enrichment Programs	Fundraising	General and Administrative	
In-kind:								
Food	\$ -	\$ -	\$ 4,561,788	\$ 15,475	\$ -	\$ -	\$ -	\$ 4,577,263
Clothing and household items	-	1,884,308	-	202,450	-	-	-	2,086,758
Other	24,364	-	-	250,171	18,875	6,191	69,472	369,073
Total In-kind	24,364	1,884,308	4,561,788	468,096	18,875	6,191	69,472	7,033,094
Direct assistance:								
Rent	1,176,960	-	-	-	-	-	-	1,176,960
Utilities	78,089	-	-	-	-	-	-	78,089
Transportation	54	-	-	-	207	-	-	261
Medical	38	-	-	-	-	-	-	38
Other	360	-	75,398	10,432	-	-	-	86,190
Total direct assistance	1,255,501	-	75,398	10,432	207	-	-	1,341,538
Other:								
Payroll and payroll taxes	427,140	495,941	268,630	43,068	131,134	209,393	463,373	2,038,679
Benefits	78,465	79,820	34,475	6,149	15,799	41,408	57,840	313,956
Utilities	11,914	58,337	21,191	1,410	10,017	-	8,533	111,402
Repairs and maintenance	23,958	49,565	36,645	1,829	17,554	-	15,824	145,375
Security	30,044	10,057	6,705	967	30,043	180	-	77,996
Professional fees and services	64,876	20,985	50,561	6,367	67,665	18,633	97,778	326,865
Supplies and postage	347	13,289	15,649	3,638	21,327	4,019	6,022	64,291
Special events	-	-	-	-	-	38,778	-	38,778
Transaction fees	26,342	29,875	319	314	148	239	1,019	58,256
Insurance	20,614	20,953	10,112	1,194	4,785	22,618	14,655	94,931
Rent	-	-	349	3,732	-	1,674	1,110	6,865
Vehicle expense	-	6,995	4,696	-	-	-	-	11,691
Printing	163	120	181	7	-	649	11,412	12,532
Equipment	9,097	6,144	7,951	2,897	3,649	-	4,772	34,510
Marketing	-	1,341	-	-	-	5,892	6,957	14,190
Miscellaneous	15,746	6,900	19,202	2,062	27,872	6,495	22,632	100,909
Depreciation	47,429	67,617	58,107	302	51,598	1,198	42,118	268,369
Total other	756,135	867,939	534,773	73,936	381,591	351,176	754,045	3,719,595
Total functional expenses	\$ 2,036,000	\$ 2,752,247	\$ 5,171,959	\$ 552,464	\$ 400,673	\$ 357,367	\$ 823,517	\$ 12,094,227
Percent of total	17%	23%	43%	5%	3%	2%	7%	100%

See notes to financial statements.



**NORTH FULTON COMMUNITY CHARITIES, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended June 30, 2022**

	Program Services					Supporting Services		Total Expenses
	Financial Assistance	Thrift Shop	Food Pantry	Seasonal Programs	Enrichment Programs	Fundraising	General and Administrative	
In-kind:								
Food	\$ -	\$ -	\$ 2,509,501	\$ 79,365	\$ -	\$ -	\$ -	\$ 2,588,866
Clothing and household items	-	1,791,961	-	57,375	-	-	-	1,849,336
Other	16,087	-	-	392,368	225	7,827	1,219	417,726
Total In-kind	16,087	1,791,961	2,509,501	529,108	225	7,827	1,219	4,855,928
Direct assistance:								
Rent	1,050,206	-	-	-	-	-	-	1,050,206
Utilities	85,078	-	-	-	-	-	-	85,078
Transportation	1,614	-	-	-	-	-	-	1,614
Medical	657	-	-	-	-	-	-	657
Other	10	-	70,702	41,162	-	-	-	111,874
Total direct assistance	1,137,565	-	70,702	41,162	-	-	-	1,249,429
Other:								
Payroll and payroll taxes	448,041	503,475	224,305	41,276	107,422	169,806	388,708	1,883,033
Benefits	84,838	66,522	20,761	2,883	7,672	29,712	32,697	245,085
Utilities	11,163	49,204	21,783	895	9,385	-	12,455	104,885
Repairs and maintenance	16,020	37,831	32,565	2,671	13,469	482	20,668	123,706
Security	19,775	21,640	14,426	4,296	17,291	-	11,716	89,144
Professional fees and services	35,343	28,138	41,562	5,657	41,166	15,210	109,107	276,183
Supplies and postage	2,437	8,682	17,426	672	33,036	2,602	11,433	76,288
Special events	-	-	-	-	-	38,042	-	38,042
Transaction fees	24,145	26,574	277	512	-	15	3,067	54,590
Insurance	28,707	32,884	13,163	2,456	8,135	16,259	20,329	121,933
Rent	-	-	-	2,349	-	-	-	2,349
Vehicle expense	-	9,449	6,316	-	-	-	-	15,765
Printing	216	-	53	-	166	2,278	19,541	22,254
Equipment	890	267	376	3,198	13,631	304	668	19,334
Marketing	-	-	-	50	-	661	1,826	2,537
Miscellaneous	6,560	9,707	3,680	5,558	4,617	6,581	17,157	53,860
Bad debt	-	-	-	-	-	-	12,250	12,250
Depreciation	52,127	59,841	53,936	553	52,422	2,621	44,384	265,884
Total other	730,262	854,214	450,629	73,026	308,412	284,573	706,006	3,407,122
Total functional expenses	\$ 1,883,914	\$ 2,646,175	\$ 3,030,832	\$ 643,296	\$ 308,637	\$ 292,400	\$ 707,225	\$ 9,512,479
Percent of total	20%	28%	32%	7%	3%	3%	7%	100%

See notes to financial statements.

**NORTH FULTON COMMUNITY CHARITIES, INC.****STATEMENTS OF CASH FLOWS**

Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ 114,349	\$ 348,320
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation	268,369	265,884
(Gain) loss on disposal of property and equipment	(1,175)	2,824
Change in donated inventories	(21,545)	(60,499)
Allowance for uncollectible pledges receivable	<u>(17,500)</u>	<u>12,250</u>
	342,498	568,779
Changes in operating assets and liabilities:		
Grants receivable	22,424	73,862
Other receivables	(10,535)	-
Prepaid and other	(9,133)	(44,261)
Accounts payable and accrued expenses	(4,270)	14,491
Contract liabilities	<u>(32,000)</u>	<u>24,660</u>
Net Cash and Cash Equivalents Provided by Operating Activities	<u>308,984</u>	<u>637,531</u>
<b>INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(366,162)	(58,576)
Proceeds from sale of property and equipment	<u>2,500</u>	<u>1,000</u>
Net Cash and Cash Equivalents Used by Investing Activities	(363,662)	(57,576)
<b>FINANCING ACTIVITIES</b>		
Collection of pledges receivable, net	<u>36,452</u>	<u>179,954</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(18,226)	759,909
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>3,446,381</u>	<u>2,686,472</u>
End of year	<u>\$ 3,428,155</u>	<u>\$ 3,446,381</u>

# NORTH FULTON COMMUNITY CHARITIES, INC.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**North Fulton Community Charities, Inc.** ("NFCC") is a Georgia non-profit organization established to provide residents of northern Fulton County, Georgia with short-term emergency assistance. NFCC assists families with financial assistance for rent, utilities, medical expenses, transportation and other basic needs. NFCC operates a food pantry and thrift shop to support families with food, clothing and household needs. NFCC also provides life skill classes and advocates for the needs of low income residents.

**Basis of Presentation** - The financial statement presentation follows the recommendations of generally accepted accounting principles. NFCC is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

**Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. These net assets may be used at the discretion of NFCC management or designated by the board of directors.

**Net Assets With Donor Restrictions** - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. NFCC had no net assets with donor restrictions in perpetuity as of June 30, 2023 and 2022.

**Financial Estimates** - 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 reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Functional Allocation of Expenses** - The costs of providing the various programs and other activities are summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. All expenses are allocated based on direct identification except for occupancy and related expenses which are allocated based on direct usage and computed using square footage.

**Contributions and Revenue** - Contributions received are recorded as support and revenue without donor restrictions and with donor restrictions depending on the existence and/or nature of any donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

NFCC recognized revenue for certain services received at the fair value of those services. These services include professional services that require specialized skill and services that create a non-financial asset.

NFCC receives donated services from unpaid volunteers. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition have not been satisfied (see Note 11). Donations of nonfinancial assets are recorded as contributions when received (See Note 8).

Conditional grants are recorded as revenue in the year the conditions are met. The continuation of the grants is subject to certain requirements.

# NORTH FULTON COMMUNITY CHARITIES, INC.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

**Concentration of Credit Risk** - NFCC maintains cash balances at two financial institutions. At various times during 2023 and 2022, the cash balance was in excess of FDIC insured limits.

**Cash and Cash Equivalents** - NFCC considers all highly liquid investments with a maturity of three months or less when purchased to be "cash equivalents".

**Pledges Receivable** - Pledges receivable consist of unconditional pledges received from a broad base of contributors. Unconditional pledges receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional pledges receivable that are expected to be collected in future years are recorded at the present value of their future cash flows. The discounts on those amounts are computed using United States Treasury Bill rates with maturities commensurate to the time period of expected collection of pledges. Amortization of the discounts is included in contribution revenue. Management estimates an allowance for uncollectible pledges receivable based on current economic conditions, historical trends, and current and past experience with their donor base.

**Grants receivable** - Grants receivable represent amounts awarded by various government agencies as well as non-government entities. Grants receivable are due within one year and are recorded at their net realizable value.

**Inventories** - Inventories consist principally of food held for the food pantry and merchandise held for the thrift shop and seasonal programs. Inventories received through contributions are recorded at fair market value which approximates net realizable value as defined by generally accepted accounting principles. Inventory purchased is recorded at cost.

**Property and Equipment** - Property and equipment are stated at cost and depreciated over their estimated useful lives using the straight-line method. NFCC's policy is to capitalize expenditures in excess of \$2,500 for property and equipment. Routine repairs and maintenance are charged to expense when incurred and renewals and betterments are capitalized. When property and equipment are retired or sold, the related cost and accumulated depreciation are removed from the respective accounts, and the resulting gains and losses are included in income.

NFCC reviews for impairment of long-lived assets in accordance with accounting standards. These standards require organizations to determine if changes in circumstances indicate that the carrying amount of its long-lived assets may not be recoverable. If a change in circumstances warrants such an evaluation, undiscounted future cash flows from the use and ultimate disposition of the asset, as well as respective market values, are estimated to determine if an impairment exists. Management believes that there has been no impairment of the carrying value of its long-lived assets at June 30, 2023 and 2022.

**Income Taxes** - NFCC is a nonprofit organization and is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for income taxes is presented in these financial statements. NFCC is not considered to be a private foundation.

**Uncertainty in Tax Positions** - Accounting standards require the evaluation of tax positions taken, or expected to be taken, in the course of preparing NFCC's tax returns, to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. This statement provides that a tax benefit from an uncertain tax position may be recognized in the financial statements only when it is "more-likely-than-not" the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based upon the technical merits and consideration of all available information. Once the recognition threshold is met, the portion of the tax benefit that is recorded represents the largest amount of tax benefit that is greater than 50 percent likely to be realized upon settlement with a taxing authority. Based on its review, management does not believe NFCC has taken any material uncertain tax positions, including any position that would place NFCC's exempt status in jeopardy, as of June 30, 2023.

# NORTH FULTON COMMUNITY CHARITIES, INC.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

**Subsequent Events** - NFCC has evaluated subsequent events through October 18, 2023, the date the financial statements were available to be issued.

### NOTE 2 - REVENUE RECOGNITION

NFCC derives its revenue primarily from contributions, grants, thrift shop sales and special events. Contributions and grants are accounted for under contribution guidance established by ASU 2018-08. Thrift shop sales are recognized at the point of sale and special events revenue is recognized at the time of the event, in amounts that reflect the consideration NFCC expects to be entitled to and in exchange for the value provided from the goods sold and benefit received during the event. Sales and other taxes NFCC collects concurrent with revenue-producing activities are excluded from revenue. Incidental items that are immaterial in the context of the contracts are recognized as expense. Costs incurred to obtain a contract are expensed as incurred when the amortization period is less than a year.

NFCC's contracts related to special events are cancelable at any time by either party and all thrift shop sales are final. NFCC's standard payment terms for special events are typically due before the scheduled event. Payment terms can vary based upon the entity that is paying. NFCC does not have any significant financing components. There is no variable consideration related to services provided.

Contract liabilities consisting of unearned sponsorship revenue and contract assets consisting of other receivables in connection with sponsorship payments receivable at June 30, 2023 and 2022 are presented on the statements of financial position. At July 1, 2021, unearned revenue totaled \$39,840.

Revenue from performance obligations satisfied at a point in time consist of thrift shop sales, sponsorships, and registration fees for special events.

### NOTE 3 - LIQUIDITY AND AVAILABILITY

NFCC monitors its liquidity so that it is able to meet its operating needs while maximizing the investment of its excess operating cash. NFCC has the following financial assets less those unavailable for general expenditure within one year from the date of the financial statements.

	<u>2023</u>	<u>2022</u>
Financial Assets		
Cash and cash equivalents	\$ 3,428,155	\$ 3,446,381
Grants receivable	117,109	139,533
Pledges receivable, net	<u>31,945</u>	<u>50,897</u>
	3,577,209	3,636,811
Less those unavailable for general expenditure within one year:		
Net assets with purpose restrictions	<u>482,115</u>	<u>565,387</u>
Financial assets available within one year of the statement of financial position date for general expenditure.	<u>\$ 3,095,094</u>	<u>\$ 3,071,424</u>

In addition to financial assets available to meet general expenditures over the year, NFCC anticipates covering its general expenditures by collecting revenue from thrift shop sales and collection of contributions and new grant awards.

**NORTH FULTON COMMUNITY CHARITIES, INC.****NOTES TO FINANCIAL STATEMENTS****NOTE 4 - PLEDGES RECEIVABLE, NET**

	<u>2023</u>	<u>2022</u>
Receivable in less than one year	\$ 24,500	\$ 50,897
Receivable in one to five years	<u>15,550</u>	<u>41,473</u>
	<b>40,050</b>	92,370
Less:		
Discount to net present value	<b>3,105</b>	5,223
Allowance for uncollectible pledges	<u>5,000</u>	<u>36,250</u>
Total	<u>\$ 31,945</u>	<u>\$ 50,897</u>

Discount rates ranging from 1.35% to 2.88% were applied to contributions due in more than one year for the year ended June 30, 2023.

Approximately 20% and 33% of total undiscounted pledges receivable, or \$8,000 and \$30,670, represents pledges from board members or other related parties as of June 30, 2023 and 2022.

**NOTE 5 - INVENTORIES**

Inventories at June 30, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Thrift shop	\$ 174,587	\$ 186,827
Food pantry	176,759	144,627
Other	<u>3,114</u>	<u>1,461</u>
	<u>\$ 354,460</u>	<u>\$ 332,915</u>

**NOTE 6 - PROPERTY AND EQUIPMENT**

	<u>2023</u>	<u>2022</u>
Land and land improvements	\$ 2,134,626	\$ 2,068,375
Building and building improvements	6,834,866	6,589,196
Construction in progress	-	2,068
Furniture, fixtures and equipment	414,882	397,378
Vehicles	107,488	107,488
Software	<u>33,901</u>	<u>33,901</u>
Total cost	<b>9,525,763</b>	9,198,406
Less accumulated depreciation	<u>1,655,384</u>	<u>1,424,495</u>
	<u>\$ 7,870,379</u>	<u>\$ 7,773,911</u>

Depreciation expense was \$268,369 and \$265,884 for the years 2023 and 2022.

**NORTH FULTON COMMUNITY CHARITIES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

---

**NOTE 7 - LINE OF CREDIT**

At June 30, 2023 and 2022, NFCC had in place a \$500,000 line of credit with a bank. Interest is payable at the bank's Prime rate plus 0.5% (8.75% and 5.25% at June 30, 2023 and 2022) through maturity in December 2024. The line of credit is secured by land and building. There were no borrowings on the line of credit at June 30, 2023 and 2022.

**NOTE 8 - CONTRIBUTIONS OF NONFINANCIAL ASSETS**

	<u>2023</u>	<u>2022</u>
Gift cards and vouchers	\$ 31,330	\$ 86,604
Thrift shop merchandise	1,849,055	1,874,739
Food	4,559,167	2,485,579
New clothing, school supplies, and toys	422,399	467,481
Professional services	58,664	-
Vehicle	3,759	7,481
Temporary office and event space	<u>119,960</u>	<u>-</u>
	<u>\$ 7,044,334</u>	<u>\$ 4,921,884</u>

NFCC recognized contributed services and materials within revenue and support, including gift cards and vouchers, thrift shop merchandise, food, new clothing, school supplies and toys, professional services, furniture and fixtures, and vehicle. Unless otherwise noted, contributed services and materials did not have donor-imposed restrictions.

Gift cards and vouchers are provided as aid to individuals and families that are experiencing hardship. Gift cards and vouchers are valued based on the face value of the gift card or voucher.

Thrift shop merchandise consists of goods donated by community members to be distributed to clients at no charge through the Preferred Patron program or sold in the thrift shop. Donated goods distributed to clients totaled \$481,256 and \$537,025 in 2023 and 2022. Revenue derived from the sale of the donated items is reported in thrift shop revenue in the accompanying statements of activities and helps fund the operations and services NFCC provides. Thrift shop merchandise items are valued based on the thrift shop selling price.

Food items consist of donations to NFCC for use in their food assistance program. Individuals and families struggling to make ends meet can significantly reduce their food expenses by utilizing this service. Food donated is valued based on current market prices at the date of the donation.

New clothing, school supplies, and toys relate to various seasonal assistance programs that occur at various times during the year. Items collected are valued based on the current market price at the date of donation.

Professional services consisted of legal services received pro-bono during the year related primarily to drafting and review of NFCC policies and procedures. Professional services provided are valued based on market rates for similar professional services.

In accordance with NFCC policy, contributed vehicles are distributed to an individual or family based on certain criteria. Contributed vehicles are valued based on used car pricing models.

Temporary office and event space represents donated parking space used by with for the Barbara Duffy Center along with space donated by various organizations in the area for programs and events.

**NORTH FULTON COMMUNITY CHARITIES, INC.****NOTES TO FINANCIAL STATEMENTS****NOTE 9 - RETIREMENT PLANS**

NFCC has a 403(b) savings plan for all eligible employees. The Plan provides for voluntary contributions up to the maximum allowed by the Internal Revenue Code. Employees are always 100% vested in their contributions and become fully vested in NFCC contributions after four years of service. NFCC matches up to 50% of the first 4% of compensation contributed by the employees. Contributions totaled \$22,372 and \$20,299 for the years 2023 and 2022.

**NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Subject to expenditure for specified purposes:		
Capital	\$ 282,794	\$ 345,995
Financial assistance	49,635	9,990
Family enrichment	21,353	34,371
Food pantry	80,406	45,320
Other	<u>47,927</u>	<u>129,711</u>
	<u>\$ 482,115</u>	<u>\$ 565,387</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose as follows for the years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Satisfaction of purpose restrictions:		
Capital	\$ 83,222	\$ 294,078
Financial assistance	516,898	755,382
Family enrichment	77,196	63,095
Food pantry	166,570	97,524
Other	<u>376,373</u>	<u>97,489</u>
	<u>\$ 1,220,259</u>	<u>\$ 1,307,568</u>

**NOTE 11 - CONTRIBUTED SERVICES (UNAUDITED)**

NFCC receives contributed services from volunteers throughout the year for various non-specialized functions performed within the Organization. These services do not meet the recognition criteria and, accordingly, no amounts have been recognized in the accompanying statements of activities.

The services by capacity are as follows for the year ended June 30, 2023:

	<u>Number of Hours</u>	<u>Estimated Value</u>
Thrift shop	30,593	\$ 221,799
Office and food pantry	27,674	200,636
General volunteer work	3,422	24,809
Food pick-up and delivery	5,580	40,455
Special projects	<u>3,011</u>	<u>21,830</u>
	<u>70,280</u>	<u>\$ 509,529</u>