

GREENSBORO HOUSING COALITION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2006

GREENSBORO HOUSING COALITION, INC.

C O N T E N T S

June 30, 2006

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APPLE, KOCEJA & ASSOCIATES, PA

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Officers and Directors
Greensboro Housing Coalition, Inc.
Greensboro, North Carolina

We have audited the accompanying statement of financial position of **Greensboro Housing Coalition, Inc.** (a non-profit organization) as of June 30, 2006, and the related statements of activities, cash flows, and functional expenses 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. The prior year summarized comparative information has been derived from the Organization's June 30, 2005 financial statements and, in our report dated August 22, 2005, we expressed an unqualified opinion on those financial statements.

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 Greensboro Housing Coalition, Inc. as of June 30, 2006 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.

Apple, Kocaja & Associates, PA

Certified Public Accountants
July 19, 2006

GREENSBORO HOUSING COALITION, INC.

STATEMENT OF FINANCIAL POSITION

As of June 30, 2006

(with comparative totals for June 30, 2005)

ASSETS	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>	
			<u>6/30/2006</u>	<u>6/30/2005</u>
CURRENT ASSETS				
Cash	\$61 921	\$2 000	\$63 921	\$85 816
Unconditional promise to give	-	5 600	5 600	-
Accounts receivable	12 845	-	12 845	28 169
Prepaid expenses	6 531	-	6 531	15 313
Total current assets	<u>81 297</u>	<u>7 600</u>	<u>88 897</u>	<u>129 298</u>
PROPERTY AND EQUIPMENT				
Furniture and equipment	17 538	-	17 538	17 538
Less accumulated depreciation	(9 867)	-	(9 867)	(6 964)
Net property and equipment	<u>7 671</u>	<u>-</u>	<u>7 671</u>	<u>10 574</u>
OTHER ASSETS				
Deposits	1 215	-	1 215	1 915
Total assets	<u>\$90 183</u>	<u>\$7 600</u>	<u>\$97 783</u>	<u>\$141 787</u>
 LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$2 357	\$ -	\$2 357	\$2 258
Accrued vacation pay	28 426	-	28 426	24 727
Total current liabilities	<u>30 783</u>	<u>-</u>	<u>30 783</u>	<u>26 985</u>
NET ASSETS				
Unrestricted				
- Available for general purposes	51 729	-	51 729	62 499
- Expended for property and equipment	7 671	-	7 671	10 574
Temporarily restricted	-	7 600	7 600	41 729
Total net assets	<u>59 400</u>	<u>7 600</u>	<u>67 000</u>	<u>114 802</u>
Total liabilities and net assets	<u>\$90 183</u>	<u>\$7 600</u>	<u>\$97 783</u>	<u>\$141 787</u>

See notes to financial statements

GREENSBORO HOUSING COALITION, INC.

STATEMENT OF ACTIVITIES

For the year ended June 30, 2006

(with comparative totals for the year ended June 30, 2005)

			<u>Totals</u>	
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Year Ended 6/30/2006</u>	<u>Year Ended 6/30/2005</u>
PUBLIC SUPPORT				
Contributions	\$48 304	\$ -	\$48 304	\$23 538
Memberships	30 257	-	30 257	23 303
Contracts	172 586	-	172 586	408 819
Grants	9 000	6 600	15 600	37 000
Total public support	<u>260 147</u>	<u>6 600</u>	<u>266 747</u>	<u>492 660</u>
OTHER REVENUE				
Investment income	890	-	890	95
Program fees	4 020	-	4 020	-
Miscellaneous income	-	-	-	275
Total other revenue	<u>4 910</u>	<u>-</u>	<u>4 910</u>	<u>370</u>
NET ASSETS RELEASED FROM RESTRICTIONS				
Satisfaction of program restriction	<u>40 729</u>	<u>(40 729)</u>	<u>-</u>	<u>-</u>
Total public support, other revenue and restriction releases	<u>305 786</u>	<u>(34 129)</u>	<u>271 657</u>	<u>493 030</u>
EXPENSES				
Functional expenses:				
More Than Just a Mortgage	-	-	-	34 397
Housing Search Assistance Program	-	-	-	145 877
Coordination	-	-	-	84 751
Outreach	-	-	-	132 532
Housing Counseling	158 085	-	158 085	-
Healthy Homes	134 742	-	134 742	-
Management and general	26 632	-	26 632	35 967
Total expenses	<u>319 459</u>	<u>-</u>	<u>319 459</u>	<u>433 524</u>
CHANGE IN NET ASSETS	(13 673)	(34 129)	(47 802)	59 506
NET ASSETS				
Beginning of year	<u>73 073</u>	<u>41 729</u>	<u>114 802</u>	<u>55 296</u>
END OF YEAR	<u>\$59 400</u>	<u>\$7 600</u>	<u>\$67 000</u>	<u>\$114 802</u>

See notes to financial statements

GREENSBORO HOUSING COALITION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2006

(with comparative totals for the year ended June 30, 2005)

	<u>Program Services</u>			<u>Supporting Services</u>		<u>Totals</u>	
	<u>Housing Counseling</u>	<u>Healthy Homes</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Total Supporting Services</u>	<u>Year Ended 6/30/2006</u>	<u>Year Ended 6/30/2005</u>
Salaries	\$105 089	\$81 189	\$186 278	\$9 696	\$9 696	\$195 974	\$251 128
Employee benefits	14 197	10 968	25 165	1 310	1 310	26 475	42 156
Payroll taxes	8 905	6 880	15 785	823	823	16 608	21 505
Total salaries and related expenses	128 191	99 037	227 228	11 829	11 829	239 057	314 789
Professional fees	-	-	-	6 970	6 970	6 970	6 255
Contracted services	-	-	-	-	-	-	16 410
Telephone	3 208	2 980	6 188	730	730	6 918	6 785
Office expense and postage	1 159	1 706	2 865	365	365	3 230	7 949
Printing	1 766	1 223	2 989	133	133	3 122	5 599
Rent expense	5 831	3 700	9 531	1 880	1 880	11 411	19 868
Cost sharing - VISTA	573	-	573	-	-	573	8 404
Meetings and conferences	152	61	213	-	-	213	1 911
Dues and subscriptions	200	280	480	825	825	1 305	1 352
Insurance	-	-	-	2 640	2 640	2 640	2 618
Training	824	380	1 204	-	-	1 204	828
Travel and parking	4 916	3 193	8 109	237	237	8 346	10 218
Website expense	8 712	-	8 712	-	-	8 712	11 500
Program expenses	997	20 979	21 976	879	879	22 855	14 621
Miscellaneous	-	-	-	-	-	-	2 008
Total expenses before depreciation	156 529	133 539	290 068	26 488	26 488	316 556	431 115
Depreciation	1 556	1 203	2 759	144	144	2 903	2 409
Total	\$158 085	\$134 742	\$292 827	\$26 632	\$26 632	\$319 459	\$433 524

See notes to financial statements

GREENSBORO HOUSING COALITION, INC.

STATEMENT OF CASH FLOWS

For the year ended June 30, 2006

(with comparative totals for the year ended June 30, 2005)

	Year Ended 6/30/2006	Year Ended 6/30/2005
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from contributors and grantors	\$247 400	\$477 601
Cash received from memberships	30 257	23 303
Other revenue received	4 910	370
Cash paid to employees and suppliers	(304 462)	(427 009)
Net cash provided by (used by) operating activities	<u>(21 895)</u>	<u>74 265</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	<u>-</u>	<u>(5 963)</u>
Net increase (decrease) in cash and cash equivalents	(21 895)	68 302
Cash and cash equivalents at beginning of year	85 816	17 514
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$63 921</u>	<u>\$85 816</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES:		
Change in net assets	<u>(\$47 802)</u>	<u>\$59 506</u>
Adjustments to reconcile change in net assets to net cash provided by (used by) operating activities:		
Depreciation	2 903	2 409
Loss on disposal of furniture and equipment	-	2 007
(Increase) decrease in unconditional promise to give	(5 600)	-
(Increase) decrease in accounts receivable	15 324	8 244
(Increase) decrease in prepaid expense	8 782	(2 605)
(Increase) decrease in deposits	700	-
Increase (decrease) in accounts payable	99	(504)
Increase (decrease) in accrued vacation pay	3 699	5 208
Total adjustments	<u>25 907</u>	<u>14 759</u>
Net cash provided by (used by) operating activities (as reported above)	<u><u>(\$21 895)</u></u>	<u><u>\$74 265</u></u>

See notes to financial statements

GREENSBORO HOUSING COALITION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2006

Note 1. Summary of Significant Accounting Policies and Nature of Organization

Nature of Organization

Greensboro Housing Coalition, Inc. is a non-profit corporation organized under the laws of the State of North Carolina to advocate for affordable housing for low-wealth and special-needs households.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Donor-restricted contributions are reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the time restriction and/or satisfaction of the program restriction. Restricted contributions whose restrictions are met in the same fiscal period are reported as unrestricted. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Financial Statement Presentation

The Organization reports 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. In addition, the Organization presents a statement of cash flows.

Property and Equipment

Property and equipment are stated at cost or, if donated, fair value at the date of gift. Property and equipment are capitalized if the estimated useful life is more than one year. Depreciation is determined by the straight-line method based on the estimated useful lives of the assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

GREENSBORO HOUSING COALITION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2006

Note 1. Summary of Significant Accounting Policies and Nature of Organization (continued)

Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

Cash Equivalents

For purposes of reporting cash flows, the Organization considers all checking accounts, savings accounts, and money market funds with original maturities of 3 months or less to be cash equivalents. The Organization paid no interest or income taxes during the period.

Note 2. Leased Facilities

The Organization is obligated at June 30, 2006 under a two-year lease agreement for office space that expires May 31, 2008. Future minimum rent payments required under this operating lease are \$11,100 for the year ending June 30, 2007 and \$10,175 for the year ending June 30, 2008. Total expense for office leases was \$11,265 for the year ended June 30, 2006.

Note 3. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and administrative activities benefited.

Note 4. Temporarily Restricted Net Assets

At June 30, 2006, temporarily restricted net assets were available for the following purposes or periods:

Purpose restrictions:

Healthy Homes program	\$ 5 600
Housing Counseling program	1 000
"More Than Just a Mortgage" homebuyer classes	1 000
	<u>\$ 7 600</u>

GREENSBORO HOUSING COALITION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2006

Note 5. Net Assets Released From Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors.

Satisfaction of purpose restrictions	<u>\$ 40 729</u>
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Note 6. Comparative Amounts

The amounts shown for the year ended June 30, 2005 are included to provide a basis for comparison with the year ended June 30, 2006 and are not intended to present all information necessary for a fair presentation in conformity with generally accepted accounting principles.