THE CENTER FOR FAMILY RESOURCES

FINANCIAL REPORT

DECEMBER 31, 2014

THE CENTER FOR FAMILY RESOURCES

FINANCIAL REPORT
DECEMBER 31, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Center for Family Resources
Marietta, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of **The Center for Family Resources** (a nonprofit organization), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and 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 and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

200 GALLERIA PARKWAY S.E., SUITE 1700 • ATLANTA, GA 30339-5946 • 770-955-8600 • 800-277-0080 • FAX 770-980-4489 • www.mjcpa.com
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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 respects, the financial position of The Center for Family Resources as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion of the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated May 8, 2015, on our consideration of The Center for Family Resources' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Center for Family Resources' internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 8, 2015

THE CENTER FOR FAMILY RESOURCES

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2014 AND 2013

ASSETS	2014	2013
CURRENT ASSETS		
Cash	$ 198,194	$ 178,797
Grants receivable	139,317	169,338
Pledges receivable, net of allowance 2014 and 2013: $55,010	32,890	35,090
Other receivables	1,422	4,398
Prepaid expenses and other current assets	39,530	44,422
Investments	3,360	4,599
Inventory	2,703	5,369
Total current assets	417,416	442,013
NONCURRENT ASSETS		
Restricted deposits and reserves		
Tenant security deposits	12,593	16,721
Reserve for replacements	41,586	34,246
	54,179	50,967
Pledges receivable, net	168,352	169,343
Loan costs, net	4,745	7,805
Total noncurrent assets	227,276	228,115
PROPERTY AND EQUIPMENT		
Land	1,400,000	1,400,000
Land improvements	97,125	97,125
Buildings and improvements	8,297,690	9,832,024
Work in progress	-	4,800
Furniture and equipment, including assets acquired under capital leases 2014: $23,517 and 2013: $20,917	1,139,196	1,070,735
	10,934,011	12,404,684
Accumulated depreciation, including amounts applicable to assets acquired under capital leases 2014: $4,637; 2013: $4,662	(2,935,975)	(3,741,988)
Total property and equipment, net	7,998,036	8,662,696
ASSETS HELD FOR SALE	215,000	-
Total assets	$ 8,857,728	$ 9,332,824
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of notes payable	$ 117,910	$ 113,424
Current portion of capital lease obligation	4,710	3,811
Deferred revenue	57,399	169,564
Line of credit	120,000	-
Accounts payable and accrued expenses	198,739	243,895
Total current liabilities	498,758	530,694
NONCURRENT LIABILITIES		
Tenant security deposits	12,593	16,721
Notes payable, less current portion	2,360,693	2,479,863
Capital lease obligation, less current portion	11,185	13,568
Total noncurrent liabilities	2,384,471	2,510,152
NET ASSETS		
Unrestricted		
Board designated for specific assistance	19,866	19,866
Undesignated	5,916,809	6,231,155
	5,936,675	6,251,021
Temporarily restricted	37,824	40,957
Total net assets	5,974,499	6,291,978
Total liabilities and net assets	$ 8,857,728	$ 9,332,824

See Notes to Financial Statements.

THE CENTER FOR FAMILY RESOURCES

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2014

	Unrestricted	Temporarily Restricted	Totals
PUBLIC SUPPORT AND REVENUES			
Public support:			
Federal awards	$ 1,120,562	$ -	$ 1,120,562
State and local awards	212,446	-	212,446
United Way	165,001	-	165,001
Contributions	656,358	169,662	826,020
Special events	483,127	-	483,127
Net assets released from restrictions	172,795	(172,795)	-
Total public support	2,810,289	(3,133)	2,807,156
Revenues:			
Rental income	524,331	-	524,331
Other income	59,050	-	59,050
Total revenues	583,381	-	583,381
Total public support and revenues	3,393,670	(3,133)	3,390,537
EXPENSES BY FUNCTION			
Program services	2,813,642	-	2,813,642
Supporting services			
Management and general	203,861	-	203,861
Cost of direct benefits to donors	145,617	-	145,617
Fundraising	270,932	-	270,932
Total supporting services	620,410	-	620,410
Total expenses by function	3,434,052	-	3,434,052
OTHER EXPENSES			
Impairment loss	273,964	-	273,964
Total other expenses	273,964	-	273,964
Change in net assets	(314,346)	(3,133)	(317,479)
NET ASSETS, BEGINNING OF YEAR	6,251,021	40,957	6,291,978
NET ASSETS, END OF YEAR	$ 5,936,675	$ 37,824	$ 5,974,499

See Notes to Financial Statements.

THE CENTER FOR FAMILY RESOURCES

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2013

	Unrestricted	Temporarily Restricted	Totals
PUBLIC SUPPORT AND REVENUES			
Public support:			
Federal awards	$ 1,112,004	$ -	$ 1,112,004
State and local awards	234,225	-	234,225
United Way	115,211	-	115,211
Contributions	509,130	97,713	606,843
Special events	516,675	-	516,675
Net assets released from restrictions	107,566	(107,566)	-
Total public support	2,594,811	(9,853)	2,584,958
Revenues:			
Investment income	561	-	561
Rental income	513,640	-	513,640
Other income	86,275	-	86,275
Total revenues	600,476	-	600,476
Total public support and revenues	3,195,287	(9,853)	3,185,434
EXPENSES BY FUNCTION			
Program services	2,904,625	-	2,904,625
Supporting services			
Management and general	237,536	-	237,536
Cost of direct benefits to donors	116,579	-	116,579
Fundraising	273,716	-	273,716
Total supporting services	627,831	-	627,831
Total expenses by function	3,532,456	-	3,532,456
Change in net assets	(337,169)	(9,853)	(347,022)
NET ASSETS, BEGINNING OF YEAR	6,588,190	50,810	6,639,000
NET ASSETS, END OF YEAR	$ 6,251,021	$ 40,957	$ 6,291,978

See Notes to Financial Statements.

THE CENTER FOR FAMILY RESOURCES

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2014

	Program Services							Supporting Services			
	Education and Employment Assistance	Direct Services	Housing Assistance	Community Services	Non-profit Tenant Services	Mansour Rentals	Total Program Services	Management and General	Fundraising and Direct Donor Benefits	Total Supporting Services	Total 2014
Salaries	$ 71,212	$ 188,219	$ 306,894	$ 27,685	$ 81,648	$ 25,832	$ 701,490	$ 99,327	$ 154,577	$ 253,904	**$ 955,394**
Fringe benefits	10,821	14,540	23,463	1,492	10,290	2,796	63,402	5,378	13,115	18,493	**81,895**
Payroll taxes	6,796	13,868	22,551	2,668	6,640	1,977	54,500	7,147	12,086	19,233	**73,733**
Total compensation	88,829	216,627	352,908	31,845	98,578	30,605	819,392	111,852	179,778	291,630	**1,111,022**
Professional fees and contracts	723	11,047	33,912	191	3,974	219	50,066	1,840	3,650	5,490	**55,556**
Program supplies/catering	434	2,611	4,865	115	6,928	21,866	36,819	28	1,355	1,383	**38,202**
Janitorial and maintenance	57	341	635	15	2,845	927	4,820	-	169	169	**4,989**
Office supplies	505	1,880	17,445	207	4,363	1,775	26,175	2,284	1,206	3,490	**29,665**
Telephone	394	2,369	6,328	104	1,892	451	11,538	1,220	2,346	3,566	**15,104**
Postage	317	1,205	2,055	201	962	-	4,740	272	3,898	4,170	**8,910**
Utilities	1,206	7,255	32,906	319	60,570	19,730	121,986	-	3,586	3,586	**125,572**
Repairs and maintenance	5,415	13,691	66,968	442	49,994	18,124	154,634	9,723	11,532	21,255	**175,889**
Equipment rental	240	1,233	3,350	54	1,151	247	6,275	982	609	1,591	**7,866**
Outside printing	1,081	4,478	1,227	1,304	81	-	8,171	23	9,545	9,568	**17,739**
Marketing and promotional	28	167	310	7	1,392	453	2,357	-	7,311	7,311	**9,668**
Auto expense	49	297	552	13	278	-	1,189	79	147	226	**1,415**
Conference and fees	114	684	1,274	65	638	7	2,782	205	583	788	**3,570**
Cost of direct benefits to donors	-	-	-	-	-	-	-	-	145,617	145,617	**145,617**
Specific assistance	3,205	494,423	713,056	89	-	-	1,210,773	-	608	608	**1,211,381**
Dues and subscriptions	268	1,613	3,006	1,111	1,466	111	7,575	769	3,999	4,768	**12,343**
Insurance	890	5,354	16,768	235	6,862	2,655	32,764	6,559	2,647	9,206	**41,970**
Staff recruitment and training	306	1,838	3,425	407	1,730	-	7,706	516	8,200	8,716	**16,422**
Awards and recognition	64	387	720	1,098	363	-	2,632	102	191	293	**2,925**
Bank and other service fees	621	3,733	10,765	164	3,506	-	18,789	987	5,116	6,103	**24,892**
Taxes, licenses and fees	22	230	1,441	6	118	19	1,836	87	64	151	**1,987**
Interest expense	2,736	16,449	30,647	723	24,173	10,382	85,110	21,583	8,130	29,713	**114,823**
Reimbursed travel	89	532	1,236	687	523	4	3,071	272	483	755	**3,826**
	18,764	571,817	952,891	7,557	173,809	76,970	1,801,808	47,531	220,992	268,523	**2,070,331**
Total expenses before depreciation and amortization	107,593	788,444	1,305,799	39,402	272,387	107,575	2,621,200	159,383	400,770	560,153	**3,181,353**
Depreciation and amortization	5,968	32,227	64,045	1,469	60,137	28,596	192,442	44,478	15,779	60,257	**252,699**
Total expenses by functior	$ 113,561	$ 820,671	$ 1,369,844	$ 40,871	$ 332,524	$ 136,171	$ 2,813,642	$ 203,861	$ 416,549	$ 620,410	**$ 3,434,052**

See Notes to Financial Statements.

THE CENTER FOR FAMILY RESOURCES

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2013

	Program Services							Supporting Services			
	Education and Employment Assistance	Direct Services	Housing Assistance	Community Services	Non-profit Tenant Services	Mansour Rentals	Total Program Services	Management and General	Fundraising and Direct Donor Benefits	Total Supporting Services	Total 2013
Salaries	$ 96,808	$ 173,652	$ 277,455	$ 25,401	$ 80,326	$ 18,090	$ 671,732	$ 117,892	$ 166,921	$ 284,813	**$ 956,545**
Fringe benefits	3,705	24,961	43,113	676	11,920	3,384	87,759	11,551	13,057	24,608	**112,367**
Payroll taxes	8,464	14,128	21,897	2,101	6,095	1,384	54,069	6,063	14,627	20,690	**74,759**
Total compensation	108,977	212,741	342,465	28,178	98,341	22,858	813,560	135,506	194,605	330,111	**1,143,671**
Professional fees and contracts	1,095	6,586	32,399	289	6,177	23	46,569	2,805	3,255	6,060	**52,629**
Program supplies/catering	168	1,004	2,658	44	10,603	13,146	27,623	-	496	496	**28,119**
Janitorial and maintenance	86	520	969	23	4,481	1,176	7,255	83	257	340	**7,595**
Office supplies	385	1,575	37,221	99	931	229	40,440	943	1,028	1,971	**42,411**
Telephone	380	2,287	6,178	101	1,775	426	11,147	1,215	2,310	3,525	**14,672**
Postage	327	1,463	2,640	160	1,281	-	5,871	563	2,301	2,864	**8,735**
Utilities	1,107	6,657	36,394	293	60,914	15,807	121,172	-	3,290	3,290	**124,462**
Repairs and maintenance	2,509	10,904	85,702	435	62,823	17,483	179,856	7,987	10,141	18,128	**197,984**
Equipment rental	429	990	2,042	44	1,238	345	5,088	1,236	489	1,725	**6,813**
Outside printing	971	1,315	1,039	1,047	68	22	4,462	57	8,562	8,619	**13,081**
Marketing and promotional	62	372	693	16	3,402	883	5,428	-	1,907	1,907	**7,335**
Auto expense	78	470	876	21	441	-	1,886	194	233	427	**2,313**
Conference and fees	42	257	540	21	340	116	1,316	335	855	1,190	**2,506**
Cost of direct benefits to donors	-	-	-	-	-	-	-	-	116,579	116,579	**116,579**
Specific assistance	3,389	476,250	694,360	-	-	-	1,173,999	-	-	-	**1,173,999**
Dues and subscriptions	361	1,402	3,003	102	1,304	97	6,269	910	1,794	2,704	**8,973**
Insurance	813	4,888	15,738	215	7,163	2,196	31,013	6,659	2,416	9,075	**40,088**
Staff recruitment and training	715	1,084	2,129	48	1,363	-	5,339	1,114	7,514	8,628	**13,967**
Awards and recognition	79	212	377	158	190	-	1,016	84	617	701	**1,717**
Bank and other service fees	674	4,052	10,268	178	3,807	-	18,979	1,673	5,197	6,870	**25,849**
Taxes, licenses and fees	24	144	1,469	6	136	16	1,795	111	71	182	**1,977**
Interest expense	2,718	16,343	30,445	719	27,578	8,791	86,594	23,392	8,078	31,470	**118,064**
Reimbursed travel	152	913	2,168	458	882	107	4,680	748	1,126	1,874	**6,554**
	16,564	539,688	969,308	4,477	196,897	60,863	1,787,797	50,109	178,516	228,625	**2,016,422**
Total expenses before depreciation and amortizatior	125,541	752,429	1,311,773	32,655	295,238	83,721	2,601,357	185,615	373,121	558,736	**3,160,093**
Depreciation and amortization	5,779	37,212	159,418	2,064	74,583	24,212	303,268	51,921	17,174	69,095	**372,363**
Total expenses by function	$ 131,320	$ 789,641	$ 1,471,191	$ 34,719	$ 369,821	$ 107,933	$ 2,904,625	$ 237,536	$ 390,295	$ 627,831	**$ 3,532,456**

See Notes to Financial Statements.

THE CENTER FOR FAMILY RESOURCES

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	**$ (317,479)**	$ (347,022)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	**252,699**	372,363
Impairment loss	**273,964**	-
Unrealized (gain) loss on investments	**1,239**	(448)
Changes in operating assets and liabilities:		
Decrease in grants receivable	**30,020**	13,634
(Increase) decrease in other receivables	**2,976**	(1,438)
Decrease in prepaid expenses and other current assets	**4,892**	3,802
(Increase) decrease in inventory	**2,666**	(4,497)
Increase (decrease) in deferred revenue	**(112,165)**	35,466
Increase (decrease) in accounts payable and accrued expenses	**(45,156)**	34,326
Net cash provided by operating activities	**93,656**	106,186
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	**(71,342)**	(44,925)
Net deposits to reserve for replacements	**(7,340)**	(8,008)
Net cash (used in) investing activities	**(78,682)**	(52,933)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted for long-term purposes:		
Decrease in pledges receivable	**3,191**	2,550
Proceeds from lines of credit	**120,000**	-
Payments on notes payable	**(114,684)**	(111,509)
Net payments on capital lease obligations	**(4,084)**	(4,152)
Net cash provided by (used in) financing activities	**4,423**	(113,111)
Net increase (decrease) in cash	**19,397**	(59,858)
Cash		
Beginning of year	**178,797**	238,655
End of year	**$ 198,194**	$ 178,797
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	**$ 114,983**	$ 118,256
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Acquisition of equipment through capital leases	**$ 2,600**	$ 10,015

See Notes to Financial Statements.

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities:

The Center for Family Resources (the "Organization") is a non-profit entity which provides comprehensive services and opportunities for homeless and low income individuals and families primarily in Cobb County, Georgia to improve their lives and increase their economic capacity by offering education and employment services, housing services, direct financial resources, and community building programs. For the years ended December 31, 2014 and 2013, the Organization was dependent on federal, state, and local funding for 39% and 42% of its revenues, respectively.

Significant Accounting Policies:

The significant accounting policies adopted by the Organization are set forth below:

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Codification. Under the Codification, the Organization is required to report information regarding its financial position and activities according to the three classes of net assets, unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, based on stipulations made by the donor.

Basis of Accounting

The Organization's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America on an accrual basis. Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Use of 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies: (Continued)

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization did not have cash equivalents at December 31, 2014 and 2013. Cash consists of cash held in checking and money market accounts. Cash balances are maintained with financial institutions which are insured by the Federal Deposit Insurance Corporation. Balances exceed insured amounts from time to time. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash.

Net Assets

The Organization distinguishes contributions received as increases in unrestricted, temporarily restricted, or permanently restricted net assets. The Organization also recognizes the expiration of donor-imposed restrictions in the period in which the restrictions expire. A definition of the above net asset categories is as follows:

Unrestricted Net Assets

These net asset amounts are not subject to donor-imposed restrictions.

Temporarily Restricted Net Assets

These net assets are subject to donor-imposed restrictions that may be met either by the actions of the Organization or the passage of time.

Permanently Restricted Net Assets

These net assets are permanently subject to donor-imposed restrictions. There are no permanently restricted net assets at December 31, 2014 and 2013.

Board Designated Net Assets

As of December 31, 2014 and 2013, the Organization’s board designated net assets of $19,866 consists of cash designated by the Board of Directors to be used for specific assistance. If the funds are used for other purposes, they are to be repaid in order to be eventually used for specific assistance.

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies: (Continued)

Contributions

The Organization reports gifts of cash and other assets as restricted support if they are pledged or received with donor stipulations that limit the use of the donation. When a donor restriction expires, that is, when a specified period of time passes or a purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of activities as net assets released from restriction.

Contributions receivable over more than one year are recorded at their discounted present value. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. All long-term contributions receivable at December 31, 2014 and 2013 are due in one to five years.

Contributed assets such as equipment, other assets, and marketable equity securities acquired by gift are recorded at fair market value when the Organization obtains possession or an unconditional promise to give. Contributed professional services, such as marketing, phone service, and catering, are reflected in the financial statements. The fair value of these recorded professional services has been estimated to be $28,171 and $20,980 for the years ended December 31, 2014 and 2013, respectively, and is included in contributions and expenses in the statements of activities. A substantial number of volunteers have donated their time to the program services and fund-raising campaigns of the Organization. However, no amounts have been reflected in the financial statements for volunteer services because the criteria for recognition of such volunteer effort under the FASB codification have not been satisfied. If donated services received either create or enhance non-financial assets or require specialized skills which would need to be purchased if not donated, the value of those donated services would be recorded in accordance with the FASB codification.

Revenue Recognition

Revenue is recognized in the period when earned. Deferred revenue represents cash received that is to be earned in future periods. Grant revenue is recognized as revenue in the period earned. Unconditional promises to give are recognized as revenue or gains in the period received and as assets, decreases of liabilities or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies: (Continued)

Allowance for Doubtful Pledges

The allowance for doubtful pledges receivable is based on specifically identified amounts that the Organization believes to be uncollectible.

Land, Building and Equipment

Land, building and equipment is recorded at historical cost or at fair market value at the date of gift, if donated. Expenditures for renovations and improvements that improve or extend the life of the respective assets are capitalized and depreciated over time. Expenditures such as maintenance and repairs that do not improve or extend the life of the respective assets are charged to operations as expense. The Organization removes the cost and related accumulated depreciation from the accounts for properties sold or retired. Depreciation is recognized based on the straight-line method over estimated useful lives ranging from 15 to 40 years for land improvements and buildings and improvements and 3 to 8 years for furniture and equipment.

Impairment

The Organization periodically assesses whether there are any indicators, including general market conditions, that the value of property and equipment (including assets held for sale) may be impaired. Property and equipment is considered impaired only if the estimated undiscounted cash flows from operating and disposing of the property over its remaining estimated useful life are less than the net carrying value of the property and equipment. To the extent impairment has occurred, the carrying value of the property is adjusted to an amount to reflect the estimated fair value of the property. Impairment loss of $273,964 and $ - have been recognized during the years ended December 31, 2014 and 2013, respectively. See Note 13.

Income Tax Exemption

The Organization is a not-for-profit organization and is exempt from federal and state income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code of 1986, as amended.

The Organization's tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies: (Continued)

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 functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited as required by the FASB Codification.

Fair Value of Financial Instruments

Fair value is 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 determining fair value, the Organization may use various methods including market, income, and cost approaches. Based on these approaches, the Organization utilizes certain assumptions that market participants would use in pricing the assets or liabilities, including assumptions about risk and or the risks inherent in the inputs to the valuation technique.

These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Valuations for assets and liabilities traded in active markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services identical or similar assets or liabilities.

Level 3 - Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models, and similar techniques, and not based on market exchange, dealer, or broker-traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets and liabilities.

For the years ended December 31, 2014 and 2013, the application of valuation techniques applied to similar assets and liabilities has been consistent. The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker-dealers.

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies: (Continued)

Fair Value of Financial Instruments (Continued)

If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of these instruments.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 2. RESTRICTED DEPOSITS AND RESERVES

All tenants of Cambridge Woods (see Note 13) are required to pay a deposit as security against damage to their apartment units. The deposits are placed in a segregated bank account insured by the Federal Deposit Insurance Corporation. When the tenants vacate their apartments, the deposits, less amounts for damages, are returned to the tenants. Tenant deposits (asset and liability) totaled $12,593 and $16,721 at December 31, 2014 and 2013, respectively.

The Organization reserves cash amounts for the future replacement of property and to fund any future operating deficits along with other property expenditures. These deposits, totaling $41,586 and $34,246 at December 31, 2014 and 2013, respectively, are held in separate bank accounts and generally are not available for operating purposes.

NOTE 3. INVESTMENTS

Investments consist primarily of individual stocks that are traded or listed on national exchanges. At December 31, 2014 and 2013, the Organization owned corporate common stock with a fair value of $3,360 and $4,599, respectively. For the years ended December 31, 2014 and 2013, the unrealized gains (losses) were $(1,239) and $448, respectively. The investments are valued on a recurring basis using a Level 1 category valuation methodology as described in Note 1.

NOTE 4. PLEDGES RECEIVABLE

In previous years, the Organization conducted a capital campaign for funds to renovate the Organization's facility. Pledges are restricted to payment of these renovation costs. Pledges receivable to be received after December 31, 2013 are discounted using a 3% risk-free interest rate. As of December 31, 2014 and 2013, the Organization has unconditional promises to give as follows:

	2014	2013
Unconditional promises to give before discount and allowance for uncollectible pledges	**$ 269,539**	$ 272,439
Less: discounts to net present value	**(13,287)**	(12,996)
	256,252	259,443
Less: allowance for uncollectible pledges	**(55,010)**	(55,010)
	$ 201,242	$ 204,433
Amount due in:		
Less than one year	**$ 87,900**	$ 90,100
One to five years	**181,639**	182,339
Total	**$ 269,539**	$ 272,439

NOTE 5. UNEMPLOYMENT TRUST AGREEMENT

In 2005, the Organization entered into a trust agreement with an unemployment services agency as a method to meet its unemployment compensation claim obligations to the State of Georgia. Under the agreement, the Organization is required to make quarterly contributions at a predetermined rate based on unemployment taxable wages. The Organization may revoke its participation in the trust upon written notice at which time it shall receive its proportionate share of the assets of the trust, less any unpaid expenses, claims, or liabilities.

Activity in the trust during the years ended December 31, 2014 and 2013 is summarized as follows:

	2014	2013
Amount available to pay claims, beginning of year	**$ 16,080**	$ (17,810)
Subsequent trust adjustments to beginning of year amount	**(584)**	186
Contributions	**11,011**	35,080
Claims paid	**(5,940)**	-
Net expenses, investment income, interest, fees	**87**	(1,376)
Amount available to pay claims, end of year	**$ 20,654**	$ 16,080

NOTE 6. RENTAL PROPERTY

The Organization has nine leases which expire at various times through 2025. At December 31, 2014, total cost and associated accumulated depreciation of the Organization's leasing assets was $2,871,186 and $675,775, respectively.

At December 31, 2014, future minimum lease payments receivable under the noncancelable operating leases described in the preceding paragraph are due as follows:

Years ending December 31,		
2015	$	100,293
2016		58,427
2017		15,445
2018		15,610
2019		10,000
Thereafter		65,000
	$	264,775

NOTE 7. LINE OF CREDIT

At December 31, 2014 and 2013, the Organization had an available line of credit in the amount of $125,000. There was an outstanding balance of $120,000 on the line of credit at December 31, 2014. There was no outstanding balance on the line of credit at December 31, 2013. The line of credit matures on July 29, 2015, with any outstanding principal plus any accrued interest due upon maturity. Interest accrues at a fixed rate of 3.75%, and is payable monthly. The line of credit is secured by real estate.

NOTE 8. NOTES PAYABLE

As of December 31, 2014 and 2013, notes payable consisted of the following:

	2014	2013
Note payable to the State Housing Trust Fund, payable in monthly installments of $1,429, through July 1, 2016, at no stated rate, secured by real estate	**$ 127,477**	$ 142,876
Construction note payable to local financial institution (see payment and interest terms below), secured by real estate, unpaid principal and interest balance due August 18, 2016	**2,351,126**	2,450,411
	2,478,603	2,593,287
Less: current portion	**(117,910)**	(113,424)
	$ 2,360,693	$ 2,479,863

NOTE 8. NOTES PAYABLE (Continued)

On July 20, 2011, the Organization refinanced the construction note payable, which at the time carried a balance of $2,690,824. The note requires 60 monthly installments of $17,182 (principal and interest) using a fixed interest rate of 4.5%. The outstanding balance of principal and interest is due in August 2016.

The note payable to the State Housing Trust Fund includes a September 1999 modification to the original loan agreement with the State Housing Trust Fund for the Homeless Commission. This modification increased the loan amount by $100,000. These additional funds were used to finance the construction of improvements to Cambridge Woods apartments. The loan is non-interest bearing, and the entire principal amount of the loan will be forgiven on the maturity date, July 1, 2016, if the Organization has met all the provisions of the agreement. Upon the sale described in Note 14, the remaining debt was paid and the $100,000 forgiven.

Scheduled maturities of notes payable as of December 31, 2014, were as follows:

2015	$ 117,910
2016	2,360,693
	$ 2,478,603

NOTE 9. CAPITAL LEASE OBLIGATION

The Organization leases certain office equipment under capital leases. The economic substance of these leases is that the Organization is financing the acquisition of the assets through the lease, and, accordingly, it is recorded in the Organization's assets and liabilities.

The following is a schedule by years of future minimum payments required under the leases together with their present value as of December 31, 2014:

Year ending December 31,	
2015	$ 6,216
2016	5,808
2017	3,774
2018	2,998
2019	223
Total minimum lease payments	19,019
Less: amount representing interest	3,124
	$ 15,895

NOTE 10. RETIREMENT PLAN

The Organization has a defined contribution plan covering substantially all employees. In accordance with the terms of the plan, the monthly employer contribution on behalf of each participant is 2% of the participant's compensation. During March 2009, the Organization suspended the employer contribution due to economic conditions. Beginning in July 2012, the employer contribution was reinstated. During the years ended December 31, 2014 and 2013, contributions of $16,408 and $10,811, respectively, were made by the Organization to the plan.

NOTE 11. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of cash and are available for the following purposes:

	2014	2013
Housing	**$ 19,219**	$ 21,478
Direct Services	**18,605**	19,479
	$ 37,824	$ 40,957

Temporarily restricted net assets consist of the following:

	2014	2013
Cash	**$ 37,824**	$ 40,957

NOTE 12. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during 2014 and 2013 by incurring expenses satisfying the restricted purposes specified by donors as follows:

Purpose restrictions accomplished:

	2014	2013
Housing	**$ 44,063**	$ 53,017
Direct Services	**128,732**	51,899
Administrative	**-**	2,650
	$ 172,795	$ 107,566

NOTE 13. ASSETS HELD FOR SALE

In 1995 the Center for Family Resources purchased Cambridge Woods, a 32-unit apartment complex, to provide affordable housing to low income families. The property is located in Cobb County on 3.085 acres. The property was purchased for $100 from Resolution Trust Corporation, a federal agency that manages foreclosed properties. The property has gone through several phases of renovation since acquisition. The State Housing Trust Fund for the Homeless Commission provided a loan for $342,965 which was used to fund the renovations. Cobb County Community Development Block grants through the Home program provided $753,328 and the Department of Community Affairs provided $100,000 towards these renovations. Beginning in 2005, 12 of these units are reserved for homeless families as part of the On-Site Transitional Housing Program funded by HUD. The remaining apartments are subject to the restrictions associated with the Home and DCA programs. The cost and accumulated depreciation of Cambridge Woods at December 31, 2013 were $1,534,334 and $1,055,652, respectively, and are included in property and equipment on the accompanying statement of financial position.

During the year ended December 31, 2014, the conditions were met under generally accepted accounting principles for Cambridge Woods to be classified as held for sale on the statement of financial position. After the adjustment described below, the carrying value of the Cambridge Woods fixed assets at December 31, 2014 was $215,000 and is included in assets held for sale on the accompanying statement of financial position.

The Organization periodically assesses whether there are any indicators, including general market conditions, that the value of property and equipment (including assets held for sale) may be impaired. As described in Note 14, Cambridge Woods was sold in January 2015 for an amount that was significantly less than its carrying value. Accordingly, management reduced the recorded amount of the Cambridge Woods property to the readily determinable fair market value from the sale. The write down of $273,964 was recognized as an impairment loss in the accompanying statement of activities for the year ended December 31, 2014. The following asset components were adjusted for the impairment loss:

Buildings and improvements	**$ 269,164**
Work in progress	**4,800**
	$ 273,964

NOTE 14. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 8, 2015, the date on which the financial statements were available to be issued.

On January 16, 2015, Cambridge Woods was sold to an unrelated third party for $215,000. Upon closing, $27,477 was paid on the note payable to State Housing Trust Fund described in Note 8 and the remaining $100,000 was forgiven. After real estate commission and other closing expenses, the transaction resulted in a net gain of $84,224.

SINGLE AUDIT SECTION

THE CENTER FOR FAMILY RESOURCES

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2014

Grant Program	CFDA No.	Expenditures
U.S. Department of Housing and Urban Development		
Direct Programs:		
Onsite Supportive Services	14.235	$ 26,869
Multi-Agency Group Transitional Housing	14.235	447,363
Onsite Transitional Housing Program	14.235	54,453
Offsite Transitional Housing Program	14.235	197,752
		726,437
Passed through Georgia Department of Community Affairs		
Emergency Solutions Grants Program (Emergency Housing)	14.231	18,261
Passed through Cobb County, Georgia		
Emergency Solutions Grant Program	14.231	86,409
		104,670
Passed through Georgia Department of Community Affairs		
Continuum of Care Program	14.267	25,121
Passed through Cobb County, Georgia		
Community Development Block Grant	14.218	80,874
Total U.S. Department of Housing and Urban Development		937,102
U.S. Department of Health and Human Services		
Passed through Georgia Department of Human Services		
Temporary Assistance for Needy Families	93.558	25,722
Passed through Cobb County, Georgia		
Community Services Block Grant	93.569	69,122
Total U.S. Department of Health and Human Services		94,844
U.S. Department of Homeland Security		
Passed through Cobb County, Georgia		
Emergency Food and Shelter National Board Program	97.024	88,616
Total U.S. Department of Homeland Security		88,616
Total Expenditures of Federal Awards		$ 1,120,562

See Note to Schedule of Expenditures of Federal Awards.

THE CENTER FOR FAMILY RESOURCES
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2014

NOTE 1. The accompanying schedule of expenditures of federal awards includes the federal grant activity of The Center for Family Resources and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
The Center for Family Resources
Marietta, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Center for Family Resources, which comprise the statement of financial position as of December 31, 2014, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 8, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Center for Family Resources internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion of the financial statements, but not for the purpose of expressing an opinion of the effectiveness of The Center for Family Resources internal control. Accordingly, we do not express an opinion of the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that nave not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Center for Family Resources financial statements are free from material misstatement we performed tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 8, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY *OMB CIRCULAR A-133*

To the Board of Directors of
The Center for Family Resources
Marietta, Georgia

Report on Compliance for Each Major Federal Program

We have audited The Center for Family Resources' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of The Center for Family Resources' major federal programs for the year ended December 31, 2014. The Center for Family Resources' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of The Center for Family Resources' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The Center for Family Resources' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of The Center for Family Resources' compliance.

Opinion on Each Major Federal Program

In our opinion, The Center for Family Resources complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Report on Internal Control over Compliance

Management of The Center for Family Resources is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered The Center for Family Resources' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of The Center for Family Resources' internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charges with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 8, 2015

THE CENTER FOR FAMILY RESOURCES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014

SUMMARY OF INDEPENDENT AUDITOR'S RESULTS:
Financial Statements:

	Yes	No
Type of auditors' report issued	**Unmodified**	
Internal control over financial reporting:		
Material weaknesses identified?		**X**
Significant deficiencies identified not considered to be material weaknesses?		**None Reported**
Noncompliance material to the financial statements noted?		**X**

Federal Awards:
Internal controls over major programs:

	Yes	No
Material weaknesses identified?		**X**
Significant deficiencies identified not considered to be material weaknesses?		**None Reported**
Type of auditors' report issued on compliance for major programs	**Unmodified**	
Audit findings required to be reported in accordance with OMB Circular A-133, Section 510(a)	**None**	

Identification of major programs:

14.235	U.S. Department of Housing and Urban Development – Supportive Housing Program

Dollar threshold used to distinguish between Type A and Type B programs: $ 300,000

	Yes	No
Auditee qualified as low-risk auditee?	**X**	
Financial Statement Findings?		**X**
Federal Award Findings Questioned Costs?		**X**

THE CENTER FOR FAMILY RESOURCES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014

II. FINANCIAL STATEMENT FINDINGS:

NONE

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

NONE