

**FRIENDS OF L'ARCHE ATLANTA, INC.**  
**AUDITED BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2018**  
**(WITH AUDITOR'S OPINION THEREON)**

FRIENDS OF L'ARCHE ATLANTA, INC.  
DECATUR, GEORGIA  
TABLE OF CONTENTS  
DECEMBER 31, 2018

	<u>PAGE NO.</u>
Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7-15
Supplemental Schedules	16-17



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Friends of L'Arche Atlanta, Inc.

We have audited the accompanying financial statements of Friends of L'Arche Atlanta, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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.

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 Friends of L'Arche Atlanta, Inc. as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Supplemental Schedules**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information on pages 16 and 17 are presented for the purposes of additional analysis and are 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.

Gregg S. Bossen, CPA, PC  
Atlanta, Georgia  
March 7, 2019

FRIENDS OF L'ARCHE ATLANTA, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2018

<u>ASSETS</u>			
	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
<b>CURRENT ASSETS:</b>			
Cash and Cash Equivalents	\$346,557	496,083	\$842,640
Investments	5,186		5,186
Pledges Receivable	10,330	272,499	282,829
Accounts Receivable	36,029		36,029
Prepaid Expenses	4,180		4,180
Total Current Assets	<u>402,282</u>	<u>768,582</u>	<u>1,170,864</u>
<b>LONG-TERM FIXED ASSETS:</b>			
Long-Term Fixed Assets	347,718		347,718
Less Accumulated Depreciation	(103,017)		(103,017)
Total Long-Term Fixed Assets, net	<u>244,701</u>	<u>-0-</u>	<u>244,701</u>
<b>TOTAL ASSETS</b>	<u>\$646,983</u>	<u>\$768,582</u>	<u>\$1,415,565</u>
 <u>LIABILITIES &amp; NET ASSETS</u> 			
<b>CURRENT LIABILITIES:</b>			
Accounts Payable	4,338		4,338
Credit Card Payable	14,912		14,912
Total Current Liabilities	<u>19,250</u>	<u>-0-</u>	<u>19,250</u>
<b>NET ASSETS:</b>	627,733	768,582	1,396,315
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$646,983</u>	<u>\$768,582</u>	<u>\$1,415,565</u>

See Auditor's Report and Notes to Financial Statements

FRIENDS OF L'ARCHE ATLANTA, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
<b>PUBLIC SUPPORT &amp; REVENUE:</b>			
Public Support:			
Contributions – Individuals	\$207,346	\$96,300	\$303,646
Contributions – Foundations	4,700	118,000	122,700
Contributions – Corporate & Organizations	2,493	52,000	54,493
State Storytelling Contract	56,939		56,939
Special Events Income, Net of Expenses	58,289	5,939	64,228
In-Kind Contributions	39,800		39,800
Net Assets, Restrictions Met	45,046	(45,046)	
Total Public Support	<u>414,613</u>	<u>227,193</u>	<u>641,806</u>
Other Revenue:			
Medicaid Provider/Agency Funding	315,129		315,129
Room & Board	43,596		43,596
Interest Income	162		162
Total Other Revenue	<u>358,887</u>	<u>-0-</u>	<u>358,887</u>
Total Public Support and Revenue	<u>773,500</u>	<u>227,193</u>	<u>1,000,693</u>
<b>EXPENSES:</b>			
Program Services	519,769		519,769
Management & General	77,715		77,715
Fundraising	91,060		91,060
Total Expenses	<u>688,544</u>	<u>-0-</u>	<u>688,544</u>
CHANGE IN NET ASSETS	<u>\$84,956</u>	<u>\$227,193</u>	<u>\$312,149</u>

See Auditor's Report and Notes to Financial Statements

FRIENDS OF L'ARCHE ATLANTA, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT &amp; GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries	\$202,446	\$32,538	\$57,814	\$292,798
Contract Labor	75,635			\$75,635
Rent	45,797	2,544	2,544	\$50,885
Fringe Benefits	30,147	4,806	8,738	\$43,691
Dues and Subscriptions	38,711			\$38,711
Payroll Taxes	16,061	2,560	4,655	\$23,276
Depreciation	17,730	985	985	\$19,700
Supplies	14,826	2,375	1,514	\$18,715
Accounting		18,329		\$18,329
Bad Debt Expense	15,611			\$15,611
Marketing & Promotion	3,268		12,204	\$15,472
Meals & Entertainment	12,824	606	897	\$14,327
Insurance	12,004	934		\$12,938
Travel	10,131	239		\$10,370
Bank Charges & Merchant Fees		9,026		\$9,026
Utilities	7,890			\$7,890
Vehicle Expenses	5,312			\$5,312
Telephone, Internet, & Cable	3,324	234	234	\$3,792
Repairs and Maintenance	3,289			\$3,289
Training & Conferences	2,633			\$2,633
Postage		750	1,475	\$2,225
Registration Fees	2,130			\$2,130
Licenses & Permits		1,202		\$1,202
Interest		360		\$360
Recruitment		227		\$227
<b>TOTAL EXPENSES</b>	<b>\$519,769</b>	<b>\$77,715</b>	<b>\$91,060</b>	<b>\$688,544</b>

FRIENDS OF L'ARCHE ATLANTA, INC.  
 STATEMENT OF CHANGES IN NET ASSETS  
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
BALANCE, DECEMBER 31, 2017	\$542,777	\$541,389	\$1,084,166
CHANGE IN NET ASSETS	84,956	227,193	312,149
BALANCE, DECEMBER 31, 2018	\$627,733	\$768,582	\$1,396,315

See Auditor's Report and Notes to Financial Statements

FRIENDS OF L'ARCHE ATLANTA, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Assets	\$312,149
Adjustments to reconcile Excess to net cash provided by operating activities:	
Depreciation	19,700
Decrease in Receivables	143,931
Decrease in Prepaid Expenses	3,394
(Decrease) in Accounts Payable	(5,967)
Increase in Credit Card Payable	4,055
(Decrease) in Deferred Revenue	<u>(1,044)</u>
Net cash provided by operating activities	<u>476,218</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
New Building costs for New House in 2018	(45,046)
Increase in Investments	<u>(5,186)</u>
Net cash (used) by investing activities	<u>(50,232)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Principle payments on the Note Payable	<u>(13,568)</u>
Net cash (used) by financing activities	<u>(13,568)</u>
NET CHANGE IN CASH	412,418
CASH AT DECEMBER 31, 2017	430,222
CASH AT DECEMBER 31, 2018	<u><u>\$842,640</u></u>

See Auditor's Report and Notes to Financial Statements



FRIENDS OF L'ARCHE ATLANTA, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE 1: ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of organization:

Founded in 2005, Friends of L'Arche Atlanta, Inc. (FOLA) is a high impact 501(c) (3) organization taking its place as the 140<sup>th</sup> organization in the International Federation of L'Arche (larche.org). After several years of setting the groundwork for its beginnings, 2018 was the sixth full year of L'Arche Atlanta's first home, where now 4 adults with developmental disabilities and 5 assistants share life together, living in the manner of a family.

L'Arche in the World

L'Arche was begun in 1964, when Jean Vanier welcomed two men with developmental disabilities, Raphaël and Philippe, to leave their state institution and live permanently with him in his home in the French village of Trosly-Breuil. They called the home "L'Arche" (pronounced "larsh"), which is the French word for "The Ark." This simple act transformed Jean Vanier in ways he had not expected—his gesture of "service" led to a profound friendship and sense of community among the three men. Inspired by the beauty of this simple life together, others have gone on to begin L'Arche communities throughout the world.

The International Federation of L'Arche now encompasses 150+ member communities established as independent entities in 37 countries, on 6 continents. L'Arche creates community for people of all abilities, placing mutual relationships and trust in God at the heart of the journey together. L'Arche's primary means of doing so is through small homes where people with and without developmental disabilities share life together and create relationships with the larger community.

During the year ended December 31, 2018, FOLA operated the following programs:

(i) A L'Arche Home in the Oakhurst neighborhood of Decatur

L'Arche Atlanta's first home, opened in 2012, has a double identity: first and foremost, the members of the home are simply human beings sharing life together, with and without disabilities, building community together. The home's second identity is that of a professional provider of residential services for adults with developmental disabilities. As such, the home is a licensed "Community Residential Alternative" with the State of Georgia's Department of Developmental Disabilities, and this partnership provides for around 31% of the home's funding through available public funding.

(ii) Outreach - Building Community through Social Events

Since January 2010, in partnership with several local faith communities, FOLA has been hosting social events for people with and without intellectual disabilities. These evenings begin with a potluck supper, and then move to events such as dances, bingo, talent night, or movie night. An average of 100 people attends the gatherings. In 2018, over 600 different people attended nine of these gatherings, including over 50 individuals with intellectual disabilities. The purpose of the evenings is to come together to have fun, to celebrate the unique value of each person, and build relationships of friendship and support.

FRIENDS OF L'ARCHE ATLANTA, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018  
-continued-

NOTE 1: ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(iii)Outreach – Through Announcing the Gifts of Adults with Intellectual Disabilities

Part of the L'Arche mission involves announcing the gifts that adults with intellectual disabilities bring to our societies, thereby inviting people to initiatives of inclusion and mutual relationships within their own communities. In 2018, FOLA, in partnership with the Georgia Council on Developmental Disabilities, completed the first year of the Storytelling Project. The goal of the project is to educate and influence legislators around issues that affect Georgians with disabilities through their stories and photographs. The GCDD Storytelling Project collected 75 stories representing the experience of individuals living with a developmental disability in Georgia. This collection of stories and pictures included at least one individual from 53 of Georgia's 56 State Senate Districts. L'Arche will be collecting stories to support GCDD's efforts to amplify the voices and stories of people with developmental disabilities in Georgia.

(B)Basis of Presentation:

These financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles. These statements reflect application of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under these standards, all contributions are immediately recognized as revenue as soon as pledged (or if not pledged when received) regardless of any restrictions on use placed by the contributor. The basic financial statements are then shown divided into two net asset groups. These are:

Without Donor Restrictions:

All assets who either have no imposed restrictions on use or whose restrictions have been met by December 31, 2018. Contracts with governmental agencies are considered as assets without donor restrictions and are shown here.

With Donor Restrictions:

All contributions by foundations and individuals with restrictions on use that have not been met by December 31, 2018.

(C)Support and Revenues:

Federal Medicaid:

During the year ended December 31, 2012, the Organization was approved to provide Developmental Disability services within the state of Georgia's Medicaid program. As a provider, the Organization receives payments for services rendered to Medicaid approved residents. Revenue from this source is recognized in the accounting period in which the funds are earned.

Foundations Grants:

Support from these sources is recognized in the accounting period in which the grants are pledged (or if not pledged, when received).

See Auditor's Report

FRIENDS OF L'ARCHE ATLANTA, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018  
-continued-

NOTE 1: ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(C)Support and Revenues (continued):

Individual and Corporate Contributions:

Support from these sources is recognized in the accounting period during which the contribution is pledged (or if not pledged, when received).

(D)Income Taxes:

The Organization is exempt from income taxes under Section 501 (c) (3) of the United States Internal Revenue Code. During the year, Friends of L'Arche Atlanta, Inc. had no unrelated business income as defined by Section 512 of the Code and, therefore no provision for income tax is necessary.

Friends of L'Arche Atlanta, Inc. adopted the income standard related to the recognition and measurement of uncertain tax positions. The adoption of this standard had no financial statement effect for Friends of L'Arche Atlanta, Inc. Friends of L'Arche Atlanta, Inc. is no longer subject to federal tax examinations for the years prior to 2016 and no longer subject to state income tax examinations for the years prior to 2016.

(E)Receivables:

Friends of L'Arche Atlanta, Inc. has two different kinds of receivables. Pledges receivable consists of pledged promises to give made by individuals and corporate donors. The accounts receivable consists of unpaid Medicaid services and unpaid invoices for the state storytelling contract. Friends of L'Arche Atlanta, Inc. carries its receivables at an amount equal to uncollected but earned revenue less an allowance for doubtful accounts. Friends of L'Arche Atlanta, Inc. uses the allowance method to determine uncollectible receivables. Also, Friends of L'Arche Atlanta, Inc. uses the direct write-off method for receivables which have been determined to be uncollectible. On a periodic basis, Friends of L'Arche Atlanta, Inc. evaluates its receivables and establishes an allowance for doubtful accounts based on its past experience and current credit conditions. Based on management's evaluation of collectability of the receivables, no allowance for doubtful accounts was recorded for the year ended December 31, 2018.

The receivables for Friends of L'Arche Atlanta, Inc. are expected to be collected as follows as of December 31, 2018:

	<u>Pledges</u> <u>Receivable</u>	<u>Accounts</u> <u>Receivable</u>	<u>Total</u>
Due within one year	\$247,486	\$36,029	\$283,515
One to five years	35,343	-0-	35,343
Total Receivable balances	<u>\$282,829</u>	<u>\$36,029</u>	<u>\$318,858</u>

(F)Fixed Assets:

The Organization follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$2,500. Depreciation is computed on the straight-line method over 3, 5 and 7 years for equipment and furniture, 4 years for the vehicle, 30 years for house improvements, and 39 years for new building costs respectively.

See Auditor's Report

FRIENDS OF L'ARCHE ATLANTA, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018  
-continued-

NOTE 1: ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(G)Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(H)Functional Allocation of Expenses:

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

(I)Concentration of Major Sources of Revenue:

Friends of L'Arche Atlanta, Inc. received \$100,000 from the Community Foundation of Greater Atlanta. This amount is greater than 10% of its total revenue of \$1,001,693.

(J)Concentration of Credit Risk:

Friends of L'Arche Atlanta, Inc. maintains bank accounts with financial institutions whose balances are insured by the Federal Deposit Insurance Corporation (FDIC) within limits. Periodically, bank account balances may exceed FDIC coverage. No credit risk is expected from uninsured deposits.

(K)New Accounting Pronouncement:

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Friends of L'Arche Atlanta, Inc. has adjusted the presentation of these statements accordingly.

(L)Evaluation of Subsequent Events:

The Organization has evaluated subsequent events through March 7, 2019, the date which the financial statements were available to be issued. None were found.

See Auditor's Report

FRIENDS OF L'ARCHE ATLANTA, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018  
-continued-

NOTE 2: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following represents Friends of L'Arche Atlanta, Inc.'s financial assets at December 31, 2018:

	<u>2018</u>
Financial assets at year-end, net of current liabilities:	
Cash and cash equivalents	\$842,640
Investments	5,186
Pledges receivable	282,829
Accounts receivable	36,029
Prepaid Expenses	4,180
Less: Current Liabilities	<u>(19,250)</u>
Total financial assets, net of current liabilities	1,151,614
Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>(768,582)</u>
Financial assets available to meet cash needs for general expenditures over the next twelve months	<u><u>\$383,032</u></u>

Friends of L'Arche Atlanta, Inc.'s goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$233,000). As part of its liquidity plan, excess cash is invested in short-term investments.

FRIENDS OF L'ARCHE ATLANTA, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018  
-continued-

NOTE 3: FAIR VALUE OF INVESTMENTS

As required by FASB Accounting Standards Codification (ASC) 820, investments are valued at their fair value in the Statement of Financial Position. In accordance with the statement, fair value is defined as the price that the Organization would receive upon selling an asset in an orderly transaction to an independent buyer in the principal or most advantageous market of the asset. A three-tier hierarchy was established by the ASC to maximize the use of the observable market data and minimize the use of unobservable inputs, and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 – Inputs that are unobservable, including the Organization's own assumptions in determining the fair value of assets.

In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the asset in its entirety falls is determined based on the lowest level input that is significant to the asset in its entirety. Assessing the significance of a particular input to the asset in its entirety requires judgment and considers factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization's perceived risk of liquidity profile of that asset.

The following table presents assets that are measured at fair value on a recurring basis at December 31, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Small Cap	\$5,186		
	<u>\$5,186</u>	<u>\$-0-</u>	<u>\$-0-</u>

FRIENDS OF L'ARCHE ATLANTA, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018  
-continued-

NOTE 4: LONG TERM FIXED ASSETS:

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. At December 31, 2018, the value of such assets is as follows:

House Improvements	\$230,955
New Building Costs (New House)	47,597
Furniture and Equipment	32,472
Vehicles	36,694
Less: Accumulated Depreciation	<u>(103,017)</u>
Total Long-Term Fixed Assets	<u>\$244,701</u>

NOTE 5: LEASE AGREEMENTS:

(i)House Lease

On November 1, 2010, FOLA entered into an operating lease agreement with Community of Hospitality, Inc (COH) to lease the house located at 305 Mead Road, Decatur, GA 30030 for a term beginning November 1, 2010 and ending October 31, 2020. The lease is for 10 years with quarterly rental payments equal to COH's property insurance, sanitation, and debt service costs on the property. Total costs for the year ended December 31, 2018 were \$2,000. As this amount is below fair market rental rates, COH is effectively providing in-kind contributions of rent to FOLA of \$39,000 for 2018. (See Note 8)

(ii)Office Space

On April 27, 2018, FOLA entered into an operating lease agreement with First Christian Church of Decatur for office space located at 601 West Ponce de Leon Avenue, Decatur, Georgia. The lease term started on May 1, 2018 and ends April 30, 2020. The monthly lease payment is \$1,100.

At December 31, 2018, assuming COH's costs do not change, the future minimum obligations for the 2 leases are as follows:

For the year ended December 31, 2019	\$15,200
thereafter	<u>6,400</u>
Total Future Minimum Obligations	<u>\$21,600</u>

NOTE 6: CAPITAL CAMPAIGN FOR A NEW HOME:

In the summer of 2017, the L'Arche Atlanta Board of Directors took a bold step and approved the launch of a new capital campaign to purchase and renovate a new home. Opening a new home in the City of Decatur will allow L'Arche to welcome 4 additional adults with intellectual disabilities who are seeking quality support within a shared community context. Another local nonprofit, the Woodlands Garden, will sell their 7-bedroom 3,800 sq. ft. home at the corner of Scott Blvd. and Clairemont Ave. to L'Arche Atlanta. Cost estimates for acquisition and renovation put the overall campaign at \$1.2 million. In 2018, L'Arche continued the silent phase of the capital campaign that begun in 2017. As of December 31, 2018, L'Arche has raised a total of \$826,590 in cash and pledges.

See Auditor's Report

FRIENDS OF L'ARCHE ATLANTA, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018  
-continued-

NOTE 7: RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are available for the following purposes:

New Building & Renovation costs for New House	<u>\$768,582</u>
Total Restrictions on Net Assets	<u>\$768,582</u>

NOTE 8: IN-KIND CONTRIBUTIONS

The In-Kind Contributions revenue account consists of items contributed to the Organization that can be recorded in the statement of activities under the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) and are detailed below:

Rent (See Note 5)	\$39,000
Supplies	<u>800</u>
Total In-Kind Contributions	<u>\$39,800</u>

See Auditor's Report



FRIENDS OF L'ARCHE ATLANTA, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018  
-continued-

NOTE 9: SPECIAL EVENT

6<sup>th</sup> Birthday & Benefit Bash: On September 9, 2018, over 200 people joined with L'Arche to celebrate its 6th birthday with a benefit auction raising funds to support the operating costs that sustain L'Arche Atlanta. The event featured live and silent auctions, Heads or Tails, a Wall of Wine, and a Fund a Need. Core Member, John Hudson, and Executive Director, Tim Moore, gave a joint speech on the impact of L'Arche on its Core Members and families.

David Jenkins Mustard Seed Party: On June 2, 2018 L'Arche Atlanta and Friends of L'Arche North Carolina, co-hosted a retirement party for Dr. David Jenkins. Dr. Jenkins was instrumental in founding L'Arche Atlanta and served on the board of L'Arche USA. It was FOLA's honor to help him celebrate his service as an educator, theologian, community organizer, and pastor, surrounded by his friends from near and far. In honor of Dr. Jenkins, a Mustard Seed Fund was created in his name that would support L'Arche Atlanta's capital campaign efforts and L'Arche North Carolina as it seeks to open its first home.

In accordance with generally accepted accounting principles, the special event is shown net of expenses on the Statement of Activities and the specific revenues and expenses are detailed below.

	<u>6<sup>th</sup> Birthday Benefit &amp; Bash</u>	<u>David Jenkins Mustard Seed Party</u>	<u>Total</u>
REVENUE:			
Auction	\$21,051		\$21,051
Donations	20,705	16,350	37,055
Sponsorships	18,000		18,000
Donated Auction Items	13,770		13,770
Other fundraising activities	10,020		10,020
Ticket Sales	9,247		9,247
Total Revenue	<u>92,793</u>	<u>16,350</u>	<u>109,143</u>
EXPENSES:			
Auction Costs	21,611		21,611
Event space and catering		6,167	6,167
Payments to L'Arche NC		3,285	3,285
Food & Beverage	3,898		3,898
Printing/Graphic Design	2,223	249	2,472
Materials and Supplies	2,217	169	2,386
Sound System	1,900		1,900
Venue Rental	1,750		1,750
Other	600	214	814
Credit Card Fees		287	287
Security	140		140
Postage	136	40	176
Advertising	29		29
Total Expenses	<u>34,504</u>	<u>10,411</u>	<u>44,915</u>
Special Events Income, Net of Expenses	<u>\$58,289</u>	<u>\$5,939</u>	<u>\$64,228</u>

See Auditor's Report

FRIENDS OF L'ARCHE ATLANTA, INC.  
SUPPLEMENTAL SCHEDULE  
STATEMENT OF FINANCIAL POSITION COMPARISON  
DECEMBER 31, 2018 AND DECEMBER 31, 2017

<u>ASSETS</u>	<u>DECEMBER 31, 2018</u>	<u>DECEMBER 31, 2017</u>
<b>CURRENT ASSETS:</b>		
Cash and Cash Equivalents	\$842,640	\$430,222
Investments	5,186	-0-
Pledges Receivable	282,829	446,538
Accounts Receivable	36,029	16,251
Prepaid Expenses	4,180	7,574
Total Current Assets	<u>1,170,864</u>	<u>900,585</u>
<b>LONG-TERM FIXED ASSETS:</b>		
House Improvements	230,955	230,955
New Building Costs (New House)	47,597	2,551
Furniture & Equipment	32,472	32,472
Vehicles	36,694	36,694
Less: Accumulated Depreciation	(103,017)	(83,317)
Total Long-Term Fixed Assets	<u>244,701</u>	<u>219,355</u>
<b>TOTAL ASSETS</b>	<u><u>\$1,415,565</u></u>	<u><u>\$1,119,940</u></u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES:</b>		
Accounts Payable and Accrued Expenses	\$4,338	\$10,305
Credit Card Payable	14,912	10,857
Current Portion of Notes Payable	-0-	6,966
Deferred Revenue	-0-	1,044
Total Current Liabilities	<u>19,250</u>	<u>29,172</u>
<b>LONG-TERM LIABILITIES:</b>		
Long-Term Portion of Notes Payable	-0-	6,602
Total Long-Term Liabilities	<u>-0-</u>	<u>6,602</u>
<b>NET ASSETS:</b>		
Without Donor Restrictions	627,733	542,777
With Donor Restrictions	768,582	541,389
Total Net Assets	<u>1,396,315</u>	<u>1,084,166</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$1,415,565</u></u>	<u><u>\$1,119,940</u></u>

See Auditor's Report

FRIENDS OF L'ARCHE ATLANTA, INC.  
 SUPPLEMENTAL SCHEDULE  
 STATEMENT OF ACTIVITIES COMPARISON  
 FOR THE YEARS ENDED DECEMBER 31, 2018 AND DECEMBER 31, 2017

	<u>2018</u>	<u>2017</u>
PUBLIC SUPPORT & REVENUE:		
Public Support:		
Contributions – Individuals	\$303,646	\$646,344
Contributions – Foundations	122,700	46,500
Contributions – Corporate & Organizations	54,493	2,000
State Storytelling Contract	56,939	3,061
Special Events Income, Net of Expenses	64,228	47,902
In-Kind Contributions	39,800	30,733
Total Public Support	<u>641,806</u>	<u>776,540</u>
Other Revenue:		
Medicaid Provider/Agency Funding	315,129	295,228
Room & Board	43,956	43,956
Interest Income	162	5
Total Other Revenue	<u>358,887</u>	<u>339,189</u>
Total Public Support and Revenue	<u>1,000,693</u>	<u>1,115,729</u>
EXPENSES:		
Program Services	519,769	375,112
Management & General	77,715	76,991
Fundraising	91,060	42,178
Total Expenses	<u>688,544</u>	<u>494,281</u>
CHANGE IN NET ASSETS	<u>\$312,149</u>	<u>\$621,448</u>

See Auditor's Report