

THE ASSOCIATION FOR NEIGHBORHOOD
& HOUSING DEVELOPMENT, INC.

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2015 AND 2014

TYRONE ANTHONY SELLERS
Certified Public Accountant

THE ASSOCIATION FOR NEIGHBORHOOD
& HOUSING DEVELOPMENT, INC.

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TYRONE ANTHONY SELLERS
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Association for Neighborhood
& Housing Development, Inc.
New York, New York

Report on the Financial Statements

I have audited the accompanying financial statements of The Association for Neighborhood & Housing Development, Inc. ("the Organization"), which comprises of the statements of financial position as of June 30, 2015 and the related statements of activities and change 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, I 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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.


Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Association for Neighborhood & Housing Development, Inc. as of June 30, 2015, and the results of its operations and its cash flows for the year ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

I have previously audited The Association for Neighborhood & Housing Development, Inc.'s 2014 financial statements, and expressed an unmodified opinion on those financial statements in my report dated September 5, 2014. In my opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

August 12, 2015



THE ASSOCIATION FOR NEIGHBORHOOD & HOUSING DEVELOPMENT, INC.

STATEMENTS OF FINANCIAL POSITION

AS OF JUNE 30, 2015 AND 2014

ASSETS

	<u>2015</u>	<u>2014</u>
<u>Current Assets</u>		
Cash	\$ 106,771	\$ 200,661
Investments	1,028,341	1,054,387
Accounts receivable	313,407	272,931
Grants receivable	193,033	335,000
Prepaid expenses	793	1,175
Total Current Assets	<u>1,642,345</u>	<u>1,864,154</u>
<u>Fixed Assets</u>		
Equipment	111,757	87,707
Less: Accumulated depreciation	<u>(69,712)</u>	<u>(81,317)</u>
Net Fixed Assets	<u>42,045</u>	<u>6,390</u>
<u>Other Assets</u>		
Rent security deposit	<u>46,836</u>	<u>13,200</u>
Total Assets	<u>\$ 1,731,226</u>	<u>\$ 1,883,744</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts payable	\$ 76,326	\$ 113,893
Accrued payroll and related liabilities	<u>3,096</u>	<u>3,245</u>
Total Current Liabilities	<u>79,422</u>	<u>117,138</u>
<u>Net Assets</u>		
Unrestricted:		
Undesignated	(93,927)	157,251
Board designated	560,801	560,801
Temporarily restricted	<u>1,184,930</u>	<u>1,048,554</u>
Total Net Assets	<u>1,651,804</u>	<u>1,766,606</u>
Total Liabilities and Net Assets	<u>\$ 1,731,226</u>	<u>\$ 1,883,744</u>

The accompanying notes are an integral part of this statement.

TYRONE ANTHONY SELLERS
Certified Public Accountant

THE ASSOCIATION FOR NEIGHBORHOOD & HOUSING DEVELOPMENT, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2015

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE
YEAR ENDED JUNE 30, 2014

	2015			2014
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
<u>Support and Revenue</u>				
Foundation and corporate grants	\$ 92,000	\$ 1,023,700	\$ 1,115,700	\$ 1,777,000
Government grant/contract	100,000	—	100,000	100,000
Contributions	30	248,175	248,205	187,259
Administrative fees income	330,949	—	330,949	288,011
Membership dues	38,000	—	38,000	35,000
Training Institute	3,571	—	3,571	11,075
Annual conference income	145,460	—	145,460	127,105
Miscellaneous income	150	—	150	200
Unrealized gain/(loss) on investments	(51,015)	—	(51,015)	9,742
Realized gain/(loss) on investments	(6,294)	—	(6,294)	—
Dividend income	31,189	—	31,189	19,231
Interest income	288	—	288	825
Total Support and Revenue	684,328	1,271,875	1,956,203	2,555,448
Net assets released from restrictions	1,135,499	(1,135,499)	—	—
Total Support and Revenue	1,819,827	136,376	1,956,203	2,555,448
<u>Expenses</u>				
<u>Program Services</u>				
Advocacy and Policy	504,065	—	504,065	327,997
Training and Technical Assistance	1,062,439	—	1,062,439	885,851
Neighborhood Opportunities Fund	—	—	—	633,153
Fellowship Program	158,548	—	158,548	145,728
Total Program Services	1,725,052	—	1,725,052	1,992,729
<u>Supporting Services</u>				
Management and general	232,573	—	232,573	231,153
Fund raising	113,380	—	113,380	105,218
Total Supporting Services	345,953	—	345,953	336,371
Total Expenses	2,071,005	—	2,071,005	2,329,100
Change in net assets	(251,178)	136,376	(114,802)	226,348
Net assets at beginning of year	718,052	1,048,554	1,766,606	1,540,258
Net assets at end of year	\$ 466,874	\$ 1,184,930	\$ 1,651,804	\$ 1,766,606

The accompanying notes are an integral part of this statement.

TYRONE ANTHONY SELLERS
Certified Public Accountant

THE ASSOCIATION FOR NEIGHBORHOOD & HOUSING DEVELOPMENT, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2015

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2014

PROGRAM SERVICES					(Page 5)
	Advocacy and <u>Policy</u>	Training and Technical <u>Assistance</u>	Neighborhood Opportunities <u>Fund</u>	Fellowship <u>Program</u>	Total Program <u>Services</u>
Salaries	\$ 296,266	\$ 523,330	\$ -	\$ -	\$ 819,596
Payroll taxes & fringe benefits	66,077	87,044	—	—	153,121
Professional fees	51,903	94,711	—	—	146,614
Advertising & public relations	330	100	—	—	430
Travel, conferences & related expenses	6,719	248	—	—	6,967
Office supplies & expenses	4,323	5,931	—	—	10,254
Board & member expenses	301	15,411	—	289	16,001
Insurance	808	1,120	—	—	1,928
Rent	26,996	31,640	—	—	58,636
Telephone & online services	2,555	3,481	—	—	6,036
Printing & duplicating	12,395	7,967	—	300	20,662
Utilities	3,550	4,917	—	—	8,467
Equipment maintenance & rental	4,248	2,281	—	—	6,529
Miscellaneous	1,650	429	—	—	2,079
Staff training	904	534	—	—	1,438
Dues and contributions	400	—	—	—	400
Program grants & expenses	20,000	266,813	—	157,959	444,772
Annual conference	—	10,000	—	—	10,000
Training institute	—	55	—	—	55
Interest expense	—	—	—	—	—
Depreciation	4,640	6,427	—	—	11,067
Total	<u>\$ 504,065</u>	<u>\$ 1,062,439</u>	<u>\$ -</u>	<u>\$ 158,548</u>	<u>\$ 1,725,052</u>

(continued)

TYRONE ANTHONY SELLERS
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THE ASSOCIATION FOR NEIGHBORHOOD & HOUSING DEVELOPMENT, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2015

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2014

	(Page 4)	SUPPORTING SERVICES				
	Total	Management		Total		
	Program	and	Fundraising	Supporting	2015	2014
	<u>Services</u>	<u>General</u>	<u>Expenses</u>	<u>Services</u>	<u>Total</u>	<u>Total</u>
Salaries	\$ 819,596	\$ 38,791	\$ 80,636	\$ 119,427	\$ 939,023	\$ 795,570
Payroll taxes & fringe benefits	153,121	8,766	20,456	29,222	182,343	153,220
Professional fees	146,614	21,155	1,820	22,975	169,589	147,656
Advertising & public relations	430	155	—	155	585	800
Travel, conferences & related expenses	6,967	457	—	457	7,424	2,382
Office supplies & expenses	10,254	2,630	923	3,553	13,807	12,434
Board & member expenses	16,001	2,146	—	2,146	18,147	13,491
Insurance	1,928	1,573	192	1,765	3,693	3,603
Rent	58,636	21,857	6,423	28,280	86,916	98,975
Telephone & online services	6,036	1,542	589	2,131	8,167	6,905
Printing & duplicating	20,662	6,838	—	6,838	27,500	17,163
Utilities	8,467	2,118	845	2,963	11,430	8,799
Equipment maintenance & rental	6,529	—	392	392	6,921	4,246
Miscellaneous	2,079	5,600	—	5,600	7,679	3,494
Staff training	1,438	298	—	298	1,736	4,112
Dues and contributions	400	28,355	—	28,355	28,755	32,250
Program grants & expenses	444,772	—	—	—	444,772	903,082
Annual conference	10,000	87,005	—	87,005	97,005	107,935
Training institute	55	—	—	—	55	—
Interest expense	—	519	—	519	519	53
Depreciation	11,067	2,768	1,104	3,872	14,939	12,930
Total	\$ 1,725,052	\$ 232,573	\$ 113,380	\$ 345,953	\$ 2,071,005	\$ 2,329,100

The accompanying notes are an integral part of these statements.

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THE ASSOCIATION FOR NEIGHBORHOOD & HOUSING DEVELOPMENT, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<u>Cash Flows From Operating Activities</u>		
Change in net assets	<u>\$ (114,802)</u>	<u>\$ 226,348</u>
<u>Adjustments to reconcile net loss to net cash used in operating activities</u>		
Depreciation	14,939	12,930
Increase in accounts receivable	(40,476)	(215,473)
Decrease/(increase) in grant receivable	141,967	(130,000)
Decrease in prepaid expenses	382	222
Earnings on investments	(31,263)	(18,583)
Increase in rent security deposit	(33,636)	—
Decrease in accounts payable	(37,567)	(243,337)
(Decrease)increase in accrued payroll and related liabilities	<u>(149)</u>	<u>507</u>
Total adjustments	<u>14,197</u>	<u>(593,734)</u>
Net cash used in operating activities	<u>(100,605)</u>	<u>(367,386)</u>
<u>Cash Flows From Investing Activities</u>		
Purchase of equipment	(50,594)	(5,041)
Depletion of fixed assets	26,544	6,156
Depreciation on depleted fixed assets	(26,544)	(6,156)
Unrealized loss/(gain) on investments	51,015	(9,742)
Realized loss on investments	<u>6,294</u>	<u>—</u>
Net cash used in investing activities	<u>6,715</u>	<u>(14,783)</u>
Net decrease in cash	(93,890)	(382,169)
Cash balance of beginning of year	<u>200,661</u>	<u>582,830</u>
Cash balance at end of year	<u><u>\$ 106,771</u></u>	<u><u>\$ 200,661</u></u>
<u>Supplemental Disclosure Of Cash Flow Information</u>		
Cash paid for interest	<u><u>\$ 519</u></u>	<u><u>\$ 53</u></u>

The accompanying notes are an integral part of this statement.

TYRONE ANTHONY SELLERS
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THE ASSOCIATION FOR NEIGHBORHOOD
& HOUSING DEVELOPMENT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The Association for Neighborhood & Housing Development, Inc. (“ANHD”) was incorporated under the not-for-profit Corporation Law of the State of New York. ANHD is a membership organization of nonprofit neighborhood housing groups whose mission is to ensure flourishing neighborhoods and decent, affordable housing for all New Yorkers by supporting the programs and advancing priorities of member organizations engaged in community development and organizing in low and moderate income neighborhoods throughout the City.

A summary of significant accounting policies of ANHD are as follows.

Basis of Accounting – The accompanying financial statements were prepared on the accrual basis of accounting.

Capitalization and depreciation – Fixed Assets are recorded at cost, and are capitalized and depreciated over their estimated service lives using the straight-line method of depreciation. The estimated service life of the assets for depreciation purposes may be different from their actual economic useful lives. Fixed Assets purchased with government contracts are expensed in the year purchased.

Income Taxes – ANHD is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code. ANHD has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending June 30, 2012 and subsequent remain subject to examination by applicable taxing authorities.

Contributions – Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets and then reclassified to unrestricted net assets when the restriction expires. Restricted contributions received and expensed in the same fiscal year are reflected as unrestricted revenues.

Financial Statements – ANHD’s financial statements adhere to the established standards for external financial statements provided by not-for-profit organizations which require that resources be classified for accounting and reporting purposes into three classes of net assets – permanently restricted, temporarily restricted and unrestricted. All other net assets, including board-designated or appropriated amounts, are reported as part of the unrestricted class.

The financial statements include certain prior-year summarized comparative financial information in total but not by asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization’s financial statements for the year ended June 30, 2014, from which the summarized information was derived.

Functional Expense – ANHD allocates its expenses on a functional basis among its various programs. Expenses that can be identified with a specific program are charged directly to the particular program according to their natural expense classification.

Subsequent events – Management has evaluated subsequent events through August 12, 2015, the date the financial statements were available to be issued. No significant subsequent events have been identified that would require adjustment or disclosure in the financial statements.

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THE ASSOCIATION FOR NEIGHBORHOOD
& HOUSING DEVELOPMENT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Note 2 – CASH AND INVESTMENTS

Financial instruments which potentially subject ANHD to concentrations of credit risk consist principally of cash and cash equivalents, and investments. ANHD maintains its cash in bank deposit accounts which at times may exceed federally insured limits. ANHD has not experienced any losses in such accounts. ANHD believes it is not exposed to any significant credit risk on cash. For financial statement purposes, ANHD considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments consist of cash, cash equivalents and mutual funds, certificate of deposits, and are carried at fair market value. Fair market values as of June 30, 2015 and 2014 are summarized as follows:

	<u>2015</u>	<u>2014</u>
The Vanguard Group – prime money market	\$ -0-	\$ 80,017
Merrill Lynch – cash	91,346	209,153
Merrill Lynch – mutual funds	<u>936,995</u>	<u>765,217</u>
Total	<u>\$ 1,028,341</u>	<u>\$1,054,387</u>

ANHD adopted the updated provisions of the “Fair Value Measurements” topic of the FASB ASC, which established a fair value hierarchy for disclosure of fair value measurements as follows:

Level 1 – quoted prices in active markets for identical assets or liabilities.

Level 2 – quoted prices for similar assets and liabilities in active markets or inputs that are observable.

Level 3 – inputs that are unobservable (for example cash flow modeling inputs based on assumptions).

The following table summarizes investment assets measured at fair value at June 30, 2015:

	<u>Total</u>	<u>Level 1</u>
Cash and money markets	\$ 91,346	\$ 91,346
Mutual funds	<u>936,995</u>	<u>936,995</u>
Total Value	<u>\$ 1,028,341</u>	<u>\$ 1,028,341</u>

Note 3 – ADMINISTRATIVE FEE

ANHD has an administrative services agreement with the New York Mortgage Coalition (“NYMC”). NYMC is a coalition formed by certain banks for the purpose of increasing the effectiveness of home ownership and mortgage counseling. The administrative services agreement requires, among other matters, ANHD to provide certain administrative and support services to NYMC. ANHD has earned administrative fees of \$330,949 and \$288,011 for the years ended June 30, 2015 and 2014, respectively, for providing such services.

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THE ASSOCIATION FOR NEIGHBORHOOD
& HOUSING DEVELOPMENT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 4 – OPERATING LEASES

ANHD has a rental lease agreement for its office space which expires December 31, 2025. Annual lease payments for the remaining years are as follows:

<u>Year Ending June 30,</u>	
2016	\$ 122,755
2017	126,131
2018	129,600
2019	133,164
2020	147,854
Thereafter	<u>717,876</u>
Total	<u>\$ 1,377,380</u>

NOTE 5 – ACCOUNTS RECEIVABLE

As of June 30, 2015, accounts receivable consist of the following:

Center for Neighborhood Leadership fees	\$ 51,238
Morgan Stanley/ANHD Fellowship Program fees	6,000
Annual Conference Sponsorship	10,000
Administration fees	<u>246,169</u>
Total	<u>\$ 313,407</u>

NOTE 6 – GRANTS RECEIVABLE

As of June 30, 2015, grants receivable consist of the following:

Foundation and Corporation grants	\$ 159,700
Government grants	<u>33,333</u>
Total	<u>\$ 193,033</u>

Note 7 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2015</u>	<u>2014</u>
Advocacy and policy	\$ -0-	\$ 217,166
Training and technical assistance	939,930	580,388
INCO NEXT	245,000	245,000
Office equipment	<u>-0-</u>	<u>6,000</u>
Total Temporarily Restricted Net Assets	<u>\$ 1,184,930</u>	<u>\$ 1,048,554</u>

Board designated funds consists of the following:

	<u>2015</u>	<u>2014</u>
Operating reserve	<u>\$ 560,801</u>	<u>\$ 560,801</u>

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