

**SOMEONE CARES INC. OF ATLANTA  
AUDITED FINANCIAL STATEMENTS  
WITH INDEPENDENT ACCOUNTANTS' REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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## INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors  
Someone Cares Inc. of Atlanta  
1950 Spectrum Circle  
Suite A-140  
Marietta, GA 30067

### Report on the Financial Statements

We have audited the accompanying financial statements of Someone Cares Inc. of Atlanta (the Organization), which comprise the statements of financial position as of December 31, 2014, and the related statements of activities 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 upon our audits. 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 audits 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 upon 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.

To the Board of Directors  
Someone Cares Inc. of Atlanta

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Someone Cares Inc. of Atlanta as of December 31, 2014, 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.

*R MICHAEL LABOUNTY & ASSOCIATES, PC*

Atlanta, Georgia  
March 18, 2015

**SOMEONE CARES INC. OF ATLANTA  
STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2014**

**ASSETS**

**CURRENT ASSETS:**

Cash	\$	108,577
Grants receivable		<u>86,493</u>
 Total current assets		 <u>195,070</u>

**PROPERTY & EQUIPMENT:**

Furniture & equipment		17,110
Accumulated depreciation		<u>(16,111)</u>
 Total fixed assets - net		 <u>999</u>

**OTHER ASSETS:**

Security deposit		<u>3,469</u>
 Total assets	\$	 <u><u>199,537</u></u>

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES:**

Accounts payable	\$	<u>1,500</u>
 Total current liabilities		 <u>1,500</u>

**NET ASSETS:**

Temporarily restricted net assets		22,500
Unrestricted net assets		<u>175,537</u>
 Total net assets		 <u>198,037</u>
 Total liabilities and net assets	\$	 <u><u>199,537</u></u>

SEE INDEPENDENT ACCOUNTANTS' REPORT AND ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**SOMEONE CARES INC. OF ATLANTA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

CHANGES IN UNRESTRICTED NET ASSETS:

REVENUES & SUPPORT:

Government grants	\$ 311,657
Contributions	10,443
In-kind donations	92,500
Released restrictions	7,500
Other	<u>24,488</u>
Total revenues & support	<u>446,588</u>

EXPENSES:

Personnel expenses	228,047
Occupancy	51,256
Office expenses	19,834
Supplies	19,398
Professional fees	10,377
Communications	3,374
Depreciation	1,111
Travel	<u>102</u>
Total expenses	<u>333,499</u>

INCREASE IN UNRESTRICTED NET ASSETS 113,089

CHANGES IN TEMPORARILY RESTRICTED NET ASSETS

Restricted contributions	30,000
Released restrictions	<u>(7,500)</u>

INCREASE IN TEMPORARILY RESTRICTED NET ASSETS 22,500

INCREASE IN NET ASSETS 135,589

NET ASSETS - BEGINNING OF YEAR 62,448

NET ASSETS - END OF YEAR \$ 198,037

SEE INDEPENDENT ACCOUNTANTS' REPORT AND ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**SOMEONE CARES INC. OF ATLANTA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

<b>CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:</b>	
Increase in net assets	\$ 135,589
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Depreciation	1,111
(Increase) in grants receivable	(69,936)
(Increase) in security deposit	(3,469)
(Decrease) in accounts payable	<u>612</u>
Net cash provided by operating activities	<u>63,908</u>
 <b>CASH FLOWS (USED BY) INVESTING ACTIVITIES:</b>	
Purchase of furniture	<u>(2,110)</u>
Net cash (used by) investing activities	<u>(2,110)</u>
 NET INCREASE IN CASH	 61,798
 CASH, BEGINNING OF YEAR	 <u>46,779</u>
 CASH, END OF YEAR	 <u><u>\$ 108,577</u></u>

SEE INDEPENDENT ACCOUNTANTS' REPORT AND ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**SOMEONE CARES INC. OF ATLANTA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Someone Cares Inc. of Atlanta (the Organization) was incorporated in 2002. The Organization provides support services for individuals infected with the AIDS virus. The Organization is located in Northwest Atlanta.

**Note A – Summary of Significant Accounting Policies**

The Organization's Summary of Significant Accounting Policies is presented to assist in understanding its financial statements. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the statements' preparation. The financial statements and notes are representations of the Organization's management, who are responsible for their integrity and objectivity.

**Basis of Accounting and Presentation** - The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities. Information regarding its financial position and activities is presented under three separate net asset classifications: unrestricted, temporarily restricted and permanently restricted net assets. As of December 31, 2014, there was \$22,500 in temporarily restricted net assets to be used in facilitating community education programs.

**Property and Equipment** - Purchased property and equipment is carried at cost. Donated property and equipment is carried at approximate fair value at donation date. Expenditures of \$1,500 or more which prolong an asset's useful life beyond 2 years are capitalized. The cost of assets retired or sold and their associated accumulated depreciation are removed from the accounts upon disposition, with any related gain or loss included in income. Depreciation is provided under the straight-line method over each asset's estimated useful life. Depreciation expense for 2014 was \$1,111.

**Donated Assets, Services and In-Kind Donations** - Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation. Donated services are recognized as contributions in accordance with generally accepted accounting principles. If the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization, a contribution and an expense of equal amounts are recognized. Other donations in-kind are recorded as contributions at their estimated fair values at the date of donation. The Organization recognized \$92,500 of in-kind donations and donated assets or services for the year ended December 31, 2014.

**Restricted and Unrestricted Contributions** - Contributions which are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending upon the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. For the year ended December 31, 2014, the temporarily restricted contribution of \$30,000 with a purpose restriction of community education was partially used for the intended purpose. The remaining \$22,500 will be used for the intended purpose during 2015.



**SOMEONE CARES INC. OF ATLANTA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note A – Summary of Significant Accounting Policies (Continued)**

**Costs Allocated to Programs** - The Organization applies allocation formulas to certain groups of expenses to make allocations of expenses to administration, resource development and programs. The allocation formulas are derived from cost of labor based upon personnel assignments and upon the space and resources assigned to the personnel involved in an activity. In addition, there are analyses of time expended for certain activities. Allocation formulas are reevaluated annually or as material changes warrant.

**Income Taxes** - The Organization is exempt from federal and state income tax according to IRS Section 501(c)(3). The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). Income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. For the year ended December 31, 2014, the Organization did not have any unrelated business income and, accordingly, no unrelated business income tax. The Financial Accounting Standards Board has issued an Interpretation clarifying when an uncertainty in income taxes should be recognized or disclosed in the Organization's financial statements. The Organization has reviewed its tax positions and has determined that there are no tax uncertainties requiring recognition or disclosure for the years open to potential IRS examination (2011-2014).

**Fair Value of Financial Instruments** - The Organization's financial instruments consist of cash and accounts payable. The carrying value of these instruments approximates fair value due to their relatively short-term nature.

**Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions affecting the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

**Note B – Lease Commitment**

The Organization leases space for its operations in Marietta, GA under the terms of a non-cancelable lease agreement expiring February 2016. The Organization also leases space for its operations in Atlanta, GA under a non-cancelable lease expiring September 2017. Rent expense for the year ended December 31, 2014 was \$51,256. Future minimum lease payments over the remaining term of the lease are as follows:

Year Ending December 31,		
2015	\$	73,035
2016		30,639
2017		<u>16,560</u>
	\$	<u>120,234</u>

**SOMEONE CARES INC. OF ATLANTA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note C – Concentrations of Credit Risk**

The Organization maintains cash balances at a financial institution insured by the Federal Deposit Insurance Corporation (FDIC). The FDIC-insured limit is \$250,000 per account per financial institution. As of December 31, 2014, the Organization's balances did not exceed these insured limits. Management believes that the FDIC backing and the quality of the financial institutions with which these amounts are deposited minimizes any potential risk of material loss.

**Note D – Subsequent Events**

Management has evaluated events and transactions which occurred through March 18, 2015 which was the date the financial statements were available to be issued. As a result of this evaluation, management has determined that no events or transactions are required to be disclosed.