

GEORGIA GERONTOLOGY SOCIETY, INC.
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

GEORGIA GERONTOLOGY SOCIETY, INC.

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS:	
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF ACTIVITIES	3
STATEMENT OF FUNCTIONAL EXPENSES	4
STATEMENT OF CASH FLOWS	5
NOTES TO THE FINANCIAL STATEMENTS	6-10

ROBERT BAKER and ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Georgia Gerontology Society, Inc.
Atlanta, Georgia

We have audited the accompanying financial statements of Georgia Gerontology Society, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, 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.

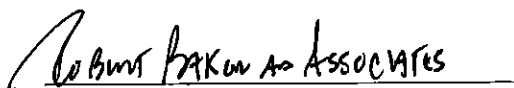
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 Georgia Gerontology Society, Inc. as of December 31, 2015, 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.

ROBERT BAKER and ASSOCIATES



Certified Public Accountants

Albany, Georgia

August 31, 2017

GEORGIA GERONTOLOGY SOCIETY, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2015

ASSETS

	<u>2015</u>
CURRENT ASSETS	
Cash	\$ <u>81,043</u>
OTHER ASSETS	
Investments	\$ <u>289,119</u>
TOTAL ASSETS	\$ <u><u>370,162</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Payroll Taxes Payable	\$ <u>354</u>
TOTAL LIABILITIES	\$ <u>354</u>
NET ASSETS	
Unrestricted	\$ <u>369,808</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u><u>370,162</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

GEORGIA GERONTOLOGY SOCIETY, INC.

STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2015

	UNRESTRICTED <u>2015</u>
PUBLIC SUPPORT AND REVENUE	
Public Support	
Contributions	\$ <u>3,689</u>
Revenue	
Sponsorships	\$ 17,390
Registration Fees	39,719
Exhibit Fees	6,853
Membership Dues	9,694
Interest Income	17
Unrealized Gain (Loss) on Investments	(70)
Other	<u>1,405</u>
Total Support	\$ <u>75,008</u>
 TOTAL REVENUE AND SUPPORT	 \$ <u>78,697</u>
 EXPENSES	
Program Services	\$ 63,513
Management and General	<u>23,165</u>
 TOTAL EXPENSES	 \$ <u>86,678</u>
 CHANGE IN NET ASSETS	 \$ (7,981)
 NET ASSETS - BEGINNING OF YEAR	 <u>377,789</u>
 NET ASSETS - END OF YEAR	 \$ <u>369,808</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

GEORGIA GERONTOLOGY SOCIETY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended December 31, 2015

	<u>Program Services</u>	<u>Management and General</u>	<u>TOTAL</u>
EXPENSES			
Salaries	\$ 12,000	\$ 6,000	\$ 18,000
Payroll Taxes	<u>951</u>	<u>426</u>	<u>1,377</u>
Total Salary and Related Expense	\$ 12,951	\$ 6,426	\$ 19,377
Annual Conference	\$ 41,890	\$ -	\$ 41,890
Board Development	-	4,523	4,523
Board Meeting Expense	-	871	871
Computer Software	-	436	436
Computer Support	-	691	691
Education/Training	1,456	-	1,456
Insurance	-	1,580	1,580
Investment Expense	-	4,319	4,319
Miscellaneous	3,665	900	4,565
Office Supplies	-	549	549
Postage	64	98	162
Printing	2,763	-	2,763
Professional Fees	593	-	593
Scholarships	131	-	131
Sponsorships	-	1,125	1,125
Telephone	-	720	720
Training	-	25	25
Travel	<u>-</u>	<u>902</u>	<u>902</u>
TOTAL EXPENSES	\$ <u>63,513</u>	\$ <u>23,165</u>	\$ <u>86,678</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

GEORGIA GERONTOLOGY SOCIETY, INC.

STATEMENT OF CASH FLOWS

For The Year ended December 31, 2015

	<u>UNRESTRICTED</u> <u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in Net Assets	\$ (7,981)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
(Gains) Losses on Investments	<u>70</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (<u>7,911</u>)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Fees	\$ 4,319
Grants	<u>-</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ <u>4,319</u>
NET INCREASE (DECREASE) IN NET CASH	\$ (3,592)
CASH - BEGINNING OF YEAR	<u>84,635</u>
CASH - END OF YEAR	\$ <u><u>81,043</u></u>
SUPPLEMENTAL DISCLOSURES:	
Income Tax Paid	\$ -
Interest Paid	\$ -

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

GEORGIA GERONTOLOGY SOCIETY, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF OPERATIONS

Georgia Gerontology Society, Inc. (the Center) is a non-profit organization that is a statewide multidisciplinary professional network that educates, serves and advocates for older adults and their families.

BASIS OF ACCOUNTING

The financial statements of Georgia Gerontology Society, Inc. have been prepared on the accrual basis of accounting and, conform to accounting principles generally accepted in the United States of America.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) No. 958, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. As of December 31, 2015, the Organization had no permanently restricted net assets.

Unrestricted Net Assets

Unrestricted net assets consist of resources available for the various programs and administration of the Organization which have not been restricted by a donor. Board designated net assets represents amounts established by the Board of Directors and represents unrestricted funds which are set aside for future needs of the Organization. Unrestricted, undesignated net assets are available for the various programs and administration of the Organization.

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of donor restricted contributions. Amounts restricted by the donor for a particular purpose are recognized as revenue when received and such unexpended amounts are reported as temporarily restricted net assets at year end. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "net assets released from restrictions". The Organization does not imply a time restriction on gifts of long-lived assets.

Restrictions on gifts of fixed assets or contributions restricted for the purchase of fixed assets expire when the asset is placed in service, unless otherwise stipulated by the donor.

Permanently Restricted Net Assets

Permanently restricted net assets consist of donor restricted contributions which are required to be held in perpetuity. Income from the assets held is available for either general operations or specific purposes, in accordance with donor stipulations. There are no permanently restricted net assets at December 31, 2015.

GEORGIA GERONTOLOGY SOCIETY, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

PROMISES TO GIVE

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

CONTRIBUTIONS

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

CONTRIBUTED SERVICES

During the year ended December 31, 2015, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization at the residents' facilities, but these services do not meet the criteria for recognition as contributed services.

MANAGEMENT ESTIMATES

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

CASH AND CASH EQUIVALENTS

The Organization maintains its cash in bank deposit accounts and the balances did not exceed federally insured limits. The Organization considers all highly liquid securities purchased with a maturity date of three months or less to be cash equivalent.

GEORGIA GERONTOLOGY SOCIETY, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

PROPERTY AND EQUIPMENT

It is the Organization's policy to capitalize property and equipment over \$5,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method.

INCOME TAXES

The Organization's activities are generally exempt from federal and state income taxes under Section 501 (c)(3) of the Internal Revenue Code. Since the Organization is exempt from federal and state income tax liability, no provision is made for current or deferred income tax expense.

Income tax benefits are recognized for income tax positions taken, or expected to be taken, in a tax return only when it is determined that the income tax position will more likely than not be sustained upon examination by taxing authorities. The Organization has analyzed its tax positions taken for filings with the Internal Revenue Service. The Organization believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Organization's financial condition, results of operations, or cash flows. Accordingly, the Organization has not recorded any tax assets or liabilities, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2015. The Organization would recognize interest and penalties, if any, related to unrecognized tax benefits in interest expense.

All tax exempt entities are subject to review and audit by federal, state and other applicable agencies. Such agencies may review the taxability of unrelated business income, or the qualifications of the tax-exempt entity under the Internal Revenue Code and applicable state statutes. There currently are no audits of the Organization's returns in progress. With few exceptions, the Organization is no longer subject to U.S. federal income tax examinations for the tax years before 2010.

NOTE 2 - INVESTMENTS

The following gives investment cost and unrealized appreciation (depreciation) by type of investment as of December 31, 2015:

	<u>Cost</u>	<u>Unrealized Gains</u>	<u>Fair Value</u>
Mutual Funds	\$ <u>289,189</u>	\$ (<u>70</u>)	\$ <u>289,119</u>

Investment expenses incurred totaled \$ 4,319 for the year ended December 31, 2015.

GEORGIA GERONTOLOGY SOCIETY, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - INVESTMENTS - CONTINUED

Fair Value of Financial Instruments:

ASC 820-10-50, *Fair Value Measurements*, provides a framework for measuring fair value under generally accepted accounting principles. The framework applies to all financial instruments that are being measured and reported on a fair value basis.

As defined in ASC 820-10-50, fair value is the price that would be received to see 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 uses various methods including market, income and cost approaches. Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, 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 (3) 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 year ended December 31, 2015, 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.

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 value measurement at the reporting date.

GEORGIA GERONTOLOGY SOCIETY, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 - INVESTMENTS - CONTINUED

The following table set forth by level, within the fair value hierarchy, the Organization's investment assets at fair value:

<u>December 31, 2015</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Totals</u>
Mutual Funds	\$ _____ -	\$ <u>289,119</u>	\$ _____ -	\$ <u>289,119</u>
Total	\$ _____ -	\$ <u>289,119</u>	\$ _____ -	\$ <u>289,119</u>

NOTE 3 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through August 31, 2017, the date on which the financial statements were available to be issued.