

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 statement of financial position of The Association for Neighborhood & Housing Development, Inc. (the "Organization") as of June 30, 2014 and the related statement 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, 2014, 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 2013 financial statements, and expressed an unmodified opinion on those financial statements in my report dated August 29, 2013. In my opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.



September 5, 2014

THE ASSOCIATION FOR NEIGHBORHOOD
& HOUSING DEVELOPMENT, INC.

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2014 AND 2013

TYRONE ANTHONY SELLERS
Certified Public Accountant

THE ASSOCIATION FOR NEIGHBORHOOD
& HOUSING DEVELOPMENT, INC.

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TYRONE ANTHONY SELLERS
Certified Public Accountant

THE ASSOCIATION FOR NEIGHBORHOOD & HOUSING DEVELOPMENT, INC.

STATEMENTS OF FINANCIAL POSITION

AS OF JUNE 30, 2014 AND 2013

ASSETS

	<u>2014</u>	<u>2013</u>
<u>Current Assets</u>		
Cash	\$ 200,661	\$ 582,830
Investments	1,054,387	1,026,062
Accounts receivable	272,931	57,458
Grants receivable	335,000	205,000
Prepaid expenses	1,175	1,397
Total Current Assets	<u>1,864,154</u>	<u>1,872,747</u>
<u>Other Assets</u>		
Security deposit	<u>13,200</u>	<u>13,200</u>
<u>Fixed Assets</u>		
Equipment	87,707	88,822
Less: Accumulated depreciation	<u>(81,317)</u>	<u>(74,543)</u>
Net Fixed Assets	<u>6,390</u>	<u>14,279</u>
Total Assets	<u>\$ 1,883,744</u>	<u>\$ 1,900,226</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Accounts payable	\$ 113,893	\$ 357,230
Accrued payroll and related liabilities	<u>3,245</u>	<u>2,738</u>
Total Current Liabilities	<u>117,138</u>	<u>359,968</u>
<u>Net Assets</u>		
Unrestricted:		
Undesignated	157,251	189,837
Board designated	560,801	646,282
Temporarily restricted	<u>1,048,554</u>	<u>704,139</u>
Total Net Assets	<u>1,766,606</u>	<u>1,540,258</u>
Total Liabilities and Net Assets	<u>\$ 1,883,744</u>	<u>\$ 1,900,226</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, 2014

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE
YEAR ENDED JUNE 30, 2013

	2014			2013
	Unrestricted	Temporarily Restricted	Total	Total
<u>Support and Revenue</u>				
Foundation and corporate grants	\$ 300,000	\$ 1,477,000	\$ 1,777,000	\$ 1,650,500
Government grant/contract	100,000	—	100,000	100,000
Contributions	799	186,460	187,259	125,010
Administrative fees income	288,011	—	288,011	586,552
Membership dues	35,000	—	35,000	37,500
Training Institute	6,155	4,920	11,075	10,408
Annual conference income	127,105	—	127,105	116,035
Miscellaneous income	200	—	200	184
Unrealized gain/(loss) on investments	9,742	—	9,742	(22,848)
Dividend income	19,231	—	19,231	15,742
Interest income	825	—	825	445
Total Support and Revenue	887,068	1,668,380	2,555,448	2,619,528
Net assets released from restrictions	1,323,965	(1,323,965)	—	—
Total Support and Revenue	2,211,033	344,415	2,555,448	2,619,528
<u>Expenses</u>				
<u>Program Services</u>				
Advocacy and Policy	327,997	—	327,997	474,481
Training and Technical Assistance	885,851	—	885,851	1,080,977
Neighborhood Opportunities Fund	633,153	—	633,153	460,806
Fellowship Program	145,728	—	145,728	143,017
Total Program Services	1,992,729	—	1,992,729	2,159,281
<u>Supporting Services</u>				
Management and general	231,153	—	231,153	163,042
Fund raising	105,218	—	105,218	100,521
Total Supporting Services	336,371	—	336,371	263,563
Total Expenses	2,329,100	—	2,329,100	2,422,844
Change in net assets	(118,067)	344,415	226,348	196,684
Net assets at beginning of year	836,119	704,139	1,540,258	1,343,574
Net assets at end of year	\$ 718,052	\$ 1,048,554	\$ 1,766,606	\$ 1,540,258

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, 2014

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2013

PROGRAM SERVICES

	Advocacy and Policy	Training and Technical Assistance	Neighborhood Opportunities Fund	Fellowship Program	(Page 5) Total Program Services
Salaries	\$ 189,124	\$ 491,518	\$ -	\$ -	\$ 680,642
Payroll taxes & fringe benefits	42,595	78,690	—	—	121,285
Professional fees	40,223	69,717	28,031	—	137,971
Advertising & public relations	75	175	—	—	250
Travel, conferences & related expenses	2,167	93	—	—	2,260
Office supplies & expenses	2,621	5,730	—	520	8,871
Board & member expenses	2,472	9,945	—	732	13,149
Insurance	530	1,201	—	—	1,731
Rent	20,854	47,330	—	—	68,184
Telephone & online services	1,468	3,329	—	—	4,797
Printing & duplicating	15,817	620	—	—	16,437
Utilities	1,854	4,208	—	—	6,062
Equipment maintenance & rental	2,566	2,031	—	—	4,597
Miscellaneous	1,117	(1,116)	—	476	477
Staff training	1,790	2,237	—	—	4,027
Dues	—	—	—	—	—
Program grants & expenses	—	153,960	605,122	144,000	903,082
Annual conference	—	10,000	—	—	10,000
Training institute	—	—	—	—	—
Interest expense	—	—	—	—	—
Depreciation	2,724	6,183	—	—	8,907
Total	\$ 327,997	\$ 885,851	\$ 633,153	\$ 145,728	\$ 1,992,729

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THE ASSOCIATION FOR NEIGHBORHOOD & HOUSING DEVELOPMENT, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2014

WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2013

	(Page 4)	SUPPORTING SERVICES				2014	2013
	Total	Management		Total	2014		
	Program	and	Fundraising	Supporting	Total	Total	
	Services	General	Expenses	Services			
Salaries	\$ 680,642	\$ 42,928	\$ 72,000	\$ 114,928	\$ 795,570	\$ 933,379	
Payroll taxes & fringe benefits	121,285	12,896	19,039	31,935	153,220	181,105	
Professional fees	137,971	8,346	1,339	9,685	147,656	161,064	
Advertising & public relations	250	550	—	550	800	—	
Travel, conferences & related expenses	2,260	122	—	122	2,382	2,987	
Office supplies & expenses	8,871	2,628	935	3,563	12,434	12,698	
Board & member expenses	13,149	342	—	342	13,491	11,560	
Insurance	1,731	1,649	223	1,872	3,603	3,772	
Rent	68,184	21,992	8,799	30,791	98,975	92,037	
Telephone & online services	4,797	1,534	574	2,108	6,905	6,537	
Printing & duplicating	16,437	726	—	726	17,163	21,571	
Utilities	6,062	1,955	782	2,737	8,799	8,800	
Equipment maintenance & rental	4,597	(729)	378	(351)	4,246	4,028	
Miscellaneous	477	3,017	—	3,017	3,494	3,903	
Staff training	4,027	85	—	85	4,112	962	
Dues	—	32,250	—	32,250	32,250	56,075	
Program grants & expenses	903,082	—	—	—	903,082	840,194	
Annual conference	10,000	97,935	—	97,935	107,935	68,516	
Training institute	—	—	—	—	—	476	
Interest expense	—	53	—	53	53	160	
Depreciation	8,907	2,874	1,149	4,023	12,930	13,020	
Total	<u>\$ 1,992,729</u>	<u>\$ 231,153</u>	<u>\$ 105,218</u>	<u>\$ 336,371</u>	<u>\$ 2,329,100</u>	<u>\$ 2,422,844</u>	

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, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>Cash Flows From Operating Activities</u>		
Change in net assets	<u>\$ 226,348</u>	<u>\$ 196,684</u>
<u>Adjustments to reconcile net loss to net cash</u> <u>(used in)/provided by operating activities</u>		
Depreciation	12,930	13,020
(Increase)/decrease in accounts receivable	(215,473)	39,367
(Increase)/decrease in grant receivable	(130,000)	3,333
Decrease in prepaid expenses	222	872
(decrease)/increase in accounts payable	(243,337)	177,964
Increase in accrued payroll and related liabilities	<u>507</u>	<u>787</u>
Total adjustments	<u>(575,151)</u>	<u>235,343</u>
Net cash (used in)/provided by operating activities	<u>(348,803)</u>	<u>432,027</u>
<u>Cash Flows From Investing Activities</u>		
Purchase of equipment	(5,041)	(3,772)
Depletion of fixed assets	6,156	2,130
Depreciation on depleted fixed assets	(6,156)	(2,130)
Net earnings on investments	<u>(28,325)</u>	<u>87,627</u>
Net cash (used in)/provided by in investing activities	<u>(33,366)</u>	<u>83,855</u>
Net (decrease)/increase in cash	(382,169)	515,882
Cash balance of beginning of year	<u>582,830</u>	<u>66,948</u>
Cash balance at end of year	<u>\$ 200,661</u>	<u>\$ 582,830</u>
<u>Supplemental Disclosure Of Cash Flow Information</u>		
Cash paid for interest	<u>\$ 53</u>	<u>\$ 160</u>

The accompanying notes are an integral part of this statement.

TYRONE ANTHONY SELLERS
Certified Public Accountant

THE ASSOCIATION FOR NEIGHBORHOOD
& HOUSING DEVELOPMENT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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 Beulah 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, 2011 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, 2013, 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 – Subsequent events have been evaluated through September 5, 2014, which is the date the financial statements were available to be issued.

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THE ASSOCIATION FOR NEIGHBORHOOD
& HOUSING DEVELOPMENT, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

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, 2014 and 2013 are summarized as follows:

	<u>2014</u>	<u>2013</u>
Apple Bank, Astoria Savings and Ridgewood Bank – Certificate of Deposits	\$ -0-	\$ 152,549
Franklin Templeton Investments – US Government Securities Fund	-0-	188,539
The Vanguard Group – prime money market	80,017	493,297
Merrill Lynch – cash	209,153	-0-
Merrill Lynch – mutual funds	765,217	-0-
Short-Intermediate US Government Securities Fund	-0-	191,677
Total	<u>\$1,054,387</u>	<u>\$1,026,062</u>

Note 3 – OPERATING LEASES

ANHD has a rental lease agreement for its office space which expires December 31, 2024. Annual lease payments for the remaining years are as follows:

<u>Year Ending June 30,</u>	
2015	\$ 119,470
2016	122,755
2017	126,131
2018	129,600
2019	133,164
Thereafter	<u>865,729</u>
Total	<u>\$ 1,496,849</u>

ANHD has an operating lease for an office copier. The lease agreement expires November 2014. The remaining lease payments are as follows, for the year ending June 30, 2014 \$1,205.

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THE ASSOCIATION FOR NEIGHBORHOOD
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Note 4 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2014</u>	<u>2013</u>
Advocacy and policy	\$ 217,166	\$ 48,750
Training and technical assistance	580,388	296,983
INCO NEXT	245,000	245,000
Office equipment	6,000	-0-
Neighborhood Opportunities Fund	<u>-0-</u>	<u>113,406</u>
Total Temporarily Restricted Net Assets	<u>\$ 1,048,554</u>	<u>\$ 704,139</u>

Board designated funds consists of the following:

	<u>2014</u>	<u>2013</u>
Operating reserve	<u>\$ 560,801</u>	<u>\$ 646,282</u>

Note 5 – RELATED PARTY TRANSACTIONS

Dues and contributions expense for 2014 and 2013 include \$-0- and \$54,500, respectively payable to ANHD, Inc., a not-for-profit social welfare organization as described under Section 501 (c) (4) of the Internal Revenue Code, of which ANHD is currently the sole member.

ANHD, Inc. also publishes the ANHD Reader (“Reader”) which is offered by subscription to ANHD’s member organizations and the general public. In previous years, the Reader was published and distributed by ANHD.

In addition, ANHD receives an administrative fee for providing administrative services to ANHD, Inc. During the year ended June 30, 2014 and 2013, ANHD charged \$-0- and \$40,400, respectively to ANHD, Inc. for such services.

Note 6 – 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 \$288,011 and \$546,152 for the years ended June 30, 2014 and 2013, respectively, for providing such services.

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