

**ZION HILL COMMUNITY DEVELOPMENT CORPORATION**

**AUDITED FINANCIAL STATEMENTS  
(TOGETHER WITH INDEPENDENT AUDITOR'S REPORT)**

**DECEMBER 31, 2023, and 2022**

**ZION HILL COMMUNITY DEVELOPMENT CORPORATION**

**AUDITED FINANCIAL STATEMENTS**

**DECEMBER 31, 2023 and 2022**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Zion Hill Community Development Corporation

### ***Opinion***

We have audited the financial statements of Zion Hill Community Development Corporation (the "Corporation"), which comprise the statements of financial position as of December 31, 2023, and 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2023, and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*RJC Group, LLC*

Atlanta, Georgia  
October 14, 2024

**ZION HILL COMMUNITY DEVELOPMENT CORPORATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2023 AND 2022**

<b><u>ASSETS</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Cash	\$ 16,349	\$ 86,132
Employee Advances	-	1,500
<b>TOTAL ASSETS</b>	<b><u>\$ 16,349</u></b>	<b><u>\$ 87,632</u></b>
 <b><u>LIABILITIES AND NET ASSETS</u></b>		
Liabilities		
Accounts Payable	\$ 24,200	\$ 1,957
EIDL Loan (Note 4)	208,730	225,100
<b>TOTAL LIABILITIES</b>	<b>232,930</b>	<b>227,057</b>
Net Assets		
Without Donor Restrictions	(216,581)	(139,425)
With Donor Restrictions	-	-
<b>Total Net Assets</b>	<b><u>(216,581)</u></b>	<b><u>(139,425)</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 16,349</u></b>	<b><u>\$ 87,632</u></b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**ZION HILL COMMUNITY DEVELOPMENT CORPORATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>WITHOUT DONOR RESTRICTIONS</b>	<b>WITH DONOR RESTRICTIONS</b>	<b>2023</b>
<b><u>REVENUE AND SUPPORT</u></b>			
Contributions of Cash and Other			
Financial Assets:			
Contributions Church	\$ 150,000	\$ -	\$ 150,000
Grants	151,200	-	151,200
Fundraising	13,017	-	13,017
Other Support	127,236	-	127,236
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	<b>441,452</b>	<b>-</b>	<b>441,452</b>
 <b><u>EXPENSES</u></b>			
Program Services	442,540	-	442,540
Management and General	65,806	-	65,806
Fundraising	10,263	-	10,263
<b>TOTAL EXPENSES</b>	<b>518,609</b>	<b>-</b>	<b>518,609</b>
 Change in Net Assets	 (77,156)	 -	 (77,157)
Net assets beginning of year	(139,425)	-	(139,425)
Net assets at end of year	\$ (216,581)	\$ -	\$ (216,582)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**ZION HILL COMMUNITY DEVELOPMENT CORPORATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>WITHOUT DONOR RESTRICTIONS</b>	<b>WITH DONOR RESTRICTIONS</b>	<b>2022</b>
<b><u>REVENUE AND SUPPORT</u></b>			
Contributions Church	\$ 150,000	\$ -	\$ 150,000
Grants	85,000	-	85,000
Other Support	258,298	-	258,298
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	<b>493,298</b>	<b>-</b>	<b>493,298</b>
<b><u>EXPENSES</u></b>			
Program Services	471,468	-	471,468
Management and General	94,483	-	94,483
Fundraising	8,146	-	8,146
<b>TOTAL EXPENSES</b>	<b>574,097</b>	<b>-</b>	<b>574,097</b>
Change in Net Assets	(80,799)	-	(80,799)
Net assets beginning of year	(58,626)	-	(58,626)
Net assets at end of year	<b>\$ (139,425)</b>	<b>\$ -</b>	<b>\$ (139,425)</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**ZION HILL COMMUNITY DEVELOPMENT CORPORATION**

**Statement of Functional Expenses  
For The Year ended December 31, 2023**

	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
<b>Expenses</b>				
Salaries and wages	\$ 151,628	\$ 14,039	\$ -	\$ 165,667
Payroll taxes	4,262	9,523	-	13,785
Payroll Fees	1,458	295	-	1,754
Employee Benefits	24,871	8,471	-	33,342
Employee Benefits Fees	274	50	-	324
Contract Labor	-	-	-	-
Emergency Shelter	20,680	-	-	20,680
Rent and utilities	-	-	-	-
Marta and gas cards	-	-	-	-
Alarm and Security	-	695	-	695
Insurance expense	2,921	6,586	-	9,507
Furniture expense	300	-	-	300
Janitorial	-	-	-	-
Miscellaneous expense	6,085	1,617	-	7,701
Office expense	4,405	5,790	-	10,195
Prevention	20,052	-	-	20,052
Telephone expense	7,046	1,688	-	8,734
Toys	2,806	-	-	2,806
Food costs	-	262	-	262
Computer expense	-	2,937	-	2,937
Rapid Rehousing	4,027	-	-	4,027
Supplies expense	144	1,897	-	2,041
Travel	-	-	-	-
Web services expense	-	-	-	-
Fundraising expenses	1,630	-	10,263	11,893
Z Village expenses	50,046	-	-	50,046
FLOW expenses	137,095	-	-	137,095
Program expenses	2,811	1,898	-	4,709
Interest expense	-	10,059	-	10,059
<b>Total expenses</b>	<b>\$ 442,540</b>	<b>\$ 65,806</b>	<b>\$ 10,263</b>	<b>\$ 518,609</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS



**ZION HILL COMMUNITY DEVELOPMENT CORPORATION**

**Statement of Functional Expenses  
For The Year ended December 31, 2022**

<b>Expenses</b>	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries and wages	\$ 168,634	\$ 22,813	\$ -	\$ 191,447
Payroll taxes	2,173	14,060	-	16,233
Other employee benefits	27,039	2,302	-	29,341
Contract Labor	4,220	710	-	4,930
Emergency Shelter	32,533	-	-	32,533
Rent and utilities	-	2,174	-	2,174
Marta and gas cards	275	-	-	275
Alarm and Security	-	775	-	775
Insurance expense	-	10,893	-	10,893
Furniture expense	100	-	-	100
Janitorial	-	2,460	-	2,460
Miscellaneous expense	1,063	3,304	-	4,367
Office expense	4,742	7,865	-	12,607
Prevention	33,230	-	-	33,230
Telephone expense	821	12,428	-	13,249
Food costs	95	1,050	-	1,145
Computer expense	4,860	1,807	-	6,667
Rapid Rehousing	12,875	-	-	12,875
Supplies expense	4,448	1,970	-	6,418
Travel	7	-	-	7
Web services expense	-	150	-	150
Fundraising expenses	-	-	8,146	8,146
Z Village expenses	5,200	-	-	5,200
FLOW expenses	155,963	-	-	155,963
Program expenses	13,189	-	-	13,189
Interest expense	-	9,722	-	9,722
<b>Total expenses</b>	<b>\$ 471,468</b>	<b>\$ 94,483</b>	<b>\$ 8,146</b>	<b>\$ 574,097</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**ZION HILL COMMUNITY DEVELOPMENT CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (77,156)	\$ (80,799)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Decrease in employee advances	1,500	-
Increase in accounts payable	22,243	1,957
Net cash (used in) provided by operating activities	(53,413)	(78,842)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (Decrease) in EIDL loan	(16,370)	80,969
Net cash provided by financing activities	(16,370)	80,969
Net (decrease) increase in cash	(69,783)	2,127
Cash - beginning of year	86,132	84,005
Cash - end of year	\$ 16,349	\$ 86,132

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

**ZION HILL COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE 1 – ORGANIZATION**

Zion Hill Community Development Corporation (the “Corporation”) was formed to endeavor to eradicate homelessness and poverty in the Metropolitan Atlanta area, with a focus on South Fulton, through financial assistance, education, housing, and supportive services.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. The significant accounting and reporting policies used by the organization are described subsequently to enhance the usefulness and understandability of the financial statements.

**Basis of Accounting**

The organization prepares its financial statements using the accrual basis of accounting.

**Net Assets**

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

**a) Net Assets Without Donor Restrictions**

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purpose specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

**b) Net Assets With Donor Restrictions**

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when resources are used in accordance with the donor’s instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor’s instructions.

When a donor’s restrictions is satisfied, the expiration of the restriction is reported in the financial statements by reclassifying the net assets with donor restrictions to net assets without donor restrictions.

**ZION HILL COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONT.)**

**Expense Recognition and Allocation**

The cost of providing the organization’s programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly. Costs common to multiple functions have been allocated among the various functions.

**Income Tax Status**

The organization is a not-for-profit organization that is exempt from income taxes pursuant to Section 501 (c) (3) of the Internal Revenue Code of 1986 as amended. The Organization believes more likely than not, that its exempt position will be sustained if examined by the authorities.

**Use of Estimates**

The preparation of financial statements requires the use of management’s estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. The organization’s management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

**NOTE 3 – LIQUIDITY and AVAILABILITY**

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of December 31 are:

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash	\$ 16,349	\$ 86,132
Employee advances	-	<u>1,500</u>
Amount available for within one year	<u>\$ 16,349</u>	<u>\$ 87,632</u>

**ZION HILL COMMUNITY DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE 4- NOTE PAYABLE**

Note payable at December 31, 2023, is as follows:

EIDL loan payable to the U.S. Small Business Administration in the original amount of \$225,000, due May 25, 2050, fixed interest rate of 2.75% payable in monthly principal and interest payments of \$965.00 beginning May 25, 2021. The balance as of December 31, 2023, is \$208,730.

Future minimum payments are as follows:

2024	\$ 5,035
2025	5,175
2026	5,319
2027	5,468
2028	5,596
Thereafter	<u>\$ 182,137</u>
	<u>\$ 208,730</u>

**NOTE 5- RELATED PARTY**

Zion Hill Community Development Corporation receives a substantial portion of its support from the Zion Hill Baptist Church, a related organization.

**NOTE 6- SUBSEQUENT EVENTS**

Subsequent events have been evaluated through October 14, 2024, which is the date the financial statements were available to be issued.