

HORIZONS ATLANTA
FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022
With Independent Auditor's Report Thereon

HORIZONS ATLANTA
DECEMBER 31, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Horizons Atlanta
Atlanta, Georgia

Opinion

We have audited the accompanying financial statements of Horizons Atlanta, (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Horizons Atlanta 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 audit 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 Horizons Atlanta 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 Horizons Atlanta'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 Horizons Atlanta'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 Horizons Atlanta'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.



Morrow, Georgia
April 24, 2025

HORIZONS ATLANTA
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

ASSETS	2023	2022
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,983,490	\$ 1,913,771
Investments	5,391	-
Accounts receivable	-	12,210
Contributions receivable	239,042	346,574
Grants receivable	752,500	237,000
Prepaid expenses	<u>90,877</u>	<u>74,259</u>
TOTAL CURRENT ASSETS	<u>3,071,300</u>	<u>2,583,814</u>
LONG-TERM GRANTS RECEIVABLE	<u>86,081</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 3,157,381</u>	<u>\$ 2,583,814</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 1,445,899	\$ 481,390
Accrued payroll	17,589	19,891
Unearned revenue	<u>170,264</u>	<u>170,822</u>
TOTAL CURRENT LIABILITIES	<u>1,633,752</u>	<u>672,103</u>
TOTAL LIABILITIES	<u>1,633,752</u>	<u>672,103</u>
NET ASSETS		
Without donor restrictions		
Undesignated	-	-
Board designated – capital reserve	<u>483,629</u>	<u>1,371,711</u>
Total net assets without donor restrictions	483,629	1,371,711
With donor restrictions	<u>1,040,000</u>	<u>540,000</u>
TOTAL NET ASSETS	<u>1,523,629</u>	<u>1,911,711</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,157,381</u>	<u>\$ 2,583,814</u>

The accompanying notes are an integral part of these financial statements.

HORIZONS ATLANTA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
Foundation grants	\$ 639,293	\$ 780,000	\$ 1,419,293
Site level funds	1,375,324	-	1,375,324
Event revenue, net of direct benefit to donors of \$61,788	437,592	-	437,592
Government grants	284,452	-	284,452
Corporate giving	200,634	-	200,634
Individual contributions	162,890	-	162,890
In-kind revenue	41,944	-	41,944
Interest revenue	<u>39,614</u>	<u>-</u>	<u>39,614</u>
Public support and revenue	3,181,743	780,000	3,961,743
Net assets released from restrictions	<u>280,000</u>	<u>(280,000)</u>	<u>-</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>3,461,743</u>	<u>500,000</u>	<u>3,961,743</u>
EXPENSES			
Program services	3,773,407	-	3,773,407
Supporting services:			
Management and general	198,986	-	198,986
Fundraising	<u>377,432</u>	<u>-</u>	<u>377,432</u>
Total supporting services	<u>576,418</u>	<u>-</u>	<u>576,418</u>
TOTAL EXPENSES	<u>4,349,825</u>	<u>-</u>	<u>4,349,825</u>
CHANGES IN NET ASSETS	(888,082)	500,000	(388,082)
NET ASSETS:			
AT BEGINNING OF YEAR	<u>1,371,711</u>	<u>540,000</u>	<u>1,911,711</u>
AT END OF YEAR	<u>\$ 483,629</u>	<u>\$ 1,040,000</u>	<u>\$ 1,523,629</u>

The accompanying notes are an integral part of these financial statements.

HORIZONS ATLANTA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
PUBLIC SUPPORT AND REVENUE			
Foundation grants	\$ 225,085	\$ 160,000	\$ 385,085
Site level funds	1,198,300	-	1,198,300
Event revenue, net of direct benefit to donors of \$98,050	91,279	-	91,279
Government grants	424,757	-	424,757
Corporate giving	188,078	-	188,078
Individual contributions	446,658	330,000	776,658
In-kind revenue	18,334	-	18,334
Interest revenue	2,085	-	2,085
Other revenue	<u>58,136</u>	<u>-</u>	<u>58,136</u>
Public support and revenue	2,652,712	490,000	3,142,712
Net assets released from restrictions	<u>710,320</u>	<u>(710,320)</u>	<u>-</u>
TOTAL PUBLIC SUPPORT AND REVENUE	<u>3,363,032</u>	<u>(220,320)</u>	<u>3,142,712</u>
EXPENSES			
Program services	3,413,219	-	3,413,219
Supporting services:			
Management and general	141,039	-	141,039
Fundraising	<u>235,201</u>	<u>-</u>	<u>235,201</u>
Total supporting services	<u>376,240</u>	<u>-</u>	<u>376,240</u>
TOTAL EXPENSES	<u>3,789,459</u>	<u>-</u>	<u>3,789,459</u>
CHANGES IN NET ASSETS	(426,427)	(220,320)	(646,747)
NET ASSETS:			
AT BEGINNING OF YEAR	<u>1,798,138</u>	<u>760,320</u>	<u>2,558,458</u>
AT END OF YEAR	\$ <u>1,371,711</u>	\$ <u>540,000</u>	\$ <u>1,911,711</u>

The accompanying notes are an integral part of these financial statements.

HORIZONS ATLANTA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services	Management and General	Fundraising	Total
Direct site	\$ 3,354,990	\$ -	\$ -	\$ 3,354,990
Salaries and wages	210,685	82,940	290,103	583,728
Indirect site	145,235	-	-	145,235
Payroll taxes	21,695	8,601	29,888	60,184
Employee benefits	13,376	4,915	25,387	43,678
Office	7,222	28,780	5,618	41,620
Professional fees	18,641	18,919	413	37,973
Bad debt expense	-	34,359	-	34,359
Professional development	-	179	25,085	25,264
Insurance	-	14,733	-	14,733
Meetings	95	5,334	445	5,874
Printing	1,209	-	403	1,612
Fundraising	259	100	90	449
Postage	-	126	-	126
TOTAL EXPENSES	<u>\$ 3,773,407</u>	<u>\$ 198,986</u>	<u>\$ 377,432</u>	<u>\$ 4,349,825</u>

The accompanying notes are an integral part of these financial statements.

HORIZONS ATLANTA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services	Management and General	Fundraising	Total
Direct site	\$ 2,899,386	\$ -	\$ -	\$ 2,899,386
Salaries and wages	183,141	81,253	193,258	457,652
Indirect site	279,423	-	-	279,423
Payroll taxes	14,181	6,113	15,142	35,436
Employee benefits	12,705	3,857	10,663	27,225
Office	1,413	16,751	7,881	26,045
Professional fees	15,085	13,850	6,540	35,475
Professional development	6,827	4,377	-	11,204
Insurance	-	7,958	-	7,958
Meetings	690	5,158	59	5,907
Printing	365	-	607	972
Fundraising	-	1,688	949	2,637
Postage	<u>3</u>	<u>34</u>	<u>102</u>	<u>139</u>
TOTAL EXPENSES	<u>\$ 3,413,219</u>	<u>\$ 141,039</u>	<u>\$ 235,201</u>	<u>\$ 3,789,459</u>

The accompanying notes are an integral part of these financial statements.

HORIZONS ATLANTA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (388,082)	\$ (646,747)
Adjustments to reconcile change in net assets to net cash and cash equivalents (used in) provided by operating activities:		
Donated stock	(5,391)	-
Decrease (Increase) in operating assets:		
Contributions receivable	107,532	(334,674)
Grants receivable	(515,500)	438,684
Accounts receivable	12,210	-
Prepaid expenses	(16,618)	(28,661)
Long-term grants receivable	(86,081)	-
Increase (Decrease) in operating liabilities:		
Accounts payable	964,509	166,922
Accrued payroll	(2,302)	12,991
Unearned revenue	<u>(558)</u>	<u>14,772</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>69,719</u>	<u>(376,713)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	69,719	(376,713)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEARS	<u>1,913,771</u>	<u>2,290,484</u>
CASH AND CASH EQUIVALENTS AT END OF YEARS	\$ <u>1,983,490</u>	\$ <u>1,913,771</u>

The accompanying notes are an integral part of these financial statements.

HORIZONS ATLANTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

1. ORGANIZATION

Horizons Atlanta invites students to attend a six-week summer learning program on the campuses of independent schools, colleges or universities, and receive additional support throughout the year. Horizons Atlanta believes that every child in Atlanta, regardless of background, should have the same chance at making a positive impact on his or her community. The Organization provides this opportunity by eliminating the critical barriers to success that many children face, thus putting them on a path to: read proficiently by the end of third grade, achieve eighth grade math competency, build swimming skills and self-confidence, and graduate from high school college and career ready.

The Organization's support comes primarily from individual donors' contributions, public funding, and corporate and foundation gifts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Horizons Atlanta classifies its net assets and revenues and expenses, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Horizons Atlanta and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the organization. These net assets may be used at the discretion of Horizons Atlanta's management and the board of directors.

Board designated – Assets designated by the Board to be held for endowment or other specified purposes. The Board can elect to remove these designations in the future.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Those restrictions will be met by actions of Horizons Atlanta or by the passage of time.

HORIZONS ATLANTA
NOTES TO FINANCIAL STATEMENTS – Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Contributions that are restricted by donor are reported as increases in net assets without donor restrictions 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 net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions in the statement of activities as net assets released from restrictions.

Cash and cash equivalents

Horizons Atlanta considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. For the years ended December 31, 2023 and 2022, Horizons Atlanta had cash equivalents of \$1,389,183 and \$856,630, respectively.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. The prior year balance is donated stock. These investments are measured at level 1 of the fair value hierarchy established by Accounting Standards Codification 820, Fair Value Measurements, for financial assets and liabilities. Level 1 investments have quoted prices in active markets for identical assets or liabilities.

Contributions and grants receivable

Unconditional promises to give are recognized as revenues or gains in the period received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue.

Equipment

Equipment is capitalized at cost. It is Horizons Atlanta's policy to capitalize expenditures for these items in excess of \$2,500. Lesser amounts are generally expensed. Equipment is being depreciated over estimated useful lives of five years using a straight-line method.

HORIZONS ATLANTA
NOTES TO FINANCIAL STATEMENTS – Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Estimates

Management makes estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare the financial statements in conformity with GAAP. Actual results could differ from these estimates.

Revenue and revenue recognition

Horizons Atlanta recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

Federal, state and local grants

A portion of Horizons Atlanta's revenue is derived from cost-reimbursable federal, state and local contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when Horizons Atlanta has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position. Horizons Atlanta did not receive any advance payments for the years ended December 31, 2023 and 2022.

Income taxes

Horizons Atlanta qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is only subject to federal or state income taxes on specific types of income from activities that are unrelated to its exempt purpose. Horizons Atlanta had no income from unrelated activities and has no income taxes due as of December 31, 2023 and 2022.

Horizons Atlanta's application of ASC 740 regarding uncertain tax positions had no effect on its financial position as management believes it has no material unrecognized income tax benefits, including any potential risk of loss of its not-for-profit tax status. Horizons Atlanta would account for any potential interest or penalties related to possible future liabilities for unrecognized income tax benefits as income tax expense. Horizons Atlanta is no longer subject to examination by federal, state or local tax authorities for periods before 2020.

Allocation of functional expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of Horizons Atlanta. Those expenses including salaries and wages, payroll taxes, employee benefits, office expenses, professional fees, professional development, printing, fundraising, meetings, insurance and depreciation, which are allocated on the basis of estimates of time and effort.

HORIZONS ATLANTA
NOTES TO FINANCIAL STATEMENTS – Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Reclassifications

Certain reclassifications have been made to the prior year's combined financial statements to conform them to the current year's presentation.

Subsequent events

Subsequent events have been evaluated through April 24, 2025, which is the date the financial statements were available to be issued.

4. AVAILABILITY AND LIQUIDITY

The following represents Horizons Atlanta's financial assets at December 31, 2023, reduced by amounts not available for expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

Financial assets:

Cash and cash equivalents	\$ 1,983,490
Contributions receivable	239,042
Grants receivable	<u>752,500</u>
Financial assets at year-end	2,975,032

Less amounts unavailable to be used within one year:

Net assets with donor restrictions	<u>(953,919)</u>
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Financial assets available to meet general expenditures
over the next year

\$ 2,021,113

Horizons Atlanta's goal is generally to maintain financial assets to meet 6 months of operating expenses. As part of its liquidity plan, Horizons Atlanta keeps a portion of cash reserves in a savings account.

5. OPERATING LEASES

Beginning on July 1, 2020, Horizons Atlanta moved to a month-to-month lease for their office space. Total rent expenses incurred for the years ended December 31, 2023 and 2022 were \$7,200 and \$7,200, respectively.

HORIZONS ATLANTA
NOTES TO FINANCIAL STATEMENTS – Continued

6. RELATED PARTY TRANSACTIONS

Many of Horizons Atlanta’s board members are representatives from the host institutions. As of December 31, 2023 and 2022, expenses paid by Horizons Atlanta to those host institutions totaled \$1,503,320 and \$941,782, respectively. As of December 31, 2023 and 2022, payables to those host institutions totals \$1,163,682 and \$449,311, respectively. Payments to host institutions were for the purpose of reimbursing expenses required for the operation of the Horizons Atlanta programs at those host institutions, in accordance with advanced written agreements and pre-approved budgets.

7. NET ASSETS

Net assets with donor restrictions were as follows for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Subject to expenditures for specific purpose:		
Restricted for passage of time	\$ 965,000	\$ 430,000
Restricted for program expansion	50,000	-
Restricted for summer programs	<u>25,000</u>	<u>110,000</u>
Total net assets with donor restrictions	<u>\$ 1,040,000</u>	<u>\$ 540,000</u>

Net assets with donor restrictions released from restrictions were as follows for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Restricted for passage of time	\$ 170,000	\$ 20,000
Restricted for summer programs	110,000	128,000
Restricted for program expansion	-	400,000
Restricted for STEAM program	<u>-</u>	<u>162,320</u>
Total released from restrictions	<u>\$ 280,000</u>	<u>\$ 710,320</u>

8. BOARD DESIGNATED - CAPITAL RESERVE

In 2019, the board of directors established a Capital Reserve to accumulate resources to provide financial stability through unbudgeted decreases in revenue or increases in expenses or to invest in new program expansion opportunities. The board's intent is to reach a balance to cover six months of operating expenses to ensure the continuity of its programs through unanticipated financial challenges.

HORIZONS ATLANTA
NOTES TO FINANCIAL STATEMENTS – Continued

8. BOARD DESIGNATED - CAPITAL RESERVE – Continued

Funds are allocated to the Capital Reserve from one-half of any realized prior year's operating surpluses. Any balance of remaining annual operating surplus balance not needed to fund a current year shortfall is designated to the Capital Reserve at the end of the current fiscal year.

Changes in board designated net assets for capital reserve are as follows:

Balance at 12/31/2021	\$ 1,523,120
Used for current year shortfall	<u>(151,409)</u>
Balance at 12/31/2022	\$ 1,371,711
Used for current year shortfall	<u>(888,082)</u>
Balance at 12/31/2023	\$ <u>483,629</u>

9. IN-KIND CONTRIBUTIONS

In-kind items and services have been contributed to Horizons Atlanta by various organizations. During the years ended December 31, 2023 and 2022, Horizons Atlanta received donated goods for of \$41,944 and \$18,334, respectively. The donated goods in 2023 went to the sites for the summer programs. The donated food in 2022 was used at the event that took place during the year.

Additionally, the host institutions share a portion of the site's program expenses with Horizons Atlanta. During the years ended December 31, 2023 and 2022, Horizons Atlanta received in-kind support from host institutions of \$1,138,194 and \$1,004,610, respectively. This support was used to cover costs at each site's summer program.

10. PENSION PLAN

Horizons Atlanta has a defined contribution pension plan for its eligible employees. Horizons Atlanta began an employer match in September 2022. Horizons Atlanta contributed a total of \$10,065 and \$2,595 to this plan during the years ended December 31, 2023 and 2022, respectively.

11. CONCENTRATION OF RISK

At certain times during the years, Horizons Atlanta had funds in excess of federally insured deposit limits on deposit with federally insured financial institutions. However, management does not believe that this creates any undue risk for Horizons Atlanta. As of December 31, 2023, Horizon Atlanta's deposits in excess of F.D.I.C. coverage were \$1,735,142.