

**EAST METRO BOARD OF REALTORS, INC.
COVINGTON, GEORGIA**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

**WITH INDEPENDENT ACCOUNTANT'S REVIEW REPORT
NOVEMBER 9, 2022**



ED K. BURTON, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Ed K. Burton, CPA
Alan M. Burton, CPA
T. Scott Slaton, CPA

Members American Institute of CPA's and Georgia Society of CPA's

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees of
East Metro Board of Realtors, Inc.
Covington, Georgia

We have reviewed the accompanying financial statements of East Metro Board of Realtors, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statement of activities and changes in net assets, statement of functional expenses and statement of cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of East Metro Board of Realtors, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Ed K. Burton, LLC

Lavonia, Georgia
November 9, 2022

EAST METRO BOARD OF REALTORS, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

CURRENT ASSETS:

Cash	\$ 15,812.23
Investment	20,539.95
Accounts Receivable	<u>8,313.12</u>

TOTAL CURRENT ASSETS \$ 44,665.30

PROPERTY AND EQUIPMENT:

Office Equipment	\$ 1,010.02
Leasehold Improvements	<u>2,459.60</u>
	\$ 3,469.62
Accumulated Depreciation	<u>(3,469.62)</u>

TOTAL PROPERTY AND EQUIPMENT -

TOTAL ASSETS \$ 44,665.30

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Credit Card Payable	\$ 2,484.95
Deferred Income	56,299.00
Payroll Liabilities	<u>2,678.15</u>

TOTAL CURRENT LIABILITIES \$ 61,462.10

TOTAL LIABILITIES \$ 61,462.10

NET ASSETS (DEFICIT):

Without Donor Restrictions	\$ (16,796.80)
With Donor Restrictions	<u>-</u>

TOTAL NET ASSETS (DEFICIT) (16,796.80)

TOTAL LIABILITIES AND NET ASSETS \$ 44,665.30

SEE ACCOUNTANT'S REVIEW REPORT AND ACCOMPANYING NOTES

**EAST METRO BOARD OF REALTORS, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES:			
Dues	\$ 168,222.69	\$ -	\$ 168,222.69
Rebates	1,000.00	-	1,000.00
Awards Income	25.00	-	25.00
Community Service Income	5,010.00	-	5,010.00
Miscellaneous Income	1,318.51	-	1,318.51
Interest & Dividends	970.79	-	970.79
Unrealized Gain (Loss) on Investments	2,510.28	-	2,510.28
TOTAL SUPPORT AND REVENUES	\$ 179,057.27	\$ -	\$ 179,057.27
EXPENSES:			
Program Services	\$ 160,610.72	\$ -	\$ 160,610.72
Management and General	34,111.96	-	34,111.96
Fundraising	2,767.00	-	2,767.00
TOTAL EXPENSES	\$ 197,489.68	\$ -	\$ 197,489.68
CHANGE IN NET ASSETS	\$ (18,432.41)	\$ -	\$ (18,432.41)
Net Assets at Beginning of Year	1,635.61	-	1,635.61
Net Assets (Deficit) at End of Year	\$ (16,796.80)	\$ -	\$ (16,796.80)

SEE ACCOUNTANT'S REVIEW REPORT AND ACCOMPANYING NOTES

**EAST METRO BOARD OF REALTORS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	PROGRAM SERVICES	SUPPORTING SERVICES			TOTAL ALL SERVICES
		Management	Fundraising	Total	
COMPENSATION AND BENEFITS					
Salaries and Wages	\$ 41,295.06	\$ 4,588.34	\$ -	\$ 4,588.34	\$ 45,883.40
Payroll Taxes	3,200.29	355.59	-	355.59	3,555.88
TOTAL COMPENSATION AND BENEFITS	\$ 44,495.35	\$ 4,943.93	\$ -	\$ 4,943.93	\$ 49,439.28
OTHER OPERATING EXPENSES					
GAR, NAR and MLS Dues	\$ 86.61	\$ -	\$ -	\$ -	\$ 86.61
Awards Expense	8,776.82	-	-	-	8,776.82
RPAC Donations and Fundraiser Expenses	2,800.00	-	2,767.00	2,767.00	5,567.00
Bank and Credit Card Fees	-	5,299.20	-	5,299.20	5,299.20
Bad Debt Expenses	-	234.33	-	234.33	234.33
Community Service Expense	12,287.94	-	-	-	12,287.94
Depreciation Expense	0.45	189.00	-	189.00	189.45
Education Expense	21,786.54	-	-	-	21,786.54
EMBOR Leadership Focus Expense	271.14	-	-	-	271.14
GAR Scholarship Foundation Expense	1,050.00	-	-	-	1,050.00
Insurance Expense	-	2,091.74	-	2,091.74	2,091.74
Meals & Entertainment	-	3,431.30	-	3,431.30	3,431.30
Professional Fees	-	12.00	-	12.00	12.00
Program Expenses	6,662.60	-	-	-	6,662.60
Telephone / Internet	4,032.10	4,032.10	-	4,032.10	8,064.19
Office Supplies	12,284.63	12,284.63	-	12,284.63	24,569.25
Travel Expense	41,949.22	-	-	-	41,949.22
Other Operating Expenses	4,127.33	1,593.74	-	1,593.74	5,721.07
TOTAL OTHER OPERATING EXPENSES	\$ 116,115.37	\$ 29,168.03	\$ 2,767.00	\$ 31,935.03	\$ 148,050.40
TOTAL EXPENSES	\$ 160,610.72	\$ 34,111.96	\$ 2,767.00	\$ 36,878.96	\$ 197,489.68

SEE ACCOUNTANT'S REVIEW REPORT AND ACCOMPANYING NOTES

**EAST METRO BOARD OF REALTORS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$ (18,432.41)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	189.45
(Increase) Decrease in Accounts Receivable	3,051.75
Increase (Decrease) in Credit Card Payable	56.54
Increase (Decrease) in Payroll Liabilities	1,477.66
Increase (Decrease) in Deferred Revenue	11,813.00
(Gain) Loss on Investments	<u>(2,510.28)</u>
NET CASH USED BY OPERATING ACTIVITIES	\$ (4,354.29)

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Investments	\$ <u>(970.79)</u>
TOTAL CASH USED BY INVESTING ACTIVITIES	<u>(970.79)</u>

NET DECREASE IN CASH	\$ (5,325.08)
CASH BALANCE, BEGINNING OF YEAR	<u>21,137.31</u>
CASH BALANCE, END OF YEAR	<u><u>\$ 15,812.23</u></u>

SEE ACCOUNTANT'S REVIEW REPORT AND ACCOMPANYING NOTES

EAST METRO BOARD OF REALTORS, INC.
COVINGTON, GEORGIA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES

Business Activity

The East Metro Board of Realtors, Inc. located in Covington, Georgia serves as the leading advocate for the real estate industry in the East Metro area of Newton and Rockdale Counties. The Board serves as a central source of information for its members and affiliates with its main focus being real estate education, to promote the highest ethical and professional business practices in the industry, and to promote private real property rights and issues that affect its members, affiliates and community.

The vision of the East Metro Board of Realtors is to promote realtor involvement through professional development, community involvement, the enhancement of integrity of the real estate industry, and upholding professional and ethical standards.

Basis of Accounting

The Company's financial statements are presented on the accrual basis in accordance with generally accepted accounting principles.

Net Assets Without Donor Restrictions

Net Assets without donor restrictions are available for use at the discretion of the Board and / or management for general operating purposes. From time to time the Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net Assets – With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and / or purpose restrictions. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that the assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy. The Organization has not received any such permanently restricted donations and has no permanently restricted net assets at December 31, 2021.

East Metro Board of Realtors, Inc. neither made nor received any conditional contributions for 2021 as defined in ASC Update No. 2018-08.

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.

EAST METRO BOARD OF REALTORS, INC.
COVINGTON, GEORGIA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Cash Equivalents

For the purpose of the statement of cash flows, the Company considers all instruments with an original maturity of three months or less to be cash equivalents.

Fair Value of Financial Instruments

Management believes that the carrying values of financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses and other current liabilities approximate fair value as a result of short-term maturities of these instruments. The recorded value of these financial instruments approximated their fair value at December 31, 2021. See Note 5 for details on fair value of investments.

Accounts Receivable

Accounts receivable are stated at net of uncollectible. No allowance is used. The direct write off method is used when accounts are deemed to be uncollectible.

Inventories

The Company has no inventory in stock at December 31, 2021.

Concentration of Credit Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, are cash and trade account receivables. The Company places its temporary cash investments with highly qualified financial institutions and has never incurred losses related to any of these investments. At December 31, 2021, the Company had no investments in excess of FDIC limits. In regard to accounts receivable, the Company performs on-going credit evaluations of its customers and considers its risk to be minimal.

EAST METRO BOARD OF REALTORS, INC.
COVINGTON, GEORGIA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. Major additions and improvements are capitalized and routine expenditures for repairs and maintenance are charged to expense as incurred. Depreciation is provided using the Straight-Line method used for generally accepted accounting principles. Estimated useful lives are as follows:

		<u>2021</u>
Office Equipment	5 years	\$1,010.02
Leasehold Improvements	15 years	<u>2,459.60</u>
		\$3,469.62
Less Accumulated Depreciation		<u>(3,469.62)</u>
		<u>\$ 0.00</u>

The amount charged to depreciation during year ended December 31, 2021 was \$189.45.

Income Taxes

East Metro Board of Realtors is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code and did not conduct unrelated business activities. Therefore, East Metro Board of Realtors has made no provision for federal income taxes in the accompanying financial statements.

2. INVESTMENTS

Investments are recorded at market and are composed of the following at 12/31/21:

	<u>Cost</u>	<u>Market</u>
Marketable Securities	\$13,106.42	\$20,539.95

3. COMPENSATED ABSENCES

The Company has not accrued compensated absences since the amount is determined to be immaterial.

4. RETIREMENT PLAN

The Company does not have a company-wide retirement plan.

EAST METRO BOARD OF REALTORS, INC.
COVINGTON, GEORGIA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

5. FAIR VALUE OF FINANCIAL INSTRUMENTS - INVESTMENTS:

The fair values of marketable securities are based on quoted market prices at year-end.

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the assets or the liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure the fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Board has the ability to access.
- Level 2 inputs are inputs (other than quoted prices within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include management's own data.)

All investments owned by the East Metro Board of Realtors are Level 1 inputs.

6. NET ASSETS WITHOUT DONOR RESTRICTIONS:

Net assets (deficit) as of December 31, 2021 are \$(16,796.80). All were undesignated.

7. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The Organization manages its financial assets to be available as its operating expenditures, liabilities and any other obligations come due. The Organization's financial assets available at December 31, 2021 to meet cash needs for general expenditures within one year of the statement of financial position date are as follows:

Cash	\$15,812.23
Investment	<u>20,539.95</u>
	<u>\$36,352.18</u>

8. CONTRACTS WITH CUSTOMERS

East Metro Board of Realtors, Inc. had no contracts with customers in 2021.

EAST METRO BOARD OF REALTORS, INC.
COVINGTON, GEORGIA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

9. SUBSEQUENT EVENTS

Subsequent events were evaluated through November 9, 2022, which is the date the financials were available to be issued. Management does not believe that there were any subsequent events that need to be disclosed in the financial statements.