

THE FULLER CENTER FOR HOUSING, INC.
AMERICUS, GEORGIA
FINANCIAL STATEMENTS
AS OF
JUNE 30, 2015
AND
INDEPENDENT AUDITOR'S REPORT

HERBERT E. ALLEN
CERTIFIED PUBLIC ACCOUNTANT
AMERICUS, GEORGIA

THE FULLER CENTER FOR HOUSING, INC.
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FINANCIAL STATEMENTS

AS OF

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AUDITOR'S REPORT

**THE FULLER CENTER FOR HOUSING, INC.
AMERICUS, GEORGIA**

CONTENTS

INDEPENDENT AUDITOR 'S REPORT	1-2
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF CASH FLOWS	5
STATEMENT OF FUNCTIONAL EXPENSES	6
NOTES TO FINANCIAL STATEMENTS	7 - 10
COMMUNICATION OF NO MATERIAL WEAKNESS	11
SUPPLEMENTAL INFORMATION	
SCHEDULE OF DONATIONS PAID	12 - 13

HERBERT E. ALLEN

CERTIFIED PUBLIC ACCOUNTANT

P.O. BOX 693 6

131 THOMAS DRIVE

AMERICUS, GEORGIA 31709

OFFICE: 229- 928-4008

FAX: 229-924- 1532

heallencpa@gmail.com

Member of the American Institute of
Certified Public Accountants

Member of the Georgia Society of
Certified Public Accountants

August 14, 2015

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Fuller Center for Housing, Inc.

We have audited the accompanying financial statements of The Fuller Center For Housing, Inc., (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and June 30, 2014 and the related statements of activities, cash flows for the years then ended, and the related notes to financial statements.

Managements Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with standards 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 of 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 in accordance with 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 or not 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 judgment, including the assessment of the risks of material misstatement, 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 in the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit 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 Fuller Center For Housing, Inc., 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 6 and schedule of donations paid is page 12 and 13 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the presented responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

HERBERT E. ALLEN, CPA

THE FULLER CENTER FOR HOUSING, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015 AND JUNE 30, 2014

ASSETS

	2015	2014
Current Assets:		
Cash and Cash Equivalents	12,246	144,037
Money Market	627,931	0
Inventory	29,882	22,346
Receivable - Covenant Partners	109,019	125,861
Total Current Assets	779,078	292,244
Fixed Assets:		
Land	6,000	0
Buildings	229,000	190,000
Furniture and Equipment	150,153	143,505
Vehicles	25,480	25,480
Total Fixed Assets	410,633	358,985
Less: Accumulated Depreciation	(158,230)	(140,470)
Total Fixed Assets Less Accumulated Depreciation	252,403	218,515
TOTAL ASSETS	1,031,481	510,759

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable and Accrued Expenses	8,608	7,821
Line of Credit- SB&T	0	49,461
Notes Payable- SB&T	0	58,504
Total Current Liabilities	8,608	115,786

Long Term Payables:

Notes Payable - Director	0	20,000
Total Long Term Payables	0	20,000

TOTAL LIABILITIES

	8,608	135,786
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Net Assets:

Unrestricted Net Assets :		
Undesignated	1,022,873	374,973
Total Unrestricted Net Assets/Total Net Assets	1,022,873	374,973

TOTAL LIABILITIES AND NET ASSETS

	1,031,481	510,759
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The accompanying notes are an integral part of these financial statements.

THE FULLER CENTER FOR HOUSING, INC.
STATEMENT OF ACTIVITIES
For the Twelve Months ended June 30, 2015
and June 30, 2014

	2015	2014
REVENUE:		
Contributions - Undesignated	1,511,937	805,928
Contributions - Designated	1,464,508	1,471,742
Books and Merchandise (Net of Cost)	(4,678)	2,460
Interest Income	2,931	0
Other Income	4,299	7,010
In-Kind Donations	237,629	310,110
Total Revenue	3,216,626	2,597,250
 EXPENSES:		
Fuller Center Covenant Partners	241,003	121,783
Donations - Others - Programs	96,457	114,821
In-kind Donations - Fuller Center Covenant Partner	177,629	306,469
Overseas Projects	1,131,813	1,036,753
Overseas Projects - Other	9,812	1,818
Salaries - Administrative	197,402	270,507
Salaries - Fundraising	51,801	92,426
Salaries - Programs	298,377	227,944
Legal Fees	7,819	7,432
Professional Fees	13,943	6,600
Promotion and Fund Raising	64,505	92,026
Office Expenses	70,383	70,955
Interest	2,832	5,833
Travel - Programs	22,001	20,948
Utilities and Telephone	21,435	21,098
Volunteer Expense	7,600	15,000
Insurance	13,651	12,127
Repair and Maintenance	14,596	9,288
Depreciation	17,760	17,760
Payroll Taxes and Other	41,725	56,770
Covenant Partner Expense	66,182	47,042
Total Expenses	2,568,726	2,555,400
 Increase in Net Assets	 647,900	 41,849
 Net Assets at Beginning of Year	 374,973	 333,124
 Net Assets at End of Year	 1,022,873	 374,973

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

THE FULLER CENTER FOR HOUSING, INC.
STATEMENT OF CASH FLOWS
For the Twelve Months ended June 30, 2015
and June 30, 2014

	2015	2014
Cash flows from operating activities:		
Change in Unrestricted Net Assets	647,900	41,849
Adjustments to Reconcile Change in Unrestricted Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	17,760	17,760
Increase in Inventory	(7536)	1,349
Increase in Accounts Payable and Accrued Expen	787	(13,291)
Net Cash Provided by Operating Activities	658,911	47,667
Cash flows from investing activities:		
Acquisition of Fixed Assets - Net Donations:	(6,648)	(133)
Land and Building	(45,000)	0
Notes Receivable	16,842	(66,091)
Notes Payable - Directors	(20,000)	20,000
Notes Payable-SB&T	(107,965)	(28,536)
Net Cash Used by Investing Activities	(162,771)	(74,760)
Net Increase in Cash and Cash Equivalents	496,140	(27,093)
Cash and Cash Equivalents, Beginning of Year	144,037	171,130
Cash and Cash Equivalents, End of Year	640,177	144,037
Interest Paid	2,832	5,833

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

THE FULLER CENTER FOR HOUSING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Twelve Months ended June 30, 2015
and June 30, 2014

	2015				2014			
	Program Services	Mgmt & Gen'l	Fundraising	TOTAL	Program Services	Mgmt & Gen'l	Fundraising	TOTAL
Expenses								
Fuller Center								
Covenant Partners	241,003			241,003	121,783			121,783
Donations - Others - Programs	96,457			96,457	33,367			33,367
In-Kind Donations - Fuller Center								
Covenant Partners	177,629			177,629	306,469			306,469
In-Kind Donations - Others - Programs	0			0				0
Overseas Projects	1,131,813			1,131,813	1,036,753			1,036,753
Overseas Projects - Other	9,812			9,812	1,818			1,818
Salaries - Administrative		197,402		197,402		270,507		270,507
Salaries - Fund Raising			51,801	51,801			92,426	92,426
Salaries - Programs	298,377			298,377	227,944			227,944
Legal Fees		7,819		7,819		7,432		7,432
Professional Fees		13,943		13,943		6,600		6,600
Promotion and Fund Raising			64,505	64,505			92,026	92,026
Office Expenses	28,153	28,153	14,077	70,383	28,382	28,382	14,191	70,955
Interest		2,832		2,832		5,833		5,833
Travel - Programs	22,001			22,001	20,948			20,948
Utilities and Telephone	10,718	10,718		21,435	10,549	10,549		21,098
Volunteer Expense	7,600			7,600	15,000			15,000
Insurance	6,826	6,826		12,127	6,063	6,064		12,127
Repair and Maintenance	4,379	10,217		14,596	2,786	6,501		9,287
Depreciation		17,760		17,760		17,760		17,760
Miscellaneous		0		0				0
Payroll Taxes and Other	21,155	14,020	6,551	41,725	21,900	25,990	8,880	56,770
Covenant Partner Expense	66,182			66,182	128,495			128,495
Total Expenses	2,122,104	309,689	136,933	2,568,726	1,962,259	385,618	207,523	2,555,400

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

THE FULLER CENTER FOR HOUSING, INC.

NOTES TO FINANCIAL STATEMENTS June 30, 2015

Nature of Activities

The Fuller Center for Housing, Inc. was organized on March 15, 2005, under the name Building Habitat, Inc. It was amended to its current name on June 20, 2005. The Fuller Center For Housing, Inc. is a 501 (c) (3) nonprofit organization (see income tax page #9).

Mission Statement

The Fuller Center for Housing, faith driven and Christ centered, promotes collaborative and innovative partnerships with individuals and organizations in an unrelenting quest to provide adequate shelter for all people in need worldwide.

The Fuller Center for Housing receives and distributes funds for house building from a number of sources including private donors, churches, businesses, and foundations. As a matter of policy, the Fuller Center for Housing does not have any ownership interest in the houses built by its local partner organizations.

The Fuller Center believes that beneficiary families are better served if they participate in the construction or rehabilitation of their home and if they contribute to the cost of the work. This is done through one of three means:

1. LEASE/PURCHASE AGREEMENTS are entered into with some benefiting families when their houses are completed, when there are issues that prevent the immediate sale of the house. These are intended to be short-term agreements as the ultimate goal is homeownership. All payments made under the agreement go to reducing the principal amount of the mortgage loan.
2. MORTGAGES are written on 15 to 20 year terms with no profit and no interest charged, making the homes affordable to families who would otherwise not have the ability to own their own home. Forgivable, balloon-payment, and second mortgages are also written to (1) prevent speculation and (2) protect buyers from predatory lenders. The principal balance of the second note diminishes over the course of the first loan and reduces to zero by the end of the first mortgage term.
3. THE GREATER BLESSING PLAN is used for rehabilitation work when the total construction costs are less than \$5,000. Based on the biblical injunction that it is more blessed to give than to receive, this program allows families to pay for the work done on their home by making voluntary monthly donations. When total costs are assessed, the benefiting family determines how much they can afford to pay on a monthly basis and are provided with the appropriate number of return envelopes. There is no loan document, but families are encouraged to seek the Greater Blessing by repaying the cost of repair so that others can receive the same opportunity.

In all cases, the proceeds remain in the community and are dedicated to the construction or rehabilitation of additional homes.

Covenant Partners

There are now Covenant Partners at work or forming in 62 US cities. Covenant Partners are locally organized nonprofit corporations that share the principles of The Fuller Center and provide housing opportunities for families in need in their areas.

THE FULLER CENTER FOR HOUSING, INC.

NOTES TO FINANCIAL STATEMENTS June 30, 2015

Covenant Partners (continued)

Additionally, The Fuller Center now has operations in 16 countries overseas with dynamic projects in Nepal, Nigeria, El Salvador, the Democratic Republic of Congo, Sri Lanka, Armenia, Peru, Haiti and Ghana.

Purpose Statement

To witness to and implement the Gospel of Jesus Christ in Georgia and throughout the United States and the world by working with economically disadvantaged people to help them to create a better human habitat. To communicate the Gospel of Jesus Christ by means of the spoken and written word and loving acts.

Basis of Accounting

The financial statements of the Center have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities accordingly to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of 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.

Property and Equipment

Acquisitions of property and equipment in excess of \$ 500 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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 as net assets released from restrictions.

THE FULLER CENTER FOR HOUSING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Contributed Services and Materials

The Fuller Center received a substantial amount of services and materials donated by individuals and organizations in carrying out its mission. This is described on page 4 and, has been reflected in the financial statements for those services and materials since they do not meet the criteria for recognition under SFAS No. 116, Accounting for Contributions Received and Contributions Made. It is however, important to take note of such donations. These gifts were recognized at reduced market value (see page 4).

Income Taxes

The Center is exempt from federal and state income taxes under Internal Revenue Code Section 501 (c) (3).

The Fuller Center applied for a group exemption letter recognizing subordinates as exempt from Federal Income Tax under section 501 (a). The Internal Revenue Service approved this request on October 23, 2008.

The Center has three open tax years that are subject to examination by major tax jurisdictions.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Notes Receivable from Covenant Partners

The Fuller Center initiated a *Derelict to Decent* loan fund which makes zero interest loans of up to \$ 10,000 to covenant partners to match funds raised locally toward the restoration of foreclosed or abandoned properties. These loans are to be repaid by the covenant partners from restored houses' mortgage payment. As of June 30, 2015, there were thirteen loans outstanding with a combined balance due of \$ 109,019.

THE FULLER CENTER FOR HOUSING, INC.

**NOTES TO FINANCIAL STATEMENTS
June 30, 2015**

Property and Equipment

Property and equipment at June 30, 2015, consisted of the following:

	2015	2014
Land	6,000	0
Buildings	229,000	190,000
Furniture and Equipment and Leashold Improvements	150,153	143,505
Vehicles	25,480	25,480
Less: Accumulated depreciation	(158,230)	(140,470)
	<u>252,403</u>	<u>218,515</u>

Reclassification

Certain reclassifications have been made to the 2014 financial statements in order to conform to the 2015 presentation.

Notes Payable - S B & T Line of Credit

The Fuller Center has two notes with Sumter Bank and Trust:

Note #7941148-10 (Line of Credit) \$65,000, matures 05-25-15. Interest Rate is 4.5%. This loan was paid in full on December 1, 2014.

Note #7941148-11 (Note Payable) \$70,000, matures 11-15-14. Interest Rate is 4.5%. This loan was paid in full on January 6, 2015.

All of the above notes mature annually.

During the year ending June 30, 2014, The Fuller Center borrowed \$20,000 (a non-interest bearing loan) from a Director. This is a non-secured note. This note was paid on December 2, 2014.

Subsequent Events

Subsequent events have been reviewed from the closing date of the year ended June 30, 2015 and the opinion date of the audit report August 14, 2015.

HERBERT E. ALLEN

CERTIFIED PUBLIC ACCOUNTANT

P.O. BOX 6936

131 THOMAS DRIVE

AMERICUS, GEORGIA 31709

OFFICE: 229-928-4008

FAX: 229-924-1532

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August 14, 2015

COMMUNICATION OF NO MATERIAL WEAKNESS

To the Board of Directors
The Fuller Center for Housing, Inc.

In planning and performing our audit of the financial statements of The Fuller Center For Housing, Inc. as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered The Fuller Center For Housing, Inc.'s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected or corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

HERBERT E. ALLEN, CPA

THE FULLER CENTER FOR HOUSING, INC.

SCHEDULE OF DONATIONS PAID

June 30, 2015

Fuller Center Covenant Partners

Americus-Sumter FCH	50,005
Ascension Lutheran Church	1,000
Chattahoochee Valley FC Project	11,873
Desert Communities FCH	1,500
FC Disaster ReBuilders	4,725
FC of Greater Kansas City MO	2,760
FC of NW Portage County-Neighbor 2 Neighbor	5,750
FCH Gary IN	51,952
FCH GreaterAtlanta	19,690
FCH Greenwood MS	1,000
FCH Hero Project Lake County	1,150
FCH in the New Jersey Pines	2,240
FCH Jefferson County GA	1,000
FCH Macon GA Inc	500
FCH North Central Arkansas	1,170
FCH of Central Florida	3,190
FCH of Eastside Waxahachie Inc	50
FCH of Los Angeles	1,060
FCH of NW Louisiana-Shreveport	7,000
FCH Sarasota Inc	31,000
FCH-Central Indiana	3,745
Flint River FC at Lake Blackshear	100
Ginger Ford Northshore FCH Hammond LA	4,145
Greater Toledo FCH	1,000
Illinois Valley FCH	2,350
Inland Northwest FCH	150
Lanier FCH	1,700
Lewis-Clark Valley FCH Inc	2,350
Louisville KY FCH	5,750
Moffat County FCH	1,735
Natchitoches FCH Inc	1,000
Perry GA FCH Inc	5,000
Prince Georges County FCH	1,027
Silver Valley FCH	3,091
Simple Homes FCH Inc	7,245
Webster Parish FCH	2,000
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Total	241,003

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

THE FULLER CENTER FOR HOUSING, INC.

SCHEDULE OF DONATIONS PAID

June 30, 2015

Donations - Other Programs

American Community Garden Association	816
charity: water	816
Fuller Center 2015 BikeAdventure	26,135
Fuller Center U.S. Builders	35,565
Koinonia Farm/Partnership House	22,000
Oglala Sioux Tribe for Housing	1,210
One Sumter	500
OnePulse	8,600
PartnersInHealth	816
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Total	96,457

In-Kind Donations - Fuller Center Covenant Partners

Americus-Sumter FCH	4,929
Chattahoochee Valley FC Project	68,300
FCH Gary IN	6,000
FCH of NW Louisiana-Shreveport	40,800
Ginger Ford Northshore FCH Hammond LA	28,800
Louisville KY FCH	28,800
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Total	177,629

Overseas

Armenia	309,522
Bolivia	7,500
Cameroon	2,500
DROC	13,049
El Salvador	72,645
Ghana	25,715
Haiti	250,452
India	23,388
Nepal	45,879
Nicaragua	188,578
Nigeria	32,000
Northern Thailand	7,805
Peru	84,868
Sierra Leone	19,671
Sri Lanka	42,741
WCP South Africa	5,500
	<hr/>
Total	1,131,813

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