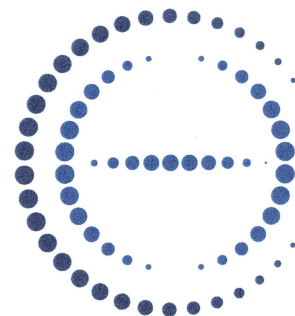


MIDTOWN, INC.
COLUMBUS, GEORGIA
FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021



CEDAR HILL
CPAs AND ADVISORS



CEDAR HILL

CPAs AND ADVISORS

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Directors
MidTown, Inc.
Columbus, Georgia

We have reviewed the accompanying financial statements of MidTown, Inc. (a not-for-profit organization) which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years 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 organization 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagements 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 MidTown, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' 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.

Cedar Hill CPA's and Advisors

Cedar Hill CPA's and Advisors
July 5, 2023

3155 US Hwy 27, Suite B - Cataula, GA 31804
PO Box 520 - Fortson, GA 31808

info@cedarhillcpas.com Office 706-576-5729
Fax 706-995-6868

MIDTOWN, INC.
 STATEMENTS OF FINANCIAL POSITION
 December 31, 2022 and 2021

	2022	2021
<u>ASSETS</u>		
ASSETS		
Cash and cash equivalents	\$ 284,656	\$ 289,269
Contributions receivable (net of allowance for uncollectible contributions)	19,755	16,740
Investments	154,035	198,273
Fixed assets (net of accumulated depreciation)	444	676
Total assets	\$ 458,890	\$ 504,958
 <u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Accounts payable	\$ 357	\$ 77
Accrued expenses	4,474	4,443
Total liabilities	4,831	4,520
NET ASSETS		
Without donor restrictions	363,182	412,326
With donor restrictions	90,877	88,112
Total net assets	454,059	500,438
Total liabilities and net assets	\$ 458,890	\$ 504,958

The accompanying notes are an integral part of these financial statements

MIDTOWN, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUES, GAINS AND OTHER SUPPORT			
Contributions	\$ 92,761	\$ 3,015	\$ 95,776
Net investment income	4,109	-	4,109
Special event income	128,862	-	128,862
Other income	5,670	-	5,670
Net assets released from:			
Purpose restrictions	250	(250)	-
Time restrictions	-	-	-
	<u>231,652</u>	<u>2,765</u>	<u>234,417</u>
Total support, revenue, and reclassifications	<u>231,652</u>	<u>2,765</u>	<u>234,417</u>
EXPENSES			
Program services	116,533	-	116,533
Supporting services			-
General and administrative	93,946	-	93,946
Fundraising	70,317	-	70,317
Total expenses	<u>280,796</u>	<u>-</u>	<u>280,796</u>
Change in net assets	(49,144)	2,765	(46,379)
NET ASSETS			
Net assets, beginning	<u>412,326</u>	<u>88,112</u>	<u>500,438</u>
Net assets, ending	<u>\$ 363,182</u>	<u>\$ 90,877</u>	<u>\$ 454,059</u>

The accompanying notes are an integral part of these financial statements

MIDTOWN, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUES, GAINS AND OTHER SUPPORT			
Contributions	\$ 129,975	\$ -	\$ 129,975
Net investment income	3,430	-	3,430
Special event income	114,078	-	114,078
Other income	6,449	-	6,449
Net assets released from:			
Purpose restrictions	3,210	(3,210)	-
Time restrictions	-	-	-
	<u>257,142</u>	<u>(3,210)</u>	<u>253,932</u>
Total support, revenue, and reclassifications			
	<u>257,142</u>	<u>(3,210)</u>	<u>253,932</u>
EXPENSES			
Program services	120,502	-	120,502
Supporting services			-
General and administrative	80,119	-	80,119
Fundraising	74,309	-	74,309
Total expenses	<u>274,930</u>	<u>-</u>	<u>274,930</u>
Change in net assets	(17,788)	(3,210)	(20,998)
NET ASSETS			
Net assets, beginning	<u>430,114</u>	<u>91,322</u>	<u>521,436</u>
Net assets, ending	<u>\$ 412,326</u>	<u>\$ 88,112</u>	<u>\$ 500,438</u>

The accompanying notes are an integral part of these financial statements

MIDTOWN, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (46,379)	\$ (20,998)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	-	-
Amortization	232	19
Unrealized gains on investments	44,238	87,876
(Increase) decrease in assets:		
Contributions receivable	(3,015)	-
Increase (decrease) in liabilities:		
Accounts payable	280	77
Accrued expenses	31	106
Total adjustments	41,766	88,078
Net cash provided by (used in) operating activities	(4,613)	\$ 67,080
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	-	(695)
Net cash used in investing activities	-	(695)
Net increase (decrease) in cash and cash equivalents	\$ (4,613)	\$ 66,385
Cash and cash equivalents, beginning	289,269	222,884
Cash and cash equivalents, ending	\$ 284,656	\$ 289,269

The accompanying notes are an integral part of these financial statements

MIDTOWN, INC.
 STATEMENTS OF FUNCTIONAL EXPENSES
 For the Year Ended December 31, 2022

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	
Personnel				
Salaries	\$ 83,747	\$ 41,874	\$ 13,958	\$ 139,579
Payroll taxes	6,406	3,203	1,068	10,677
Total compensation and related expenses	<u>90,153</u>	<u>45,077</u>	<u>15,026</u>	<u>150,256</u>
Other Expenses				
Advertising and promotions	2,722	583	583	3,888
Capital Campaign expense	-	-	-	-
Conferences and training	1,336	1,002	1,002	3,340
Cost of direct benefits to donors	2,399	-	-	2,399
Depreciation	139	70	23	232
Dues and subscriptions	-	6,499	-	6,499
Furniture and equipment	-	292	-	292
Insurance	-	4,575	-	4,575
Legal and professional	-	5,860	5,860	11,720
Occupancy	14,553	9,096	2,339	25,988
Postage	303	-	-	303
Printing	358	-	-	358
Repairs and maintenance	-	16,357	-	16,357
Supplies	1,801	2,252	450	4,503
Telephone	2,519	1,259	420	4,198
Consultants / contractors	250	-	-	250
Special events	-	-	44,614	44,614
Other	-	1,024	-	1,024
Total other expenses	<u>26,380</u>	<u>48,869</u>	<u>55,291</u>	<u>130,540</u>
Total expenses	<u>\$ 116,533</u>	<u>\$ 93,946</u>	<u>\$ 70,317</u>	<u>\$ 280,796</u>

The accompanying notes are an integral part of these financial statements

MIDTOWN, INC.
 STATEMENTS OF FUNCTIONAL EXPENSES
 For the Year Ended December 31, 2021

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	
Personnel				
Salaries	\$ 85,642	\$ 42,821	\$ 14,274	\$ 142,737
Payroll taxes	6,551	3,276	1,092	10,919
Total compensation and related expenses	<u>92,194</u>	<u>46,097</u>	<u>15,366</u>	<u>153,656</u>
Other Expenses				
Advertising and promotions	2,773	594	594	3,961
Capital Campaign expense			13,450	13,450
Conferences and training	1,437	1,078	1,078	3,592
Cost of direct benefits to donors	3,097	-	-	3,097
Depreciation	11	6	2	19
Dues and subscriptions	-	6,516	-	6,516
Insurance	-	3,843	-	3,843
Legal and professional	-	1,559	1,559	3,117
Occupancy	13,212	8,257	2,123	23,592
Postage	507	-	-	507
Printing	223	-	-	223
Repairs and maintenance	-	7,959		7,959
Supplies	1,822	2,278	456	4,556
Telephone	2,017	1,008	336	3,361
Consultants / contractors	3,210	-	-	3,210
Special events	-	-	39,346	39,346
Other	-	925		925
Total other expenses	<u>28,308</u>	<u>34,022</u>	<u>58,943</u>	<u>121,274</u>
Total expenses	<u>\$ 120,502</u>	<u>\$ 80,119</u>	<u>\$ 74,309</u>	<u>\$ 274,930</u>

The accompanying notes are an integral part of these financial statements

MIDTOWN, INC.
COLUMBUS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021

NOTE 1: Nature of Operations

MidTown, Inc. (the "Organization") was established in 2005 in Columbus, Georgia as a not-for-profit (501(c)(3) organization.

In support of community, conservation and diversity, MidTown, Inc., through education and advocacy, works to sustain and enhance the neighborhoods and businesses within MidTown Columbus. The Organization is a community renewal organization serving an area of over six square miles in the heart of Columbus; radiating from Wynnton Road into six contiguous historic districts and beyond.

NOTE 2: Summary of Significant Accounting Policies

The Organization adopted accounting standards Update No. 2016-14: *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities* ("ASU 2016-14"). ASU 2016-14 amends the current reporting model for nonprofit organizations and enhances the required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed-in-service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring the presentation of an analysis of expenses by function and nature and disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements.

Basis of Accounting – The Organization's financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Organization reports net assets and revenues, expenses, gains, and losses classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions: Net assets not subject to donor-imposed stipulations.

Net assets with donor restrictions: Net assets subject to donor-imposed stipulations that are to either be (1) maintained in perpetuity by the Organization, or (2) maintained until the Organization satisfied certain purpose or time restrictions.

MIDTOWN, INC.
COLUMBUS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021
(continued)

NOTE 2: Summary of Significant Accounting Policies (Continued)

Contributions Receivable – The Organization uses the allowance method to account for uncollectible contributions receivable based on experience and current evaluation of accounts for financial reporting. Balances that are outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to contributions receivable.

Investments – The Organization’s investments are stated at fair value, determined based on quoted market prices or estimated values provided by external investment managers or other sources. Investment transactions are recorded on the trade date. Realized gains and losses on the sale of investments are calculated on the basis of specific identification of the securities sold. Investment management fees and service charges are netted against investment income for financial reporting purposes. The net realized and unrealized gains and losses are included as an increase or decrease in net assets in the accompanying statements of activities.

Fixed Assets and Related Depreciation – Fixed assets are generally stated at cost, if purchased, or if donated, at the estimated fair value on the date contributed, and are depreciated over the estimated useful lives of the various assets using the straight-line method for financial statement purposes.

The various classifications of fixed assets and the estimated useful lives employed for the classes are summarized as follows:

Furniture and fixtures	5-7 years
Office equipment and software	5-7 years

Maintenance, repairs and minor renewals are charged against income when incurred, while additions and major renewals are capitalized.

The Organization’s policy is to capitalize fixed assets purchased or donated with a cost or fair value in excess of \$2,500.

Contributions – Contributions are recorded as with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to unrestricted net assets.

Contributed Services – Many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services in accordance with GAAP.

Functional Expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Shared expenses are allocated to the program, general and administrative, and fundraising functions according to staff hours, square footage of the facility, or based on the function which

MIDTOWN, INC.
COLUMBUS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021
(continued)

NOTE 2: Summary of Significant Accounting Policies (Continued)

an expense is intended to benefit. For the years ended December 31, 2022 and 2021, respectively, approximately \$281,000 and \$275,000 of shared expenses were allocated among program services, management and general, and fundraising expenses.

Advertising Costs – Advertising costs are expensed as incurred. Advertising expenses totaled \$3,888 and \$3,961 for the years ended December 31, 2022 and 2021, respectively.

Income Taxes – The Organization is a not-for-profit organization exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for federal or state income taxes has been made. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)1(A) and had been classified as an Organization that is not a private foundation under Section 509(a)(2).

GAAP requires recognition of a liability for the benefit resulting from any uncertain tax positions taken by the Organization. The income tax returns of the Organization are subject to examination by the IRs and state taxing authorities within standard statute of limitation periods. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Statement of Cash Flows – The Organization considers cash equivalents to include all highly liquid instrument with an initial maturity of three months or less and which are not held by investment managers as part of an investment portfolio or restricted for long-term purposes.

Use of Estimates – The preparation of financial statements in conformity with GAAP 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.

Reclassifications – Certain items in the 2021 financial statements have been reclassified in order to be in conformity with the 2022 statement presentation.

Subsequent Events – Management has evaluated all transactions that might qualify for subsequent event disclosure through July 5, 2023, which is the date the financial statements were available to be issued. There were no transactions that were required to be disclosed under professional guidance.

NOTE 3: Fair Value Measurements

The Organization's investments are reported at fair value in the accompanying statement of financial position. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

This hierarchy consists of three broad levels:

Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority,

Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and

MIDTOWN, INC.
COLUMBUS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021
(continued)

NOTE 3: Fair Value Measurements (Continued)

Level 3 inputs are unobservable and significant to the fair value measurement. Level 3 inputs have the lowest priority.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level within the fair value hierarchy is determined based on the lowest level of input that is significant to the fair value measurement in its entirety.

NOTE 4: Contributions Receivable

Contributions receivable consist solely of unconditional promises to give recorded at their estimated fair value. Unconditional promises to give at December 31, 2019 are expected to be realized in the following periods:

	2022	2021
Less than one year	\$ 22,625	\$ 19,610
One to five years		
Total unconditional promises to give	22,625	19,610
Less: allowance for uncollectible contributions	(2,870)	(2,870)
Net contributions receivable	\$ 19,755	\$ 16,740

NOTE 5: Investments

Investments are stated at fair market value and are summarized as of December 31, 2022 as follows:

	Cost	Fair Value	Unrealized Appreciation
Money Market Funds	\$ 154,035	\$ 154,035	-
Total investments	\$ 154,035	\$ 154,035	\$ -

Investments as of December 31, 2022, were comprised solely of money market accounts and are reported along with operating cash as cash and cash equivalents.

Net investment income for the year is summarized as follows:

	2022	2021
Interest	\$ 4,109	\$ 3,430

The investments detailed above are measured at fair value using Level 1 inputs under GAAP, as described in Note 3.

MIDTOWN, INC.
COLUMBUS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021
(continued)

NOTE 6: Fixed Assets and Accumulated Depreciation

Fixed assets and accumulated depreciation are summarized as follows:

	<u>2022</u>	<u>2021</u>
Furniture and fixtures	\$ 28,033	\$ 28,033
Office equipment	<u>2,894</u>	<u>2,894</u>
	30,927	30,927
Less: accumulated depreciation	<u>(30,483)</u>	<u>(30,251)</u>
Fixed assets (net of accumulated depreciation)	<u>\$ 444</u>	<u>\$ 676</u>

NOTE 7: Net Assets

Net assets with donor restrictions are restricted for the following purposes:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purposes:		
Streetscape project (AFLAC – Wynnton Corridor)	\$ 3,151	\$ 3,151
13th Street Study	0	0
Reimagine MidTown	3,300	3,300
Technical Assistance	12,070	12,070
Minimum Grid Project	34,443	34,694
Directional Art	17,035	17,035
Various other projects	<u>1,122</u>	<u>1,122</u>
	71,121	71,372
Subject to the passage of time:		
For period after December 31, 2022	<u>19,755</u>	<u>16,740</u>
Total net assets with donor restrictions	<u>\$ 90,876</u>	<u>\$ 88,112</u>

MIDTOWN, INC.
COLUMBUS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021
(continued)

Note 7: Net Assets (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the passage of time or occurrence of other events specified by donors.

	<u>2022</u>	<u>2021</u>
Purpose restrictions accomplished:		
Streetscape project	\$ 0	\$ 0
13th Street Study	0	0
Reimagine MidTown	0	0
Minimum Grid project	250	2,655
Directional Art	0	0
Various other projects	0	555
	<u>250</u>	<u>3,210</u>
Total purpose restrictions accomplished		
Time restrictions expired	-	-
	<u>-</u>	<u>-</u>
Total restrictions released	<u>\$ 250</u>	<u>\$ 3,210</u>

MIDTOWN, INC.
COLUMBUS, GEORGIA
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2022 and 2021
(continued)

NOTE 8: Availability of Financial Assets

The following reflects the Organization's financial assets at December 31, 2022, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of December 31, 2022:

Financial assets, at December 31, 2022	\$ 458,446
Less those unavailable for general expenditures within one year due to:	
Contractual or donor-imposed restrictions:	
Restricted by donor with time or purpose restrictions	<u>(90,877)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 367,569</u>

The Organization is substantially supported by contributions and grant awards. The Organization believes it has sufficient financial assets to meet expected cash needs for its general expenditures within one year but plans to fund those cash needs with its cash on hand, collection of accounts receivable, and revenue received within the following year. As part of the Organization's cash management, the Organization funds operations through current year revenues and structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The financial assets noted above are available to be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical operating cycle.

NOTE 9: Related Parties

The Organization conducts business on a regular basis with members of its governing body. The Organization's legal counsel serves on the board of directors.

NOTE 10: Concentrations

The Organization maintains cash balances at various local banks. Account balances at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2022, the entire cash balance is insured.