

Metropolitan Alliance of Connected Communities

Minneapolis, Minnesota

Consolidated Financial Statements

Auditor's Report

For the Years Ended

December 31, 2018 and 2017



CERTIFIED PUBLIC ACCOUNTANTS

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
EXHIBIT A: Consolidated Statements of Activities and Changes in Net Assets – For the Years Ended December 31, 2018 and 2017	2
EXHIBIT B: Consolidated Statement of Functional Expense – For the Year Ended December 31, 2018 with Comparative Totals for 2017	3
EXHIBIT C: Consolidated Statement of Functional Expense – For the Year Ended December 31, 2017	4
EXHIBIT D: Consolidated Statements of Financial Position – December 31, 2018 and 2017	5
EXHIBIT E: Consolidated Statements of Cash Flows – For the Years Ended December 31, 2018 and 2017	6
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.....	7-12

ADDITIONAL INFORMATION

STATEMENT OF AUDITOR'S RESPONSIBILITY	13
SCHEDULE 1: Consolidating Schedule of Revenue And Expense – For the Year Ended December 31, 2018.....	14
SCHEDULE 2: Consolidating Schedule of Assets and Liabilities – December 31, 2018	15



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Independent Auditor's Report

Board of Directors
Metropolitan Alliance of Connected Communities
Minneapolis, Minnesota

We have audited the accompanying consolidated financial statements of Metropolitan Alliance of Connected Communities, which are comprised of the consolidated statements of financial position as of December 31, 2018 and 2017, and the related consolidated statements of activities and changes in net assets, functional expense, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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 of the financial statements, 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 on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Metropolitan Alliance of Connected Communities as of December 31, 2018 and 2017, 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.

Carpenter Evert and Associates, LTD.
Certified Public Accountants

Minneapolis, Minnesota
July 18, 2019

METROPOLITAN ALLIANCE OF CONNECTED COMMUNITIES
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018		2017		Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	
Support and Revenue:					
Contributions	\$ 10,911	\$ -	\$ 10,911	\$ 20,000	\$ 31,121
Government Grants and Contracts	1,047,386	-	1,047,386	-	1,425,997
Service Fees	3,660,051	-	3,660,051	-	4,620,037
Membership Dues	194,582	-	194,582	-	142,292
Interest and Other Income	78,052	-	78,052	-	91,804
Net Assets Released from Restrictions:					
Satisfaction of Program Restrictions	153,333	(153,333)	-	(199,667)	-
Total Support and Revenue	5,144,315	(153,333)	4,990,982	(179,667)	6,311,251
Expense:					
Program Services	4,616,709	-	4,616,709	-	5,819,690
Support Services:					
Management and General Fundraising	716,580	-	716,580	-	841,999
Total Support Services	716,580	-	716,580	-	844,746
Total Expense	5,333,289	-	5,333,289	-	6,664,436
Change in Net Assets	(188,974)	(153,333)	(342,307)	(179,667)	(353,185)
Net Assets - Beginning of Year	404,931	153,333	558,264	333,000	911,449
Net Assets - End of Year	\$ 215,957	\$ -	\$ 215,957	\$ 153,333	\$ 558,264

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

METROPOLITAN ALLIANCE OF CONNECTED COMMUNITIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2018 WITH COMPARATIVE TOTALS FOR 2017

	2018			2017	
	Total Program Services	Management & General	Support Services	Total All Services	Total All Services
			Fund- raising	Support Services	
Wages	\$ 2,094,191	\$ 334,803	\$ -	\$ 334,803	\$ 2,428,994
Employee Benefits	348,328	58,393	-	58,393	406,721
Payroll Taxes	204,692	33,760	-	33,760	238,452
Temporary Agency	37,721	-	-	-	37,721
Subtotal Personnel	2,684,932	426,956	-	426,956	3,111,888
Professional Fees	1,554,489	12,246	-	12,246	1,566,735
Office and Technology	284,856	42,936	-	42,936	327,792
Occupancy	5,072	145,519	-	145,519	150,591
Other Expense	58,438	36,402	-	36,402	94,840
Staff and Volunteer Training	11,218	19,190	-	19,190	30,408
Transportation	6,510	3,472	-	3,472	9,982
Telecommunication	-	-	-	-	-
Depreciation	11,194	29,859	-	29,859	41,053
Total Expense	\$ 4,616,709	\$ 716,580	\$ -	\$ 716,580	\$ 5,333,289
					\$ 6,664,436

The accompanying Notes to Consolidated Financial Statements are an integral part of this statement.

METROPOLITAN ALLIANCE OF CONNECTED COMMUNITIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2017

EXHIBIT C

	Total Program Services	Support Services			Total All Services
		Management & General	Fund- raising	Total Support Services	
Wages	\$ 2,603,240	\$ 442,037	\$ 2,216	\$ 444,253	\$ 3,047,493
Employee Benefits	409,043	64,085	370	64,455	473,498
Payroll Taxes	191,727	30,371	158	30,529	222,256
Temporary Agency	25,764	3,182	-	3,182	28,946
Subtotal Personnel	3,229,774	539,675	2,744	542,419	3,772,193
Professional Fees	2,089,203	100,100	-	100,100	2,189,303
Office and Technology	361,783	54,432	3	54,435	416,218
Occupancy	76,180	55,232	-	55,232	131,412
Other Expense	15,619	47,849	-	47,849	63,468
Staff and Volunteer Training	22,131	9,350	-	9,350	31,481
Transportation	11,999	73	-	73	12,072
Telecommunication	-	1,223	-	1,223	1,223
Depreciation	13,001	34,065	-	34,065	47,066
Total Expense	\$ 5,819,690	\$ 841,999	\$ 2,747	\$ 844,746	\$ 6,664,436

The accompanying Notes to Consolidated Financial Statements
are an integral part of this statement.

METROPOLITAN ALLIANCE OF CONNECTED COMMUNITIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
Current Assets:		
Cash and Cash Equivalents	\$ 410,007	\$ 302,839
Accounts Receivable	299,081	1,042,060
Prepaid Expense	26,379	80,730
Total Current Assets	735,467	1,425,629
Long-term Assets:		
Property and Equipment - Net	109,087	130,725
Net Long-term Assets	109,087	130,725
TOTAL ASSETS	\$ 844,554	\$ 1,556,354
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 288,543	\$ 436,899
Accrued Expense	232,233	284,929
Funds Held for Others	-	25,202
Notes Payable - Current	-	110,000
Deferred Revenue	-	2,583
Total Current Liabilities	520,776	859,613
Notes Payable - Long-term	-	30,656
Notes Payable to Founders	107,821	107,821
Total Liabilities	628,597	998,090
Net Assets:		
Without Donor Restrictions	215,957	404,931
With Donor Restrictions	-	153,333
Total Net Assets	215,957	558,264
TOTAL LIABILITIES AND NET ASSETS	\$ 844,554	\$ 1,556,354

The accompanying Notes to Consolidated Financial Statements
are an integral part of these statements.

METROPOLITAN ALLIANCE OF CONNECTED COMMUNITIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

<u>Increase (Decrease) in Cash and Cash Equivalents</u>	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ (342,307)	\$ (353,185)
Total Adjustments	<u>609,546</u>	<u>441,487</u>
Net Cash Provided by Operating Activities	267,239	88,302
Cash Flows from Investing Activities:		
Purchase of Property and Equipment	<u>(19,415)</u>	<u>(2,074)</u>
Net Cash (Used) by Investing Activities	(19,415)	(2,074)
Cash Flows from Financing Activities:		
Proceeds from Notes Payable	-	100,000
Principal Payments of Notes Payable	<u>(140,656)</u>	<u>(156,608)</u>
Net Cash (Used) by Financing Activities	<u>(140,656)</u>	<u>(56,608)</u>
Net Increase in Cash and Cash Equivalents	107,168	29,620
Cash - Beginning of Year	<u>302,839</u>	<u>273,219</u>
Cash - End of Year	<u>\$ 410,007</u>	<u>\$ 302,839</u>
 <u>Supplemental Disclosure of Cash Flow Information</u>		
Cash Paid For:		
Interest	<u>\$ 1,490</u>	<u>\$ 2,137</u>

The accompanying Notes to Consolidated Financial Statements
are an integral part of these statements.

METROPOLITAN ALLIANCE OF CONNECTED COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

1. Summary of Significant Accounting Policies

Basis of Consolidation

The consolidated financial statements of Metropolitan Alliance of Connected Communities (the Alliance) include the accounts of MACC Service Network, LLC. (MSN). Significant inter-company transactions have been eliminated. The Board of Directors of the Alliance controls the appointment of the MSN Board of Governors. MSN became the single member of the Alliance on February 22, 2012.

Organizational Purpose

The Alliance launched in 1999, is a partnership of community-based social service organizations, primarily neighborhood and community centers, with the primary goal of advocating collectively for changes in both policy and practice in order to affect long-term, systemic change in the lives of low-income individuals, families and communities in the Minneapolis/St. Paul Metropolitan area.

MSN was launched by the Alliance in 2012 to provide operating flexibility for fund raising and program operation of and between Alliance members.

Fund Accounting

In order to observe the limitation and restrictions placed on resources available to the Alliance and MSN, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure whereby resources are classified for accounting and reporting purposes into net asset groupings established according to their nature and restrictions. A description of the groupings is as follows:

Net Assets without Donor Restrictions – Net assets which are not subject to donor-imposed stipulations. These net assets include both board designated and undesignated amounts. Property and equipment is reported as net assets without donor restrictions.

Net Assets with Donor Restrictions – The part of net assets of the Organization resulting from contributions and other inflows of assets whose use is limited by donor-imposed stipulations that either expire by passage of time, can be fulfilled and removed by actions pursuant to those stipulations or do not expire with time nor may be fulfilled by actions of the Organization.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Alliance and MSN considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

METROPOLITAN ALLIANCE OF CONNECTED COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

1. Summary of Significant Accounting Policies (continued)

Accounts Receivable and Doubtful Accounts

The Alliance and MSN extend credit to their customers on terms established for individual customers. Receivables are recorded at amounts billed and are generally due when billed. Amounts outstanding for more than 30 days are considered delinquent. Accounts receivable are generally uncollateralized and overdue balances may be charged interest at 1% per month. Alliance and MSN review accounts receivable balances on a periodic basis and writes off delinquent receivables when they are considered uncollectible. Allowance for doubtful accounts was stated at \$0 for both years ended December 31, 2018 and 2017.

Equipment

All major expenditures for equipment in excess of \$5,000 are recorded at cost if purchased, or an estimated market value if donated. Depreciation is provided using the straight-line method, over the following estimated useful lives:

Computer Equipment	2-5 years
Furniture and Equipment	3-10 years

Contributions

Contributions are recorded when received or pledged. If donor-imposed restrictions accompany the contribution, the amount is recorded as with donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions in the net period donor-imposed restrictions expire or are fulfilled, and are reported in the Statements of Activities under the Support and Revenue Category – Net Assets Released from Restrictions, except when receipt and expiration occur in the same period, in which case the contribution is shown as without donor restriction.

Promises-To-Give (Pledges Receivable)

Unconditional promises-to-give are recognized in the period the promises are made. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional.

Deferred Revenue

Deferred revenue is recorded when program revenue is received but not yet earned. The program revenue is recognized as a liability until the year that they become earned begins.

Functional Allocation of Expense

Expenses are recorded in functional categories when incurred. In certain cases, allocations between categories must be made. When allocations are required, they are based on the best estimates of management. Fundraising expenses were minimal and included in Management and General.

METROPOLITAN ALLIANCE OF CONNECTED COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

1. Summary of Significant Accounting Policies (continued)

Income Tax

The Alliance has a tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. MSN is a disregarded tax entity of the Alliance. The Alliance and MSN have adopted *Accounting for Uncertainty in Income Taxes*, ASC 740-10. The policy of the Alliance is to evaluate uncertain tax positions, at least annually, for the potential for income tax exposure from unrelated business income or from loss of nonprofit status. The Alliance continues to operate consistent with their original exemption applications and each year takes the necessary actions to maintain their exempt status. The Alliance has been classified as organizations that are not private foundations under the Internal Revenue Code and charitable contributions by donors are tax deductible. In compliance with its exempt status, the Alliance annually files a Return of Organization Exempt From Income Tax (Form 990).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain amounts in prior year comparative totals have been reclassified to conform with the presentation in the current year financial statements.

Subsequent Events

The Alliance and MSN have evaluated the effect that subsequent events would have on the financial statements through July 18, 2019, which is the date financial statements were available to be issued.

New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively for the periods ended December 31, 2018 and 2017, as required.

METROPOLITAN ALLIANCE OF CONNECTED COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

2. Significant Concentrations of Credit Risk

The Alliance and MSN provide services within the Twin Cities area. Contributions, service fees and accounts receivable are from local institutions and members.

Concentrations of Credit Risk Arising from Cash Deposits in Excess of Insured Limits

At December 31, 2018 and 2017, the Alliance had funds on deposit in a local financial institution in excess of federally insured limits.

3. Equipment

The Alliance's equipment was comprised of the following as of:

	<u>December 31,</u>	
	<u>2018</u>	<u>2017</u>
Computer Equipment	\$ 416,871	\$ 397,457
Leasehold Improvements	100,618	100,618
Furniture & Equipment	<u>24,892</u>	<u>24,892</u>
	542,381	522,967
Less Accumulated Depreciation	<u>433,294</u>	<u>392,242</u>
	<u>\$ 109,087</u>	<u>\$ 130,725</u>

Depreciation and amortization expense of \$41,053 and \$47,066 was recorded for the years ended December 31, 2018 and 2017, respectively.

4. Notes Payable

The breakdown of interest bearing notes payable is as follows:

	<u>December 31,</u>	
	<u>2018</u>	<u>2017</u>
Note payable to Wells Fargo, payable in monthly principal installments of \$833, excluding interest at 3.85%. The final payment is scheduled for July 1, 2021 when the all unpaid principal and interest is due. The note is secured by all receivables, savings, inventory, property, and equipment.	\$ -	\$ 40,656
Line-of-credit balance payable to Wells Fargo Bank at Index + 1.5%, with a floor of 5%. The \$200,000 credit agreement expires on June 28, 2019. The note is secured by all receivables, savings, inventory, property, and equipment.	-	100,000
Less Portion Due within One (1) Year	<u>-</u>	<u>110,000</u>
Long-term Portion	<u>\$ -</u>	<u>\$ 30,656</u>

METROPOLITAN ALLIANCE OF CONNECTED COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

4. Notes Payable (continued)

Non-interest bearing notes payable to founders are as follows as of:

	December 31,	
	2018	2017
The Family Partnership	\$ 84,405	\$ 84,405
Plymouth Christian Youth Center	17,225	17,225
Phyllis Wheatley Community Center	6,191	6,191
	\$ 107,821	\$ 107,821

The member notes are payable upon dissolution of the Alliance unless prepaid.

5. In-kind Contributions

The Alliance and MSN record in-kind contributions at fair market value at date of donation. In-kind contributions include the following as of:

	December 31,	
	2018	2017
Interest	\$ 5,391	\$ 5,391

6. Leased Facilities

The Alliance leases office space from The Family Partnership on a month-to-month basis. Rent expense was \$135,008 and \$99,902 for the years ending December 31, 2018 and 2017, respectively.

7. Pension Plan

The Alliance initiated a 403(b) retirement plan January 1, 2009. The plan is funded by discretionary employer profit sharing and matching contributions, and employee contributions. Employer contributions of \$99,204 and \$152,835 were made in the years ended December 31, 2018 and 2017, respectively.

8. Net Assets with Donor Restrictions

Donor Restricted net assets consisted of amounts from the following as of:

	December 31,	
	2018	2017
Social Enterprise Development Network	\$ -	\$ 153,333

METROPOLITAN ALLIANCE OF CONNECTED COMMUNITIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

9. Liquidity and Availability

The following represents the Organization's financial assets at December 31, 2018:

Financial Assets:	
Cash	\$ 410,007
Accounts Receivable	<u>299,081</u>
Total Financial Assets	709,088
Financial assets available for general expenditures within one year	<u>\$ 709,088</u>

As part of the Organization's liquidity plan, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

In addition, they have a \$200,000 line-of-credit that can be used, if needed.

10. Cash Flow Operating Adjustments

Adjustments to reconcile Change in Net Assets to Net Cash Provided by Operating Activities were as follows as of:

	<u>December 31,</u>	
	<u>2018</u>	<u>2017</u>
Depreciation	\$ 41,053	\$ 47,066
Increases (Decreases) in Current Liabilities:		
Accounts Payable	(148,356)	191,978
Accrued Expense	(52,696)	(37,612)
Deferred Revenue	(2,583)	(1,400)
Funds Held for Others	(25,202)	(36,916)
Decreases (Increases) in Current Assets:		
Accounts Receivable	742,979	18,305
Grants Receivable	-	250,000
Prepaid Expense	<u>54,351</u>	<u>10,066</u>
Total Adjustments	<u>\$ 609,546</u>	<u>\$ 441,487</u>

ADDITIONAL INFORMATION



Carpenter, Evert & Associates

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Statement of Auditor's Responsibility

Board of Directors
Metropolitan Alliance of Connected Communities
Minneapolis, Minnesota

We have audited the consolidated financial statements of Metropolitan Alliance of Connected Communities as of and for the years ended December 31, 2018 and 2017, and our report thereon dated July 18, 2019, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedule of assets and liabilities as of December 31, 2018, and the consolidating schedule of revenue and expense for the year ended December 31, 2018, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the 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 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.

Carpenter Evert and Associates, LTD.
Certified Public Accountants

Minneapolis, Minnesota
July 18, 2019

METROPOLITAN ALLIANCE OF CONNECTED COMMUNITIES
CONSOLIDATING SCHEDULE OF REVENUE AND EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2018

	MACC Alliance of Connected Communities	MACC Services Network, LLC	2018 Total
Support and Revenue:			
Contributions	\$ 8,421	\$ 2,490	\$ 10,911
Government Grants and Contracts	25,233	1,022,153	1,047,386
Service Fees	3,660,051	-	3,660,051
Membership Dues	194,582	-	194,582
Interest and Other Income	69,661	8,391	78,052
Total Support and Revenue	<u>3,957,948</u>	<u>1,033,034</u>	<u>4,990,982</u>
Expense:			
Wages	2,347,298	81,696	2,428,994
Employee Benefits	393,041	13,680	406,721
Payroll Taxes	230,703	7,749	238,452
Temporary Agency	37,721	-	37,721
Total Personnel Expense	<u>3,008,763</u>	<u>103,125</u>	<u>3,111,888</u>
Professional Fees	568,979	997,756	1,566,735
Office and Technology	327,282	510	327,792
Occupancy	150,591	-	150,591
Other Expense	62,367	32,473	94,840
Staff and Volunteer Training	29,366	1,042	30,408
Transportation	9,296	686	9,982
Telecommunication	-	-	-
Depreciation	41,053	-	41,053
Total Expense	<u>4,197,697</u>	<u>1,135,592</u>	<u>5,333,289</u>
Change in Net Assets	(239,749)	(102,558)	(342,307)
Net Assets - Beginning of Year	<u>527,590</u>	<u>30,674</u>	<u>558,264</u>
Net Assets - End of Year	<u>\$ 287,841</u>	<u>\$ (71,884)</u>	<u>\$ 215,957</u>

See Statement of Auditor's Responsibility.

METROPOLITAN ALLIANCE OF CONNECTED COMMUNITIES
CONSOLIDATING SCHEDULE OF ASSETS AND LIABILITIES
DECEMBER 31, 2018

<u>ASSETS</u>	<u>MACC Alliance of Connected Communities</u>	<u>MACC Services Network, LLC</u>	<u>Eliminations</u>	<u>2018 Total</u>
Current Assets:				
Cash and Cash Equivalents	\$ 293,272	\$ 116,735	\$ -	\$ 410,007
Accounts Receivable	42,575	256,506	-	299,081
Due From Affiliate Organization	437,213	-	(437,213)	-
Prepaid Expense	26,379	-	-	26,379
Total Current Assets	<u>799,439</u>	<u>373,241</u>	<u>(437,213)</u>	<u>735,467</u>
Property and Equipment - Net	<u>109,087</u>	<u>-</u>	<u>-</u>	<u>109,087</u>
TOTAL ASSETS	<u>\$ 908,526</u>	<u>\$ 373,241</u>	<u>\$ (437,213)</u>	<u>\$ 844,554</u>
 <u>LIABILITIES AND NET ASSETS</u>				
Current Liabilities:				
Accounts Payable	\$ 288,543	\$ -	\$ -	\$ 288,543
Accrued Expense	224,321	7,912	-	232,233
Funds Held for Others	-	-	-	-
Due to Affiliate Organization	-	437,213	(437,213)	-
Notes Payable - Current	-	-	-	-
Deferred Revenue	-	-	-	-
Total Current Liabilities	<u>512,864</u>	<u>445,125</u>	<u>(437,213)</u>	<u>520,776</u>
Notes Payable - Long-term	-	-	-	-
Notes Payable to Founders	<u>107,821</u>	<u>-</u>	<u>-</u>	<u>107,821</u>
Total Liabilities	<u>620,685</u>	<u>445,125</u>	<u>(437,213)</u>	<u>628,597</u>
Net Assets:				
Without Donor Restrictions	287,841	(71,884)	-	215,957
With Donor Restrictions	-	-	-	-
Total Net Assets	<u>287,841</u>	<u>(71,884)</u>	<u>-</u>	<u>215,957</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 908,526</u>	<u>\$ 373,241</u>	<u>\$ (437,213)</u>	<u>\$ 844,554</u>

See Statement of Auditor's Responsibility.