

# Villa International Atlanta, Inc.

Independent Auditor's Report and Audited Financial Statements

As of and for the Years Ended December 31, 2023 and 2022

# Table of Contents

Independent Auditor's Report ..... 2

Statements of Financial Position as of December 31, 2023 and 2022 ..... 5

Statement of Activities for the Year Ended December 31, 2023 ..... 6

Statement of Activities for the Year Ended December 31, 2022 ..... 7

Statement of Functional Expenses for the Year Ended December 31, 2023 ..... 8

Statement of Functional Expenses for the Year Ended December 31, 2022 ..... 9

Statements of Cash Flows for the Years Ended December 31, 2023 and 2022 ..... 10

Notes to the Financial Statements ..... 11



2500 Clean Water Ct  
Buford, GA 30519  
770.712.3706

4350 Pablo Professional Ct  
Jacksonville, FL 32224  
904.707.3595

PO Box 422  
Taylors, SC 29687  
770.570.0301

## Independent Auditor's Report

To Management and the Board of Directors of  
Villa International Atlanta, Inc.  
Atlanta, GA

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Villa International Atlanta, Inc. (the Organization) (a not-for-profit entity), 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization 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 (U.S. GAAP).

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepting in the United States of America (U.S. GAAS). 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 U.S. GAAP, 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 the Organization'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 U.S. GAAS 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 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 U.S. GAAS, 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 the Organization'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 the Organization'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 audits.

A handwritten signature in black ink, appearing to read "Colby George". The signature is written in a cursive, flowing style.

Buford, Georgia

July 26, 2024

**Villa International Atlanta, Inc.**  
**Statements of Financial Position**  
As of December 31, 2023 and 2022

	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 462,742	\$ 174,333
Investments, current	245,236	211,229
Prepaid expenses	6,978	583
<b>Total Current Assets</b>	<b>714,956</b>	<b>386,145</b>
<b>Noncurrent Assets</b>		
Property, plant and equipment, net	1,487,233	1,526,649
Investments in perpetuity	56,250	56,250
<b>Total Noncurrent Assets</b>	<b>1,543,483</b>	<b>1,582,899</b>
<b>Total Assets</b>	<b>2,258,439</b>	<b>1,969,044</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	12,380	9,630
<b>Total Liabilities</b>	<b>12,380</b>	<b>9,630</b>
<b>Net Assets</b>		
Without donor restrictions	2,171,670	1,893,255
With donor restrictions	74,389	66,159
<b>Total Net Assets</b>	<b>2,246,059</b>	<b>1,959,414</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,258,439</b>	<b>\$ 1,969,044</b>

See accompanying notes to the financial statements

**Villa International Atlanta, Inc.**  
Statement of Activities  
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues, Support and Gains :</b>			
Rental fees	\$ 456,312	\$ -	\$ 456,312
Contributions and grants	387,265	9,730	396,995
Fundraising income, net of direct expenses : \$ 8,513	68,572	-	68,572
Investment Income	28,506	4,500	33,006
Other revenue, support and gains	6,021	-	6,021
Net assets released from restrictions	6,000	(6,000)	-
<b>Total Revenues, Support and Gains</b>	<b>952,676</b>	<b>8,230</b>	<b>960,906</b>
<b>Expenses</b>			
<b>Program Activities:</b>			
Program	580,679	-	580,679
<b>Supporting Activities:</b>			
Management and general	61,575	-	61,575
Fundraising and development	32,007	-	32,007
<b>Total Supporting Activities</b>	<b>93,582</b>	<b>-</b>	<b>93,582</b>
<b>Total Expenses</b>	<b>674,261</b>	<b>-</b>	<b>674,261</b>
<b>Change in Net Assets</b>	<b>278,415</b>	<b>8,230</b>	<b>286,645</b>
Net Assets, Beginning of Year	1,893,255	66,159	1,959,414
<b>Net Assets, End of Year</b>	<b>\$ 2,171,670</b>	<b>\$ 74,389</b>	<b>\$ 2,246,059</b>

See accompanying notes to the financial statements

**Villa International Atlanta, Inc.**  
Statement of Activities  
For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues, Support and Gains :</b>			
Rental fees	\$ 361,962	\$ -	\$ 361,962
Contributions and grants	88,231	5,012	93,243
Fundraising income, net of direct expenses : \$ 10,622	28,264	-	28,264
Other revenue, support and gains	11,933	-	11,933
Net assets released from restrictions	2,762	(2,762)	-
<b>Total Revenues, Support and Gains</b>	<b>493,152</b>	<b>2,250</b>	<b>495,402</b>
<b>Expenses and Losses:</b>			
<b>Program Activities:</b>			
Program	509,925	-	509,925
<b>Supporting Activities:</b>			
Management and general	41,710	-	41,710
Fundraising and development	15,416	-	15,416
<b>Total Supporting Activities</b>	<b>57,126</b>	<b>-</b>	<b>57,126</b>
Investment losses, net	25,835	5,988	31,823
<b>Total Expenses and Losses:</b>	<b>592,886</b>	<b>5,988</b>	<b>598,874</b>
<b>Change in Net Assets</b>	<b>(99,734)</b>	<b>(3,738)</b>	<b>(103,472)</b>
Net Assets, Beginning of Year	1,992,989	69,897	2,062,886
<b>Net Assets, End of Year</b>	<b>\$ 1,893,255</b>	<b>\$ 66,159</b>	<b>\$ 1,959,414</b>

See accompanying notes to the financial statements



**Villa International Atlanta, Inc.**  
Statement of Functional Expenses  
For the Year Ended December 31, 2023

	Fundraising			Total		Total
	Program	Management	and	Supporting	Expenses by	Nature
	Activities	and General	Development	Activities	Expenses by	Nature
Compensation and benefits	\$ 312,478	\$ 38,926	\$ 5,713	\$ 44,639	\$	357,117
Fees and services	3,330	1,303	9,846	11,149		14,479
Utilities	52,298	7,191	5,884	13,075		65,373
Repairs and maintenance	41,184	2,168	-	2,168		43,352
Insurance	22,092	1,681	240	1,921		24,013
Supplies	42,618	3,208	-	3,208		45,826
Communications and information technology	2,911	462	178	640		3,551
Depreciation	100,333	5,281	-	5,281		105,614
Other operating expenses	3,435	1,355	10,146	11,501		14,936
<b>Total expenses by function</b>	<b>\$ 580,679</b>	<b>\$ 61,575</b>	<b>\$ 32,007</b>	<b>\$ 93,582</b>	<b>\$</b>	<b>674,261</b>

See accompanying notes to the financial statements

**Villa International Atlanta, Inc.**  
Statement of Functional Expenses  
For the Year Ended December 31, 2022

	Program Activities	Management and General	Fundraising and Development	Supporting Activities	Total	Total Expenses by Nature
Compensation and benefits	\$ 196,075	\$ 24,426	\$ 3,585	\$ 28,011	\$ 224,086	
Fees and services	26,144	513	3,681	4,194	30,338	
Utilities	52,894	5,231	-	5,231	58,125	
Repairs and maintenance	69,096	-	-	-	69,096	
Insurance	24,858	1,891	271	2,162	27,020	
Supplies	23,886	1,798	-	1,798	25,684	
Communications and information technology	16,260	728	311	1,039	17,299	
Depreciation	95,315	5,017	-	5,017	100,332	
Other operating expenses	5,397	2,106	7,568	9,674	15,071	
<b>Total expenses by function</b>	<b>\$ 509,925</b>	<b>\$ 41,710</b>	<b>\$ 15,416</b>	<b>\$ 57,126</b>	<b>\$ 567,051</b>	

See accompanying notes to the financial statements

**Villa International Atlanta, Inc.**  
 Statements of Cash Flows  
 For the Years Ended December 31, 2023 and 2022

	<b>2023</b>	<b>2022</b>
<b>Cash Flows From Operating Activities</b>		
Cash received from rent payments	\$ 456,312	\$ 362,682
Cash received from donors and grantors	396,995	87,068
Cash received from other sources	74,592	40,197
Cash paid to employees	(340,160)	(224,086)
Cash paid to service providers and vendors	(233,132)	(236,932)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>354,607</b>	<b>28,929</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant, and equipment	(66,198)	(103,681)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>288,409</b>	<b>(74,752)</b>
Cash and Cash Equivalents at Beginning of Year	174,333	249,085
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 462,742</b>	<b>\$ 174,333</b>

**Supplemental Cash Flow Information**

**Noncash Investing and Financing Activities**

Depreciation	\$ 105,614	\$ 100,332
Investment income (losses)	33,006	(31,823)

See accompanying notes to the financial statements

**Villa International Atlanta, Inc.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2023 and 2022

**1. NATURE OF ACTIVITIES**

Villa International Atlanta, Inc. (the Organization), incorporated under the laws of the state of Georgia on March 10, 1969, as a nonprofit corporation that provides 33 rooms for international guests in Atlanta. The Organization nurtures the need for international hospitality. The Organization bears witness to God's love for the world as it creates a safe community of mutual respect and hospitality, encourages friendship and global understanding, and promotes health and wellness of the world.

The Organization provides affordable housing and instills a feeling of community within the residents and their families.

The Organization has one location in Georgia, and is supported primarily through collections of rent and contributions. In addition, other resources are available on the Organization's website at [www.villainternational.org](http://www.villainternational.org) and through other social media.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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 (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

The following significant accounting policies are described to enhance the usefulness of the financial statements to the reader.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Villa International Atlanta, Inc.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2023 and 2022

**Cash and Cash Equivalents**

Cash and cash equivalents include cash, checking and savings accounts, and highly liquid investments that are readily convertible into cash and have a maturity of ninety days or less when purchased. At times, cash and cash equivalent balances may exceed federally insured amounts. There were no balances that exceeded the federally insured amount as of December 31, 2023 or 2022. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk.

**Investments**

Investments are recorded at fair value based on quoted market prices or other valuation methods. Realized and unrealized gains and losses on the investments are recognized as income or loss.

**Property and Equipment**

The Organization's capitalization policy is to capitalize property and equipment with a purchase price, or donation value, more than \$2,500 and which has a useful life greater than one year. Property and equipment purchased are recorded at cost, or fair value at the date of donation, if donated.

Maintenance and repairs, which do not improve or extend the life of the respective assets, are expensed. Property items retired, or otherwise disposed of, are removed from the asset and accumulated depreciation accounts and any resulting gain or loss is reflected in the statement of activities.

Depreciation is provided over the estimated useful lives of the individual assets using the straight-line method as follows: buildings and building improvements, 10 to 39 years; land improvements, 20 years; furniture, fixtures and equipment 5 to 15 years; vehicles, 3 to 5 years.

**Fair Value Measurement**

When required or elected, the Organization reports certain assets and liabilities (financial instruments) at fair value (the estimated price at which an asset can be sold or a liability settled in an orderly transaction to a third party under current market conditions) using appropriate valuation techniques based on available inputs.

**Villa International Atlanta, Inc.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2023 and 2022

Available inputs are categorized (based on the amount of subjectivity associated with the information source) using a three-level fair value hierarchy defined by U.S. GAAP as follows:

**Level 1** – Unadjusted quoted prices in active markets for identical assets and liabilities

**Level 2** – Observable inputs other than quoted prices for identical assets and liabilities

**Level 3** – Unobservable inputs supported by little or no market activity

The Organization measures fair value using Level 1 and Level 2 inputs. Level 3 inputs are only used when Level 1 and Level 2 are not available.

**Impairment**

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. If a long-lived asset is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying value of the asset exceeds the fair value of the asset. There were no indicators of asset impairment for the years ended December 31, 2023 or 2022.

**Net Assets**

To ensure observance of limitations and restrictions placed on the use of resources available to the Organization, amounts reported in the financial statements are classified in two net asset categories as follows:

- Net assets without donor restrictions are resources currently available for use in general operations, including internal limits imposed by Board decisions.
- Net assets with donor restrictions are resources whose use is limited by donor / grantor-imposed restrictions for specific purpose, passage of time, or perpetual donor-imposed stipulations that neither expire by the passage of time nor can be removed by actions of the Organization.

The Board has not placed any internal limits on net assets without donor restrictions at December 31, 2023 or 2022; accordingly, all net assets without donor restrictions are undesignated.

**Villa International Atlanta, Inc.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2023 and 2022

**Recognition of Revenue**

*Rent*

Villa International recognizes rental fees when control of the promised service is transferred to residents, in an amount that reflects the considerations the Organization expected to be entitled to in exchange for the service. Revenue is recognized as the service is provided, at a point in time. The Organization's rental fees are quoted to residents on a per bed or room stay. Rental fees are due at least monthly or upon exit.

*Fundraising Revenue*

Fundraising revenue is recognized in the period in which the event is held.

*Unconditional Contributions*

Charitable contributions are reported when made, which is generally when cash is received, unconditional promises to give are made, or ownership of donated assets is transferred to the Organization.

The Organization recognizes contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor-imposed restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and presented in the accompanying statement of activities as net assets released from restrictions.

In certain cases, contributions are solicited for support and project accounts that have been previously funded by unrestricted resources in anticipation of receiving donor restricted contributions. Such contributions are immediately recognized as reclassifications to unrestricted support in the period received since the donor-imposed restrictions have already been satisfied.

*Contributions of or to Acquire Long-Term Assets*

Contributions of long-term assets, such as property and equipment, are recorded as unrestricted support unless explicit donor stipulations specify how the long-term asset must be used. Contributions of long-term assets with explicit restrictions that specify how the assets are to be used are recognized as restricted support when received and are released from restrictions when the donated assets are placed into service.

**Villa International Atlanta, Inc.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2023 and 2022

Contributions of cash and other assets that must be used to acquire long-term assets are recognized as restricted support. In the absence of explicit donor stipulations about how long those long-term assets must be maintained, the Organization reports expirations of donor-imposed restrictions when the acquired long-term assets are placed into service.

*Conditional Contributions*

Conditional contributions received are either accounted for as a liability or are unrecognized initially until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional. There were no conditional contributions at December 31, 2023 or 2022.

*Donated Goods and Services*

Unconditional contributions of goods are recorded at fair value at the date of donation. Conditional contributions of goods are either accounted for as a liability or are unrecognized initially until the barriers to entitlement are overcome, at which point the asset is recognized as unconditional. There were no conditional contributions of goods at December 31, 2023 or 2022.

Donated professional services that create or enhance nonfinancial assets, or require skills that would otherwise typically be purchased, are recorded as contributions at their estimated fair values when the services are rendered. There were no significant donated professional services during 2023 or 2022.

**Advertising Costs**

Advertising costs (which are included in other expenses and consist primarily of direct advertisements, graphic design, promotional materials, and participation in community events) are expensed as incurred. There were no significant advertising costs in 2023 or 2022.

**Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized in the accompanying financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Except for depreciation, all expenses are allocated based on an estimate of where time and efforts are made and benefits are received. Depreciation are allocated based on estimated usage and square footage.



**Villa International Atlanta, Inc.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2023 and 2022

**Fundraising and Development Activities**

The FASB defines fundraising activities as activities undertaken to induce potential donors to contribute money, securities, services, materials, facilities, other assets, or time. A solicitation activity is considered fundraising regardless of the outcome. Fundraising activities typically include publicizing and conducting fundraising campaigns; maintaining donor mailing lists; conducting special fundraising events; preparing and distributing fundraising manuals, instructions, and other materials; conducting other activities involved with soliciting contributions from individuals, foundations, government agencies, and others; and soliciting contributions of services from individuals (i.e. time), regardless of whether those services meet the recognition criteria for contributions.

The FASB defines development activities as activities undertaken to solicit for prospective members and membership dues, membership relations, and similar activities.

Given that attendance to the Organization is voluntary, contractual, and does not require member relations or activities, management does not believe that the Organization engages in development activities. In addition, the Organization engages in fundraising activities.

**Tax Exempt Status**

The Organization has been organized as a Georgia nonprofit corporation, recognized by the IRS as exempt from federal income tax under Internal Revenue Code (IRC) Section 501(c)(3), and determined not to be a private foundation under Section 509(a) of the IRC.

The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income derived from business activities that are unrelated to its exempt purpose. Management has determined that the Organization had no unrelated business income during 2023 or 2022 and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

**Villa International Atlanta, Inc.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2023 and 2022

The Organization only recognizes the tax benefit from an uncertain tax position taken or to be taken in a tax return if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Management has analyzed tax positions taken for filings with the Internal Revenue Service and all state jurisdictions where the Organization operates. Management believes that income tax filing positions would be sustained upon examination and does not anticipate that any adjustments would result in a material adverse effect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2023 or 2022.

The Organization is subject to federal and state examinations, generally three years from the date that the returns are filed; currently there are no examinations in progress for any tax periods. The Organization believes it is no longer subject to income tax examinations for fiscal years prior to 2021.

**Geographic Concentration**

The Organization conducts its operations solely within Atlanta, Georgia, and, therefore, is subject to risks from changes in local economic conditions. A downturn in the local economy could cause a decrease in rent and charitable contributions. While the Organization believes it has the resources to continue its programs and anticipates collecting sufficient revenue to cover general expenditures not covered by donor restricted resources, its ability to do so, and the extent to which it continues, may be dependent on many interdependent factors.

**3. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE**

The Organization had no liabilities carried at fair value on a recurring basis and no assets or liabilities carried at fair value on a nonrecurring basis at December 31, 2023 and 2022. The following table presents assets measured at fair value on a recurring basis at December 31, 2023:

	Fair Value	Level 1	Level 2	Level 3	Total
Growth and income funds	\$ 205,161	\$ 205,161	\$ -	\$ -	\$ 205,161
U.S. Treasury bonds	95,325	-	95,325	-	95,325
<b>Total investments</b>	<b>\$ 300,486</b>	<b>\$ 205,161</b>	<b>\$ 95,325</b>	<b>\$ -</b>	<b>\$ 300,486</b>

**Villa International Atlanta, Inc.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2023 and 2022

The following table presents assets measured at fair value on a recurring basis at December 31, 2022:

	Fair Value	Level 1	Level 2	Level 3	Total
Growth and income funds	\$ 176,695	\$ 176,695	\$ -	\$ -	\$ 176,695
U.S. Treasury bonds	90,784	-	90,784	-	90,784
<b>Total investments</b>	<b>\$ 267,479</b>	<b>\$ 176,695</b>	<b>\$ 90,784</b>	<b>\$ -</b>	<b>\$ 267,479</b>

Investments measured at fair value at December 31, 2023 and 2022 follows:

	2023	2022
Investments, current	\$ 245,236	\$ 211,229
Investments in perpetuity	56,250	56,250
<b>Total investments measured at fair value</b>	<b>\$ 301,486</b>	<b>\$ 267,479</b>

The following table presents investment income (losses) for the years ended December 31, 2023 and 2022:

	2023	2022
Unrealized gains	\$ 23,578	\$ 3,687
Interest and dividends	9,428	3,093
Unrealized losses	-	(38,603)
<b>Total investment income (losses)</b>	<b>\$ 33,006</b>	<b>\$ (31,823)</b>

#### 4. ENDOWMENT FUNDS

The Organization's endowment consists of three individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

**Villa International Atlanta, Inc.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2023 and 2022

At December 31, 2023 and 2022, the endowment funds consisted of the following:

	<b>2023</b>	<b>2022</b>
Endowment funds without donor restrictions	\$ 71,645	\$ 58,513
Endowment funds restricted by time and purpose	11,659	7,159
Endowment funds restricted in perptuity	56,250	56,250
<b>Total endowment fund</b>	<b>\$ 139,554</b>	<b>\$ 121,922</b>

The funds are managed by a third-party expert advisory group, while management and those charged with governance are responsible for oversight of the third-party advisory group and determining distributions.

The board of directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift, as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. For accounting purposes only and without any implication for the Organization's legal obligations for administering its endowment funds, the Organization has classified as net assets with donor restrictions the following: (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, and (d) accumulated deficits resulting from appropriations in excess of earnings. The remaining portion of the donor-restricted endowment fund that is not classified as net assets with donor restrictions to be held in perpetuity is classified as net assets with donor restrictions for purpose or time until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

**Funds with Deficiencies**

Of these funds, none currently have a market value below the historical gift. However, the Organization maintains records of the sum of: (a) the original value of gifts donated to each endowment fund, (b) the original value of subsequent gifts to each endowment fund, and (c) accumulations to each such endowment fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

**Villa International Atlanta, Inc.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2023 and 2022

**Return Objectives and Risk Parameters**

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold indefinitely or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of selected benchmarks for each investment asset class while assuming a moderate level of investment risk. The Organization expects its endowment funds, over time, to provide an average annual rate of return greater than the corresponding benchmark index. Actual returns in any given year may vary from this amount.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that includes both growth and income funds as well as U.S. Treasury bonds to achieve its long-term return objectives within prudent risk constraints.

**Spending Policy and How Investment Objectives Relate to Spending Policy**

In developing its spending policy, the Organization considers certain of the following factors which it determines relevant:

1. The duration and preservation of the fund
2. The purposes of the Organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

The Organization has established a guideline of appropriating for distribution each year of no more than 5% of each endowment funds' fair value. In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow at a reasonable rate, this is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

**Villa International Atlanta, Inc.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2023 and 2022

Endowment funds are included within the investments stated on the statement of financial position.

Changes in endowment fund net assets for the year ended December 31, 2023 are as follows:

	Without Restrictions	Time and Purpose	Perpetuity	Total
Endowment fund, December 31, 2022	\$ 58,513	\$ 7,159	\$ 56,250	\$ 121,922
Interest, dividends and unrealized gains	13,132	4,500	-	17,632
Contributions	-	-	-	-
Appropriations	-	-	-	-
<b>Endowment fund, December 31, 2023</b>	<b>\$ 71,645</b>	<b>\$ 11,659</b>	<b>\$ 56,250</b>	<b>\$ 139,554</b>

Changes in endowment fund net assets for the year ended December 31, 2022 are as follows:

	Without Restrictions	Time and Purpose	Perpetuity	Total
Endowment fund, December 31, 2021	\$ 71,791	\$ 13,147	\$ 56,250	\$ 141,188
Unrealized losses	(13,278)	(5,988)	-	(19,266)
Contributions	-	-	-	-
Appropriations	-	-	-	-
<b>Endowment fund, December 31, 2022</b>	<b>\$ 58,513</b>	<b>\$ 7,159</b>	<b>\$ 56,250</b>	<b>\$ 121,922</b>

## 5. PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2023 and 2022 follows:

	2023	2022
Land and land improvements	\$ 260,000	\$ 260,000
Buildings and building improvements	2,871,688	2,871,688
Furniture, fixtures and equipment	698,502	632,304
	3,830,190	3,763,992
Less accumulated depreciation	2,342,957	2,237,343
<b>Property and equipment, net</b>	<b>\$ 1,487,233</b>	<b>\$ 1,526,649</b>

Depreciation expense totaled \$105,614 and \$100,332 for the years ended December 31, 2023 and 2022.

**Villa International Atlanta, Inc.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2023 and 2022

**6. NET ASSETS WITH DONOR RESTRICTIONS**

The following is a summary of net assets with donor restrictions as of December 31, 2023 and 2022:

<b>Subject to purpose restrictions :</b>	<b>2023</b>	<b>2022</b>
Time restricted	\$ 11,659	\$ 7,159
In perpetuity	56,250	56,250
Room upgrades	6,480	2,750
<b>Total net assets with donor restrictions</b>	<b>\$ 74,389</b>	<b>\$ 66,159</b>

The following is a summary of net assets released from donor restrictions for the years ended December 31, 2023 and 2022:

<b>Purpose restrictions accomplished :</b>	<b>2023</b>	<b>2022</b>
Room upgrades	\$ 6,000	\$ 2,762
<b>Total net assets released from donor restrictions</b>	<b>\$ 6,000</b>	<b>\$ 2,762</b>

**7. RETIREMENT PLAN**

Full-time employees who are scheduled to work a minimum of 1,000 hours annually may participate in a 403(b) plan offered as a benefit to employees of the Organization. During 2023 and 2022, the Organization contributed \$7,909 and \$6,475 to participant accounts.

**8. RELATED PARTY TRANSACTIONS**

During the years ended December 31, 2023 and 2022, the Organization received \$14,745 and \$35,570 of contributions from governance members and affiliates.

**9. LIQUIDITY AND AVAILABILITY DISCLOSURES**

At December 31, 2023 and 2022, the Organization held enough cash and cash equivalents to meet nine months and ten months of normal operating expenditures (average monthly operating expenses totaled approximately \$48,000 and \$38,000 during 2023 and 2022).

**Villa International Atlanta, Inc.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2023 and 2022

The Organization prepares an annual budget that is reviewed and approved by the Board in advance of the upcoming year. Periodic meetings are held by the Board to review internal financial statements and budget to actual comparisons. Management does not commit to expenditures if cash is not available to pay the expenditures immediately.

Following is a schedule, as of December 31, 2023, and 2022 that reflects the financial assets available to meet cash needs for general expenditures within one year:

<b>Financial assets, at year end :</b>	<b>2023</b>	<b>2022</b>
Cash and cash equivalents	\$ 462,742	\$ 174,333
Investments	301,486	267,479
	764,228	441,812
Less: donor - imposed restrictions unavailable for general expenditure within one year	(6,480)	(2,750)
Less: investments restricted by time	(11,659)	(7,159)
Less: investments in perpetuity	(56,250)	(56,250)
<b>Financial assets available to meet cash needs for general expenditures within one year</b>	<b>\$ 689,839</b>	<b>\$ 375,653</b>

## 10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 26, 2024 which is the date on which the financial statements were available to be issued. In general, these events are recognized in the financial statements if the conditions existed at the date of the statement of financial position but are not recognized if the conditions did not exist at the statement of financial position date. The Organization discloses non-recognized events if required to keep the financial statements from being misleading. No subsequent events have been identified by the Organization for disclosure.