

**COMMUNITY FOUNDATION
OF SOUTH GEORGIA, INC.**

**FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017**

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the
Community Foundation of South Georgia, Inc.
Thomasville, Georgia

We have audited the accompanying financial statements of the Community Foundation of South Georgia, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018 and 2017, and the related statements of activities 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of the Community Foundation of South Georgia, Inc. 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 general accepted in the United States of America.

AMB Professional Group, LLC
Thomasville, Georgia
August 10, 2019

COMMUNITY FOUNDATION OF SOUTH GEORGIA, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

ASSETS

	2018	2017
CURRENT ASSETS		
Cash, including certificates of deposit	\$ 9,417,923	\$ 6,735,193
Marketable securities, at fair value	69,468,657	52,997,112
Investment income receivable	5,620	671
Total Current Assets	78,892,200	59,732,976
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION (Note 4)	244,748	255,198
OTHER ASSETS		
Other receivables	194,188	194,188
Total Other Assets	194,188	194,188
TOTAL ASSETS	\$ 79,331,136	\$ 60,182,362

LIABILITIES AND NET ASSETS

LIABILITIES		
Accrued expenses	\$ 1,145	\$ 1,900
Note payable-current portion	13,031	10,790
Gift annuity payable	67,256	85,744
Funds held as nonprofit agency endowments	8,820,674	9,200,202
	8,902,106	9,298,636
Long-term debt-less current portion	25,505	78,072
Total liabilities	8,927,611	9,376,708
NET ASSETS		
Without donor restrictions:		
Designated	6,601,480	5,970,396
Donor advised	55,423,571	36,203,825
Scholarship	2,955,234	3,127,219
Field of interest	4,322,817	4,442,847
Other without donor restrictions	602,875	525,860
Total without donor restrictions	69,905,977	50,270,147
With donor restrictions	497,548	535,507
TOTAL LIABILITIES AND NET ASSETS	\$ 79,331,136	\$ 60,182,362

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

COMMUNITY FOUNDATION OF SOUTH GEORGIA, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND GAINS:						
Gifts, grants, and contributions	\$ 29,675,535	\$ --	\$ 29,675,535	\$ 6,900,399	\$ --	\$ 6,900,399
Less-contributions received on behalf of others	(317,226)	--	(317,226)	(99,382)	--	(99,382)
Net contributions	29,358,309	--	29,358,309	6,801,017	--	6,801,017
Investment income (net of expenses)	(3,690,615)	(19,026)	(3,709,641)	5,096,589	75,082	5,171,671
Change in value of split-interest agreements	--	(7,538)	(7,538)	--	(9,024)	(9,024)
Management fee income	641,424	--	641,424	558,928	--	558,928
Total revenues and gains	26,309,118	(26,564)	26,282,554	12,456,534	66,058	12,522,592
GRANTS AND OTHER EXPENSES:						
Grants	5,940,126	--	5,940,126	7,182,268	--	7,182,268
Less-grants disbursed on behalf of others	(307,959)	--	(307,959)	(294,490)	--	(294,490)
Net grant disbursements	5,632,167	--	5,632,167	6,887,778	--	6,887,778
Community programs	153,114	--	153,114	147,178	--	147,178
Fund raising & development	102,079	--	102,079	98,123	--	98,123
Management & general	256,699	--	256,699	245,305	--	245,305
Management fee expense	529,232	11,395	540,627	450,224	11,931	462,155
Total Grants and other expenses	6,673,291	11,395	6,684,686	7,828,608	11,931	7,840,539
CHANGES IN NET ASSETS	19,635,827	(37,959)	19,597,868	4,627,926	54,127	4,682,053
NET ASSETS – Beginning of year	50,270,148	535,507	50,805,655	45,642,222	481,380	46,123,602
NET ASSETS – End of year	<u>\$ 69,905,975</u>	<u>\$ 497,548</u>	<u>\$ 70,403,523</u>	<u>\$ 50,270,148</u>	<u>\$ 535,507</u>	<u>\$ 50,805,655</u>

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

COMMUNITY FOUNDATION OF SOUTH GEORGIA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Changes in net assets	\$ 19,597,872	\$ 4,682,052
Adjustments to reconcile increase in net assets to cash generated by operating activities:		
Depreciation	10,450	10,450
Amortization	7,538	9,023
Non-cash contributions	(1,082,674)	(2,309,869)
Net realized and unrealized (appreciation)/ depreciation on marketable securities	4,854,414	(4,456,926)
Changes in operating assets and liabilities:		
Accrued investment income	(4,949)	(675)
Accounts payable	(755)	(817)
Gift annuities payable	(26,026)	(17,004)
Funds held for non-profit organizations	(379,528)	702,209
Net cash provided (used) by operating activities	<u>22,976,342</u>	<u>(1,381,557)</u>
Cash flow from financing activities:		
Payments on long-term debt	<u>(50,326)</u>	<u>(40,648)</u>
Net cash provided (used) by financing activities	<u>(50,326)</u>	<u>(40,648)</u>
Cash flow from investing activities:		
Purchase of investments	(34,267,201)	(14,846,355)
Proceeds from sale of investments	<u>14,023,915</u>	<u>16,275,707</u>
Net cash provided (used) by investing activities	<u>(20,243,286)</u>	<u>1,429,352</u>
Net increase (decrease) in cash and cash equivalents	2,682,730	7,147
Cash and cash equivalents, beginning of year	<u>6,735,193</u>	<u>6,728,046</u>
Cash and cash equivalents, end of year	<u>\$ 9,417,923</u>	<u>\$ 6,735,193</u>
Supplemental cash flow information:		
Interest paid	<u>\$ 3,040</u>	<u>\$ 3,932</u>

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

COMMUNITY FOUNDATION OF SOUTH GEORGIA, INC.
Notes to Financial Statements
December 31, 2018 and 2017

NOTE 1 – ORGANIZATION

Nature of Operations

The Community Foundation of South Georgia, Inc. (the “Foundation”) was established in 1996 as a tax-exempt, publicly supported charitable organization to improve life in South Georgia and promote effective philanthropy. The Foundation accomplishes its purpose by building a permanent endowment for the benefit of the community through the support of philanthropically minded citizens of South Georgia. Funds are contributed by individuals, corporations, and non-profit agencies and support a wide range of organizations that promote the educational, cultural, health, social, and civic development in South Georgia. The Foundation operates a grant program that seeks out opportunities for the effective use of its resources in a manner that is consistent with its donors’ intent.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Statement Presentation

The accompanying financial statements of the Foundation have been prepared in accordance with U.S. generally accepted accounting principles.

The Foundation is required to report information regarding its financial position and activities according to two classes of net assets – *with donor restrictions and without donor restrictions*. The bylaws of the Foundation include a variance provision that allows the Board of Trustees of the Foundation to vary the use of substantially all contributions received. The Board of Trustees strives to honor a donor’s charitable intent, unless in their sole judgment that intent becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served by the Foundation. As a result of the variance power, all contributions not classified as *with donor restrictions* are classified as *without donor restrictions* in net assets for financial statement purposes.

Net assets *with donor restrictions* consist of irrevocable charitable gift annuities. When donor restrictions expire, that is, when a stipulated time restriction ends, net assets *with donor restrictions* are reclassified to net assets *without donor restrictions* and reported in the statements of activities as net assets released from restrictions.

Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*, and its interpretations provide that if the governing body of the organization has the ability to remove a donor restriction (i.e., variance power), the contribution should be classified as a net asset *without donor restrictions*. Under the Foundation’s contribution agreement, the assets are held as endowment funds until such time, if ever, the Foundation’s Executive Committee deems it prudent and appropriate to expend some part of the principal or appreciation. Accordingly, all net assets and related activity over which the management of the Foundation exercises direct control are classified as net assets *without donor restrictions* in the accompanying financial statements.

The Foundation solicits a variety of contributions to fund its grants, including donor advised funds. Donor-advised funds allow the donor to recommend distributions to charitable programs or other charitable organizations approved by the Foundation. Although the Foundation generally fulfills the donors’ recommendation, they are subject to approval by the Foundation’s Executive Committee and are therefore classified as net assets *without donor restrictions*.

Gifts, grants and other income *with and without donor restrictions* are recorded as revenue and support when received by the Foundation. Such revenue and support is recorded at fair value. The Foundation's policy is to record revenue *with donor restrictions* and support as *without donor restrictions* if the restriction is satisfied in the year the revenue and support is recognized. Investment income is recognized when earned.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Net Asset Classifications

All contributions, including those with donor-imposed restrictions, are subject to the variance power established by the Foundation's governing documents. The variance power gives the board of directors the ability to modify donor restrictions that are incapable of fulfillment or inconsistent with the charitable needs of the community. As a result of the variance power, all contributions not classified as *assets with donor restrictions* are classified as *assets without donor restrictions* for financial statement purposes.

Net assets with donor restrictions consist of charitable gift annuities. When donor restrictions expire, that is, when a stipulated time restriction ends, net assets *with donor restrictions* are reclassified to assets *without donor restrictions* and reported in the statements of activities as net assets released from restrictions.

(c) Investments

Investments are made according to the Investment Objectives and Policies adopted by the Foundation's Board. These guidelines provide for investment in equities, fixed income, and other securities with performance measured against appropriate indices. The Foundation contracts with outside parties to provide investment management and consulting services.

Investment purchases and sales are accounted for on a trade-date basis. Interest income is recorded when earned and dividends are recorded on the ex-dividend date.

The Foundation reports its investments at fair value. The fair value of investments in securities traded on national securities exchanges is valued at the closing price on the last business day of the fiscal year; securities traded on the over-the-counter market are valued at the last reported bid price.

Investments for which observable market prices in active markets do not exist are reported at fair value, as determined in good faith by the Foundation's management. The valuations of limited partnership investments include assumptions and methods that were prepared by the general partners of the limited partnerships and were reviewed by the Foundation's management. Real property values are initially based on independent appraisals, which are occasionally updated. Additionally, on an annual basis, Foundation management analyzes comparable sales data sourced from independent third parties to estimate changes in real property fair values.

The Foundation uses net asset value to determine fair value of those underlying investments that (a) do not have a readily determinable fair value and (b) either have attributes of an investment company or prepare its financial statements consistent with the measurement principles of an investment company. The Foundation has \$69,468,657 and \$52,997,112 of investments that are reported at net asset value at December 31, 2018 and 2017, respectively. For these investments, the Foundation has concluded that the net asset value reported by the underlying fund is a practical expedient to estimating fair value. The amounts reported at net asset value at December 31, 2018 are redeemable with the fund at net asset value under the original terms of the partnership agreements and/or subscription agreements and operations of the underlying funds. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements.

Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds and, consequently, the fair value of the Foundation's interest in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is, therefore, reasonably possible that if the Foundation were to sell these investments in the secondary market, a buyer may require a discount to the reported net asset value, and the discount could be significant.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain long-term investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amount reported in the consolidated statements of financial position.

(d) Grants

Unconditional grants are recorded as expenses when approved by the Foundation's board of directors. Grants that are subject to conditions are recorded when the conditions have been substantially met.

(e) Funds Held as Nonprofit Endowments

In accordance with Statement of Financial Accounting Standards (SFAS) No. 136, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others*, when a not-for-profit organization establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the community foundation must account for the transfer of such assets as a liability. The Foundation refers to such funds as nonprofit agency-endowments.

The Foundation maintains legal ownership of nonprofit endowment funds and, as such, continues to report the funds as assets of the Foundation. However, in accordance with SFAS No. 136, a liability has been established for the fair value of the funds.

(f) Cash Flows

For the purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents include checking, money market accounts and certificates of deposit.

(g) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

(h) Income Taxes

The Foundation has received a determination letter from the Internal Revenue Service indicating it has been classified as a publicly supported charitable organization under Internal Revenue Code (IRC) Section 501(c)(3). As a publicly supported charity, the Foundation is exempt from federal income taxes under Section 509(a)(1) of the IRC, except on unrelated business income. The Organization's Department of the Treasury information returns are subject to examination, generally for three years after the filing date.

(i) Reclassifications

Certain 2017 financial statement amounts may have been reclassified to conform to the 2018 presentation.

(j) New Accounting Guidance

In August 2016, FASB issued Accounting Standards Update ("ASU") 2016-04 Not-for-Profit (Topic 958) *Presentation of Financial Statements of Not-for-Profit Entities*. The significant changes related to presentation and disclosure now require the Foundation to consolidate the classes of net assets into two classes (net assets with donor restrictions and net assets without donor restrictions), show underwater endowment balances within the net assets with donor restrictions class, provide expenses by nature and function, and enhance disclosures relating to liquidity and availability of resources. The Foundation adopted this ASU in 2018 on a retrospective basis.

NOTE 3 – FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, fair value is defined as the price that the Foundation would receive upon selling an asset or transferring a liability in an orderly transaction to an independent buyer in the principal or most advantageous market of the asset. FASB ASC 820 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs, and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity.

Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available. The three-tier hierarchy of inputs is summarized in the three broad levels listed as follows:

- Level I – Quoted prices are available in active markets for identical investments as of the reporting date. Valuation adjustments are not applied to Level I instruments. Since valuations are based on quoted prices that are readily available in an active market, valuation of these products does not entail a significant degree of judgment.
- Level II – Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level I. Fair Value is determined through the use of models or other valuation methodologies.
- Level III – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given investment is based on the lowest level of input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

The fair value of each financial instrument in the table below was measured using SFAS No. 157 input guidance and valuation techniques. The following table sets forth carrying amounts and estimated fair values for financial instruments at December 31, 2018 and 2017.

	Level I	
	2018	2017
Common/Preferred Stock	\$ 33,566,419	\$ 26,220,342
Equity/Bond Mutual Funds/EFT's	20,504,014	18,885,775
Corporate Bonds	4,536,541	2,790,553
Municipal Bonds	358,642	721,683
U.S. Govt/ Agency Bonds	2,911,279	1,081,593
Other/Certificate of Deposits	7,591,762	3,297,166
Total Investments	<u>\$ 69,468,657</u>	<u>\$ 52,997,112</u>

Investments are summarized as follows at December 31:

	2018		2017	
	Cost	Fair Market Value	Cost	Fair Market Value
Stocks, Bonds & Mutual Funds	<u>\$ 67,480,219</u>	<u>\$ 69,468,657</u>	<u>\$ 43,888,774</u>	<u>\$ 52,997,112</u>

NOTE 4 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position sheet date, comprise the following:

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 9,417,923	\$ 6,735,193
Investments, short-term and liquid	69,468,657	52,997,112
Pledges, notes and other receivables	<u>21,695</u>	<u>16,746</u>
Less: permanently restricted funds	<u>(4,840,119)</u>	<u>(5,229,893)</u>
Available for general expenditure	<u>\$ 74,068,156</u>	<u>\$ 54,519,158</u>

The Foundation funds consist of donor-restricted endowments. Permanently restricted portions of donor-restricted endowments that are restricted for specific purposes are not available for general expenditure.

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Foundation invests cash in excess of daily requirements in short-term investments and money market funds.

NOTE 5 – INVESTMENT MANAGEMENT AND CUSTODIAL FEES

As previously indicated, invested funds are primarily held in custodial investment accounts and are managed by professional investment advisors. Accordingly, the Foundation has entered into agreements with several professional investment advisors. Generally, such agreements are cancelable by either party upon written notice.

For the years ended December 31, 2018 and 2017, investment management and other fees include approximately \$327,307 and \$271,107, respectively, of investment management and custodial fees.

NOTE 6 – PROPERTY AND EQUIPMENT

The Foundation capitalized all property and equipment acquisitions in excess of \$1,000. Property and equipment are capitalized at cost if purchased, or at fair market value on the date received if donated. Property and equipment are depreciated using the straight-line method over their estimated useful lives. As of December 31, 2018 and 2017, fixed assets consisted of:

	<u>2018</u>	<u>2017</u>
Building	\$ 215,000	\$ 215,000
Building Improvements	39,448	39,448
Furniture and equipment	23,478	23,478
Less: accumulated depreciation	<u>(33,178)</u>	<u>(22,728)</u>
	<u>244,748</u>	<u>255,198</u>
Depreciation expense for the years ended	<u>\$ 10,450</u>	<u>\$ 10,450</u>

NOTE 6 – CONCENTRATIONS OF CREDIT RISK FINANCIAL INSTRUMENTS

Financial Accounting Standards Board (FASB) Statement No. 105 requires disclosure of information about financial instruments with concentrations of credit risk. Financial instruments are defined as cash, evidence of an ownership interest in an entity, or a contract that both (a) imposes on one entity a contractual obligation (1) to deliver cash or another financial instrument to a second entity or (2) to exchange financial instruments on potentially unfavorable terms with the second entity and (b) conveys to that second entity a contractual right (1) to receive cash or another financial instrument from the first entity or (2) to exchange other financial instruments on potentially favorable terms with the first entity. Credit risk is defined as the risk of counterparty's failure to perform according to the terms of the contract.

Financial instruments that potentially expose the Foundation to concentrations of credit risk, as defined by Statement 105, consist primarily of cash and cash equivalents. The Foundation's cash equivalents consist principally of money-market funds and cash balances on deposit with high credit quality financial institutions. The money market funds are readily convertible into cash and the certificates of deposit generally mature within ninety (90) days and, therefore, are subject to minimal risk.

The Foundation maintains its cash balances in several area financial institutions. The Foundation's combined deposits at each financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. From time to time, the Foundation's deposits significantly exceed the insured limits.

NOTE 7 – NOTE PAYABLE

The long-term liabilities for the Company at December 31, 2018 and 2017 consist of the following:

	<u>2018</u>	<u>2017</u>
Balloon note payable to Thomasville National Bank at 4.5% interest, with monthly payments of \$1,215, and a maturity date of August 26, 2022. At maturity, the balance due will be \$35,578. This loan is secured by real property occupied by the Foundation.	\$ 38,536	\$ 88,862
Total long-term debt	38,536	88,862
Less current portion	<u>(13,031)</u>	<u>(10,790)</u>
Long-term liabilities, net of current portion	<u>\$ 25,505</u>	<u>\$ 78,072</u>

For long-term liabilities with scheduled installments, the amount due is as follows as of December 31, 2018:

2019	\$ 13,663
2020	14,327
2021	10,546
2022	--
2023	--
	<u>\$ 38,536</u>

The note was paid off in April of 2019.

NOTE 8 – CHARITABLE GIFT ANNUITIES (Split interest agreements)

Donors have contributed assets to the Foundation in exchange for a promise by the Foundation to pay a fixed amount for a specified period of time to the donor. Under the terms of such agreements, no trust exists as the assets received are held by and the liability is an obligation of the Foundation. The present value of payments to beneficiaries under these arrangements is calculated using discount rates representing risk-free rates in existence at the date of gift. The liability is based upon Internal Revenue Service annuity and mortality tables.

NOTE 9 – RETIREMENT PLAN

During 2018 the Foundation established a 401(k) retirement plan for all eligible employees reaching the age of 21. The plan features salary deferrals with an employer match up to 5% of compensation. The Foundations employee match for 2018 was \$15,824.

Prior to 2018, employees could defer a portion of their salary with no matching contributions.

NOTE 10 – FUNCTIONAL CLASSIFICATION OF EXPENSES

For the year ended December 31, 2018, total expenses of the Foundation were classified by function as follows:

	30% Community Programs	50% Management & General	20% Fund Raising & Development
Salaries and Wages	\$ 96,945	\$ 161,576	\$ 64,630
Payroll Taxes	6,976	11,627	4,651
Insurance Benefits	13,662	22,770	9,108
Retirement Benefits	4,747	7,912	3,165
Office Expenses	828	1,380	552
Office Equipment Maintenance	3,538	5,896	2,358
Office Maintenance	512	854	341
Printing and Copying	182	303	121
Postage and Delivery	767	1,278	511
Bank Charges	18	30	12
Telephone	1,491	2,486	994
Utilities	939	1,565	626
Repairs and Maintenance	86	143	57
Insurance – Other	3,335	5,558	2,223
Property Taxes	637	1,062	425
Storage	343	572	229
Legal	2,135	3,559	1,424
Accounting	3,341	5,569	2,227
Dues and Memberships	3,815	6,354	2,544
Training/Seminars	1,196	1,993	797
Website Expense	662	1,104	441
Interest Expense	912	1,520	608
Depreciation	3,135	5,225	2,090
Board Meeting Expense	326	543	217
Daily Auto Mileage	2,491	4,152	1,661
Donor Development	95	164	67
Donor Miscellaneous Expense	--	1,504	--
Amortization	--	--	--
	<u>\$ 153,114</u>	<u>\$ 256,699</u>	<u>\$ 102,079</u>

NOTE 10 – FUNCTIONAL CLASSIFICATION OF EXPENSES (Continued)

For the year ended December 31, 2017, total expenses of the Foundation were classified by function as follows:

	30% Community Programs	50% Management & General	20% Fund Raising & Development
Salaries and Wages	\$ 94,964	\$ 158,274	\$ 63,309
Payroll Taxes	6,151	10,251	4,100
Insurance Benefits	14,051	23,417	9,367
Office Expenses	1,206	2,011	804
Office Equipment Maintenance	2,981	4,969	1,988
Office Maintenance	630	1,051	420
Postage and Delivery	677	1,128	451
Telephone	1,753	2,921	1,168
Utilities	851	1,418	567
Repairs and Maintenance	141	235	94
Insurance – Other	3,311	5,518	2,207
Property Taxes	769	1,281	512
Storage	289	484	193
Legal and Accounting	7,227	12,046	4,818
Dues and Publications	3,472	5,789	2,316
Training/Seminars	474	792	317
Training/Seminars-Travel/Hotel	384	638	255
Website Expense	194	323	129
Interest Expense	1,180	1,966	786
Depreciation	3,135	5,225	2,090
Board Meeting Expense	450	750	300
Miscellaneous	75	125	50
Daily Auto Mileage	2,153	3,593	1,437
Donor Development	370	619	248
Gift Annuities	290	481	197
	<u>\$ 147,178</u>	<u>\$ 245,305</u>	<u>\$ 98,123</u>

NOTE 11 – LIST OF CHARITABLE FUNDS

As of December 31, 2018, the following Charitable Funds had been established with the Foundation:

Field of Interest Funds - Charitable Funds established to benefit a particular area of concern.

Christian Missionary Foundation Fund	Mitchell Electric Charitable Fund
South Georgia Disaster Relief Fund	One Heartbeat Charitable Fund
Community Public Education Fund	Open Arms Foundation Fund
Spark Thomasville Fund	Pelham Public Education Endowment Fund
Dick Bob Mason Memorial Education Fund	Richard & Teresa Vanlandingham Maxi Grant
Murray H. Gaskins Sr. Charitable Fund	Thomas County Children's Dental Assistance Fund
Grady County Public Education Endowment Fund	Smile Fund
Griffin Church Plant Fund	Supporting Hands Foundation Fund
Harrison Cemetery Preservation Fund	Lowndes Excellence in Education
I.T.M. Charitable Fund	Grace Recovery Foundation Fund

NOTE 11 – LIST OF CHARITABLE FUNDS (Continued)

Field of Interest Funds (continued)

Kickin' Cancer Charitable Fund	Garreston Wade Women's Health Fund
Mitchell EMC Patcap Fund	Thomasville Creates Charitable Funds
Valdosta Classical Music Fund	Friends of Downtown Thomasville Charitable Fund
Hurricane Michael Disaster Relief Fund	Seminole County Disaster Relief Fund
O.F. and Montez Roberts Fund for Eye Sight Preservation-Donalsonville Lions Club	

Designated Funds - Charitable Funds established for the sole benefit of a designated nonprofit organization.

Stockton Baptist Church Fund	Thomasville Police Community Fund
First Baptist Church of Thomasville Charitable Fund	Thomasville YMCA Gift Annuities Fund
Marvin M., Lorene B., and David Grubbs Charitable Fund	Trinity Anglican Church of Thomasville Fund
Early A. Reed, Merle Reed Shingler, Sidney H. Shingler, Sr., and Sue Shingler Charitable Fund	

Donor Advised Funds - Charitable Funds where the donor participates in the grant making process by advising the Foundation when and where grants are given.

171 Individual and Family Donor Advised Funds	Equity Group – GA Division Fund
Change for Children Charitable Fund	Fifth Friday Foundation Fund
Rise Development Charitable Fund	

Scholarship Funds - Charitable Funds set up to assist students with expenses of post-secondary educational endeavors.

Alan George Memorial YMCA Scholarship	Senior Chief David Blake McLendon Scholarship
Attorneys' Title Guaranty Scholarship	J.B. Jenkins Memorial Scholarship
Benjamin E. Gordon Memorial Scholarship	Molly Elkins Joiner Memorial Scholarship
Bill Reynolds Memorial Scholarship	John M. Simmons Educational Scholarship
Cairo High School Band Scholarship	Julien B. Roddenbery Scholarship
Candice Sellers Memorial Scholarship	Marie Wertz Memorial Scholarship
Charles M. Stripling 4-H Scholarship	Mary Kirkland Scholarship
Bacon County High School Scholarship	Mitchell EMC Operation Roundup Scholarship
Cleve Bostick Memorial Scholarship	Nicole Taylor Memorial Scholarship
Coy Williams Memorial Scholarship	Philip Pugh Memorial Scholarship
Doug Henderson III Memorial Scholarship	John B. & Elizabeth V. Wight Scholarship
Dr. Charlie Watt Scholarship	Rocky Ivey Memorial Scholarship
James D. Eunice Scholarship	Thomasville Rotary Scholarship
Georgia Dental Hygienists' Association Scholarship	T.B. McDowell Memorial Scholarship
Jack Gibbs Memorial Scholarship	Tucker Baptist Assoc. Scholarship
Griffin Family Scholarship	University of GA Forestry Scholarship
Dr. Lewis & Audrey Chisholm Scholarship	Valwood School/William G. Eager III Memorial
Homer E. Breckenridge, Jr. Memorial Scholarship	W.C. Ivey Memorial Scholarship
Wh & Mary P. Muggridge Charitable Fund	Wyatt Hutchins Alexander Family Scholarship
Joanne Pierce Drake Music Scholarship	Zack Alday Memorial Scholarship
Savannah Singletary Memorial Scholarship	Kevin Walden Memorial Scholarship
John Bulloch Scholarship	Robert P. "Bobby" Singletary Scholarship
Terri Matthew Nursing Scholarship	William J. & Margaret McKay Powell Scholarship
Thomasville Antiques Show Foundation Scholarship	
Robert Warde Chambers Scholarship & Public Education Fund	
Moultrie-Colquitt County High Schools Alumni Scholarship	
QUMC William S. McMichael Memorial Scholarship Fund	

NOTE 11 – LIST OF CHARITABLE FUNDS (Continued)

Agency Funds - Charitable Funds established by a contribution from a donor where the Foundation has agreed to transfer the assets contributed, the return on investment of those assets or both to another entity that is specified by a donor.

Albany Area FCA Endowment Fund	Options Now Fund
Archbold Hospital-Brooks County Fund	Randolph County Schools Charitable Fund
Archbold Hospital-Grady County Fund	Roddenbery Memorial Library Fund
Aspire Participants Fund	Second Harvest of South Georgia Fund
Betty Callahan Williams Endowment Fund	S. W. Georgia Technical College Foundation Fund
Birdsong Nature Center Fund	South Georgia Pediatric Charitable Fund
Bishop Hall Charitable Fund	Strive2Thrive, Inc. Endowment Fund
Behavioral Health Services Fund	Thomas Area Soccer Association Fund
Boys & Girls Clubs of Camilla/Mitchell Co. Fund	Thomas County Historical Society Fund
B'nai Israel Synagogue Fund	Thomas County Public Library Endowment Fund
Camp Arrow Endowment Fund	Thomas-Grady ARC Fund
Community Soup Kitchen Endowment Fund	Thomasville Antiques Show Fund
Easter Seals Southern Georgia Fund	Thomasville Center for the Arts Building Fund
First Presbyterian Church of Moultrie Fund	Thomasville Community Resource Center Fund
First Presbyterian Church of Thomasville Fund	Thomasville Community Resource Center-Wade Fund
First Presbyterian Church of Valdosta Fund	Thomasville Garden Club Endowment Fund
First United Methodist Church of Thomasville Fund	Thomasville Landmarks Fund
Friends of Cherokee Lake Fund	Thomasville Music & Drama Troupe Fund
Fulwood Garden Center Endowment Fund	Thomasville YMCA & Youth Center Fund
Georgia Pines Consumers Fund	Moultrie-Colquitt Co. Library Endowment Fund
Grace Christian Academy Endowment Fund	Tree House of Thomasville Fund
Hands on Thomas County Fund	Turner Center for the Arts Endowment Fund
Hands and Hearts for Horses Fund	Turner Center for the Arts-Hudson Fund
Mitchell Co. Hospital Capital Campaign Fund	Valwood School Endowment Fund
MNW Boys & Girls Clubs of Thomas County Fund	Vashti Center Endowment Fund
Nepenthic Society Fund	Wesley Chapel Endowment Fund
Open Door Charitable Fund	Westbrook School Endowment Fund
Open Future Fund	
Boys & Girls Club of Moultrie/Colquitt Co. Endowment Fund	
Thomasville Center for the Arts Capital Improvement Fund	
Thomasville Primitive Baptist Church Foundation Fund	

NOTE 12 – SUBSEQUENT EVENTS

Management has performed an analysis of the activities and transactions as of August 10, 2019, which is the date the financial statements were available to be issued. Other than the payoff of the note payable secured by the real property (see Note 6), no events occurred that required recording or disclosure in the 2018 financial statements.