

One Hundred Miles, Inc.

Financial Report

December 31, 2015 and 2014

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
One Hundred Miles, Inc.
Brunswick, Georgia

We have audited the accompanying financial statements of One Hundred Miles, Inc. (a non-profit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activity and cash flows for the year ended December 31, 2015 and from inception (May 22, 2013) to December 31, 2014, 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 audits 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 One Hundred Miles, Inc. as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the year ended December 31, 2015 and from inception (May 22, 2013) to December 31, 2014 in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 12 is presented for purposes of additional analysis and is 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 and 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.

Brunswick, Georgia
June 8, 2016

FINANCIAL STATEMENTS

One Hundred Miles, Inc.
Statements of Financial Position

December 31, 2015 and 2014

Assets

	2015	2014
Cash and cash equivalents	\$ 253,336	\$ 224,254
Unconditional promises to give	375,000	372,500
Prepaid expenses	2,000	2,436
Long-term investments	1,050	-
Property and equipment, net	18,531	24,574
Total Assets	\$ 649,917	\$ 623,764

Liabilities and Net Assets

Liabilities		
Accounts payable	\$ 7,045	\$ 8,054
Compensated absences	3,808	6,844
Total Liabilities	10,853	14,898
Net Assets		
Unrestricted	639,064	583,866
Temporarily restricted	-	25,000
Total net assets	639,064	608,866
Total Liabilities and Net Assets	\$ 649,917	\$ 623,764

See accompanying notes to the financial statements.

One Hundred Miles, Inc.

Statements of Activity

For The Year Ended December 31, 2015, and
From Inception (May 22, 2013) Through December 31, 2014

	2015	From Inception (May 22, 2013) Through December 31, 2014
Unrestricted Net Assets		
Support and Revenue		
Foundation & trust grants	\$ 247,750	\$ 478,858
Contributions	356,236	758,265
Memberships	50,649	-
Investment income	84	288
Loss on disposal of property and equipment	(10,361)	-
Other income	2,600	13,563
Total Unrestricted Support and Revenue	646,958	1,250,974
Net assets released from restrictions	25,000	-
Total Unrestricted Support and Revenue and net assets released from restrictions	671,958	1,250,974
Expenses		
Program services	487,241	470,516
Supporting services		
General and administrative	74,011	93,673
Fundraising	55,508	102,919
Total Expenses	616,760	667,108
Change in Unrestricted Net Assets	55,198	583,866
Temporarily Restricted Net Assets		
Support for projects	-	25,000
Net assets released from donor restrictions	(25,000)	-
Change in Temporarily Restricted Net Assets	(25,000)	25,000
Increase in Net Assets	30,198	608,866
Net Assets, Beginning	608,866	-
Net Assets, Ending	\$ 639,064	\$ 608,866

See accompanying notes to the financial statements.

One Hundred Miles, Inc.

Statements of Cash Flows

For The Year Ended December 31, 2015, and
From Inception (May 22, 2013) Through December 31, 2014

	2015	From Inception (May 22, 2013) Through December 31, 2014
Cash Flows From Operating Activities		
Increase in net assets	\$ 30,198	\$ 608,866
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	2,810	2,741
Noncash donations	(102,181)	-
Loss on disposal of property and equipment	10,361	-
Changes in operating assets and liabilities:		
Unconditional promises to give	(2,500)	(372,500)
Prepaid expenses	436	(2,436)
Accounts payable	(1,009)	8,054
Accrued payroll	(3,036)	6,844
<i>Net Cash Provided by (Used In) Operating Activities</i>	<u>(64,921)</u>	<u>251,569</u>
Cash Flows From Investing Activities		
Proceeds from sale of investments	101,131	-
Purchase of property and equipment	(7,128)	(27,315)
<i>Net Cash Provided by (Used In) Investing Activities</i>	<u>94,003</u>	<u>(27,315)</u>
Net Change in Cash and Cash Equivalents	29,082	224,254
Cash and Cash Equivalents, Beginning	<u>224,254</u>	<u>-</u>
Cash and Cash Equivalents, Ending	<u>\$ 253,336</u>	<u>\$ 224,254</u>

See accompanying notes to the financial statements.

One Hundred Miles, Inc.
Notes to Financial Statements
December 31, 2015 and 2014

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

General: One Hundred Miles, Inc. (the “Organization”) is a publicly-supported organization based in Glynn County. The Organization was established in 2013 for the purpose of preserving, protecting and enhancing the thriving communities, beautiful landscapes, and diverse wildlife of Georgia’s 100-mile coastline.

Basis of Presentation: The Organization follows accounting principles generally accepted in the United States of America (“GAAP”) as issued by the Financial Accounting Standards Board in their *Accounting Standards Codification*. Under GAAP, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In both restricted net asset classes, the donor stipulated a limitation for the use of the gift. Temporarily restricted net assets represent gifts that the limitation expires with the passage of time or can be fulfilled and removed by actions of the Organization. Permanently restricted net assets are those gifts that the donor has limited in perpetuity. Unrestricted net assets are the remaining net assets of the Organization.

Contributions: In accordance with GAAP, contributions received as well as unconditional promises to give are recognized in the year received. Contributions with donor-imposed restrictions are reported as temporarily restricted revenue. When a donor-imposed restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restriction. Restricted contributions whose restrictions are met in the same year are reported as unrestricted contributions.

Cash and Cash Equivalents: Cash and cash equivalents consist primarily of cash on deposit. On occasion, the Organization maintains cash balances on deposit with financial institutions in excess of federally insured limits. Management continually monitors the soundness of these financial institutions and believes the exposure of loss to be minimal.

Promises to Give: Contributions are recognized when a donor makes a substantially unconditional promise to give to the Organization. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets as determined by the nature of the restriction. As restrictions expire, temporarily restricted net assets are reclassified to unrestricted net assets. Conditional promises to give are recognized when the conditions upon which they were given are substantially met. Promises to give are reviewed and reserves are established for estimated uncollectible amounts. For the years ended December 31, 2015 and 2014, promises to give are expected to be fully collectible.

One Hundred Miles, Inc.

Notes to Financial Statements

December 31, 2015 and 2014

Investments: Investments in equity securities and mutual funds are carried at fair value based on unadjusted quoted market prices. Fixed income securities are valued based upon yields or prices of securities of comparable quality, coupon, maturity, and type as well as indications as to values from brokers and dealers.

Investment income and gains and losses on investments are recorded as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulation or by law.

Property and Equipment: Property and equipment are stated at cost. Donated property and equipment are recorded at the estimated fair value on the date received. Depreciation is calculated using the straight-line method over the estimated useful lives of the individual assets. Acquisitions in excess of \$1,000 and a useful life of greater than one year are capitalized and depreciated at the applicable straight-line rates. Maintenance and repairs are charged to expense as incurred. The cost and accumulated depreciation of property retired, sold or disposed of are removed from the related accounts with any gain or loss credited or charged to income. Estimated useful lives of assets are as follows:

<u>Type of Property</u>	<u>Estimated Useful Life</u>
Furniture and equipment	3-10 years
Leasehold improvements	15-40 years

Compensated Absences: The Organization has a vacation policy that allows any employee that works more than twenty hours per week on a regular basis to accrue vacation for each calendar month of service. The vacation accrual rate and the total maximum accrued hours per year are based on the employee's length of employment. Employees can transfer up to forty hours of unused vacation to the following year. At termination of employment, unused vacation will be paid. The balance of compensated absences as of December 31, 2015 and 2014 is \$3,808 and \$6,844, respectively.

Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates that affect the reported amounts and disclosures in these financial statements. Actual results may differ from those estimates.

Income Taxes: Under GAAP, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases using currently enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

One Hundred Miles, Inc.

Notes to Financial Statements

December 31, 2015 and 2014

GAAP prescribes a threshold for measurement and recognition in the financial statements of an asset or liability resulting from a tax position taken or expected to be taken in an income tax return. GAAP also provides guidance on de-recognition, classification, and interest and penalties, accounting in interim periods, disclosure and transition.

The Organization is a qualifying, nonprofit organization as defined in Section 501(c)(3) of the Internal Revenue Code and as such is generally exempt from federal and state income taxes. The Organization may be subject to income taxes if it failed to maintain its exempt status or if it conducted certain unrelated business activity. The Organization has evaluated both its federal and state income tax positions, including positions that could have an effect on the Organization's exempt status, and has concluded that it has no uncertain tax positions that require disclosure.

The Organization files informational returns in the U.S. federal jurisdiction and one state jurisdiction. The Organization is generally not subject to federal or state tax examinations for years before 2013, the year of inception. Interest and penalties are expensed as incurred. No interest and penalties were charged to expense for the periods ended December 31, 2015 and 2014, respectively.

NOTE 2 – PROMISES TO GIVE

Promises to give are expected to be collected as follows as of December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Less than one year	\$ 125,000	\$ 372,500
One year to five years	250,000	-
Promises to give	<u>\$ 375,000</u>	<u>\$ 372,500</u>

NOTE 3 – INVESTMENTS

In accordance with the authoritative guidance on fair value measurements and disclosures under GAAP, the Organization discloses and recognizes the fair value of its assets and liabilities using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The guidance establishes three levels of fair value as follows:

Level 1 – Valuation is based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical investments.

Level 2 – Valuation is based on inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 – Valuation is based on unobservable inputs.

One Hundred Miles, Inc.
Notes to Financial Statements
December 31, 2015 and 2014

The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments.

Investments are required to be recorded at fair value on a recurring basis. The Organization uses unadjusted quoted market prices to determine the fair value of investment securities, and they are included in Level 1. These investments primarily consist of common stocks.

Assets as of December 31, 2015 measured at fair value on a recurring basis are summarized below:

	Level 1	Level 2	Level 3	Total
Common stocks	\$ 1,050	\$ -	\$ -	\$ 1,050

The Organization did not have long-term investments at December 31, 2014.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2015 and 2014:

	2015	2014
Furniture and equipment	\$ 14,835	\$ 14,835
Leasehold improvements	8,127	12,480
Total	22,962	27,315
Less: accumulated depreciation	(4,431)	(2,741)
Property & equipment, net	\$ 18,531	\$ 24,574

Depreciation expense as of December 31, 2015 and from inception (May 22, 2013) through December 31, 2014 totaled \$2,810 and \$2,741, respectively.

NOTE 5 – EMPLOYEE BENEFIT PLAN

The Organization established a “Savings Incentive Match Plan for Employees” individual retirement account plan for all regular full-time employees. This plan allows employees to contribute, on a tax-deferred basis, to a retirement plan. Employees can choose to participate in the plan once employment begins. After one year of employment, the Organization will contribute a match up to 3% of the employee’s salary, not to exceed \$12,000 annually. Contribution expense as of December 31, 2015 and from inception (May 22, 2013) through December 31, 2014 was \$3,629 and \$2,910, respectively.

One Hundred Miles, Inc.
Notes to Financial Statements
December 31, 2015 and 2014

NOTE 6 – EXPENSE CLASSIFICATION

Below is a functional classification of the Organization’s expenses for periods ended December 31, 2015 and from inception (May 22, 2013) through December 31, 2014:

	2015	2014
Program services	\$ 487,241	\$ 470,516
General and administrative	74,011	93,673
Fundraising expenses	55,508	102,919
Total program and operating expenses	\$ 616,760	\$ 667,108

NOTE 7 – RESTRICTED NET ASSETS

In 2014, the Organization received temporarily restricted net assets in the amount of \$25,000. These funds were restricted by the donor for the Coastal Vision 2050 Project. During 2015, the Organization satisfied the purpose specified by the donor and released net assets from restrictions through expenditures. Therefore, as of December 31, 2015, the Organization had no restricted net assets.

NOTE 8 – LEASE

In May 2015, the Organization entered into a lease agreement for office space. The lease term is from May 1, 2015 to July 31, 2020. Future minimum lease payments under the lease are as follows:

<u>Year Ending December 31,</u>	
2016	\$ 24,000
2017	\$ 24,500
2018	\$ 25,700
2019	\$ 26,900
2020	\$ 16,100

Rent expense totaled \$16,150 and \$17,097 for the year ended December 31, 2015 and from inception (May 22, 2013) through December 31, 2014, respectively.

NOTE 9 – CONCENTRATION OF CREDIT RISK

During the year ended December 31, 2015 and from inception (May 22, 2013) through December 31, 2014, the Organization derived approximately 46% and 24% of its support and revenue from one major donor, respectively. As of December 31, 2015 and 2014, the outstanding unconditional promises to give balance for the major donor represented approximately 80% and 27%, respectively, of the total unconditional promises to give.

One Hundred Miles, Inc.
Notes to Financial Statements
December 31, 2015 and 2014

NOTE 10 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events occurring after December 31, 2015 through June 8, 2016, which is the date on which the financial statements were available to be issued. No significant events occurred subsequent to the statement of financial position date but prior to issuance that would have a material impact on the financial statements or disclosures.

SUPPLEMENTARY INFORMATION

One Hundred Miles, Inc.
Statements of Functional Expenses
For the Year Ended December 31, 2015 and
From Inception (May 22, 2013) Through December 31, 2014

	<u>Supporting Services</u>				2015 Total	From Inception (May 22, 2013) Through December 31, 2014
	Program Services	General & Administrative	Fundraising	Total Supporting Services		
Advertising	\$ 21,330	\$ 3,240	\$ 2,430	\$ 5,670	\$ 27,000	\$ 44,856
Bank fees	665	101	76	177	842	439
Computer & internet	11,522	1,750	1,312	3,062	14,584	10,224
Cleaning services	2,184	332	249	581	2,765	4,040
Depreciation expense	2,220	337	253	590	2,810	2,741
Dues & subscriptions	2,839	431	323	754	3,593	3,263
Employee benefits	14,136	2,147	1,610	3,757	17,893	8,554
Events	9,332	1,418	1,063	2,481	11,813	16,625
Insurance	3,007	457	343	800	3,807	3,724
Meals & business meetings	860	131	98	229	1,089	15,743
Miscellaneous	125	19	14	33	158	9,320
Office expense	5,161	784	588	1,372	6,533	2,745
Office supplies	2,107	320	240	560	2,667	14,869
Outreach	12,259	1,862	1,397	3,259	15,518	11,399
Professional services	33,555	5,097	3,823	8,920	42,475	48,739
Payroll taxes	24,180	3,673	2,755	6,428	30,608	37,333
Postage	3,063	465	349	814	3,877	2,194
Rent	12,759	1,938	1,453	3,391	16,150	17,097
Salaries & wages	291,532	44,283	33,212	77,495	369,027	381,983
Staff development & training	4,833	734	551	1,285	6,118	3,153
Telephone	3,081	468	351	819	3,900	3,554
Travel	22,229	3,377	2,532	5,909	28,138	19,008
Utilities	4,262	647	486	1,133	5,395	5,505
	<u>\$ 487,241</u>	<u>\$ 74,011</u>	<u>\$ 55,508</u>	<u>\$ 129,519</u>	<u>\$ 616,760</u>	<u>\$ 667,108</u>

See Independent Auditors' Report