

One Hundred Miles, Inc.

Financial Report

December 31, 2016 and 2015

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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, 2016 and 2015, 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 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, 2016 and 2015, 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.

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.

Moore Stephens Liller LLC
Brunswick, Georgia
September 28, 2017

FINANCIAL STATEMENTS

One Hundred Miles, Inc.
Statements of Financial Position

December 31, 2016 and 2015

Assets

	2016	2015
Cash and cash equivalents	\$ 509,249	\$ 253,336
Unconditional promises to give	466,000	375,000
Prepaid expenses	3,000	2,000
Investments	5,981	1,050
Property and equipment, net	15,517	18,531
Total Assets	\$ 999,747	\$ 649,917

Liabilities and Net Assets

Liabilities		
Accounts payable	\$ 9,155	\$ 7,045
Compensated absences	5,540	3,808
Total Liabilities	14,695	10,853
Net Assets		
Unrestricted	985,052	639,064
Total net assets	985,052	639,064
Total Liabilities and Net Assets	\$ 999,747	\$ 649,917

See accompanying notes to the financial statements.

One Hundred Miles, Inc.

Statements of Activities

For The Years Ended December 31, 2016, and 2015

	<u>2016</u>	<u>2015</u>
Unrestricted Net Assets		
Support and Revenue		
Foundation & trust grants	\$ 477,700	\$ 247,750
Contributions	471,955	356,236
Memberships	34,418	50,649
Events	32,100	-
Investment income	98	84
Loss on disposal of property and equipment	-	(10,361)
Other income	4,539	2,600
Total Unrestricted Support and Revenue	<u>1,020,810</u>	<u>646,958</u>
Net assets released from restrictions	<u>-</u>	<u>25,000</u>
Total Unrestricted Support and Revenue and net assets released from restrictions	1,020,810	671,958
Expenses		
Program services	517,540	487,241
Supporting services		
General and administrative	81,742	74,011
Fundraising	75,540	55,508
Total Expenses	<u>674,822</u>	<u>616,760</u>
Change in Unrestricted Net Assets	345,988	55,198
Temporarily Restricted Net Assets		
Net assets released from donor restrictions	<u>-</u>	<u>(25,000)</u>
Change in Temporarily Restricted Net Assets	<u>-</u>	<u>(25,000)</u>
Increase in Net Assets	345,988	30,198
Net Assets, Beginning	<u>639,064</u>	<u>608,866</u>
Net Assets, Ending	<u>\$ 985,052</u>	<u>\$ 639,064</u>

See accompanying notes to the financial statements.

One Hundred Miles, Inc.

Statements of Cash Flows

For The Years Ended December 31, 2016, and 2015

	2016	2015
Cash Flows From Operating Activities		
Increase in net assets	\$ 345,988	\$ 30,198
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	3,014	2,810
Noncash donations	(9,013)	(102,181)
Loss on disposal of property and equipment	-	10,361
Changes in operating assets and liabilities:		
Unconditional promises to give	(91,000)	(2,500)
Prepaid expenses	(1,000)	436
Accounts payable	2,110	(1,009)
Compensated absences	1,732	(3,036)
<i>Net Cash Provided by (Used In) Operating Activities</i>	<u>251,831</u>	<u>(64,921)</u>
Cash Flows From Investing Activities		
Proceeds from sale of investments	4,082	101,131
Purchase of property and equipment	-	(7,128)
<i>Net Cash Provided by (Used In) Investing Activities</i>	<u>4,082</u>	<u>94,003</u>
Net Change in Cash and Cash Equivalents	255,913	29,082
Cash and Cash Equivalents, Beginning	<u>253,336</u>	<u>224,254</u>
Cash and Cash Equivalents, Ending	<u>\$ 509,249</u>	<u>\$ 253,336</u>

See accompanying notes to the financial statements.

One Hundred Miles, Inc.

Notes to Financial Statements

December 31, 2016 and 2015

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, 2016 and 2015, promises to give are expected to be fully collectible.

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.

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Notes to Financial Statements
December 31, 2016 and 2015

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:

Type of Property	Estimated Useful Life
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, 2016 and 2015 is \$5,540 and \$3,808, 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.

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.

One Hundred Miles, Inc.

Notes to Financial Statements

December 31, 2016 and 2015

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. Interest and penalties are expensed as incurred. No interest and penalties were charged to expense for the periods ended December 31, 2016 and 2015, respectively.

NOTE 2 – PROMISES TO GIVE

Promises to give are expected to be collected as follows as of December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Less than one year	\$ 334,500	\$ 125,000
One year to five years	<u>131,500</u>	<u>250,000</u>
Promises to give	<u><u>\$ 466,000</u></u>	<u><u>\$ 375,000</u></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.

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

One Hundred Miles, Inc.

Notes to Financial Statements

December 31, 2016 and 2015

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, 2016 and 2015 measured at fair value on a recurring basis are summarized below:

December 31, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks	<u>\$ 5,981</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,981</u>

December 31, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks	<u>\$ 1,050</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,050</u>

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Furniture and equipment	\$ 14,835	\$ 14,835
Leasehold improvements	<u>8,127</u>	<u>8,127</u>
Total	22,962	22,962
Less: accumulated depreciation	<u>(7,445)</u>	<u>(4,431)</u>
Property and equipment, net	<u>\$ 15,517</u>	<u>\$ 18,531</u>

Depreciation expense as of December 31, 2016 and 2015 totaled \$3,014 and \$2,810, 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, 2016 and 2015 was \$7,212 and \$3,629, respectively.

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Notes to Financial Statements
December 31, 2016 and 2015

NOTE 6 – EXPENSE CLASSIFICATION

Below is a functional classification of the Organization’s expenses for periods ended December 31, 2016 and 2015:

	2016	2015
Program services	\$ 517,540	\$ 487,241
General and administrative	81,742	74,011
Fundraising expenses	75,540	55,508
Total program and operating expenses	\$ 674,822	\$ 616,760

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, 2016, 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>	
2017	\$ 24,500
2018	\$ 25,700
2019	\$ 26,900
2020	\$ 16,100

Rent expense totaled \$28,552 and \$16,150 for the year ended December 31, 2016 and 2015, respectively.

NOTE 9 – CONCENTRATION OF CREDIT RISK

During the years ended December 31, 2016 and 2015, the Organization derived approximately 60% and 46%, respectively, of its support and revenue from three major donors. As of December 31, 2016 and 2015, the outstanding unconditional promises to give balances for the major donors represented approximately 86% and 80%, respectively, of the total unconditional promises to give. One of the major donors for both 2016 and 2015 is a member of the Organization’s Board of Directors.

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The Organization maintains depository accounts at local financial institutions. As of December 31, 2016, the institutional balances exceeded the FDIC insurance limits by \$91,857. The institutional balance did not exceed the FDIC insurance limit at December 31, 2015.

NOTE 10 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events occurring after December 31, 2016 through September 28, 2017, 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 Years Ended December 31, 2016, and 2015

Supporting Services

	Program Services	General & Administrative	Fundraising	Total Supporting Services	2016 Total	2015 Total
Advertising	\$ 3,658	\$ -	\$ 13	\$ 13	\$ 3,671	\$ 27,000
Bank fees	5	644	1,297	1,941	1,946	842
Computer & internet	3,082	(130)	1,092	962	4,044	14,584
Cleaning services	612	1,174	84	1,258	1,870	2,765
Depreciation expense	2,306	370	338	708	3,014	2,810
Dues & subscriptions	3,175	529	995	1,524	4,699	3,593
Employee benefits	16,041	2,570	2,353	4,923	20,964	17,893
Events	5,935	450	5,029	5,479	11,414	11,813
Insurance	1,954	3,848	269	4,117	6,071	3,807
Meals & business meetings	426	6	-	6	432	1,089
Miscellaneous	-	693	-	693	693	158
Office expense	2,324	2,698	558	3,256	5,580	6,533
Office supplies	858	979	129	1,108	1,966	2,667
Outreach	21,895	1,692	6,753	8,445	30,340	15,518
Professional services	44,970	8,929	17,797	26,726	71,696	42,475
Payroll taxes	24,657	3,951	3,618	7,569	32,226	30,608
Postage	858	586	723	1,309	2,167	3,877
Rent	15,211	11,821	1,520	13,341	28,552	16,150
Salaries & wages	338,417	34,331	28,624	62,955	401,372	369,027
Staff development & training	506	(450)	599	149	655	6,118
Telephone	2,594	1,983	358	2,341	4,935	3,900
Travel	25,363	2,434	3,045	5,479	30,842	28,138
Utilities	2,693	2,634	346	2,980	5,673	5,395
	<u>\$ 517,540</u>	<u>\$ 81,742</u>	<u>\$ 75,540</u>	<u>\$ 157,282</u>	<u>\$ 674,822</u>	<u>\$ 616,760</u>

See Independent Auditors' Report