

One Hundred Miles, Inc.

Financial Report

December 31, 2017 and 2016

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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, 2017 and 2016, 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, 2017 and 2016, 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 statement 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.

A handwritten signature in cursive script that reads "Moore Stephens Liller LLC".

Brunswick, Georgia
January 10, 2019

FINANCIAL STATEMENTS

One Hundred Miles, Inc.
Statements of Financial Position

December 31, 2017 and 2016

Assets

	2017	2016
Cash and cash equivalents	\$ 437,780	\$ 509,249
Unconditional promises to give	130,447	466,000
Prepaid expenses	30,378	3,000
Investments	204,837	5,981
Property and equipment, net	27,810	15,517
Total Assets	\$ 831,252	\$ 999,747

Liabilities and Net Assets

Liabilities		
Accounts payable	\$ 10,505	\$ 9,155
Compensated absences	10,230	5,540
Total Liabilities	20,735	14,695
Net Assets		
Unrestricted	810,517	985,052
Total net assets	810,517	985,052
Total Liabilities and Net Assets	\$ 831,252	\$ 999,747

See accompanying notes to the financial statements.

One Hundred Miles, Inc.

Statements of Activities

For The Years Ended December 31, 2017, and 2016

	<u>2017</u>	<u>2016</u>
Unrestricted Net Assets		
Support and Revenue		
Foundation & trust grants	\$ 498,589	\$ 516,975
Contributions	190,109	432,680
Memberships	52,657	34,418
Events	20,989	32,100
Investment income	499	98
Other income	878	4,539
Total Unrestricted Support and Revenue	<u>763,721</u>	<u>1,020,810</u>
Expenses		
Program services	767,521	517,540
Supporting services		
General and administrative	75,846	81,742
Fundraising	94,889	75,540
Total Expenses	<u>938,256</u>	<u>674,822</u>
Increase (Decrease) in Net Assets	(174,535)	345,988
Net Assets, Beginning	<u>985,052</u>	<u>639,064</u>
Net Assets, Ending	<u>\$ 810,517</u>	<u>\$ 985,052</u>

See accompanying notes to the financial statements.

One Hundred Miles, Inc.

Statements of Cash Flows

For The Years Ended December 31, 2017, and 2016

	2017	2016
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ (174,535)	\$ 345,988
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	3,648	3,014
Noncash donations	(110,562)	(9,013)
Bad debt expense	3,829	-
(Increase) Decrease in operating assets -		
Unconditional promises to give	331,724	(91,000)
Prepaid expenses	(27,378)	(1,000)
Increase (decrease) in net liabilities -		
Accounts payable	1,350	2,110
Compensated absences	4,690	1,732
<i>Net Cash Provided by Operating Activities</i>	32,766	251,831
Cash Flows From Investing Activities		
Proceeds from sale of investments	111,706	4,082
Purchase of investments	(200,000)	-
Purchase of property and equipment	(15,941)	-
<i>Net Cash Provided by (Used In) Investing Activities</i>	(104,235)	4,082
Net Change in Cash and Cash Equivalents	(71,469)	255,913
Cash and Cash Equivalents, Beginning	509,249	253,336
Cash and Cash Equivalents, Ending	\$ 437,780	\$ 509,249
Supplemental schedule of noncash investing and financing activities		
Investment securities acquired from donor contributions	\$ 110,562	\$ 9,013

See accompanying notes to the financial statements.

One Hundred Miles, Inc.

Notes to Financial Statements

December 31, 2017 and 2016

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, 2017 and 2016, 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.

One Hundred Miles, Inc.
Notes to Financial Statements
December 31, 2017 and 2016

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, 2017 and 2016 is \$10,230 and \$5,540, 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, 2017 and 2016

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, 2017 and 2016, respectively.

Reclassifications: Certain amounts in the December 31, 2016 financial statements have been reclassified to conform to the presentation utilized at December 31, 2017. These reclassifications have no impact on previously reported financial position, change in net assets, or cash flows.

NOTE 2 – PROMISES TO GIVE

Promises to give are expected to be collected as follows as of December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Less than one year	\$ 126,447	\$ 334,500
One year to five years	<u>4,000</u>	<u>131,500</u>
Promises to give	<u>\$ 130,447</u>	<u>\$ 466,000</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, 2017 and 2016

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 and certificates of deposit.

Assets as of December 31, 2017 and 2016 measured at fair value on a recurring basis are summarized below:

December 31, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	\$ 199,864	\$ -	\$ -	\$ 199,864
Common stocks	4,973	-	-	4,973
Total Investments	<u>\$ 204,837</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 204,837</u>

December 31, 2016:

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

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Furniture and equipment	\$ 30,777	\$ 14,835
Leasehold improvements	8,127	8,127
Total	38,904	22,962
Less: accumulated depreciation	(11,094)	(7,445)
Property and equipment, net	<u>\$ 27,810</u>	<u>\$ 15,517</u>

Depreciation expense as of December 31, 2017 and 2016 totaled \$3,648 and \$3,014, 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-

One Hundred Miles, Inc.
Notes to Financial Statements

December 31, 2017 and 2016

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, 2017 and 2016 was \$7,520 and \$7,212, respectively.

NOTE 6 – EXPENSE CLASSIFICATION

Below is a functional classification of the Organization's expenses for periods ended December 31, 2017 and 2016:

	2017	2016
Program services	\$ 767,521	\$ 517,540
General and administrative	75,846	81,742
Fundraising expenses	94,889	75,540
Total program and operating expenses	\$ 938,256	\$ 674,822

NOTE 7 – LEASE

In May 2015, the Organization entered into a lease agreement for office space in Glynn County, Georgia. The lease term is from May 1, 2015 to July 31, 2020. In November 2016, the Organization entered into a month-to-month lease agreement, beginning on December 15, 2016, for office space in Chatham County, Georgia. The Chatham County, Georgia lease was renewed in November 2017 with a lease term from January 1, 2018 to December 31, 2018. The lease then provides for a month-to-month agreement after the December 31, 2018 expiration. Future minimum lease payments under the leases are as follows:

<u>Year Ending December 31,</u>	
2018	\$ 46,100
2019	\$ 26,900
2020	\$ 16,100

Rent expense totaled \$43,100 and \$28,552 for the year ended December 31, 2017 and 2016, respectively.

NOTE 8 – CONCENTRATION OF CREDIT RISK

During the years ended December 31, 2017 and 2016, the Organization derived approximately 56% and 60%, respectively, of its support and revenue from three major donors. As of December 31, 2016, the outstanding unconditional promises to give balances for the major donors represented

One Hundred Miles, Inc.

Notes to Financial Statements

December 31, 2017 and 2016

approximately 86% of the total unconditional promises to give. As of December 31, 2017, none of the unconditional promises to give included amounts from the three major donors. One of the major donors for 2016 is a member of the Organization's Board of Directors.

The Organization maintains depository accounts at local financial institutions. As of December 31, 2017 and 2016, the institutional balances exceeded the FDIC insurance limits by \$205,787 and \$91,857, respectively.

NOTE 9 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events occurring after December 31, 2017 through January 10, 2019 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, 2017, and 2016

Supporting Services

	<u>Program Services</u>	<u>General & Administrative</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	<u>2017 Total</u>	<u>2016 Total</u>
Advertising	\$ 6,962	\$ -	\$ 1,649	\$ 1,649	\$ 8,611	\$ 3,671
Bank fees	122	238	3	241	363	1,946
Bad debt	3,829	-	-	-	3,829	-
Computer & internet	11,378	307	6,279	6,586	17,964	4,044
Cleaning services	544	1,466	75	1,541	2,085	1,870
Depreciation expense	3,035	272	341	613	3,648	3,014
Dues & subscriptions	2,961	-	995	995	3,956	4,699
Employee benefits	27,057	3,044	3,720	6,764	33,821	20,964
Events	39,933	95	211	306	40,239	11,414
Insurance	3,394	137	467	604	3,998	6,071
Meals & business meetings	180	30	40	70	250	432
Miscellaneous	-	-	-	-	-	693
Office expense	8,928	330	519	849	9,777	5,580
Office supplies	3,602	1,015	21	1,036	4,638	1,966
Outreach	27,156	593	2,694	3,287	30,443	30,340
Professional services	31,736	2,065	990	3,055	34,791	71,696
Payroll taxes	37,189	4,167	5,091	9,258	46,447	32,226
Postage	1,661	46	759	805	2,466	2,167
Rent	35,420	3,576	4,104	7,680	43,100	28,552
Salaries & wages	476,070	56,530	65,171	121,701	597,771	401,372
Staff development & training	3,623	-	90	90	3,713	655
Telephone	3,481	392	479	871	4,352	4,935
Travel	34,589	476	555	1,031	35,620	30,842
Utilities	4,671	1,067	636	1,703	6,374	5,673
	<u>\$ 767,521</u>	<u>\$ 75,846</u>	<u>\$ 94,889</u>	<u>\$ 170,735</u>	<u>\$ 938,256</u>	<u>\$ 674,822</u>

See Independent Auditors' Report