

**21ST CENTURY PARTNERSHIP
FOUNDATION, INC.**

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS**

DECEMBER 31, 2018

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INDEPENDENT AUDITOR'S REPORT

21st Century Partnership Foundation, Inc.
Warner Robins, Georgia

We have audited the accompanying financial statements of 21st Century Partnership Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flows for the year 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.

Auditor's Responsibility

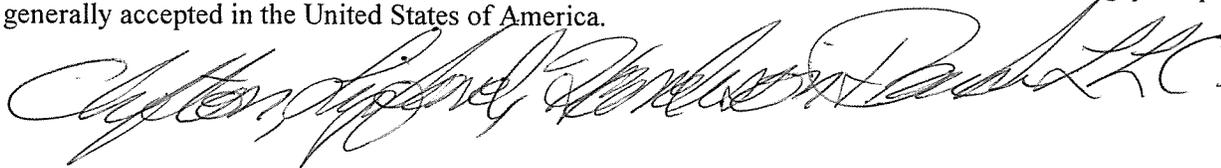
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 21st Century Partnership Foundation, Inc. as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "Christopher J. Anderson, CPA, LLC". The signature is written in a cursive, flowing style.

Macon, Georgia
May 31, 2019

FINANCIAL STATEMENTS

21ST CENTURY PARTNERSHIP FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

ASSETS

Current Assets:

Cash and cash equivalents	\$ 453,241
Pledges receivable, net of allowance	<u>46,519</u>
Total Current Assets	<u>499,760</u>

Other Assets:

Pledges receivable, net of allowance	<u>23,926</u>
Total Other Assets	<u>23,926</u>
Total Assets	<u>\$ 523,686</u>

LIABILITIES AND NET ASSETS

Liabilities:

Current Liabilities:

Accounts payable	<u>\$ -</u>
Total Current Liabilities	<u>-</u>

Net Assets:

Without donor restrictions	<u>523,686</u>
Total Net Assets	<u>523,686</u>
Total Liabilities and Net Assets	<u>\$ 523,686</u>

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

21ST CENTURY PARTNERSHIP FOUNDATION, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

Changes in Net Assets Without Donor Restrictions:

Revenues and Gains:

Contributions	\$ 86,223
Interest	3,279
In kind	20,900
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Total Revenues and Gains Without Donor Restrictions	110,402
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Expenses:

Program services	16,720
Supporting services	6,647
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Total Expenses	23,367
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Increase (decrease) in net assets without donor restrictions before transfers	87,035
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Transfer to 21st Century Partnership of Middle Georgia, Inc.	(125,000)
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Increase (decrease) in net assets without donor restrictions	(37,965)
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Net assets - beginning of year	561,651
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Net assets - end of year	\$ 523,686
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The accompanying notes are an integral part of these financial statements.

21ST CENTURY PARTNERSHIP FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

<u>Description:</u>	Program Services	Administrative and General	Totals
Accounting	\$ -	\$ 2,180	\$ 2,180
Miscellaneous	-	287	287
Rent	16,000	4,000	20,000
Telephone	720	180	900
Total Expenses	<u>\$ 16,720</u>	<u>\$ 6,647</u>	<u>\$ 23,367</u>

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

21ST CENTURY PARTNERSHIP FOUNDATION, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

Cash Flows from Operating Activities:

Revenue and Support Received	
Revenues and gains	\$ 194,718
Interest and dividends received	3,279
Cash Paid for:	
Operating expenses	<u>(23,367)</u>
Net Cash Provided by (Used for) Operating Activities	<u>174,630</u>

Cash Flows from Financing Activities:

Transfers	<u>(125,000)</u>
Net Cash Provided by (Used for) Financing Activities	<u>(125,000)</u>
Net Increase (Decrease) in Cash and Equivalents	49,630
Cash and Equivalents - Beginning of Year	<u>403,611</u>
Cash and Equivalents - End of Year	<u><u>\$ 453,241</u></u>

Reconciliation of Increase (Decrease) in Net Assets to
Net Cash Provided by (Used for) Operating Activities:

Increase (Decrease) in Net Assets before Transfer	<u>\$ 87,035</u>
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:	
(Increase) decrease in pledges receivable	<u>87,595</u>
Total Adjustments	<u>87,595</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ 174,630</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

21st Century Partnership Foundation, Inc. (Organization) is a nonprofit organization organized under the laws of the State of Georgia. The Organization was created to support the existing operation and expansion of Robins Air Force Base. The Organization is promoting the importance of the military mission and economic impact of the base. Also, the Organization is operating to deal with the threat of downsizing or closure of Robins Air Force Base. The Organization is managed by an executive board.

The Organization receives its funding from businesses and individuals in the Middle Georgia area. All government funding is received by the Organization's affiliate the 21st Century Partnership of Middle Georgia, Inc.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) 958. Under FASB ASC 958, the organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Unconditional Promises to Give

In accordance with FASB ASC 958, the Organization recognizes future unconditional promises to give as revenue in the year the pledge is made. The amounts are recorded at the estimated net present value. The difference between the face amount of the pledge and the net present value of the pledge is recorded as a discount on unconditional promises to give and is amortized annually. The Organization also estimates an allowance for doubtful unconditional promises to give.

Property and Equipment

Property and equipment acquisitions are recorded at cost, estimated cost, or, if donated, fair market value on the date of donation. Equipment is depreciated on a straight-line basis over lives ranging from 5 to 10 years.

21ST CENTURY PARTNERSHIP FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018
(CONTINUED)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition

Revenues are displayed in two broad categories. Earned revenues represent fees earned or revenue generated through the performance or provision of services. Contributed support represents unconditional gifts in a voluntary nonreciprocal transfer.

The Organization recognizes all contributed support received as income in the period received. Contributed support is reported as unrestricted or as restricted, depending upon the existence of donor stipulations that limit the use of the support. When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

In-kind Support

The Organization receives various types of in-kind support, including contributed services. Contributed professional services are recognized if (a) the services received, create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. Any amounts reflected as in kind support are offset by like amounts included in expenses.

Additionally, the Organization receives skilled, contributed time, which does not meet the two recognition criteria described above. Accordingly, the value of this contributed time has not been determined, and is not reflected in the accompanying financial statements.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Organization has applied for exemption from federal income tax and state income taxes under Internal Revenue Code Section 501(c)(3). However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

21ST CENTURY PARTNERSHIP FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018
(CONTINUED)

New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. 21st Century Partnership Foundation, Inc. has adjusted the presentation of these statements accordingly.

NOTE 2 – CASH AND DEPOSITS

As of December 31, 2018, the carrying amount of the Organization's deposits was \$453,241, and the bank balance was \$453,241.

Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The amount in excess of the FDIC limit totaled \$203,241 as of December 31, 2018. It is the opinion of management that solvency of the referenced financial institution is not a particular concern at this time.

NOTE 3 – PLEDGES RECEIVABLE

Unconditional promises are included in the financial statements as pledges receivable and revenue of the appropriate net asset category. Management estimates the valuation of allowance for uncollectible pledges. The allowance is based on prior years' experience and management's analysis of specific promises made. Unconditional promises due after December 31, 2019 are discounted at a rate of 4.5%.

Pledges outstanding as of December 31, 2018 are as follows:

Net pledges receivable:	
In one year or less	62,025
Greater than one year	34,900
	<u>96,925</u>
Less:	
Allowance for uncollectible pledges	(23,482)
Unamortized discount	<u>(2,998)</u>
Net pledges receivable	<u>\$ 70,445</u>

NOTE 4 – AVAILABILITY AND LIQUIDITY

The Organization's financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash	<u>\$ 453,241</u>
	<u>\$ 453,241</u>

21ST CENTURY PARTNERSHIP FOUNDATION, INC.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018
(CONTINUED)

As part of the organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the organization plans to utilize its cash balance to fund various projects in conjunction with 21st Century Partnership Foundation, Inc. within the next year.

NOTE 5 – RELATED PARTY TRANSACTIONS

Amounts due from or to affiliated entities are recorded as assets or liabilities, respectively. In 2018, donations of \$125,000 were transferred from the Organization to 21st Century Partnership of Middle Georgia, Inc. for current year operations.

NOTE 6 – INCOME TAXES

The Organization has applied for exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. For the year ended December 31, 2018, the Organization is taking the position that all income is derived as a result of its tax exempt purpose and there is no income derived from unrelated business activities. As a result, no tax liability has been recorded. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

NOTE 7 – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 31, 2019, the date which the financial statements were available to be issued.