

**21<sup>ST</sup> CENTURY PARTNERSHIP OF  
MIDDLE GEORGIA, INC.**

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

**DECEMBER 31, 2018**

21<sup>ST</sup> CENTURY PARTNERSHIP OF MIDDLE GEORGIA, INC.

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**INDEPENDENT AUDITOR'S REPORT**

21<sup>st</sup> Century Partnership of Middle Georgia, Inc.  
Warner Robins, Georgia

We have audited the accompanying financial statements of 21st Century Partnership of Middle Georgia, 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**

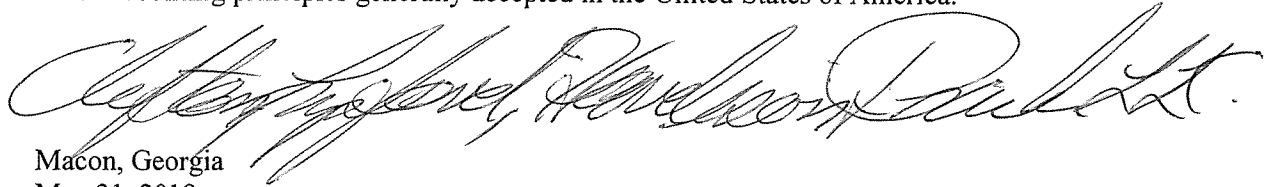
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 of Middle Georgia, 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 large, stylized handwritten signature in black ink, which appears to read "Christopher J. Anderson, CPA". The signature is written in a cursive, flowing style with a large initial 'C'.

Macon, Georgia  
May 31, 2019

## **FINANCIAL STATEMENTS**

21ST CENTURY PARTNERSHIP OF MIDDLE GEORGIA, INC.

STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2018

ASSETS

Current Assets:

Cash and cash equivalents	\$ 83,345
Prepaid expenses	3,390
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Total Current Assets	86,735
	<hr/>

Property and Equipment:

Equipment	5,189
Less: accumulated depreciation	(5,045)
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Net Property and Equipment	144
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Other Assets:

Deposits	500
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Total Other Assets	500
	<hr/>
Total Assets	\$ 87,379
	<hr/> <hr/>

LIABILITIES AND NET ASSETS

Liabilities:

Current Liabilities:

Accounts payable	\$ 3,440
Payroll liabilities	3,925
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Total Current Liabilities	7,365
	<hr/>

Net Assets:

Without donor restrictions	80,014
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Total Net Assets	80,014
	<hr/>
Total Liabilities and Net Assets	\$ 87,379
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The accompanying notes are an integral part of these financial statements.

21ST CENTURY PARTNERSHIP OF MIDDLE GEORGIA, INC.

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018

Changes in Net Assets Without Donor Restrictions:

Revenues and Gains:

Middle Georgia Regional Commission	\$ 135,000
Donations	8,051
In kind	30,100
	<hr/>

Total Revenues and Gains Without Donor Restrictions	173,151
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Expenses:

Program services	401,580
Supporting services	74,458
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Total Expenses	476,038
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Increase (decrease) in net assets without donor restrictions before transfers	(302,887)
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Transfer from 21st Century Partnership Foundation, Inc.	125,000
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Increase (decrease) in net assets without donor restrictions	(177,887)
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Net assets - beginning of year	257,901
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Net assets - end of year	\$ 80,014
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The accompanying notes are an integral part of these financial statements.

21ST CENTURY PARTNERSHIP OF MIDDLE GEORGIA, INC.

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

<u>Description:</u>	Program Services	Administrative and General	Totals
Advertising	\$ 3,501	\$ -	\$ 3,501
Award	-	36	36
Bank fee	-	86	86
Community support	5,603	-	5,603
Contributions	420	-	420
Depreciation	-	116	116
Dues and fees	-	1,187	1,187
Equipment rent	3,293	-	3,293
Insurance	3,467	867	4,334
Meetings	-	12,652	12,652
Miscellaneous	11,936	-	11,936
Office supplies	-	9,378	9,378
Professional fees	146,819	-	146,819
Contract payments - Middle Georgia Regional Commission	35,423	-	35,423
Rent	16,000	4,000	20,000
Salaries	137,317	39,600	176,917
Payroll taxes	10,914	3,148	14,062
Seminars	-	1,551	1,551
Taxes and licenses	-	90	90
Telephone	4,059	1,015	5,074
Travel	19,898	-	19,898
Utilities	2,930	732	3,662
Total Expenses	<u>\$ 401,580</u>	<u>\$ 74,458</u>	<u>\$ 476,038</u>

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



21ST CENTURY PARTNERSHIP OF MIDDLE GEORGIA, INC.

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

Cash Flows from Operating Activities:

Revenue and Support Received	
Revenues and gains	\$ 173,151
Cash Paid for:	
Operating expenses	<u>(495,782)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(322,631)</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	(197,631)
Cash and Equivalents - Beginning of Year	<u>280,976</u>
Cash and Equivalents - End of Year	<u><u>\$ 83,345</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>\$ (302,887)</u>
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:	
Depreciation	116
Increase (decrease) in accounts payable	(5,033)
Increase (decrease) in accrued salaries	(18,713)
Increase (decrease) in payroll liabilities	<u>3,886</u>
Total Adjustments	<u>(19,744)</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ (322,631)</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 of Middle Georgia, 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 local county/city governments. Most funds are collected by the Middle Georgia Regional Commission. All funds donated by businesses and individuals are received by the Organization's affiliate, the 21<sup>st</sup> Century Partnership Foundation, 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.

21<sup>ST</sup> CENTURY PARTNERSHIP OF MIDDLE GEORGIA, 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 is exempt from federal income tax and state income taxes under Internal Revenue Code Section 501(c)(6). 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).

21<sup>st</sup> CENTURY PARTNERSHIP OF MIDDLE GEORGIA, 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. 21<sup>st</sup> Century Partnership of Middle Georgia, 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 \$83,345, and the bank balance was \$85,033.

**NOTE 3 – AVAILABILITY AND LIQUIDITY**

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

Cash	\$	83,345
	\$	<u>83,345</u>

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 21<sup>st</sup> Century Partnership of Middle Georgia, Inc. within the next year.

**NOTE 4 – EQUIPMENT AND DEPRECIATION**

Property and equipment consist of the following:

Equipment	\$	5,189
Less: accumulated depreciation		<u>(5,045)</u>
Net property and equipment	\$	<u>144</u>

Depreciation expense for 2018 was \$116.

**NOTE 5 – RELATED PARTY TRANSACTIONS**

Amounts due from or to affiliated entities are recorded as assets or liabilities, respectively. During 2018, donations of \$125,000 were transferred to the Organization from 21<sup>st</sup> Century Partnership Foundation, Inc. for current year operations.

21<sup>st</sup> CENTURY PARTNERSHIP OF MIDDLE GEORGIA, INC.

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

**NOTE 6 – ADVERTISING**

The Organization uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During 2018, advertising costs totaled \$3,501.

**NOTE 7 – INCOME TAXES**

The Organization is exempt from federal income taxes under Section 501(c)(6) 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 8 – 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.