COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2014 AND 2013

COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC. AND SUBSIDIARIES

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BUTLER, WILLIAMS & WYCHE, LLP
CERTIFIED PUBLIC ACCOUNTANTS
915 HILL PARK
MACON, GEORGIA 31201

October 27, 2014

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Community Foundation of Central Georgia, Inc. and Subsidiaries

We have audited the accompanying consolidated financial statements of Community Foundation of Central Georgia, Inc. and Subsidiaries (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2014 and 2013, and the related consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Community Foundation of Central Georgia, Inc. and Subsidiaries as of June 30, 2014 and 2013, 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.

Butler, Williams & Wyche, LLP

COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2014 and 2013

	2014	2013
ASSETS		
Cash and cash equivalents	$ 5,916,862	$ 6,061,686
Investments, at market value	71,381,011	55,780,797
Interest and dividends receivable	165,015	126,314
Contributions receivable, net	24,484,635	317,718
Notes receivable	73,500	73,500
Prepaid expenses	22,315	20,531
Donated real property, at appraised fair value	922,000	2,070,900
Office equipment & renovations	319,484	317,026
Accumulated depreciation	(274,513)	(260,691)
Collections	12,000	12,000
Assets held in split interest agreements	4,927,700	4,776,759
TOTAL ASSETS	$ 107,950,009	$ 69,296,540
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 1,246	$ 471
Grants payable	490,888	393,432
Accrued annual leave	6,891	8,295
Agency endowments	8,480,209	6,609,651
Liabilities under split interest agreements	16,570,110	3,085,582
TOTAL LIABILITIES	25,549,344	10,097,431
NET ASSETS		
Unrestricted	69,561,225	57,193,069
Temporarily restricted	12,839,440	2,006,040
TOTAL NET ASSETS	82,400,665	59,199,109
TOTAL LIABILITIES AND NET ASSETS	$ 107,950,009	$ 69,296,540

The accompanying notes are an integral part of these statements.

COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ACTIVITIES

For the Years Ended June 30, 2014 and 2013

	2014		
	Unrestricted	**Temporarily Restricted**	**Total**
REVENUES, GAINS AND OTHER SUPPORT			
Contributions & pledges	$ 9,119,368	$ 10,728,701	$ 19,848,069
Interest and dividends	2,105,879	-	2,105,879
Net unrealized and realized gain (loss) on marketable securities	7,993,661	-	7,993,661
Special event revenue net of related expenses of $48,886 and $12,458	(37,186)	-	(37,186)
Administration of funds, grants, and trusts net of related expenses of $511,025 and $428,582	71,399	(11,184)	60,215
Change in value of donated real property	(1,148,900)	-	(1,148,900)
Change in value of split interest agreements	-	402,769	402,769
Net assets released from restrictions:			
Decrease in contributions & pledges receivable due to receipt of assets	286,886	(286,886)	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	$ 18,391,107	$ 10,833,400	$ 29,224,507
EXPENSES			
Program services:			
Grants	4,762,886	-	4,762,886
Other	306,140	-	306,140
Supporting services:			
Management and general	737,073	-	737,073
Fundraising	216,852	-	216,852
TOTAL EXPENSES	6,022,951	-	6,022,951
CHANGE IN NET ASSETS	12,368,156	10,833,400	23,201,556
NET ASSETS-BEGINNING OF YEAR	57,193,069	2,006,040	59,199,109
NET ASSETS-END OF YEAR	$ 69,561,225	$ 12,839,440	$ 82,400,665

The accompanying notes are an integral part of these statements.

2013		
Unrestricted	**Temporarily Restricted**	**Total**
$ 4,863,229	$ 50,000	$ 4,913,229
1,467,192	-	1,467,192
4,513,648	-	4,513,648
(9,363)	-	(9,363)
60,186	(9,926)	50,260
-	-	-
-	111,371	111,371
152,914	(152,914)	-
$ 11,047,806	$ (1,469)	$ 11,046,337
3,629,482	-	3,629,482
324,740	-	324,740
702,209	-	702,209
164,935	-	164,935
4,821,366	-	4,821,366
6,226,440	(1,469)	6,224,971
50,966,629	2,007,509	52,974,138
$ 57,193,069	$ 2,006,040	$ 59,199,109

COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended June 30, 2014 and 2013

	2014				
	Program Services		Supporting Services		
	Grants	Other	Management and General	Fundraising	Total
Communications	$ -	$ 25,555	$ -	$ 35,918	$ 61,473
Computer related expenses	-	12,117	10,989	5,072	28,178
Depreciation	-	6,872	6,232	2,877	15,981
Development	-	-	-	15,243	15,243
Dues	-	7,230	6,558	3,026	16,814
Grants	4,762,886	-	-	-	4,762,886
Health insurance	-	8,348	7,572	3,495	19,415
Insurance-other	-	541	8,736	377	9,654
Investment management fees	-	-	437,039	-	437,039
Legal and professional	-	47,701	43,263	19,968	110,932
Merchant fees	-	-	-	508	508
Office supplies	-	3,852	3,494	1,744	9,090
Payroll taxes	-	10,303	11,007	7,176	28,486
Postage	-	1,465	1,328	652	3,445
Property taxes	-	-	9,095	-	9,095
Rent	-	9,761	8,853	4,086	22,700
Repairs and maintenance	-	-	670	-	670
Retirement plan	-	11,901	12,716	8,289	32,906
Salaries	-	148,401	158,552	103,359	410,312
Telephone	-	3,298	2,992	1,381	7,671
Training and seminars	-	1,947	1,766	815	4,528
Travel	-	6,848	6,211	2,866	15,925
	$ 4,762,886	$ 306,140	$ 737,073	$ 216,852	$ 6,022,951

The accompanying notes are an integral part of these statements.

2013				
Program Services		Supporting Services		
Grants	Other	Management and General	Fundraising	Total
$ -	$ 35,104	$ -	$ 13,854	$ 48,958
-	12,204	10,347	3,979	26,530
-	13,648	11,571	4,451	29,670
-	-	-	15,870	15,870
-	7,403	6,276	2,414	16,093
3,629,482	-	-	-	3,629,482
-	8,307	7,043	2,709	18,059
-	529	7,736	291	8,556
-	-	414,584	-	414,584
-	38,385	32,544	12,517	83,446
-	-	-	67	67
-	2,688	2,279	876	5,843
-	10,876	10,740	5,991	27,607
-	1,336	1,133	436	2,905
-	-	8,784	-	8,784
-	10,265	8,703	3,347	22,315
-	1,223	1,816	399	3,438
-	12,512	12,356	6,892	31,760
-	157,174	155,202	86,574	398,950
-	3,587	3,041	1,170	7,798
-	2,526	2,142	824	5,492
-	6,973	5,912	2,274	15,159
$ 3,629,482	$ 324,740	$ 702,209	$ 164,935	$ 4,821,366

COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	$ 23,201,556	$ 6,224,971
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	15,981	29,670
(Increase) decrease in:		
Prepaid expenses	(1,784)	3,704
Contributions receivable	(24,166,917)	102,914
Notes receivable	-	(73,500)
Increase (decrease) in:		
Accounts payable	775	(307)
Accrued annual leave	(1,404)	550
Agency endowments	1,870,558	910,284
Grants payable	97,456	247,036
Marketable securities received as contributions	(1,504,879)	(897,318)
Decrease in value of donated real property	1,148,900	-
Net unrealized and realized gains on marketable securities	(7,993,661)	(4,513,648)
NET CASH PROVIDED BY OPERATING ACTIVITIES	(7,333,419)	2,034,356
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) decrease in interest and dividends receivable	(38,701)	(38,163)
Purchases of marketable securities	(34,008,841)	(20,207,201)
Proceeds from sale of marketable securities	27,907,167	17,721,876
Purchases of equipment	(4,617)	(10,852)
(Increase) decrease in assets under split interest agreements	(150,941)	(98,249)
Increase (decrease) in liabilities under split interest agreements	13,484,528	(3,818)
NET CASH (USED)/PROVIDED BY INVESTING ACTIVITIES	7,188,595	(2,636,407)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(144,824)	(602,051)
BEGINNING CASH AND CASH EQUIVALENTS	6,061,686	6,663,737
ENDING CASH AND CASH EQUIVALENTS	$ 5,916,862	$ 6,061,686
<u>Supplemental Disclosure</u>		
Non-cash contributions	$ 1,504,879	$ 897,318

The accompanying notes are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2014 and 2013

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The mission of the Community Foundation of Central Georgia, Inc. and Subsidiaries (collectively referred to as the "Foundation") is to enhance the quality of life for the people of Central Georgia. The Foundation receives gifts and bequests from individuals, families, businesses and organizations. These gifts and bequests make up the funds of the Foundation.

Basis of Presentation

The Foundation's consolidated financial statements have been prepared on the accrual basis of accounting which recognizes revenue when earned and expenses when incurred in accordance with generally accepted accounting principles in the United States of America.

Basis of Consolidation

The consolidated financial statements of the Foundation include the Community Foundation of Central Georgia, Inc. and the three wholly owned subsidiaries of the Foundation: CFCG Holdings, LLC, CFCG Jennifer Drive, LLC, and Dover Hall Tract 100, LLC. These entities have been set up for the purpose of holding real estate contributed to the Foundation. All significant balances and transactions between the entities have been eliminated in consolidation.

Cash and Cash Equivalents

Cash and cash equivalents as reported on the Consolidated Statements of Financial Position consist of cash, money market funds, and U.S. Treasury notes with a maturity of three months or less at the time of purchase.

Investments

Investments in money market funds and marketable securities are reported at their fair market values based upon published quotes. Investments received as contributions are recorded at their fair market value as determined at the time of the gift. Gains and losses on investments for the year are reported in the Consolidated Statements of Activities as part of net unrealized and realized gain (loss) on marketable securities.

Donated Real Property

Donated real property held for sale is stated at fair market value at the date of donation. Fair market values are adjusted periodically if values materially decline. Periodic fair value appraisals are made as deemed necessary based upon economic conditions and management's discretion to determine whether the real estate is impaired.

Property and Equipment

Office equipment is recorded on the basis of cost or estimated fair value on the date of gift if received through donation. If the donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation is provided using the straight-line method over the estimated useful lives of three to thirty years. Depreciation expense in fiscal year ends ended June 30, 2014 and 2013 was $28,178 and $29,670, respectively.

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Collections

Works of art, historical treasures and similar assets donated to the Foundation are recorded at their estimated fair market value on the date of the gift. They are not depreciated because their economic benefit is used up so slowly that their estimated useful lives are extraordinarily long.

Public Support and Revenue

Support from contributions is recognized when donations and unconditional promises to give are received by the Foundation. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are recorded at the present value of their net realizable value using a risk-free interest rate. All non-cash contributions are recognized at their fair market value on the date received. Gifts of cash and other assets are reported as restricted support if they are received with time restrictions such as split interest agreements, contributions receivable, and unconditional promises to give. When the stipulated time restriction ends, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Consolidated Statements of Activities as net assets released from restrictions.

Functional Allocation of Expenses

The Consolidated Statement of Functional Expenses allocates expenses between two categories or “functions.” These functions are program services, which are grants made in support of the Foundation’s mission and related expenses, and supporting services, which are general, administrative and fundraising expenses. During the year ended June 30, 2014 and 2013, the Foundation made grants totaling $4,762,886 and $3,629,482 respectively, for various community needs. Certain costs have been allocated between program services and supporting services based on estimates made by management.

Grants

Grants are recorded as expenses in the year they are approved for payment.

Net Assets

The accompanying financial statements have been prepared in accordance with the Financial Accounting Standards Board (FASB) in Accounting Standards Codification (ASC) Topic 958, *Not-For-Profit Entities*. Under ASC 958, the Foundation is required to present its net assets and its revenue and gains (losses) based upon the existence or absence of donor imposed restrictions into three classes: unrestricted, temporarily restricted, and permanently restricted. ASC 958 provides guidance for the classification of donor-restricted endowment funds that are subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The subtopic also provides for enhanced disclosures about endowment funds (both donor-restricted endowment funds and board designated endowment funds). The Board of Directors, on the advice of legal counsel, has determined that the majority of the Foundation’s net assets do not meet the definition of endowment under UPMIFA. While not UPMIFA-defined endowment, reference to “endowment” or “endowed assets” in these notes relate to those intentions of the Foundation.

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Foundation is governed subject to its Articles of Incorporation and Bylaws, its adopted investment policy and individual gift agreements. Certain contributions are received subject to other gift instruments, or are subject to specific agreements with the Foundation. Under the terms of its Articles of Incorporation, the Foundation has the ability to distribute all or any part of its net income, principal or property, in accordance with determination made by the Foundation's Board of Directors. As a result of the ability to distribute corpus, all contributions not classified as temporarily restricted or permanently restricted are classified as unrestricted net assets for financial statement purposes.

Temporarily restricted net assets consist of irrevocable charitable trusts, restricted contributions receivable, and the remaining portion of donor-restricted endowment funds that are not classified as permanently restricted net assets. When donor restrictions expire, that is, when a stipulated time restriction ends or a purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Temporarily restricted net assets consist of the following at June 30:

	2014	2013
Contributions Receivable, net	$ 24,484,635	$ 317,718
Split Interest Agreements	(11,645,195)	1,688,322
Total temporarily restricted net assets	$ 12,839,440	$ 2,006,040

Permanently restricted net assets represent the fair value of the original gift as of the gift date and the original value of subsequent gifts to donor-restricted endowment funds. These net assets are subject to donor-imposed stipulations that they be maintained permanently by the Organization. There were no permanently restricted net assets as of June 30, 2014 or 2013.

Endowment Investment and Spending Policies

Endowment assets are invested pursuant to the Foundation's investment policy. To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk parameters. The Foundation's investment policy statement establishes a payout rate for distribution.

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Funds Due to Other Organizations for Organizational Endowments

In accordance with FASB ASC Topic 958-605, if a not-for-profit organization establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the community foundation must account for the transfer of such assets as a liability. The Foundation refers to such funds as organizational endowments.

The Foundation maintains variance power and legal ownership of organizational endowment funds and, as such, continues to report the funds as assets of the Foundation. However, in accordance with ASC 958-605, a liability has been established for the present value of the future payments expected to be made to the not-for-profit organizations, which is generally equivalent to the fair value of the funds. All financial activity for the years ended June 30, 2014 and 2013 related to these funds is not reflected in the Consolidated Statements of Activities and has been classified as a liability in the Consolidated Statements of Financial Position.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Foundation and its supporting organizations have been granted exemptions from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and have been determined not to be private foundations under Section 509(a)(1) of the Code. As such, no provision for income taxes is reflected in the financial statements.

NOTE B – INVESTMENTS

The Foundation's investments are reported at fair value. All other Foundation financial instruments' fair values approximate carrying value. Investments are summarized as follows at June 30:

	2014		2013	
	Cost	Fair Market Value	Cost	Fair Market Value
Stocks, Bonds and Mutual Funds	$ 61,269,817	$ 71,381,011	$ 50,711,107	$ 55,780,797

NOTE B – INVESTMENTS (CONTINUED)

Fair Value Measurement
The Foundation follows the provisions of fair value measurement and disclosures codified in the *Fair Value Measurements and Disclosures* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820. This Standard is intended to increase consistency and comparability in fair value measurements by defining fair value, establishing a framework for measuring fair value, and expanding disclosures about fair value measurements. FASB ASC 820 establishes a three-level hierarchy for disclosure of assets and liabilities recorded at fair value. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent sources while unobservable inputs reflect estimates about market data.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level I – Quoted prices are available in active markets for identical investments as of the reporting date. Valuation adjustments are not applied to Level I instruments. Since valuations are based on quoted prices that are readily available in an active market, valuation of these products does not entail a significant degree of judgment. Classifications consist of common stocks and mutual funds that are valued at the closing price reported on the active market on which the individual securities are traded.

Level II – Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level I. Inputs include quoted prices for similar assets in active markets, quoted prices for identical assets in inactive markets, or other than quoted prices that are observable for assets. Classifications consist of commingled funds, private placement mutual funds, and limited partnerships where detailed holdings were available and consisted of securities reported on active markets, as well as debt securities valued using inputs of quoted prices for similar assets.

Level III – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Classifications consist of hedge funds and other securities that do not have a readily determinable market value because detailed holdings were unavailable or the securities are not publicly traded. Fair values are based on information provided by administrators of each underlying fund.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given investment is based on the lowest level of input that is significant to the fair value measurement. The Foundation's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

NOTE B – INVESTMENTS (CONTINUED)

The fair value of each financial instrument in the table below was measured using FASB ASC 820 input guidance and valuation techniques. The following table sets forth carrying amounts and estimated fair values for financial instruments measured and recorded at fair value on recurring bases at June 30:

	2014			
	Level I	Level II	Level III	Total
Fixed income	$ 3,734,841	$ -	$ -	$ 3,734,841
Equity funds	24,179,524	-	-	24,179,524
Mutual funds	43,253,150	-	-	43,253,150
Closely held stock & partnership interest	-	-	213,496	213,496
Total Investments	$ 71,167,515	$ -	$ 213,496	$ 71,381,011

	2013			
	Level I	Level II	Level III	Total
Fixed income	$ 4,756,644	$ -	$ -	$ 4,756,644
Equity funds	28,515,088	-	-	28,515,088
Mutual funds	22,330,591	-	-	22,330,591
Closely held stock & partnership interest	-	-	178,474	178,474
Total Investments	$ 55,602,323	$ -	$ 178,474	$ 55,780,797

For the years ended June 30, 2014 and 2013, the change in Level III assets and liabilities measured at fair value on a recurring basis:

	Closely Held Stock & Partnership Interest
Balance - July 1, 2012	$ -
Contribution of Level III assets	178,474
Balance - June 30, 2013	178,474
Contribution of Level III assets	35,022
Balance - June 30, 2014	$ 213,496

NOTE C – CONTRIBUTIONS RECEIVABLE

Unconditional contributions are recorded when the promise to contribute is made. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions received with donor-imposed restrictions (including those for acquisition of long-lived assets) that are met within the same year as received are reported as revenues of the unrestricted net asset class.

Unconditional contributions and pledges outstanding are generally due as follows:

	2014	2013
Unconditional promises expected to be collected in:		
Less than one year	$ 24,788,536	$ 441,767
One to five years	-	16,000
Total unconditional contributions	24,788,536	457,767
Less present value discount at rates of 1%	-	(8,188)
Less allowance for doubtful accounts	(303,901)	(131,861)
Contributions receivable, net	$ 24,484,635	$ 317,718

NOTE D – OPERATING LEASE

During the year ended June 30, 2014, the Foundation entered into a new operating lease for office space. The lease term is for 36 months beginning April 1, 2014. Either party may terminate the lease at the end of each twelve month period by providing written notice no less than 90 days prior to the effective date of termination. The lease calls for monthly payments of $1,906 for the first twelve months, $1,944 for the second twelve months, and $1,983 for the third twelve months. The total lease expense for the years ended June 30, 2014 and 2013 was $22,700 and $23,315 respectively.

The minimum future lease payments under operating leases at June 30, 2014 are as follows:

2015	$ 22,984
2016	23,442
2017	17,846
Total minimum future lease payments	$ 64,272

NOTE E – SPLIT INTEREST AGREEMENTS

Charitable Remainder Split Interest Agreements

During the year ended June 30, 1999, a donor established a charitable remainder trust with the Foundation as the trustee and remainder beneficiary. Under terms of the split interest agreement, the donor is to receive 7% of the net fair market value of the trust assets as of the first day of each taxable year to be paid in equal quarterly installments until the donor's death. At the time of the donor's death, $100,000 is to be distributed to the Girl Scouts of Historic Georgia, Inc. with the remaining trust assets to be retained by the Foundation. Based on the donor's life expectancy and a discount rate of 2.2% and 1.2% at June 30, 2014 and 2013, respectively, the present value of future benefits expected to be received by the Foundation is estimated to be $42,146 and $22,748, respectively. The present value of amounts to be paid to the donor and to the Girl Scouts of Historic Georgia, Inc. is estimated to be $143,780 and $147,464, respectively, and is recorded as a liability under split interest agreements in the accompanying Consolidated Statements of Financial Position with the assets related to this split interest agreement recorded at their fair market value of $185,926 and $170,212, respectively.

During the year ended June 30, 2004, two charitable remainder unitrusts were established with the Foundation as the trustee and remainder beneficiary. Under terms of the first trust agreement, the donor is to receive 7% of the fair market value of the trust assets as of the first day of each taxable year to be paid annually until the donor's death. At the time of the donor's death, the trust is to terminate and the remaining trust assets are to be maintained at the Foundation in a designated fund. Based on the donor's life expectancy and a discount rate of 2.2% and 1.2% at June 30, 2014 and 2013, respectively, the present value of future benefits expected to be received by the Foundation is estimated to be $32,515 and $27,594, respectively. The present value of amounts to be paid to the donor over the donor's lifetime is estimated to be $15,064 and $16,767, respectively, and is recorded as a liability under split interest agreements in the accompanying Consolidated Statements of Financial Position with the assets related to this split interest agreement recorded at their fair market value of $47,579 and $44,361, respectively.

Under the second agreement, the donor received 8% of the fair market value of the trust assets as of the first day of each taxable year paid in equal quarterly installments until the donor's death. At the time of the donor's death in 2013, the trust terminated. The remaining trust assets are maintained at the Foundation in an unrestricted fund and a scholarship fund. In the prior year based on the donor's life expectancy and a discount rate of 1.2% at June 30, 2013, the present value of future benefits expected to be received by the Foundation was estimated to be $191,442. The present value of amounts to be paid to the donor over the donor's lifetime was expected to be $45,309, and was recorded as a liability under the split interest agreements in the accompanying Consolidated Statements of Financial Position with the assets related to this split interest agreement recorded at their fair market value of $236,751.

During the year ended June 30, 2005, three additional charitable remainder unitrusts were established with the Foundation as the trustee and remainder beneficiary. Under the first trust agreement, the donor is to receive 6% of the fair market value of the trust assets as of the first day of each taxable year to be paid monthly until the donor's death. At the time of the donor's death, the trust is to terminate and the remaining trust assets are to be maintained at the Foundation in a donor advised fund. Based on the donor's life expectancy and a discount rate of 2.2% and 1.2% at June 30, 2014 and 2013, respectively, the present value of future benefits expected to be received by the Foundation is estimated to be $360,042 and $327,160, respectively. The present value of amounts to be paid to the donor over the donor's lifetime is estimated to be $83,420 and $81,948, respectively, and is recorded as a liability under split interest agreements in the accompanying Consolidated Statements of Financial Position with the assets related to this split interest agreement recorded at their fair market value of $443,462 and $409,108, respectively.

NOTE E – SPLIT INTEREST AGREEMENTS (CONTINUED)

Under the second agreement, the donor and spouse are to receive 7% of the fair market value of the trust assets as of the first day of each taxable year to be paid quarterly until their death. At the time of the surviving spouse's death, the trust is to terminate and the remaining trust assets are to be maintained at the Foundation in a donor advised fund. Based on their life expectancy and a discount rate of 2.2% and 1.2% at June 30, 2014 and 2013, respectively, the present value of future benefits expected to be received by the Foundation is estimated to be $106,892 and $95,459, respectively. The present value of the amount to be paid to the donor and spouse over their lifetimes is estimated to be $52,235 and $50,490, respectively, and is recorded as a liability under split interest agreements in the accompanying Consolidated Statements of Financial Position with the assets related to this split interest agreement recorded at their fair market value of $159,127 and $145,949, respectively.

Under the third agreement, the donor is to receive 7.6% of the fair market value of the trust assets as of the first day of each taxable year to be paid monthly until the death. At the time of the donor's death, the trust is to terminate and 90% of the trust's assets are to be paid to other charities with the remaining 10% to be maintained at the Foundation in a donor advised fund. Based on the life expectancy and a discount rate of 2.2% and 1.2% at June 30, 2014 and 2013, respectively, the present value of future benefits expected to be received by the Foundation is estimated to be $65,456 and $58,282, respectively. The present value of the amount to be paid to the donor over the lifetime and to other charities at the death is estimated to be $1,172,272 and $1,085,772, respectively, and is recorded as a liability under split interest agreements in the accompanying Consolidated Statements of Financial Position with the assets related to this split interest agreement recorded at their fair market value of $1,237,728 and $1,144,054, respectively.

During the year ended June 30, 2006, the Foundation became the trustee and remainder beneficiary of six additional trusts that were set up under a donor's will. One trust was established as a charitable remainder annuity unitrust and five trusts were established as charitable remainder unitrusts. Under the terms of the annuity trust, the beneficiary specified by the donor is to receive an annuity amount equal to 5% of the initial net fair market value of the trust assets to be paid in quarterly installments until the death of the beneficiary. Under the terms of the five charitable remainder trusts, the beneficiaries specified by the donor are to receive 6% of the fair market value of the trusts' assets as of the first day of each taxable year to be paid in quarterly installments until the death of each beneficiary. For all six trusts, at the time of each beneficiary's death, the trusts are to terminate and the remaining trust assets are to be maintained at the Foundation in a donor advised fund. Based on each beneficiary's life expectancy and a discount rate of 2.2% and 1.2% at June 30, 2014 and 2013, respectively, the present value of future benefits expected to be received by the Foundation from all six trusts is estimated to be $1,098,401 and $968,492, respectively. The present value of amounts to be paid to the beneficiaries over their lifetimes is estimated to be $1,293,632 and $1,236,915, respectively, and is recorded as a liability under split interest agreements in the accompanying Consolidated Statements of Financial Position with the assets related to these split interest agreements recorded at their fair market value of $2,392,033 and $2,205,407, respectively.

During the year ended June 30, 2008, a charitable remainder unitrust was established with the Foundation as the trustee. The Foundation would also be the remainder beneficiary if the donor did not designate another charitable organization. Upon the donor's death in the year ended June 30, 2014, no other charitable organization was named by the donor. Under terms of the trust agreement, the beneficiary specified by the donor is to receive 5% of the fair market value of the trust assets as of the first day of each taxable year to be paid in equal quarterly installments for a ten year period. At the end of the ten year period, the trust is to terminate and the remaining trust assets are to be maintained at the Foundation in a donor advised fund. Based on the ten year period and a discount rate of 2.2% at June 30, 2014, the present value of future benefits expected to be received by the Foundation is estimated to be $377,240. There was no future benefit estimated at June 30, 2013 as the Foundation was not the certain charitable beneficiary of the remainder. The present value of amounts to be paid over the remaining life of the charitable remainder unitrust at June 30, 2014 and 2013, respectively, is estimated to be $84,605 and $420,917, and is recorded as a liability under split interest agreements in the accompanying Consolidated Statements of Financial Position with the assets related to this split interest agreement recorded at their fair market value of $461,845 and $420,917, respectively.

NOTE E – SPLIT INTEREST AGREEMENTS (CONTINUED)

During the year ended June 30, 2014, the Foundation was notified of the creation of a charitable remainder unitrust with the Foundation as the trustee and remainder beneficiary. Under terms of the split interest agreement specified in the will of the donor, the income beneficiary is to receive 5% of the net fair market value of the trust assets as of the first day of each taxable year to be paid in equal quarterly installments until the beneficiary's death. At the time of the beneficiary's death, the trust is to terminate and the remaining trust assets are to be maintained at the Foundation in an unrestricted fund. Based on the beneficiary's life expectancy and a discount rate of 2.2% at June 30, 2014, the present value of future benefits expected to be received by the Foundation is estimated to be $7,274,898. The present value of amounts to be paid to the beneficiary over the beneficiary's lifetime is estimated to be $13,725,102, and is recorded as a liability under split interest agreements in the accompanying Consolidated Statements of Financial Position. As the assets have not been transferred from the estate of the donor to the trust, the estimated asset value of $21,000,000 is included in contributions receivable.

NOTE F – RETIREMENT PLAN

The Foundation maintains an Internal Revenue Code section 408(K) Simplified Employee Pension plan for its employees. The Foundation's contribution rate is equal to 8% of the annual gross salaries of eligible employees. During the years ended June 30, 2014 and 2013, the Foundation's contribution to the plan totaled $32,906 and $31,760, respectively.

NOTE G – DONATED SERVICES

No amounts have been recognized in the financial statements for donated services; however, the Board of Directors and other volunteers have donated significant time to the Foundation's mission.

NOTE H – CONCENTRATION OF CREDIT AND MARKET RISK

Financial instruments that potentially expose the Foundation to concentrations of credit and market risk consist primarily of cash and cash equivalents and marketable securities. Cash and cash equivalents are maintained at financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation to specific limits. Deposits may at times exceed federally insured limits and credit exposure is limited to deposits at any one institution in excess of this limit. The Foundation has not experienced any losses on its cash and cash equivalents. Marketable securities do not represent significant concentrations of market risk inasmuch as the Foundation's marketable securities portfolio is diversified among issuers.

NOTE I – NON-CASH TRANSACTIONS

The Foundation received contributions of stock in the amount of $1,504,879 and $897,318 for the years ended June 30, 2014 and 2013, respectively. These contributions have been treated as non-cash transactions for the purpose of the statement of cash flows.

NOTE J – SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 27, 2014, the date these financial statements were available to be issued.