



**Financial Statements**

**December 31, 2018 and 2017**

# Georgia GOAL Scholarship Program, Inc.

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## **Independent Auditor's Report**

To the Board of Directors of  
Georgia GOAL Scholarship Program, Inc.

We have audited the accompanying financial statements of Georgia GOAL Scholarship Program, Inc. (the Organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and changes in net assets 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. 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 our 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, we consider internal control relevant to the Organization'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 Organization'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 Georgia GOAL Scholarship Program, Inc. as of December 31, 2018 and 2017, 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.

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*Other Matter*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information on page 16 is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the rules of the Department of Revenue Income Tax Division of Georgia under chapter 560-7-8-.47(4). 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 audits 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 or 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.

*Bennett Thrasher LLP*

April 24, 2019

# Georgia GOAL Scholarship Program, Inc.

## Statements of Financial Position December 31, 2018 and 2017

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	2018	2017
<b>Assets</b>		
Assets obligated for scholarships:		
Investments	\$ 22,799,002	\$ 23,582,243
Cash and cash equivalents - scholarship account	4,033,785	2,773,204
Cash and cash equivalents - operating account	566,470	513,367
Other assets	22,516	8,481
Leasehold improvements, less accumulated amortization	26,553	38,355
Software costs, less accumulated amortization	24,992	25,473
	<u>27,473,318</u>	<u>26,941,123</u>
Total assets	<u>\$ 27,473,318</u>	<u>\$ 26,941,123</u>
<b>Liabilities and Net Assets</b>		
Accounts payable	\$ 52,670	\$ 58,053
Deferred rent	37,231	50,714
	<u>89,901</u>	<u>108,767</u>
Total liabilities	<u>89,901</u>	<u>108,767</u>
Net assets:		
Without donor restrictions		
Undesignated	564,039	471,572
Board designated	673,679	435,173
	<u>1,237,718</u>	<u>906,745</u>
With donor restrictions	<u>26,145,699</u>	<u>25,925,611</u>
Total net assets	<u>27,383,417</u>	<u>26,832,356</u>
Total liabilities and net assets	<u>\$ 27,473,318</u>	<u>\$ 26,941,123</u>

*See accompanying notes to financial statements.*

## Georgia GOAL Scholarship Program, Inc.

### Statement of Activities and Changes in Net Assets For the Year Ended December 31, 2018

	Without Donor Restrictions		With Donor Restrictions	Total
	Undesignated	Board Designated		
Revenue and support:				
Contributions	\$ 8,000	\$ -	\$ 21,168,420	\$ 21,176,420
Administrative revenue	746,441	400,000	(1,146,441)	-
Donated services and facilities	24,000	-	-	24,000
Net investment income (loss) (Note 3)	172,537	-	(574,180)	(401,643)
Net assets released from restrictions	<u>19,389,205</u>	<u>(161,494)</u>	<u>(19,227,711)</u>	<u>-</u>
Total revenue and support	<u>20,340,183</u>	<u>238,506</u>	<u>220,088</u>	<u>20,798,777</u>
Expenses:				
Program expense	19,770,976	-	-	19,770,976
Fundraising expense	102,849	-	-	102,849
General and administrative expense	<u>373,891</u>	<u>-</u>	<u>-</u>	<u>373,891</u>
Total expenses	<u>20,247,716</u>	<u>-</u>	<u>-</u>	<u>20,247,716</u>
Increase in net assets	92,467	238,506	220,088	551,061
Net assets, beginning of year	<u>471,572</u>	<u>435,173</u>	<u>25,925,611</u>	<u>26,832,356</u>
Net assets, end of year	<u>\$ 564,039</u>	<u>\$ 673,679</u>	<u>\$ 26,145,699</u>	<u>\$ 27,383,417</u>

*See accompanying notes to financial statements.*

## Georgia GOAL Scholarship Program, Inc.

### Statement of Activities and Changes in Net Assets For the Year Ended December 31, 2017

	Without Donor Restrictions		With Donor Restrictions	Total
	Undesignated	Board Designated		
Revenue and support:				
Contributions	\$ 13,099	\$ -	\$ 17,785,730	\$ 17,798,829
Administrative revenue	742,965	200,000	(942,965)	-
Donated services and facilities	13,000	-	-	13,000
Net investment income (Note 3)	30,661	-	1,738,620	1,769,281
Net assets released from restrictions	<u>17,346,659</u>	<u>(239,811)</u>	<u>(17,106,848)</u>	<u>-</u>
Total revenue and support	<u>18,146,384</u>	<u>(39,811)</u>	<u>1,474,537</u>	<u>19,581,110</u>
Expenses:				
Program expense	17,712,268	-	-	17,712,268
Fundraising expense	101,206	-	-	101,206
General and administrative expense	<u>359,272</u>	<u>-</u>	<u>-</u>	<u>359,272</u>
Total expenses	<u>18,172,746</u>	<u>-</u>	<u>-</u>	<u>18,172,746</u>
Increase (decrease) in net assets	(26,362)	(39,811)	1,474,537	1,408,364
Net assets, beginning of year	<u>497,934</u>	<u>474,984</u>	<u>24,451,074</u>	<u>25,423,992</u>
Net assets, end of year	<u>\$ 471,572</u>	<u>\$ 435,173</u>	<u>\$ 25,925,611</u>	<u>\$ 26,832,356</u>

*See accompanying notes to financial statements.*

# Georgia GOAL Scholarship Program, Inc.

## Statements of Cash Flows

### For the Years Ended December 31, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Increase in net assets	\$ 551,061	\$ 1,408,364
Reconciliation of net assets to net cash provided by operating activities:		
Net unrealized loss (gain) on investments	1,149,252	(1,150,733)
Net realized gain on investments	(119,058)	(155,074)
Amortization expense	29,183	26,009
Changes in assets and liabilities:		
Other assets	(14,035)	(965)
Accounts payable	(5,383)	2,019
Deferred rent	(13,483)	(11,714)
Net cash provided by operating activities	<u>1,577,537</u>	<u>117,906</u>
Cash flows from investing activities:		
(Increase) decrease in cash - scholarship account	(1,260,581)	934,875
Purchases of investments	(1,622,833)	(2,547,970)
Proceeds on sales of investments	1,375,880	1,489,514
Purchases of software and leasehold improvements	(16,900)	(8,993)
Net cash used in investing activities	<u>(1,524,434)</u>	<u>(132,574)</u>
Net increase (decrease) in cash and cash equivalents	53,103	(14,668)
Cash and cash equivalents, at beginning of year	<u>513,367</u>	<u>528,035</u>
Cash and cash equivalents, at end of year	<u>\$ 566,470</u>	<u>\$ 513,367</u>

*See accompanying notes to financial statements.*



# Georgia GOAL Scholarship Program, Inc.

## Notes to Financial Statements December 31, 2018 and 2017

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### Note 1: Description of Organization and Summary of Significant Accounting Policies

#### Description of Organization

Georgia GOAL Scholarship Program, Inc. (the Organization) is a nonprofit Georgia corporation that provides students with scholarships to attend private pre-k-12 schools of their parents' choice in the State of Georgia. It is a Student Scholarship Organization (SSO) as defined by the State of Georgia. The Organization operates in a manner that enables Georgia taxpayers to secure the Qualified Education Expense Credit available under Official Code of Georgia Annotated (O.C.G.A.) § 48-7-29.16 for their charitable contributions to the Organization.

#### Use of Estimates in Financial Statements

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

#### Financial Statement Presentation

The Organization prepares its financial statements using the accrual basis of accounting and in accordance with the Financial Accounting Standards Board Accounting Standards Codification for restrictions placed on assets by donors.

To ensure observance of limitations and restrictions placed on the use of resources available to the Organization, the resources are classified for accounting and reporting purposes into categories established according to their nature and purpose. The assets, liabilities and net assets of the Organization are reported as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor-imposed restrictions. The governing board has designated, from assets without donor restrictions, funds obligated to provide additional scholarships. These funds are considered without donor restrictions since they are not donor restricted funds; however, the funds are reported separately for financial statement purposes as they are not available for general operating purposes without board actions.
- *Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

## **Assets Obligated for Scholarships**

The Organization had \$766,552 held in a non-interest bearing bank account, \$3,267,233 held in interest-bearing bank accounts, and \$22,799,002 in investment accounts at December 31, 2018. The Organization had \$121,370 held in a non-interest bearing bank account, \$2,651,834 held in interest-bearing bank accounts and \$23,582,243 in investment accounts at December 31, 2017.

These funds are obligated under the provisions of Georgia law relating to the operation of student scholarship organizations under O.C.G.A. § 20-2A. In addition, under O.C.G.A. § 20-2A, the Organization is required to maintain two separate accounts for operating and scholarship funds.

## **Investments**

Investments are stated at fair market value in accordance with GAAP. Fair value of investments is calculated based on quoted market prices, if available, or estimated using quoted market prices for similar securities. Net appreciation in the fair market value of investments, which consists of the unrealized gains and losses on those investments, is included in investment income (loss) in the accompanying statements of activities and changes in net assets. Investment income (loss) is recorded as an increase (decrease) to net assets and is reported net of external and direct internal investment expenses. Income is recognized from interest and dividends as earned.

## **Cash and Cash Equivalents**

Cash and cash equivalents consists of highly liquid investments with maturities of three months or less at the date of purchase. These investments are carried at costs, which approximates fair value. At times, cash and cash equivalents may exceed federally insured amounts. The Organization believes it mitigates any risks by depositing cash in major financial institutions.

## **Leasehold Improvements**

Leasehold improvements are amortized using the straight-line method over the lesser of the term of the lease, without consideration of renewal options, or the estimated useful lives of the assets. Maintenance and repairs are expensed as incurred. Amortization expense related to leasehold improvements was \$11,801 in 2018 and 2017.

## **Software Costs**

The Organization capitalizes software costs associated with developing the Organization's website upon the point at which the website is ready for its intended use. Costs associated with developing the Organization's website are expensed until the point at which the project has reached the development stage. Subsequent additions, modifications or upgrades to the Organization's website are capitalized only to the extent that they allow the website to perform a task it previously did not perform. Website maintenance and training costs are expensed in the period in which they are incurred. Costs primarily included external direct costs for related development services. The Organization amortizes these costs over the estimated useful life of three years. Amortization expense related to software costs totaled \$17,381 and \$14,208 in 2018 and 2017, respectively.

## **Leases**

The Organization recognizes rent expense on a straight-line basis over the expected lease term. Differences between amounts paid and amounts expensed are recorded as deferred rent. Within the provisions of certain leases, there are rent holidays and fixed escalations in payments over the base lease term, as well as renewal periods. The effects of the holidays and escalations have been reflected in general and administrative expense on the accompanying statements of activities and changes in net assets on a straight-line basis over the expected lease term.

## **Recognition of Revenues and Expenses**

Contributions received are recorded as revenue without donor restrictions or with donor restrictions depending on the absence or existence of any donor-imposed restrictions on the use of the contributions to provide scholarships at the Organization's discretion at participating eligible schools.

The Organization reports contributions of cash as revenue with donor restrictions to the extent that the donor obligates such contributions for the provision of scholarships or tuition grants. Effective January 1, 2013, with respect to the first \$1.5 million of its annual revenue received from donations for scholarships or tuition grants, the Organization must obligate at least 90% of such revenue; with respect to its annual revenue in excess of \$1.5 million and up to and including \$10 million, must obligate at least 93% of such revenue; with respect to its annual revenue received in excess of \$10 million and up to and including \$20 million, must obligate at least 94% of such revenue; and with respect to its annual revenue in excess of \$20 million, must obligate at least 95% of such revenue. The Organization obligated approximately 96% of contributions for scholarships in 2018 and 2017. When a scholarship or tuition grant is paid, the net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

The Organization is allowed an administrative fee on all current-year contributions. In connection with the Organization's policy to allocate to the provision of scholarships all administrative fees not needed to fund operations, the Board of Directors of the Organization has approved a fee of approximately 5.5% to fund operations for 2018 and 2017, which is below the allowable legal limit of 7%. The revenue recognition policy for the administrative revenue is consistent with revenue recognition for contributions (see Note 7).

Although the Organization does not rely extensively on volunteers who directly provide services to the Organization in promoting the state income tax credit opportunity and scholarship opportunities provided through the program, the Organization indirectly benefits from the development, admissions and financial aid services rendered by staff at the private schools participating with the Organization. If donated services received require specialized skills, which would need to be purchased, if not donated, the value of those donated services are recognized as contributions (see Note 5).

In the course of fulfilling its mission and purpose, each year the Organization authorizes distribution of certain program funds for student scholarships at participating schools. The authorized distributions are recorded as program expenses in the financial statements of the Organization when the scholarships are approved (see Note 6).

## **Functional Expenses**

The costs of providing the program and other activities have been summarized on a functional basis in the accompanying statements of activities and changes in net assets. Accordingly, certain costs have been allocated on a reasonable basis that is consistently applied among the program, fundraising and general and administrative expenses. The expenses that are allocated include payroll and benefits, depreciation and amortization, travel and meetings and other, which are allocated on the basis of line item analysis and estimates of time and effort. The allocation of functional expenses is detailed in Note 6.

## **Income Taxes**

The Organization has been granted tax-exempt status under Section 501(a) of the Internal Revenue Code (the Code) as an organization described in Section 501(c)(3) whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to federal income tax. The Organization had no significant unrelated taxable income during 2018 or 2017. Accordingly, no provision or benefit for income taxes has been recorded in the accompanying financial statements.

The Organization applies the provisions of accounting standards for income taxes. These standards require that a tax position be recognized or derecognized based on a ‘more-likely-than-not’ threshold. This applies to positions taken or expected to be taken in a tax return. The Organization does not believe its financial statements include any material uncertain tax positions. The Organization is no longer subject to federal or state income tax examination by tax authorities for years prior to 2015.

### Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

### Note 2: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, are cash and cash equivalents – operating account, which total \$566,470 at December 31, 2018.

The Organization is supported primarily by the administrative fee received on contributions (see Note 1). The Organization’s liquidity management allows its financial assets to be available as its general expenditures, liabilities and other obligations come due.

In keeping with the Organization’s policy of maximizing the funds used for scholarships, during 2018 the Organization’s Board of Directors recommended allocating \$400,000 to provide additional scholarships, and accordingly, that amount was transferred from the Organization’s operating account to its scholarship account prior to December 31, 2018. If the Organization determined this amount was needed based on subsequent year contribution results, the board designated net asset balance of \$673,679, which consists of cash in the scholarship account, could be transferred back to the operating account, per board resolution.

### Note 3: Investments

All of the Organization’s investments are recorded at fair value. At December 31, 2018 and 2017, investments consist of the following:

	2018		2017	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Investments:				
Short-term investments	\$ 394,948	\$ 394,948	\$ 992,673	\$ 992,673
Certificates of deposit	4,545,000	4,545,000	4,545,000	4,545,000
Mutual funds	12,311,496	11,973,583	13,420,315	13,960,464
Exchange-traded fund	5,288,662	5,885,471	2,591,131	3,638,627
Exchange-traded note	-	-	522,036	445,479
Total	<u>\$ 22,540,106</u>	<u>\$ 22,799,002</u>	<u>\$ 22,071,155</u>	<u>\$ 23,582,243</u>

The components of net investment (loss) income for the years ended December 31, 2018 and 2017 are as follows:

	2018	2017
Net investment (loss) income:		
Interest and dividend income	\$ 628,551	\$ 463,474
Net realized gain on the sale of investments	119,058	155,074
Net unrealized (loss) gain on investments	<u>(1,149,252)</u>	<u>1,150,733</u>
	<u>\$ (401,643)</u>	<u>\$ 1,769,281</u>

The investments are characterized according to the 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 and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). All securities held at December 31, 2018 and 2017, are based on quoted market prices for the identical security in an active market (Level 1).

#### **Note 4: Commitments and Contingencies**

##### **Operating Leases**

The Organization leases its office facilities under a non-cancellable agreement accounted for as an operating lease through March 2021. Future minimum payments under the term of the lease at December 31, 2018 are as follows:

Year ending December 31,	
2019	\$ 62,419
2020	64,296
2021	<u>16,515</u>
	<u>\$ 143,230</u>

The differences between recording rent expense based on fixed minimum payments pursuant to the terms of the lease, and based on a straight-line rent calculation reflects a cumulative deferred rent balance of \$37,231 and \$50,714 at December 31, 2018 and 2017, respectively. Rent expense under the operating lease totaled \$46,091 and \$48,831 in 2018 and 2017, respectively, and is included in general and administrative expense on the accompanying statements of activities and changes in net assets.

##### **Litigation**

As of December 31, 2018 and 2017, the Organization was not aware of any pending or foreseen litigation. The Organization, from time to time, may become involved in litigation arising in the ordinary course of business. For any such litigation that may arise, management will consult with legal counsel. Should management estimate any material adverse effect on the Organization's financial position, changes in net assets or cash flows, such effect will be disclosed.

**Note 5: Donated Services**

Donated services for legal services totaled \$24,000 and \$13,000 for the years ended December 31, 2018 and 2017, respectively.

**Note 6: Functional Expenses**

Expenses are categorized in the following natural classifications for the year ended December 31, 2018:

	<u>Program</u>	<u>Fundraising</u>	<u>General and Administrative</u>	<u>Total</u>
Scholarships	\$ 18,880,487	\$ -	\$ -	\$ 18,880,487
Payroll and benefits	275,354	74,134	180,039	529,527
SSO transfers	308,025	-	-	308,025
Credit card processing fees	198,545	-	-	198,545
Professional fees	-	-	70,407	70,407
Other expenses	3,885	-	60,863	64,748
Legislative advocacy	61,128	-	-	61,128
Depreciation and amortization	16,926	-	12,256	29,182
Occupancy	-	-	26,235	26,235
Insurance	-	-	23,615	23,615
Marketing	-	23,240	-	23,240
Web development	20,675	-	-	20,675
Travel and meetings	<u>5,951</u>	<u>5,475</u>	<u>476</u>	<u>11,902</u>
Total	<u>\$ 19,770,976</u>	<u>\$ 102,849</u>	<u>\$ 373,891</u>	<u>\$ 20,247,716</u>

Expenses are categorized in the following natural classifications for the year ended December 31, 2017:

	<u>Program</u>	<u>Fundraising</u>	<u>General and Administrative</u>	<u>Total</u>
Scholarships	\$ 16,932,113	\$ -	\$ -	\$ 16,932,113
Payroll and benefits	255,842	83,540	182,745	522,127
SSO transfers	255,380	-	-	255,380
Credit card processing fees	159,166	-	-	159,166
Legislative advocacy	61,777	-	-	61,777
Other expenses	2,114	-	50,727	52,841
Professional fees	-	-	52,100	52,100
Occupancy	-	-	49,458	49,458
Depreciation and amortization	15,345	-	10,664	26,009
Web development	22,985	-	-	22,985
Marketing	-	14,971	-	14,971
Insurance	-	-	13,039	13,039
Travel and meetings	<u>7,546</u>	<u>2,695</u>	<u>539</u>	<u>10,780</u>
Total	<u>\$ 17,712,268</u>	<u>\$ 101,206</u>	<u>\$ 359,272</u>	<u>\$ 18,172,746</u>

## Note 7: Contributions

Under Georgia law, each SSO must report to the Georgia Department of Revenue (DOR) the total number and dollar value of contributions received and tax credits approved. The reconciliation between the amounts reported to the Georgia DOR and the financial statements is as follows:

	2018	2017
Georgia IT-QEE-SS02	\$ 20,123,569	\$ 16,968,916
Contributions and transfers from other SSOs	970,742	740,886
Contributions with no corresponding tax credits	<u>74,109</u>	<u>75,928</u>
Total	<u>\$ 21,168,420</u>	<u>\$ 17,785,730</u>

In 2018 and 2017, transfers were made from other SSOs due to contributions received by those SSOs which were designated for schools that are working with the Organization under the program.

The Organization transferred \$308,025 and \$253,977 in 2018 and 2017, respectively, to other SSOs. These transfers were made due to contributions received by the Organization that were designated for schools that are working with other SSOs.

## Note 8: Related Party Transactions

Originally, Georgia Community Foundation, Inc. (GCF), a 501(c)(3) tax exempt organization, planned to operate the scholarship program, which is the subject of the Organization's activities. However, because Georgia law requires SSOs to obligate at least 90% of their annual revenues for scholarships or tuition grants, GCF, which has other sources of revenue that are not dedicated to the provision of scholarships, could not operate the program. As a result, the Board of Directors and staff of GCF facilitated the Organization's qualification as an SSO under Georgia law and all but one of the members of the GCF Board were appointed as board members of the Organization.

GCF owns a subsidiary which operates another tax credit program for the benefit of rural hospital organizations in Georgia, named Georgia HEART Hospital Program, LLC (HEART). HEART operates out of the same offices as that of the Organization and uses some of the same employees. Accordingly, HEART reimburses the Organization for associated expenses, including rent, health insurance, supplies and telephone. For the year ended December 31, 2018, the reimbursement for these expenses totaled \$45,027 which are netted against expenses in the accompanying statements of activities and changes in net assets. There were no payments received from HEART for the year ended December 31, 2017.

GCF also processes payroll for the Organization, which reimburses GCF for all costs associated with payroll. The Organization paid \$543,383 and \$499,000 for payroll and related costs in 2018 and 2017, respectively. As of December 31, 2018 and 2017, \$17,689 and \$20,382, respectively, is included in accounts payable in the accompanying statements of financial position.

In 2018 and 2017, the Organization reimbursed related parties \$120 and \$300, respectively, for administrative tasks.

**Note 9: Subsequent Events**

The Organization has evaluated events and transactions occurring subsequent to December 31, 2018, through the report date, which is the date these financial statements were available for issuance. All subsequent events requiring recognition or disclosure as of December 31, 2018, have been incorporated into these financial statements.

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## **Supplemental Information**

# Georgia GOAL Scholarship Program, Inc.

## Supplemental Information For the Year Ended December 31, 2018

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The following supplemental information is provided as required by O.C.G.A. 20-2A-2 and 20-2A-3:

- 1) Revenues and Allocation - The SSO must obligate 90% to 95%, on a sliding scale, of its annual revenue for scholarship or tuition grants; however, up to 25% of this amount may be carried forward.

Annual revenue for scholarships for the year ended December 31, 2018	\$ 21,168,420
Required obligated amount	\$ 19,764,999
Actual amount obligated	<u>20,421,979</u>
Excess amount obligated in 2018	<u>\$ 656,980</u>

- 2) Funds - The SSO must maintain separate accounts for scholarship funds and operating funds.

Accounts for scholarship funds at December 31, 2018	
Investments	\$ 22,799,002
Cash and cash equivalents	4,033,785
Accounts for operating funds at December 31, 2018	
Cash and cash equivalents	<u>566,470</u>
Total	<u>\$ 27,399,257</u>

- 3) Audit Report

Date of the audit report	April 24, 2019
120 days following year end (December 31, 2018)	April 30, 2019

- 4) The Georgia Department of Education lists the Organization as an approved SSO regarding their intent to participate.

- 5) Report to Department of Revenue

Amount of contributions recorded for 2018 calendar year	\$ 21,168,420
Other SSO Contributions transferred to the Organization	(970,742)
Contributions with no corresponding tax credits	<u>(74,109)</u>
Amount of contributions reported to the DOR	<u>\$ 20,123,569</u>