

HISTORIC MACON FOUNDATION, INC.  
AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
AUDITOR'S REPORT  
FOR THE YEAR ENDED  
APRIL 30, 2020

HISTORIC MACON FOUNDATION, INC.  
AND SUBSIDIARIES

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Independent Auditor's Report

To the Board of Directors of  
Historic Macon Foundation, Inc. and Subsidiaries  
338 Poplar Street  
Macon, GA 31201

We have audited the accompanying consolidated financial statements of Historic Macon Foundation, Inc. and Subsidiaries, (a nonprofit organization), which comprise the consolidated statement of financial position as of April 30, 2020, and the related consolidated statement of activities and consolidated statement of cash flows for the year then ended, and the related notes to the consolidated 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 of 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 Historic Macon Foundation, Inc. and Subsidiaries as of April 30, 2020, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



April 16, 2021  
Macon, GA

HISTORIC MACON FOUNDATION, INC.  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
APRIL 30, 2020

ASSETS

CURRENT ASSETS

Cash on hand	\$ 639
Cash in bank	2,900,644
Total Cash & Cash Equivalents	2,901,283
Investments	88,520
Accounts receivable	94,414
Interest Receivable	14,261
Notes receivable-current portion	72,938
Prepaid expenses	6,529
Total Current Assets	3,177,945

PROPERTY AND EQUIPMENT

Land and buildings-Preservation Projects	824,598
Property and equipment, net	1,172,415
Total Property and Equipment	1,997,013

OTHER ASSETS

Beneficial interest in assets held by others	1,214,386
Notes receivable	531,731
Loan costs net of accumulated amortization	2,358
Cash restricted for long term purposes	5,206
Utility deposits	240
Collections(Note 2)	-
Total Other Assets	1,753,921

TOTAL ASSETS	\$ 6,928,879
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HISTORIC MACON FOUNDATION, INC.  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
APRIL 30, 2020

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 33,287
Line of credit	51,152
Refundable advance	101,428
Accrued vacation pay	6,949
Accrued payroll liabilities	4,935
Rental deposits	2,850
Notes payable - current portion	<u>597,774</u>
Total Current Liabilities	<u>798,375</u>

LONG TERM LIABILITIES

Notes payable	<u>1,487,606</u>
Total Long Term Liabilities	<u>1,487,606</u>
Total Liabilities	<u>2,285,981</u>

NET ASSETS

Without Donor Restrictions	
Undesignated	3,035,012
Board designated-Endowment Fund	<u>960,326</u>
Total Without Donor Restrictions	3,995,338

With Donor Restrictions	<u>647,560</u>
Total Net Assets	<u>4,642,898</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 6,928,879</u></u>
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HISTORIC MACON FOUNDATION, INC.  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED APRIL 30, 2020

	<u>Without</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Revenues, gains and other support			
Contributions	\$ 31,726	\$ 447,100	\$ 478,826
In-kind contributions	111,875	-	111,875
Membership dues	196,676	-	196,676
Program service revenue	238,285	-	238,285
Special events	57,313	-	57,313
Interest income	22,315	4,039	26,354
Change in beneficial interest in assets held by others	(104,332)	(28,390)	(132,722)
Rental income	85,162	-	85,162
Other income	2,510	-	2,510
	<u>641,531</u>	<u>422,749</u>	<u>1,064,280</u>
Total revenues, gains and other support			
Total net assets released from restriction	992,597	(992,597)	-
Total support, revenue and net assets released from restriction	<u>1,634,128</u>	<u>(569,849)</u>	<u>1,064,280</u>
Expenses and Losses			
Program services			
Preservation and restoration	800,016	-	800,016
Sidney Lanier Cottage	59,597	-	59,597
Education	38,737	-	38,737
Total program services expenses	<u>898,350</u>	<u>-</u>	<u>898,350</u>
Support services			
Management and general	164,361	-	164,361
Fundraising	120,126	-	120,126
Membership Development	83,140	-	83,140
Total support services expenses	<u>367,627</u>	<u>-</u>	<u>367,627</u>
Total Expenses	<u>1,265,977</u>	<u>-</u>	<u>1,265,977</u>
Loss on sales of restored properties	<u>216,209</u>	<u>-</u>	<u>216,209</u>
Total Expenses and Losses	<u>1,482,186</u>	<u>-</u>	<u>1,482,186</u>
Change in Net Assets	151,942	(569,849)	(417,906)
Net Assets - Beginning of Year	<u>3,843,396</u>	<u>1,217,408</u>	<u>5,060,804</u>
Net Assets - End of Year	<u>\$ 3,995,338</u>	<u>\$ 647,560</u>	<u>\$ 4,642,898</u>

See Auditor's Report  
And Notes To Financial Statements

HISTORIC MACON FOUNDATION, INC.  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED APRIL 30, 2020

	Program Services				Supporting Services			Total Expenses
	Preservation and Restoration	Sidney Lanier Cottage	Education	Total Program Services	Management and General	Fundraising	Membership Development	
Payroll Expenses								
Salaries and wages	\$ 253,454	\$ 17,969	\$ 21,697	\$ 293,121	\$ 88,942	\$ 40,855	\$ 46,990	\$ 469,908
Payroll taxes	17,620	1,330	1,662	20,612	6,316	2,992	3,324	33,244
Employee benefits	33,504	2,529	3,161	39,193	12,011	5,689	6,321	63,215
Total payroll expenses	<u>304,578</u>	<u>21,827</u>	<u>26,520</u>	<u>352,925</u>	<u>107,269</u>	<u>49,536</u>	<u>56,636</u>	<u>566,367</u>
Other Expenses								
Advertising and marketing	10,463	-	-	10,463	-	10,000	-	20,463
Computer expenses	-	-	-	-	4,935	-	-	4,935
Conferences, workshops and meetings	8,303	-	-	8,303	-	-	-	8,303
Contract Services	27,801	28	-	27,829	-	-	-	27,829
Down payment assistance	63,525	-	-	63,525	-	-	-	63,525
Doubtful accounts	62,309	-	-	62,309	-	-	-	62,309
Dues and subscriptions	8,186	-	-	8,186	-	-	-	8,186
Insurance	14,750	7,076	4,470	26,295	2,458	335	335	29,424
Interest	31,943	-	-	31,943	48	-	-	31,991
Other	21,126	117	-	21,243	-	-	-	21,243
Payment processing fees	-	-	-	-	-	6,689	-	6,689
Printing and publications	-	-	150	150	-	-	-	150
Professional fees	87,928	-	-	87,928	15,185	-	-	103,113
Rent	33,674	-	3,177	36,851	14,613	5,718	6,354	63,536
Repairs & Maintenance	16,842	12,606	-	29,448	3,681	-	-	33,129
Supplies	67,068	-	-	67,068	13,367	47,431	19,066	146,932
Telephone	788	1,211	91	2,090	424	91	424	3,029
Travel	847	-	-	847	-	-	-	847
Truck expense	8,116	-	-	8,116	-	-	-	8,116
Utilities	8,669	10,632	457	19,758	251	34	34	20,078
Total other expenses	<u>472,336</u>	<u>31,671</u>	<u>8,345</u>	<u>512,352</u>	<u>54,962</u>	<u>70,299</u>	<u>26,213</u>	<u>663,826</u>
Total expenses before depreciation	776,914	53,498	34,865	865,277	162,231	119,835	82,850	1,230,193
Depreciation expense	23,102	6,099	3,872	33,073	2,130	290	290	35,784
Total expenses	<u>\$ 800,016</u>	<u>\$ 59,597</u>	<u>\$ 38,737</u>	<u>\$ 898,350</u>	<u>\$ 164,361</u>	<u>\$ 120,126</u>	<u>\$ 83,140</u>	<u>\$ 1,265,977</u>

See Auditor's Report  
And Notes To Financial Statements

HISTORIC MACON FOUNDATION, INC.  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED APRIL 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ (417,906)
Adjustments to reconcile change in Net Assets to net Cash provided by (used in) operating activities:	
Depreciation	35,784
Net change in beneficial interest in other assets	188,907
Loss on sales of restored properties	216,209
(Increase) Decrease in Operating Assets:	
Accounts receivable	21,622
Prepaid expenses	(4,666)
(Decrease) Increase in Operating Liabilities:	
Accounts payable	(9,276)
Payroll liabilities	(1,933)
Accrued expenses	601
Rental Deposits	2,650
Refundable advance	101,428
Total Adjustments	<u>551,325</u>
Net Cash Provided By Operating Activities	133,419
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of furnishings and equipment	(27,942)
Acquisitions and improvements-Preservation Projects	(1,417,355)
Disbursements for facade loans	(46,667)
Principal repayments from facade loans	75,028
Principal repayments from other loans	50,622
Proceeds from sales of restored properties	<u>633,781</u>
Net Cash Used By Investing Activities	(732,533)
CASH FLOWS FROM FINANCING ACTIVITIES	
Loan proceeds from of line-of-credit	44,843
Repayment of line-of-credit principal	(1,807)
Proceeds from borrowing -notes payable	1,410,029
Repayment of principal - notes payable	<u>(247,483)</u>
Net Cash Provided By Financing Activities	<u>1,205,582</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	606,468
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,294,815</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$2,901,283</u></u>

See Auditor's Report  
And Notes To Financial Statements



HISTORIC MACON FOUNDATION, INC.  
AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED APRIL 30, 2020

Note 1 Nature of Activities

The Historic Macon Foundation, Inc. and Subsidiaries is a private, nonprofit organization. The Organization's mission is to "revitalize communities by preserving architecture and sharing history", according to the organization's most recent strategic plan. Its current programs include:

Preservation and Restoration:

- Educating the public and public officials about revitalization and preservation
- Revitalizing entire historic neighborhoods
- Operating historic commercial rental property
- Restoration of Other Historic District Buildings (Restoration)
- Consultation services regarding historic certification of buildings and housing
- Operation of revolving loan fund for low interest restoration loans.

Education:

- Conducting interpretive tours of historic sites
- Sponsoring guest lectures with presentations related to literature, preservation and restoration
- Publishing digital and print newsletters updating its membership and local officials of preservation efforts, including low-income housing and economic development

Sidney Lanier Cottage

- Tours
- Rentals
- Museum Store
- Historically-related events

HISTORIC MACON FOUNDATION, INC.  
AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED APRIL 30, 2020

Note 2 Significant Accounting Policies

Basis of Presentation

The consolidated financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

*Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statement of activities.

Contributions and Grants

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a 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 consolidated statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

HISTORIC MACON FOUNDATION, INC.  
AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED APRIL 30, 2020

Accounting for Wholly-Owned Subsidiaries

The consolidated financial statements of the Organization include Historic Macon Foundation, Inc. and ten wholly owned subsidiaries: Historic Macon Properties, LLC, Historic Macon Profits, LLC, Historic Macon Community Investments, LLC, 1227 Calhoun St., LLC, 338 Poplar Street, LLC, 743 Orange St, LLC, Historic Macon Fading Five, LLC, Historic Macon Warehouse, LLC, Historic Tattnall Apartments, LLC and Historic Macon Rehabs, LLC. The Limited Liability Companies (LLCs) were formed to acquire and manage preservation projects until they are sold or while they are being rented. The activities of the subsidiaries are consolidated into the Organization's financial statements. All significant balances and transactions between the entities have been eliminated in the consolidation.

Use of 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.

Income tax status

The Organization is a not-for-profit organization that is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation within meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). The Organization has evaluated the effect of generally accepted accounting principles for Uncertainty in Income Taxes. The Organization is subject to federal income tax on unrelated business income. Management believes that the Organization continues to satisfy the requirements of tax-exempt organization and therefore had no uncertain income tax positions at April 30, 2020. The Organizations federal returns, form 990, are subject to examination by the IRS, generally for three years after the date they were filed.

The Organization has income items that are subject to unrelated business income tax; however, these items when netted with the directly attributable business expenses, resulted in a net loss for the year ended April 30, 2020. As a result, no provision or liability for income taxes has been included in the financial statements.

HISTORIC MACON FOUNDATION, INC.  
AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED APRIL 30, 2020

Cash and Cash Equivalents

The Organization's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

Promises To Give

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. All donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statement of activities as net assets released from restrictions

Contributions that are determined to be conditional promises to give are not recognized in the financial statements until the conditions are substantially met.

Fair Value Measurements

The Organization measures and discloses fair value measurements in accordance with authoritative literature. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, the inputs used to measure fair value are prioritized based on a three level hierarchy. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1 - These inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the Organization has the ability to access. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - These inputs relate to adjusting information from similar items that are traded in active markets or from identical or similar items in markets that are not active.

Level 3 - These are unobservable inputs for the asset or liability, which are typically based on the Organization's own assumptions about the assumptions market participants would use in pricing the asset or liability.

HISTORIC MACON FOUNDATION, INC.  
AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED APRIL 30, 2020

Property, Plant, and Equipment and Depreciation

Property, plant, and equipment assets are stated at cost for purchased items and at fair market value for donated items. The Organization's policy is to capitalize assets acquired for more than \$5,000. Depreciation expense is computed on the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

	<u>Years</u>
Buildings-Commercial	40
Buildings-Residential Rental	27.5
Building improvements	15
Furniture, Fixtures, and Equipment	4-10
Vehicles	5

No depreciation is recognized on the Sidney Lanier Cottage building, as it is considered a historical treasure, with an extraordinary useful life. All costs associated with the properties of neighborhood revitalization projects were capitalized, with the exception of expenses related to properties currently being held for rent. Preservation projects are not depreciated unless they are placed into service as rental property until sold.

Advertising Costs

Advertising costs are expensed when incurred. Total advertising costs incurred for the year was \$20,463 and are recorded on the schedule of functional expenses.

In-Kind Donations and Contributed Services

Material gifts in-kind items used in the Organization are recorded as support and expense at the time the items are placed into service or distributed. The Organization records various types of in-kind support including contributed services. Contributed services are recognized if the services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donations. Also, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific programs and various committee assignments throughout the year. Those contributed services do not meet the recognition criteria under generally accepted accounting principles.

HISTORIC MACON FOUNDATION, INC.  
AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED APRIL 30, 2020

Collections

The Organization's collections consists of letters and personal memorabilia of Sidney Lanier, and various antiques and artwork contributed by Middle Georgians. Each of the items is cataloged, preserved, and cared for, and activities verifying their existence and assessing their condition are performed periodically. The collection items are not capitalized. Purchases of collection items are recorded as decreases in unrestricted or permanently restricted net assets if purchased with donor-restricted assets. Contributions of collection items are not recognized in the Statement of Activities.

Functional Expenses Allocation

The costs of providing program and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

The detail of the cost allocated and the services that are benefited is found in the Consolidated Statement of Functional Expenses. Depreciation expense of property and equipment is allocated based on a percentage of square footage used or by amount of time used for the program or supporting service. Personnel costs are allocated on the basis of estimates of time and effort spent on services. Building and occupancy costs are allocated on a square footage of use basis by allocating a percentage of the area used for each function. Other expenses are allocated based on direct usage by the program or supporting service.

HISTORIC MACON FOUNDATION, INC.  
AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED APRIL 30, 2020

Note 3 Concentrations of Credit Risk

The Organization maintains cash balances at several financial institutions located in Macon, Georgia. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At April 30, 2020, the Organization's uninsured cash balances total \$2,108,350.

Note 4 Availability and Liquidity

The following reflects the Organization's financial assets as of the balance sheet date reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

Financial assets at year end:

Cash and cash equivalents	\$ 2,901,282
Accounts receivable	94,414
Interest receivable	14,261
Current portion of note receivable (Note 6)	<u>72,938</u>
Total financial assets available within one year for general expenditures	<u>\$ 3,082,895</u>

Additional liquidity resources available:

Estimated appropriations from beneficial interest in other assets (Note 8)	54,000
Line of credit balance available (Note 12)	<u>48,848</u>
Total financial assets and liquidity resources available within one year for general expenditures	<u><u>\$ 3,185,743</u></u>

The Organization manages its liquidity by developing and adopting an annual operating budget that provides sufficient funds for general expenditures. For purposes of analyzing resources available for general expenditures over a twelve month period, the Organization considers all expenditures related to its ongoing operations to carry out the mission of the organization as general expenditures.

HISTORIC MACON FOUNDATION, INC.  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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Note 5 Accounts Receivable

Accounts receivable consist of development fees the organization earned during the year while managing restoration and preservation projects. Historically, there has been no experience of any significant losses on receivables. Therefore, no allowance for losses has been established.

Note 6 Notes Receivable

Notes receivable consisted of the following at year end:

The Organization holds a promissory note dated May 24, 2017 for the amount of \$500,000 from Historic Macon Studios, LLC, a for profit entity, with an annual interest rate of 4.50% and is payable in monthly installments of \$3,163.25 which includes principal and interest. The note mature May 8, 2037 and is unsecured. The carrying value of the note at April 30, 2020 was \$480,379.

The Organization administers a revolving loan fund that was established from various grant funds. Loans in the amounts of \$5,000 and \$10,000 are made to eligible participants for the restoration and preservation of historic properties. The loans are repayable in monthly installments over five years at an interest rate of 3% per annum. Interest is recognized over the term of the loan and is calculated using the simple interest method. The notes are carried at unpaid principal balances. The Organization has experienced no significant losses on the loans since the inception of the program in 2010. Therefore, no allowance has been established for losses. The loans are secured by the preservation property of the loan recipients. The carrying value of the notes at April 30, 2020 was \$124,290.

The following is a summary of Notes Receivable as of April 30, 2020:

Notes Receivable	\$ 531,731
Current Portion	<u>72,938</u>
Total	<u>\$ 604,669</u>

Note 7 Investments

The Organization owns a 1% interest in a limited liability company that develops and holds real estate for rental. The investment is recorded at cost at April 30, 2020.



HISTORIC MACON FOUNDATION, INC.  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED APRIL 30, 2020

Note 8 Beneficial interest in other assets

Beneficial interests in assets held by others consisted of the following at year end:

In 2019 the Organization irrevocably transferred its endowment fund assets to the Community Foundation of Central Georgia to establish a donor advised endowment fund to generate annual income for the operations of the Organization. The Organization's expects to receive 4.5% of the fund's average of the preceding twelve quarters. The funds are invested in an investment pool consisting of cash and long term securities. Changes in the these assets are reflected in the statement of activities. \$ 960,326

The Organization is the beneficiary of an endowment fund for the Sidney Lanier Cottage with the Community Foundation of Central Georgia. The Organization has specified that the investment income from the funds be used for the repairs and maintenance of the Sidney Lanier Cottage. The funds are invested in an investment pool consisting of cash and long term securities. Changes in the these assets are reflected in the statement of activities. \$ 96,728

The Organization is the beneficiary an endowment fund for the Macon Dog Park with the Community Foundation of Central Georgia. The Organization has specified that the investment income from the funds be used for the repairs and maintenance of the Macon Dog Park. The funds are invested in an investment pool consisting of cash and long term securities. Changes in these assets are reflected in the statement of activities. 20,678

The Organization is the beneficiary of an endowment fund established for the Rose Hill Cemetery with the Community Foundation of Central Georgia. The funds are to be used for the repairs and maintenance of the Rose Hill Cemetery. The funds are invested in an investment pool consisting of cash and long term securities. Changes in these assets are reflected in the statement of activities. 136,654

Total \$ 1,214,386

HISTORIC MACON FOUNDATION, INC.  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED APRIL 30, 2020

Note 9 Net Assets with Donor Restrictions

Net assets with Donor Restrictions are available for the following purposes:

Preservation and Restoration Projects	\$ 331,869
Macon Dog Park	23,140
Facade Loans	29,386
Education	11,004
Legal Defense fund	5,152
Rose Hill Cemetery Endowment	136,654
Strategic Plan	3,000
Sidney Lanier Cottage Endowment	<u>107,355</u>
Total	<u>\$ 647,560</u>

Note 10 Net assets released from restriction

Net assets were released from net assets with donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors.

Purpose restrictions accomplished for the following:

Preservation and Restoration Projects	\$ 819,454
Down Payment Assistance	63,525
Salaries	80,000
Repairs and Maintenance	<u>29,618</u>
Total	<u>\$ 992,597</u>

Note 11 Land, Property, and Equipment

Land, property, and equipment consisted of the following at April 30, 2020:

Buildings	\$ 1,069,143
Sidney Lanier Cottage	260,707
Furniture, Fixtures, and Equipment	47,848
Vehicle	16,100
Less Accumulated Depreciation	<u>(221,384)</u>
Total	<u>\$ 1,172,415</u>

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Note 12 Line of Credit

The Organization has a \$100,000 line of credit with a financial institution and has an interest rate of 5%. The outstanding borrowed amount as of April 30, 2020 was \$51,152. The LOC is secured by real property.

Note 13 Notes Payable

Notes payable consisted of the following at April 30, 2020:

The Organization has a promissory note payable to Historic Hills And Heights Development Corporation with an interest rate of 1% compounded annually. Proceeds from the loan are being used for the rehabilitation of 909, 925 and 945 Hazel Street. The note originated February 6, 2020 and is payable upon request with principal and interest being due at that time. The note is unsecured.

\$ 334,054

The Organization has a promissory note payable to Historic Hills And Heights Development Corporation with an interest rate of 1% compounded annually. Proceeds from the loan are being used for the rehabilitation of 1360 Calhoun Street. The note originated June 28, 2019 and is payable upon request with principal and interest being due at that time. The note is unsecured.

218,344

The Organization has a promissory note payable to Renasant Bank with an interest rate of 4.75% compounded annually. Proceeds from the loan are being used for acquisition, building, rehabilitation and sale of buildings in the area. The note originated April 4, 2015 and matures April 4, 2021 with principal and interest being due at that time. The note is secured by real estate.

406,958

The Organization has a promissory note payable to Renasant Bank with an interest rate of 4.88% compounded annually. Proceeds from the loan are being used for acquisition, building, rehabilitation and sale of buildings in the area. The note originated October 3, 2018 and matures October 5, 2025 with principal and interest being due at that time. The note is by real estate located at 743 Orange St., Macon, GA.

195,399

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Note 13 Notes Payable(continued)

The Organization has a promissory note payable to the Knight Foundation. Proceeds from the loan are being used for acquisition, building, rehabilitation and sale of buildings in the area. The note originated November 7, 2014 and matures November 2021 with principal and any unpaid interest (1%) due at that time. The note is secured by all Historic Macon Foundations property held by its subsidiary Historic Macon Properties, LLC.

915,000

The Organization has a promissory note to the Knight Foundation. Proceeds from the loan are to make loans to residents in the area to renovate the facades of, and upgrade the energy efficiency of homes. The loan origination date is November 7, 2014 and matures in November 2023. Payments in the amount of \$40,625 are due beginning October 2018 on a quarterly basis. The note is secured by Historic Macon Foundations facade notes receivable.

15,625

Total Notes Payable

\$ 2,085,380

Future scheduled maturities of long-term debt are as follows:

Years Ending April 30:

2021	\$ 597,774
2022	1,269,855
2023	10,758
2024	11,897
Thereafter	<u>195,096</u>
	<u>\$ 2,085,380</u>

Note 14 Program Service Fees and Income

Program service fees and income consisted of the following activities during the year:

Sidney Lanier Cottage

Tours	\$ 68
Gift Shop Sales	381
Rental Income	<u>11,361</u>
Total Sidney Lanier Cottage	11,810

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Note 14 Program Service Fees and Income(continued)

Other Program Services

Tax Credit Consultations	\$ 74,481
Preservation Programs	72,764
Revitalization project fees	70,105
Other fees for restoration services	<u>9,127</u>
Total-Other	226,477
Total Program Service Fees and Income	<u><u>\$ 238,287</u></u>

Note 15 Special Events

Special events consisted of the following activities during the year:

Flea Market	\$ 54,708
Sidney Lanier Cottage Events	<u>2,605</u>
Total	<u><u>\$ 57,313</u></u>

Note 16 Gain (Loss) on Sales of Restored Properties

The following is the detail of sales of restored properties during the year ended April 30, 2020:

<u>Property Location</u>	<u>Contract Price</u>	<u>Restoration Costs &amp; Selling Expenses</u>	<u>Gain/(Loss)</u>
941 Ash St.	\$ 80,907	\$ (199,432)	\$ (118,525)
1360 Calhoun St.	232,874	(293,319)	(60,445)
1332 Jackson St.	145,000	(138,804)	6,196
1335 Jackson St.	<u>175,000</u>	<u>(218,435)</u>	<u>(43,435)</u>
Total	<u><u>\$ 633,781</u></u>	<u><u>\$ (849,990)</u></u>	<u><u>\$ (216,209)</u></u>

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Note 17 Fair Value Measurement

The following table represents the assets and liabilities that were measured on a recurring basis as of April 30, 2020.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Beneficial interest in assets	1,214,386	-	-
Total	<u>\$ 1,214,386</u>	<u>\$ -</u>	<u>\$ -</u>

The following methods and assumptions were used to determine the fair value of each class of the financial instruments:

*Beneficial interest in assets held by others* - Valued at the Organization's pro-rata share of the community foundation's investment pools. (Note 8)

Note 18 Operating Leases

The Organization has a noncancelable operating lease for its office building located at 338 Poplar Street. The lease is for a term of five years and expires on August 31, 2022. Under the terms of the lease the monthly payments will be \$5,000 for the initial twelve months and will increase by 3% every twelve months for the remainder of the lease. Rental expense for the current year consisted of \$63,036.

Future minimum lease payments under the operating lease as of April 30, 2020 are:

Year ending April 30:

2021	\$ 64,927
2022	68,057
2023	<u>23,185</u>
	<u>\$ 156,169</u>

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Note 19 In-Kind Contributions

The value of donated materials and services included in the financial statements and the corresponding expenses for the year ended April 30, 2020 are as follows.

In-kind Support:

Donated Advertising	\$ 10,000
Donated Event items	21,557
Donated construction	67,018
Total	<u>\$ 98,575</u>

Expenses

Advertising expense	\$ 10,000
Rehab supplies	67,018
Fundraising Supplies	21,557
Total	<u>\$ 98,575</u>

Note 20 Conditional Promises to Give

The Organization has a conditional promise to give at April 30, 2020, representing a grant from the Knight Foundation for revitalization of the historic Beall's Hill neighborhood and the establishment of a downpayment assistance fund. Funding is scheduled to be provided over the next five years subject to conditions being met and matching contributions being received from other local organizations.

Conditional promises to give consists of the following

Preservation projects in Beall's Hill	<u>\$ 410,000</u>
Total	<u>\$ 410,000</u>

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Note 21 Refundable Advance

On April 22, 2020, The Organization received loan proceeds in the amount of \$101,428 under the Paycheck Protection Program ("PPP"). Established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), the PPP provides for loans to qualifying businesses in amounts up to 2.5 times the business's average monthly payroll expenses. PPP loans and accrued interest are forgivable after a "covered period" (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after then end of the covered period. The Organization intends to use PPP loan proceeds for purposes consistent with the PPP and apply for forgiveness within 10 months of the end of the covered period. Once the loan has been forgiven the Organization will recognize the forgiven amount as support in the form of a grant.

Note 22 Evaluation of Subsequent Events

Management has evaluated subsequent events through April 16, 2021 the date the financial statements were available to be issued. The following matters were noted.

On January 28, 2021 the Organization obtained another loan under the Paycheck Protection Program for the amount of \$116,065. It anticipates that the loan will be forgiven under the guidelines of the program.

On January 12, 2021 the Organization was notified by the bank that their Paycheck Protection Program loan acquired on April 22, 2020 for the amount of \$101,428 was forgiven in full.