

GEORGIA TRANSPLANT FOUNDATION, INC.
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018
with
INDEPENDENT AUDITORS' REPORT

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	3-4
STATEMENTS OF FINANCIAL POSITION	5
STATEMENTS OF ACTIVITIES	6-7
STATEMENTS OF FUNCTIONAL EXPENSES	8-9
STATEMENTS OF CASH FLOWS	10
NOTES TO FINANCIAL STATEMENTS	11-19

INDEPENDENT AUDITORS' REPORT

The Board of Directors Georgia Transplant Foundation, Inc.

We have audited the accompanying financial statements of Georgia Transplant Foundation, Inc. (a nonprofit organization, the "Foundation"), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses 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 ("GAAP"); 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.

Auditors' 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 audits 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 auditors' 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 Foundation'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 Foundation'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 Transplant Foundation, Inc. as of December 31, 2019 and 2018, and the changes in its net assets, and its cash flows for the years then ended in conformity with GAAP.

Smith & Howard

May 15, 2020

**GEORGIA TRANSPLANT FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018**

ASSETS

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 1,039,468	\$ 2,790,892
Promises to give	41,659	31,000
Prepaid expenses	46,748	61,018
Investments	9,577,321	6,592,949
Property and equipment, net	<u>515,749</u>	<u>547,882</u>
	<u>\$ 11,220,945</u>	<u>\$ 10,023,741</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 160,343	\$ 91,579
Deferred income	<u>31,315</u>	<u>35,350</u>
Total liabilities	<u>191,658</u>	<u>126,929</u>
Net Assets		
Without donor restrictions	2,045,474	973,549
With donor restrictions	<u>8,983,813</u>	<u>8,923,263</u>
Total net assets	<u>11,029,287</u>	<u>9,896,812</u>
	<u>\$ 11,220,945</u>	<u>\$ 10,023,741</u>

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

GEORGIA TRANSPLANT FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, Gains and Other Support:			
Contributions - special events	\$ 582,440	\$ -	\$ 582,440
Less: direct costs of benefits provided to contributors	(186,310)	-	(186,310)
Other contributions	281,088	386,872	667,960
Other income	31,516	-	31,516
Investment gain, net	1,316,611	-	1,316,611
Grants from Carlos and Marguerite Mason Trust	-	2,400,000	2,400,000
Net assets released from donor restrictions	<u>2,726,322</u>	<u>(2,726,322)</u>	<u>-</u>
 Total Revenue, Gains and Other Support	 <u>4,751,667</u>	 <u>60,550</u>	 <u>4,812,217</u>
 Expenses:			
Program	3,291,153	-	3,291,153
Management and general	194,557	-	194,557
Fundraising	<u>194,032</u>	<u>-</u>	<u>194,032</u>
 Total Expenses	 <u>3,679,742</u>	 <u>-</u>	 <u>3,679,742</u>
 Increase in Net Assets	 1,071,925	 60,550	 1,132,475
 Net Assets:			
Beginning of Year	<u>973,549</u>	<u>8,923,263</u>	<u>9,896,812</u>
 End of Year	 <u>\$ 2,045,474</u>	 <u>\$ 8,983,813</u>	 <u>\$ 11,029,287</u>

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

GEORGIA TRANSPLANT FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue, Gains and Other Support:			
Contributions - special events	\$ 528,798	\$ -	\$ 528,798
Less: direct costs of benefits provided to contributors	(186,496)	-	(186,496)
Other contributions	228,217	502,351	730,568
Other income	23,680	-	23,680
Investment loss, net	(423,357)	-	(423,357)
Grants from Carlos and Marguerite Mason Trust	-	2,300,000	2,300,000
Net assets released from donor restrictions	<u>2,530,201</u>	<u>(2,530,201)</u>	<u>-</u>
 Total Revenue, Gains and Other Support	 <u>2,701,043</u>	 <u>272,150</u>	 <u>2,973,193</u>
 Expenses:			
Program	3,117,391	-	3,117,391
Management and general	224,580	-	224,580
Fundraising	<u>355,434</u>	<u>-</u>	<u>355,434</u>
 Total Expenses	 <u>3,697,405</u>	 <u>-</u>	 <u>3,697,405</u>
 Increase (Decrease) in Net Assets	 (996,362)	 272,150	 (724,212)
 Net Assets:			
Beginning of Year	<u>1,969,911</u>	<u>8,651,113</u>	<u>10,621,024</u>
 End of Year	 <u>\$ 973,549</u>	 <u>\$ 8,923,263</u>	 <u>\$ 9,896,812</u>

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

GEORGIA TRANSPLANT FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 449,156	\$ 122,852	\$ 78,000	\$ 650,008
Fringe benefits	54,931	15,025	9,539	79,495
Payroll taxes	<u>31,980</u>	<u>8,748</u>	<u>5,552</u>	<u>46,280</u>
Total compensation and benefits	536,067	146,625	93,091	775,783
Communication	642	249	356	1,247
Depreciation	20,376	7,911	11,270	39,557
Direct patient assistance:				
Access to Care	338,371	-	-	338,371
Dental	24,872	-	-	24,872
Emergency	583,887	-	-	583,887
Housing	346,100	-	-	346,100
Insurance	221,060	-	-	221,060
Living donor	169,262	-	-	169,262
Medications	792,601	-	-	792,601
Pre-transplant assistance	136,348	-	-	136,348
Equipment maintenance	2,325	902	1,286	4,513
Insurance	4,539	1,763	2,510	8,812
Bank charges	1,405	546	1,604	3,555
Meeting and miscellaneous	23,331	11,529	12,904	47,764
Occupancy	11,018	4,279	6,095	21,392
Postage and shipping	6,240	2,423	3,451	12,114
Printing and reproduction	7,859	3,051	4,347	15,257
Professional fees	26,851	10,426	14,850	52,127
Scholarship awards	25,500	-	-	25,500
Special events	-	-	35,355	35,355
Supplies	2,798	1,086	1,547	5,431
Telephone	6,884	2,673	3,808	13,365
Travel	<u>2,817</u>	<u>1,094</u>	<u>1,558</u>	<u>5,469</u>
	<u>\$ 3,291,153</u>	<u>\$ 194,557</u>	<u>\$ 194,032</u>	<u>\$ 3,679,742</u>

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

GEORGIA TRANSPLANT FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 395,683	\$ 153,634	\$ 218,852	\$ 768,169
Fringe benefits	37,576	14,590	20,783	72,949
Payroll taxes	<u>28,851</u>	<u>11,203</u>	<u>15,957</u>	<u>56,011</u>
Total compensation and benefits	462,110	179,427	255,592	897,129
Communication	833	324	461	1,618
Depreciation	20,351	7,901	11,254	39,506
Direct patient assistance:				
Access to Care	338,084	-	-	338,084
Dental	26,363	-	-	26,363
Emergency	521,821	-	-	521,821
Housing	266,067	-	-	266,067
Insurance	188,992	-	-	188,992
Living donor	176,203	-	-	176,203
Medications	869,119	-	-	869,119
Pre-transplant assistance	126,737	-	-	126,737
Equipment maintenance	4,925	1,912	2,723	9,560
Insurance	4,469	1,735	2,472	8,676
Bank charges	1,437	558	2,341	4,336
Meeting and miscellaneous	12,005	7,920	6,642	26,567
Occupancy	10,507	4,080	5,811	20,398
Postage and shipping	6,244	2,425	3,454	12,123
Printing and reproduction	7,327	2,845	4,052	14,224
Professional fees	27,452	10,659	15,184	53,295
Scholarship awards	34,000	-	-	34,000
Special events	-	-	38,621	38,621
Supplies	2,503	972	1,384	4,859
Telephone	7,919	3,075	4,379	15,373
Travel	<u>1,923</u>	<u>747</u>	<u>1,064</u>	<u>3,734</u>
	<u>\$ 3,117,391</u>	<u>\$ 224,580</u>	<u>\$ 355,434</u>	<u>\$ 3,697,405</u>

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

GEORGIA TRANSPLANT FOUNDATION, INC.
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities:		
Change in Net Assets	\$ 1,132,475	\$ (724,212)
Adjustments to reconcile change in net assets to net cash provided (required) by operating activities:		
Depreciation	39,557	39,506
Net investment realized and unrealized (gain) losses	(1,164,334)	538,789
Promises to give	(10,659)	8,988
Prepaid expenses	14,270	(14,768)
Accounts payable and accrued expenses	68,764	(8,244)
Deferred income	(4,035)	25,100
Total Adjustments	<u>(1,056,437)</u>	<u>589,371</u>
Net Cash Provided (Required) by Operating Activities	<u>76,038</u>	<u>(134,841)</u>
Cash Flows From Investing Activities:		
Purchase of property and equipment	(7,424)	(1,222)
Proceeds from the sale of investments	1,150,000	4,648,985
Purchases of investments	<u>(2,970,038)</u>	<u>(4,889,979)</u>
Net Cash Required by Investing Activities	<u>(1,827,462)</u>	<u>(242,216)</u>
Net Decrease In Cash and Cash Equivalents	(1,751,424)	(377,057)
Cash and Cash Equivalents at Beginning of Year	<u>2,790,892</u>	<u>3,167,949</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,039,468</u>	<u>\$ 2,790,892</u>

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

GEORGIA TRANSPLANT FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization

Georgia Transplant Foundation, Inc. (the “Foundation”) is a voluntary health and welfare organization serving residents of the state of Georgia. The mission of the Foundation is to help meet the needs of organ transplant candidates, recipients and their families by providing information and education regarding organ transplantation, granting financial assistance and being an advocate for sustaining and enriching lives every day.

Basis of Accounting

The Foundation follows accounting standards set by the Financial Accounting Standards Board (“FASB”). The FASB sets accounting principal guidance in the United States of America (“GAAP”).

New Accounting Standard

Effective January 1, 2019, the Foundation adopted ASU 2018-08, “*Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*”. The amendments in this update provide a framework for evaluating whether the transfer of assets constitutes a contribution or an exchange transaction. This amendment also provides additional clarification as to whether or not a contribution is conditional. The adoption of ASU 2018-08 did not have a material impact on the Foundation’s financial position, results of operations and cash flows as of and for the year ended December 31, 2019.

Financial Statement Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting. Under the accrual basis, revenue is recognized when earned and expenses are recognized when incurred.

GEORGIA TRANSPLANT FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

Net assets, along with revenues, expenses, gains and losses, are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

- 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 Foundation.
- 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 such resources be maintained in perpetuity.

Contributions

Contributions of donated assets are recorded at their fair market value in the year received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased, if not provided by donation, are recorded at their fair values in the year received. The Foundation records donated services if the fair market value of the donated services is readily available.

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefit received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Allowance is made for uncollectible contributions based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience and other relevant factors. Management has deemed no allowance for uncollectible promises to give necessary at December 31, 2019 and 2018.

GEORGIA TRANSPLANT FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with a maturity of three months or less to be cash equivalents. The Foundation places its temporary cash investments with high-credit quality financial institutions. At various times throughout the year, the Foundation maintained deposits in excess of Federal Deposit Insurance Corporation (“FDIC”) coverage limits. If liquidity issues arise in the global credit and capital markets, it is at least reasonably possible that these changes in risks could materially affect the amounts reported in the accompanying financial statements.

Investments

Investments are stated at fair value based on quoted market prices. Increases and decreases in market value are reported as gains or losses in the accompanying statements of activities.

Property and Equipment

Property and equipment are recorded at cost if purchased. Donated property and equipment are recorded at the approximate fair value at the date of donation. Depreciation is computed over the estimated useful lives of the assets using the straight-line method. Estimated useful lives of the assets range from 3 to 30 years. Depreciation expense was \$39,557 and \$39,506 for the years ended December 31, 2019 and 2018, respectively.

Use of Estimates

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

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities. Accordingly, expenses and support services that can be identified with a specific program are allocated directly according to their natural classification. Other costs that are common to several programs have been allocated among the programs and supporting services based on personnel’s time and estimate usage of materials and supplies as determined, and periodically updated, by management.

GEORGIA TRANSPLANT FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Foundation is recognized as an organization exempt from federal income tax under Internal Revenue Code Section 501(c)(3).

The Foundation annually evaluates all federal and state income tax positions. This process includes an analysis of whether these income tax positions the Foundation takes meet the definition of an uncertain tax position under the Income Taxes Topic of the Financial Accounting Standards Codification.

In the normal course of business, the Foundation is subject to examination by federal and state taxing authorities. The Foundation believes it is no longer subject to tax examinations for tax years ending before December 31, 2016.

NOTE 2 – FAIR VALUE MEASUREMENTS

GAAP establishes a fair value 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 or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs in which little or no market data exists (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities;

Level 2 - Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

GEORGIA TRANSPLANT FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 – FAIR VALUE MEASUREMENTS (Continued)

The tables below represent fair value measurement hierarchy of the assets at fair value as of December 31, 2019 and 2018, respectively:

	<u>2019</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV (*)</u>	<u>Total</u>
Mutual funds – fixed income	\$ 609,646	\$ -	\$ -	\$ -	\$ 609,646
Mutual funds – equities	8,359,142	250,071	-	-	8,609,213
Mutual funds – real asset	<u>272,952</u>	<u>-</u>	<u>-</u>	<u>85,510</u>	<u>358,462</u>
	<u>\$ 9,241,740</u>	<u>\$ 250,071</u>	<u>\$ -</u>	<u>\$ 85,510</u>	<u>\$ 9,577,321</u>

	<u>2018</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV (*)</u>	<u>Total</u>
Mutual funds – fixed income	\$ 1,664,778	\$ -	\$ -	\$ -	\$ 1,664,778
Mutual funds – equities	4,751,721	130,647	-	-	4,882,368
Mutual funds – real asset	<u>45,803</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,803</u>
	<u>\$ 6,462,302</u>	<u>\$ 130,647</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,592,949</u>

(*) Certain investments that are measured at fair value using the Net Asset Value (“NAV”) per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in the tables above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

The following schedule summarizes net investment returns for the years ended December 31:

	<u>2019</u>	<u>2018</u>
Interest and dividend income		
Marketable securities	\$ 122,638	\$ 103,918
Bank money market accounts	68,901	47,820
Realized/unrealized gain (loss) on investments	1,164,334	(538,789)
Investment management fees	<u>(39,262)</u>	<u>(36,306)</u>
	<u>\$ 1,316,611</u>	<u>\$ (423,357)</u>

GEORGIA TRANSPLANT FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 – FAIR VALUE MEASUREMENTS (Continued)

All investments are primarily held for long-term purposes as a result of donor restrictions. Investment securities are exposed to various risks, such as interest rate risk, market risk and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would affect the amounts reported in the accompanying financial statements.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2019</u>	<u>2018</u>
Buildings and improvements	\$ 534,906	\$ 534,906
Furniture and fixtures	16,063	16,063
Office equipment and software	29,271	21,847
Software development in progress	87,056	87,056
	<u>667,296</u>	<u>659,872</u>
Less accumulated depreciation	<u>(151,547)</u>	<u>(111,990)</u>
	<u>\$ 515,749</u>	<u>\$ 547,882</u>

NOTE 4 – NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restriction at December 31 are restricted for the following purposes:

	<u>2019</u>	<u>2018</u>
Access to Care	\$ 5,562,839	\$ 5,568,125
Financial Assistance Program	3,244,096	3,064,438
Building Fund	176,878	190,700
Robert W. Woodruff Foundation	-	100,000
	<u>\$ 8,983,813</u>	<u>\$ 8,923,263</u>

GEORGIA TRANSPLANT FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 4 – NET ASSETS WITH DONOR RESTRICTION (Continued)

Net assets released from donor restriction for the years ended December 31 are as follows:

	<u>2019</u>	<u>2018</u>
Access to Care	\$ 392,158	\$ 407,426
Financial Assistance Program	2,220,343	2,105,961
Building Fund	13,821	13,597
Robert W. Woodruff Foundation	100,000	-
Meg Jeffrey Scholarship	-	3,217
	<u>\$ 2,726,322</u>	<u>\$ 2,530,201</u>

NOTE 5 – RETIREMENT PLAN

The Foundation sponsors a defined contribution retirement plan covering substantially all employees who have completed one year of service. For the years ended December 31, 2019 and 2018, the Foundation provided discretionary contributions to the plan of \$25,000.

NOTE 6 – SUBSEQUENT EVENT EFFECT OF CURRENT ECONOMIC CONDITIONS AND CONTRIBUTIONS

The Foundation depends heavily on contributions and grants for its revenue. The ability of certain of the Foundation’s contributors and grantors to continue giving amounts comparable with prior years may be dependent upon current and future overall economic conditions. While the Foundation’s Board of Directors believes that the Foundation has the resources to continue its programs, its ability to do so and the extent to which it continues may be dependent on the above factors.

The Foundation has experienced a disruption of normal business operations caused from COVID-19 (“Coronavirus”) since December 31, 2019. The overall financial impact cannot be determined through the date of this report; however, it is reasonably possible that changes in risks in the near term could occur which could result in a material change to the financial statements, as a number of the Foundation’s previously scheduled events in 2020 have been cancelled or postponed.

As a result of the liquid volatility experienced due to the Coronavirus since December 31, 2019, the market value of the Foundation’s investments has decreased by approximately 8% as of the date of this report.

GEORGIA TRANSPLANT FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 6 – SUBSEQUENT EVENT EFFECT OF CURRENT ECONOMIC CONDITIONS AND CONTRIBUTIONS (Continued)

In April 2020, the Foundation obtained a Small Business Administration loan under the Paycheck Protection Program (“PPP”) in the amount of \$143,847. The PPP loan bears interest at 1.00% and beginning in October 2020, requires monthly payments of principal and interest of \$8,097 through April 2022, at which time the outstanding balance is due in full. Under the terms of Coronavirus Aid, Relief, and Economic Securities Act (the “Cares Act”), the Foundation may apply with the lending institution for PPP loan proceeds used within eight weeks of funding receipt to be forgiven, provided the proceeds are used to cover certain payroll and other expenses as defined by the Cares Act.

Management has evaluated subsequent events through the date of this report, which is the date the financial statements were available to be issued.

NOTE 7 – CONCENTRATION

During the years ended December 31, 2019 and 2018, approximately 69% and 68%, respectively, of the Foundation’s contributions were from the Carlos and Marguerite Mason Trust.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Grants often require the fulfillment of certain conditions set forth in the related instruments. Failure to fulfill the conditions could result in the return of funds to the grantors. Although the return of the funds is a possibility, the Board of Directors deems the contingency unlikely, since upon accepting the grants, the Foundation has agreed to comply with the provisions thereof.

NOTE 9 – IN-KIND CONTRIBUTIONS

For the years ended December 31, 2019 and 2018, in-kind contributions were approximately \$27,000 and \$39,000, respectively, which related to materials and services for special events and legal fees.

GEORGIA TRANSPLANT FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 10 – LIQUIDITY AND AVAILABILITY OF RESOURCES

For purposes of analyzing resources available to meet general expenditures for 2020, the Foundation considers financial assets that will be collected and available for 2020 programs that are ongoing to the Foundation. Financial assets available for general expenditures, within one year at December 31, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 1,039,468	\$ 2,790,892
Promises to give	41,659	31,000
Investments	<u>9,577,321</u>	<u>6,592,949</u>
Total Financial Assets	10,658,448	9,414,841
Less those unavailable for general expenditures within one year, due to:		
Donor-imposed restrictions	<u>(8,983,813)</u>	<u>(8,923,263)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,674,635</u>	<u>\$ 491,578</u>

The Foundation is substantially supported by contributions and program service fees. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to donors. Therefore, certain financial assets may not be available for general expenditures within one year. As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.