

SOUTHERN PARTNERS FUND, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

With Independent Auditor's Report Thereon

SOUTHERN PARTNERS FUND, INC.
DECEMBER 31, 2018 AND 2017

TABLE OF CONTENTS

Independent Auditor's Report	1
Financial Statements	
Statements of Financial Position	2
Statement of Activities	3-4
Statement of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to the Financial Statements	8-16

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Southern Partners Fund, Inc.

We have audited the accompanying financial statements of Southern Partners Fund, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, 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; 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 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 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 aspects, the financial position of Southern Partners Fund, 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.



Morrow, Georgia
August 16, 2019

SOUTHERN PARTNERS FUND, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

	ASSETS	
	2018	2017
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,007,724	\$ 955,075
Cash – donor advised	19,591	11,604
Marketable securities	375,096	1,968,518
Contributions receivable	3,784	272
Pledges receivable	240,400	293,309
Prepaid expenses	<u>37,901</u>	<u>2,495</u>
TOTAL CURRENT ASSETS	1,684,496	3,231,273
MARKETABLE SECURITIES – ENDOWMENT	6,229,341	6,229,341
PLEDGES RECEIVABLE – LONG-TERM, NET	72,463	131,264
FIXED ASSETS, NET	7,635	7,255
OTHER ASSETS		
Security deposit	<u>3,779</u>	<u>2,071</u>
TOTAL ASSETS	<u>\$ 7,997,714</u>	<u>\$ 9,601,204</u>
	LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES		
Accounts payable	\$ 93,638	\$ 10,669
Vacation payable	3,544	9,692
Deferred rent	<u>27,195</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>124,377</u>	<u>20,361</u>
TOTAL LIABILITIES	<u>124,377</u>	<u>20,361</u>
NET ASSETS		
Without donor restrictions		
Investment in equipment, net	7,635	7,255
Undesignated	483,822	914,082
Board designated	<u>689,308</u>	<u>1,809,778</u>
Total net assets without donor restrictions	1,180,765	2,731,115
With donor restrictions		
Restricted by purpose of time	463,231	620,387
Restricted for endowment	<u>6,229,341</u>	<u>6,229,341</u>
Total net assets with donor restrictions	6,692,572	6,849,728
TOTAL NET ASSETS	<u>7,873,337</u>	<u>9,580,843</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,997,714</u>	<u>\$ 9,601,204</u>

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

SOUTHERN PARTNERS FUND, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUES			
Contributions and grants	\$ 317,939	\$ 311,419	\$ 629,358
Net assets released from restrictions due to satisfaction of donor-imposed restrictions	<u>468,575</u>	<u>(468,575)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUES	<u>786,514</u>	<u>(157,156)</u>	<u>629,358</u>
EXPENSES			
Program services	1,364,778	-	1,364,778
Management and general expenses	150,896	-	150,896
Fundraising expenses	<u>114,437</u>	<u>-</u>	<u>114,437</u>
TOTAL EXPENSES	<u>1,630,111</u>	<u>-</u>	<u>1,630,111</u>
OPERATING EXCESS	(843,597)	(157,156)	(1,000,753)
NONOPERATING CHANGES			
Investment revenue	221,412	-	221,412
Loss on disposal of assets	(1,168)	-	(1,168)
Realized and unrealized losses	<u>(926,997)</u>	<u>-</u>	<u>(926,997)</u>
CHANGES IN NET ASSETS	(1,550,350)	(157,156)	(1,707,506)
NET ASSETS:			
AT BEGINNING OF YEAR	<u>2,731,115</u>	<u>6,849,728</u>	<u>9,580,843</u>
AT END OF YEAR	<u>\$ 1,180,765</u>	<u>\$ 6,692,572</u>	<u>\$ 7,873,337</u>

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

SOUTHERN PARTNERS FUND, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUES			
Contributions and grants	\$ 524,715	\$ 547,689	\$ 1,072,404
Net assets released from restrictions due to satisfaction of donor-imposed restrictions	<u>90,292</u>	<u>(90,292)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUES	<u>615,007</u>	<u>457,397</u>	<u>1,072,404</u>
EXPENSES			
Program services	901,873	-	901,873
Management and general expenses	111,489	-	111,489
Fundraising expenses	<u>111,712</u>	<u>-</u>	<u>111,712</u>
TOTAL EXPENSES	<u>1,125,074</u>	<u>-</u>	<u>1,125,074</u>
OPERATING EXCESS	(510,067)	457,397	(52,670)
NONOPERATING CHANGES			
Investment revenue	214,328	-	214,328
Realized and unrealized gains	<u>1,069,352</u>	<u>-</u>	<u>1,069,352</u>
CHANGES IN NET ASSETS	773,613	457,397	1,231,010
NET ASSETS:			
AT BEGINNING OF YEAR	<u>1,957,502</u>	<u>6,392,331</u>	<u>8,349,833</u>
AT END OF YEAR	<u>\$2,731,115</u>	<u>\$ 6,849,728</u>	<u>\$ 9,580,843</u>

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

SOUTHERN PARTNERS FUND, INC.
 STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Program activities</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Grantmaking	\$ 851,512	\$ -	\$ -	\$ 851,512
Personnel	214,092	108,540	91,069	413,701
Office	71,555	37,729	20,816	130,100
Program development	67,200	-	-	67,200
Leadership development	65,143	-	-	65,143
Board and committee development	58,465	-	-	58,465
Conferences	28,036	-	-	28,036
Professional development	<u>8,775</u>	<u>4,627</u>	<u>2,552</u>	<u>15,954</u>
 TOTAL EXPENSES	 <u>\$ 1,364,778</u>	 <u>\$ 150,896</u>	 <u>\$ 114,437</u>	 <u>\$ 1,630,111</u>

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

SOUTHERN PARTNERS FUND, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Program activities</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Grantmaking	\$ 538,418	\$ -	\$ -	\$ 538,418
Personnel	99,056	99,712	111,712	310,480
Office	103,995	11,555	-	115,550
Program development	90,681	-	-	90,681
Leadership development	10,850	-	-	10,850
Board and committee development	53,572	-	-	53,572
Conferences	3,305	-	-	3,305
Professional development	<u>1,996</u>	<u>222</u>	<u>-</u>	<u>2,218</u>
 TOTAL EXPENSES	 <u>\$ 901,873</u>	 <u>\$ 111,489</u>	 <u>\$ 111,712</u>	 <u>\$ 1,125,074</u>

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

SOUTHERN PARTNERS FUND, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$(1,707,506)	\$ 1,231,010
Adjustments to reconcile increase in net assets to net cash (used in) provided by operating activities		
Depreciation and amortization	3,751	4,844
Unrealized loss (gain) on marketable securities	1,212,252	(644,254)
Loss on disposal of fixed assets	1,168	-
(Increase)/decrease in operating assets:		
Contributions receivable	(3,512)	4,736
Pledges receivable	52,909	(225,476)
Prepaid expenses	(35,406)	(425)
Pledges receivable – long-term	58,801	(76,487)
Other assets	(1,708)	-
Increase/(decrease) in operating liabilities:		
Accounts payable	82,969	(4,778)
Vacation payable	(6,148)	2,409
Deferred rent	27,195	-
Grants payable	-	(7,500)
Accrued expenses	-	(326)
	<u>-</u>	<u>(326)</u>
NET CASH FLOWS (USED IN) PROVIDED BY OPERATING ACTIVITIES	(315,235)	283,753
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from investments, net	654,237	347,615
Interest and dividends, reinvested	(273,067)	(265,775)
Property and equipment purchases	<u>(5,299)</u>	<u>(5,306)</u>
NET CASH FLOW PROVIDED BY INVESTING ACTIVITIES	375,871	76,534
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	60,636	360,287
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEARS	<u>966,679</u>	<u>606,392</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEARS	<u>\$ 1,027,315</u>	<u>\$ 966,679</u>

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

SOUTHERN PARTNERS FUND, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

1. ORGANIZATION

Southern Partners Fund, Inc. (“Organization”) was incorporated as a not-for-profit Georgia corporation in August 1998. The Organization provides financial resources, technical assistance and training, and access to systems of information to southern communities and organizations seeking social, economic, and environmental justice.

The Organization is funded by private donations from individuals, corporations, and foundations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

The Organization's net assets and its revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization 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 objective of the organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

Investment in equipment, net – Assets invested by the Organization in equipment, net of accumulated depreciation.

Board designated net assets – Net assets subject to board-imposed restrictions.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or passage of time. Some donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when 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.

SOUTHERN PARTNERS FUND, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of accounting (continued)

Revenues are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are reported.

Cash and cash equivalents

Southern Partners Fund, Inc. considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents. The Organization had cash equivalents of \$4,037 and \$331,327 for years ended December 31, 2018 and 2017, respectively.

Investments

The Organization's investments consist of various marketable securities held at financial institutions. Investment earnings, including interest and dividend income and realized and unrealized gains and losses, are recorded in net assets without donor restriction unless their use is restricted by explicit donor stipulation. Investment income is presented in the statements of activities net of investment expense.

Contributions and pledges receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

A discount rate of 3.5% and 2.5% was used for discounting long-term pledges receivable to give balances as of December 31, 2018 and 2017, respectively. The amount of discount associated with long-term pledges receivable was \$2,537 and \$2,927, respectively.

SOUTHERN PARTNERS FUND, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and equipment

Fixed assets are stated on the basis of cost. Depreciation is computed over the estimated useful lives (3-7 years) of the assets using the double-declining method. Acquisition of furniture and equipment or repairs, maintenance or betterments that materially prolong useful lives of assets are capitalized. The client uses a threshold of \$500 to capitalize fixed assets. Depreciation expense for the years ended December 31, 2018 and 2017 was \$3,751 and \$4,844, respectively.

Donated services

Many individuals volunteer time and perform a variety of tasks that assist the Organization with various administrative and program functions. No amounts have been recorded in the financial statements to reflect these volunteers since the amounts do not meet the criteria for recognition.

Income taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is only subject to federal or state income taxes on specific types of income from activities that are unrelated to its exempt purpose. The Organization had no income from unrelated activities and has no income taxes due as of December 31, 2018 and 2017.

The Organization's application of ASC 740 regarding uncertain tax positions had no effect on its financial position as management believes the Organization has no material unrecognized income tax benefits, including any potential risk of loss of its not-for-profit tax status. The Organization would account for any potential interest or penalties related to possible future liabilities for unrecognized income tax benefits as income tax expense. The Organization is no longer subject to examination by federal, state or local tax authorities for periods before 2015.

Estimates

Management of Southern Partners Fund, Inc. makes estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare the financial statements in conformity with GAAP. Actual results could differ from these estimates.

Deferred rent

Deferred rent results from a period of reduced rent payments at the inception of the office lease and is being amortized over the life of the lease. The Organization recognizes rent expense related to its office lease on a straight-line basis over the life of the lease in accordance with GAAP.

SOUTHERN PARTNERS FUND, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional allocation of expenses

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support services are allocated directly according to their natural expenditure classification. Indirect expenses have been allocated based primarily on salary expenditures.

Reclassifications

Certain reclassifications have been made in the prior year's financial statements to conform to current year's presentation.

New accounting pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

Subsequent events

Subsequent events have been evaluated through August 16, 2019, which is the date the financial statements were available to be issued.

3. FIXED ASSETS, NET

Property and equipment at December 31, 2018 and 2017 consisted of the following:

	2018	2017
Property and equipment	\$ 83,958	\$ 97,267
Less accumulated depreciation	<u>(76,323)</u>	<u>(90,012)</u>
Total fixed assets, net	<u>\$ 7,635</u>	<u>\$ 7,255</u>

4. INVESTMENT REVENUE

Investment revenue for the year ended December 31, 2018 and 2017 is comprised of the following:

	2018	2017
Interest and dividends	\$ 273,595	\$ 265,997
Management fees	<u>(52,183)</u>	<u>(51,669)</u>
Total investment revenue	<u>\$ 221,412</u>	<u>\$ 214,328</u>

SOUTHERN PARTNERS FUND, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

5. FAIR VALUE MEASUREMENTS

The Organization has adopted the provisions of FASB Codification 820-10, Fair Value Measurements, for financial assets and liabilities. Under FASB Codification 820-10, fair value is based on 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. In order to increase consistency and comparability in fair value measurements, FASB Codification 820-10 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels. These levels, in order of highest priority to lowest priority, are described as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Unobservable prices that are based on inputs not quoted on active markets, but corroborated by market data.
- Level 3: Inputs are unobservable inputs for the asset that are supported by little or no market activity and that are significant to the fair value of the underlying asset.

The following table summarized the Organization’s financial instruments measured at fair value on a recurring basis in accordance with FASB Codification 820-10 as of December 31, 2018:

	Total	Level 1	Level 2	Level 3
Equity funds	\$ 3,476,522	\$ 3,476,522	\$ -	\$ -
Equities	1,935,633	1,935,633	-	-
Fixed income	624,137	624,137	-	-
Bond funds	<u>568,145</u>	<u>568,145</u>	<u>-</u>	<u>-</u>
	<u>\$ 6,604,437</u>	<u>\$ 6,604,437</u>	<u>\$ -</u>	<u>\$ -</u>

The following table summarized the Organization’s financial instruments measured at fair value on a recurring basis in accordance with FASB Codification 820-10 as of December 31, 2017:

	Total	Level 1	Level 2	Level 3
Equity funds	\$ 4,521,334	\$ 4,521,334	\$ -	\$ -
Equities	2,436,950	2,436,950	-	-
Fixed income	619,310	619,310	-	-
Bond funds	<u>620,265</u>	<u>620,265</u>	<u>-</u>	<u>-</u>
	<u>\$ 8,197,859</u>	<u>\$ 8,197,859</u>	<u>\$ -</u>	<u>\$ -</u>

SOUTHERN PARTNERS FUND, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

6. AVAILABILITY AND LIQUIDITY

The following represents the Organization’s financial assets at December 31, 2018 and 2017, reduced by amounts not available for expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

	2018	2017
Financial assets:		
Cash and cash equivalents	\$ 1,007,724	\$ 955,075
Cash – restricted for DAF	19,591	11,604
Investments	6,604,437	8,197,859
Contributions receivable	3,784	272
Pledges receivable	240,400	293,309
Long-term contributions receivable	72,463	131,264
Financial assets at year-end	7,948,399	9,589,383
Less amounts unavailable to be used within one year:		
Investments in endowments	(6,229,341)	(6,229,341)
Net assets with time or purpose restrictions	(246,660)	(151,812)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,472,398	\$ 3,208,230

7. NET ASSETS

Net assets with donor restrictions were as follows for the years ended December 31, 2018 and 2017:

	2018	2017
Subject to expenditures for specific purpose:		
Restricted for passage of time	\$ 322,788	\$ 393,240
Restricted for regranting	75,000	37,500
Restricted for disaster relief	30,103	164,853
Restricted for evaluative site visits	18,282	-
Restricted for Barbara Meyer	7,347	10,866
Restricted for young leaders	5,000	-
Restricted for Wilburn-Sapp	3,711	4,711
Restricted for digital story telling	1,000	1,000
Restricted for strengthen racial equity	-	8,217
Total net assets with donor restrictions	\$ 463,231	\$ 620,387

SOUTHERN PARTNERS FUND, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

7. NET ASSETS (Continued)

Net assets with donor restrictions released from restrictions were as follows for the years ended December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Restricted for passage of time	\$ 266,242	\$ 5,000
Restricted for regranting	37,500	-
Restricted for disaster relief	144,750	13,850
Restricted for evaluative site visits	-	-
Restricted for Barbara Meyer	10,866	8,366
Restricted for young leaders	-	-
Restricted for Wilburn-Sapp	1,000	-
Restricted for digital story telling	-	-
Restricted for strengthen racial equity	8,217	58,226
Restricted for young leaders for social change	<u>-</u>	<u>4,850</u>
Total released from restrictions	<u>\$ 468,575</u>	<u>\$ 90,292</u>

8. BOARD DESIGNATED NET ASSETS

Board designated net assets are net assets without donor restrictions subject to board-imposed restrictions. At December 31, 2018 and 2017, the Organization's board designated all of the net assets without donor restrictions to be used to help grow the general purpose endowment, except for \$483,822 and \$914,082, respectively, to be used for operations. The designated amounts are reflected as board designated net assets on the statement of financial position.

9. CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash deposits in two banks, which throughout the year exceeds federally insured deposit limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

10. ENDOWMENT FUND

The Organization's endowment fund has been setup with donor-imposed restrictions and the funds are considered to be restricted permanently. The investment is to be held indefinitely, and the income generated by the investment is to be used for unrestricted purposes, at the board's discretion. The endowment's corpus grows via contributions designated for the endowment by donors. The long-term asset allocation ranges are as follows:

A. Fixed Income and Cash Securities - 15% to 40% with a goal of 25%

SOUTHERN PARTNERS FUND, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

10. ENDOWMENT FUND (Continued)

B. Equities - 60% to 85% with a goal of 75%

Equity Allocation

Domestic Equities = 50% to 90%

Large Cap = 10% to 30%

Small Cap = 10% to 30%

International Equities = 10% to 30%

Developed Markets = 10% to 30%

Emerging Markets = 0% to 15%

The following is a reconciliation of the endowment funds for the years ended December 31, 2018 and 2017:

Endowment Fund December 31, 2016	\$ 6,229,341
Contributions/withdrawals	_____ -
Endowment Fund December 31, 2017	6,229,341
Contributions/withdrawals	_____ -
Endowment Fund December 31, 2018	\$ <u>6,229,341</u>

Management fees paid for investment management services were \$52,183 and \$51,669 in 2018 and 2017, respectively.

11. COMMITMENTS

The Organization executed a 91-month lease for office space in May 2018 with GRE Midtown, LLC. Rent expense incurred for December 31, 2018 and 2017 was \$49,504 and \$30,936, respectively.

The Organization entered into an operating lease for a copier in January 2017. The lease has a minimum monthly payment of \$171 that is required through December 31, 2021. Rent expenses incurred under this lease for December 31, 2018 and 2017 were \$2,400 and \$2,177, respectively.

SOUTHERN PARTNERS FUND, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

11. COMMITMENTS (Continued)

Following are the future minimum lease payments under these operating leases:

<u>Year</u>	<u>Office</u>	<u>Copier</u>
2019	\$ 46,142	\$ 2,046
2020	47,531	2,046
2021	48,949	2,046
2022	50,412	-
2023	51,923	-
Thereafter	<u>108,576</u>	<u>-</u>
	<u>\$ 353,534</u>	<u>\$ 6,138</u>