

**SPARTANBURG COUNTY FOUNDATION
AND SUPPORTING ORGANIZATIONS**

COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

SPARTANBURG COUNTY FOUNDATION
AND SUPPORTING ORGANIZATIONS
DECEMBER 31, 2018 AND 2017

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The Board of Trustees
Spartanburg County Foundation
Spartanburg, South Carolina

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying combined statements of Spartanburg County Foundation and Supporting Organizations (nonprofit organizations) which comprise the statement of financial position as of December 31, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the Spartanburg County Foundation and Supporting Organizations, as of December 31, 2018 and 2017, and changes in net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles in the United States of America.

Report on Supplementary Information

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information captioned as supplemental information and identified as Schedules 1-4 in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McAbee, Schwartz, Halliday & Co.

Spartanburg, South Carolina
March 15, 2019

SPARTANBURG COUNTY FOUNDATION
AND SUPPORTING ORGANIZATIONS
COMBINED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

	2018			2017		
	FOUNDATION	SUPPORTING ORGANIZATIONS	TOTALS	FOUNDATION	SUPPORTING ORGANIZATIONS	TOTALS
ASSETS						
Cash	\$ 2,250,029	\$ -	\$ 2,250,029	\$ 2,007,262	\$ -	\$ 2,007,262
Investments						
Investment pool						
Cash	-	-	-	-	-	-
Investments	126,063,854	42,769,408	168,833,262	126,982,490	46,832,687	173,815,177
	<u>128,313,883</u>	<u>42,769,408</u>	<u>171,083,291</u>	<u>128,989,752</u>	<u>46,832,687</u>	<u>175,822,439</u>
Investment Portfolio						
Charitable trusts	10,996,724	-	10,996,724	12,631,597	-	12,631,597
Annuities	74,284	-	74,284	79,528	-	79,528
Other	11,575,850	4,620	11,580,470	17,822,738	39,745	17,862,483
	<u>22,646,858</u>	<u>4,620</u>	<u>22,651,478</u>	<u>30,533,863</u>	<u>39,745</u>	<u>30,573,608</u>
Fixed Assets						
Land	1,992,354	-	1,992,354	1,992,354	-	1,992,354
Buildings	2,781,741	-	2,781,741	2,781,742	-	2,781,742
Furniture and fixtures	251,559	-	251,559	251,559	-	251,559
	5,025,654	-	5,025,654	5,025,655	-	5,025,655
Less accumulated depreciation	1,169,422	-	1,169,422	1,104,703	-	1,104,703
	<u>3,856,232</u>	<u>-</u>	<u>3,856,232</u>	<u>3,920,952</u>	<u>-</u>	<u>3,920,952</u>
Other						
Real estate - nonoperating	1,240,734	12,650	1,253,384	1,240,734	12,650	1,253,384
Other	108,483	1,335,376	1,443,859	101,451	1,191,241	1,292,692
	<u>1,349,217</u>	<u>1,348,026</u>	<u>2,697,243</u>	<u>1,342,185</u>	<u>1,203,891</u>	<u>2,546,076</u>
Total Assets	<u>\$ 156,166,190</u>	<u>\$ 44,122,054</u>	<u>\$ 200,288,244</u>	<u>\$ 164,786,752</u>	<u>\$ 48,076,323</u>	<u>\$ 212,863,075</u>
LIABILITIES AND NET ASSETS						
Due to Other Organizations	\$ 54,583,126	\$ -	\$ 54,583,126	\$ 58,071,370	\$ -	\$ 58,071,370
Annuities Payable	291,967	-	291,967	355,664	-	355,664
Other Payables	10,520,482	-	10,520,482	12,053,901	-	12,053,901
Net Assets						
Without donor restrictions	13,799,517	-	13,799,517	14,157,314	-	14,157,314
With donor restrictions	76,971,098	44,122,054	121,093,152	80,148,503	48,076,323	128,224,826
Total Liabilities and Net Assets	<u>\$ 156,166,190</u>	<u>\$ 44,122,054</u>	<u>\$ 200,288,244</u>	<u>\$ 164,786,752</u>	<u>\$ 48,076,323</u>	<u>\$ 212,863,075</u>

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

SPARTANBURG COUNTY FOUNDATION
AND SUPPORTING ORGANIZATIONS
COMBINED STATEMENTS OF ACTIVITIES
DECEMBER 31, 2018 AND 2017

	2018				2017			
	FOUNDATION		SUPPORTING ORGANIZATIONS	TOTALS	FOUNDATION		SUPPORTING ORGANIZATIONS	TOTALS
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS		WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	
Revenues, gains and other support								
Contributions	\$ 208,366	\$ 14,910,983	\$ 2,774,823	\$ 17,894,172	\$ 941,507	\$ 8,177,257	\$ 7,711,522	\$ 16,830,286
Contributions interfund	64,089	1,281,733	25,544	1,371,366	74,253	1,592,294	35,602	1,702,149
	<u>272,455</u>	<u>16,192,716</u>	<u>2,800,367</u>	<u>19,265,538</u>	<u>1,015,760</u>	<u>9,769,551</u>	<u>7,747,124</u>	<u>18,532,435</u>
Trust income	55,725	-	-	55,725	7,500	-	-	7,500
Investment return, net	(227,787)	(4,659,952)	(2,645,939)	(7,533,678)	808,937	8,377,764	5,019,715	14,206,416
Change in value of split-interest agreements	-	(6,462)	-	(6,462)	-	10,637	-	10,637
Fundraising	60	80,321	-	-	-	68,743	-	-
Fees	1,607,641	86,768	-	1,694,409	1,537,928	74,792	-	1,612,720
Miscellaneous	-	-	-	-	-	-	604	604
	<u>1,708,094</u>	<u>11,693,391</u>	<u>154,428</u>	<u>13,475,532</u>	<u>3,370,125</u>	<u>18,301,487</u>	<u>12,767,443</u>	<u>15,837,877</u>
Net assets released from restrictions								
Transfers	-	-	-	-	-	-	-	-
Program restrictions satisfied	14,870,796	(14,870,796)	-	-	9,910,390	(9,910,390)	-	-
	<u>14,870,796</u>	<u>(14,870,796)</u>	<u>-</u>	<u>-</u>	<u>9,910,390</u>	<u>(9,910,390)</u>	<u>-</u>	<u>-</u>
Total revenue, gains and other support	<u>16,578,890</u>	<u>(3,177,405)</u>	<u>154,428</u>	<u>13,475,532</u>	<u>13,280,515</u>	<u>8,391,097</u>	<u>12,767,443</u>	<u>15,837,877</u>
Expenses								
Program expenses	15,848,025	-	4,108,697	19,956,722	10,702,705	-	2,522,634	13,225,339
Supporting services								
General and administrative	940,743	-	-	940,743	1,072,022	-	-	1,072,022
Fundraising and promotion	147,919	-	-	147,919	82,524	-	-	82,524
	<u>16,936,687</u>	<u>-</u>	<u>4,108,697</u>	<u>21,045,384</u>	<u>11,857,251</u>	<u>-</u>	<u>2,522,634</u>	<u>14,379,885</u>
Increase (Decrease) in Net Assets	(357,797)	(3,177,405)	(3,954,269)	(7,489,471)	1,423,264	8,391,097	10,244,809	20,059,170
Net Assets at Beginning of Year	14,157,314	80,148,503	48,076,323	142,382,140	12,734,050	71,757,406	37,831,514	122,322,970
Net Assets at End of Year	<u>\$ 13,799,517</u>	<u>\$ 76,971,098</u>	<u>\$ 44,122,054</u>	<u>\$ 134,892,669</u>	<u>\$ 14,157,314</u>	<u>\$ 80,148,503</u>	<u>\$ 48,076,323</u>	<u>\$ 142,382,140</u>

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

SPARTANBURG COUNTY FOUNDATION
AND SUPPORTING ORGANIZATIONS
COMBINED STATEMENTS OF CASH FLOWS
DECEMBER 31, 2018 AND 2017

	2018			2017		
	FOUNDATION	SUPPORTING ORGANIZATIONS	TOTALS	FOUNDATION	SUPPORTING ORGANIZATIONS	TOTALS
Cash Flows From (Applied To) Operating Activities						
Increase in net assets	\$ (3,535,202)	\$ (3,954,269)	\$ (7,489,471)	\$ 9,814,361	\$ 10,244,809	\$ 20,059,170
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities						
Depreciation	64,720	-	64,720	67,397	-	67,397
Non cash contributions	-	-	-	(747,800)	-	(747,800)
Net unrealized (gain) loss on long term investments	9,513,450	4,427,839	13,941,289	(11,725,253)	(7,172,726)	(18,897,979)
Investment income reinvested in mutual funds, net of fees	(2,144,154)	(997,952)	(3,142,106)	(1,420,912)	(869,219)	(2,290,131)
Increase (decrease) in accounts payable	(5,021,663)	-	(5,021,663)	6,993,222	-	6,993,222
(Increase) decrease in Other	(7,032)	(144,135)	(151,167)	157,043	(129,633)	-
Increase (decrease) in annuities payable	(63,697)	-	(63,697)	(25,634)	-	(25,634)
	<u>(1,193,578)</u>	<u>(668,517)</u>	<u>(1,862,095)</u>	<u>3,112,424</u>	<u>2,073,231</u>	<u>5,185,655</u>
Cash Flows From (Applied To) Investing Activities						
Purchase of property and equipment	-	-	-	(15,770)	-	(15,770)
Transfers from investment accounts	22,110,578	10,290,914	32,401,492	4,255,028	2,602,942	6,857,970
Transfers to investment accounts	(20,674,232)	(9,622,397)	(30,296,629)	(7,644,139)	(4,676,173)	(12,320,312)
	<u>1,436,346</u>	<u>668,517</u>	<u>2,104,863</u>	<u>(3,404,881)</u>	<u>(2,073,231)</u>	<u>(5,478,112)</u>
Net Increase (Decrease) in Cash	242,768	-	242,768	(292,457)	-	(292,457)
Cash at Beginning of Year	<u>2,007,262</u>	<u>-</u>	<u>2,007,262</u>	<u>2,299,719</u>	<u>-</u>	<u>2,299,719</u>
Cash at End of Year	<u>\$ 2,250,030</u>	<u>\$ -</u>	<u>\$ 2,250,030</u>	<u>\$ 2,007,262</u>	<u>\$ -</u>	<u>\$ 2,007,262</u>

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

SPARTANBURG COUNTY FOUNDATION
AND SUPPORTING ORGANIZATIONS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Spartanburg County Foundation and Supporting Organizations (collectively referred to here as the Foundation) is presented to assist in the understanding of the financial statements. The financial statements and notes are representations of the Foundation's management, who are responsible for their integrity and objectivity. These accounting policies conform to U.S. generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses.

Organization and Nature of Activities

Spartanburg County Foundation - The purpose of the Foundation is to provide financial support for mental, moral, intellectual and physical improvements, assistance and relief for the inhabitants of Spartanburg County.

Supporting Organizations - The purpose of the Organizations are to operate exclusively as supporting organizations to the Foundation as defined in Internal Revenue Code Section 509(a)(3). The Foundation controls the Supporting Organizations by virtue of the election of the majority of their board of trustees. During the years ended December 31, 2018 and 2017, the Supporting Organizations paid Spartanburg County Foundation \$264,767 and \$246,305, respectively, for services rendered.

Financial Statement Presentation – In accordance with generally accepted accounting principles, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Net assets without donor restrictions are funds over which the Board of Trustees has discretionary control and are available for grant making and other purposes. These include board designated purposes and endowments.

Net assets with donor restrictions are those which are restricted as to time or purpose of use, and include donor restricted endowments. When donor restrictions expire, that is, when a stipulated time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. However, if the restriction expires during the same accounting period in which the gift was received, the contribution is reported as an increase in net assets without donor restrictions.

Cash and Cash Equivalents - For purposes of the statements of cash flows, the Foundation considers unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents, except for mutual funds.

Investments - The Foundation carries its investments at fair market value.

SPARTANBURG COUNTY FOUNDATION
AND SUPPORTING ORGANIZATIONS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- continued

Property and Equipment - Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies donor restricted net assets to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives. The Foundation has a policy to capitalize any fixed asset purchases greater than \$5,000.

Income Taxes

The Spartanburg County Foundation and the Supporting Organizations are not-for-profit organizations that are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Contributions and Recognition of Donor Restrictions - In accordance with generally accepted accounting principles, contributions received are recorded as without donor restriction or with donor restriction depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restriction depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

NOTE 2 - CASH

At December 31, 2018 and 2017, the carrying amount of the Foundation's cash and cash equivalents was \$2,250,029 and \$2,007,262, respectively. The bank balance was \$2,455,232 and \$2,526,511, respectively. Of the bank balance, \$250,000 and \$250,000 was covered by federal depository insurance at December 31, 2018 and 2017, respectively. Management does not believe that it is exposed to any significant risk in connection with the uninsured cash balances.

NOTE 3 - INVESTMENTS

Investment Pool

The Foundation maintains an investment pool consisting of various mutual funds and managed accounts. Unless specific prohibitive clauses are contained in the gift instrument, new gifts are added to the investment pool. Investment pool income is allocated to the various sub-funds based on the percentage of ownership interest in the market value of the investment pool.

SPARTANBURG COUNTY FOUNDATION
AND SUPPORTING ORGANIZATIONS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017 - CONTINUED

NOTE 3 – INVESTMENTS - continued

The investment pool consists of the following at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>	<u>Redemption</u>
Winston Hedged Equity Fund, Ltd.	\$ 15,729,880	\$ 16,401,759	Quarterly
Sanderson International Value Fund	10,020,345	12,297,924	Monthly
Bank Certificates of Deposit	1,562,828	2,134,800	Daily
Colchester Global Fixed Income Fund	7,975,336	8,061,547	Daily
T. Rowe Price Mid-Cap Equity Growth	5,020,684	5,135,367	Daily
Vanguard Institutional Index Fund	22,409,539	26,419,340	Daily
Nyes Ledge Capital Offshore Fund, Ltd.	-	8,850,791	Annual
Vanguard Developed Market Index Fund	7,265,098	7,466,491	Daily
Acadian International Small Cap	6,998,960	8,667,206	Monthly
Vanguard Inflation-Protected Securities Fund	9,274,621	5,194,585	Daily
AEW Global Property Securities Fund, LP	8,141,584	5,552,332	Monthly
Wellington - WTC-CTF Diversified Inflation Hedge	-	6,212,986	Monthly
Wellington SMID Equity	2,885,972	3,180,164	Daily
Eaton Vance Structured Emerging Markets I	5,500,528	6,380,536	Daily
Weatherlow Offshore Fund I Ltd	16,016,010	16,511,987	Quarterly
Vanguard Intermediate-Term Treasury Fund	15,352,310	12,149,365	Daily
Vanguard Extended Markets Index Fund	2,554,573	2,818,450	Daily
Blackrock Strategic Income Opportunities	5,647,560	4,037,018	Daily
Dodge & Cox Income Fund	13,132,196	12,164,568	Daily
FPA Crescent Fund	8,062,140	4,177,961	Daily
Loomis Sayles Strategic Alpha Y Fund	5,283,096	-	Daily
	<u>\$ 168,833,260</u>	<u>\$ 173,815,177</u>	

Investment management fees charged by the various managers are netted against the unrealized gain or added to the unrealized loss on marketable securities. Other investment management fees were \$135,902 and \$117,139 for 2018 and 2017, respectively, and have been included on a net basis in investment return in the Statement of Activities.

Winston Hedged Equity Fund, Ltd. – The investment objective is to seek superior capital appreciation, while minimizing downside risks, through employing a “multi-manager” approach to equity investment. The fund uses a number of investment managers which manage equity portfolios composed primarily of U.S. securities and use traditional hedging strategies. Winston seeks a balance between value and growth styles, while offering some measure of exposure to all capitalization sectors of the U.S. equity markets.

WTC-CTF Diversified Inflation Hedges Portfolio – The investment objective of the Portfolio is to provide returns consistent with US CPI +5% over the long term by investing in areas that offer strong

SPARTANBURG COUNTY FOUNDATION
AND SUPPORTING ORGANIZATIONS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017 - CONTINUED

NOTE 3 – INVESTMENTS – continued

relative performance in rising inflation environments. The Portfolio is managed on a total return basis.

The Portfolio is primarily invested in equity and equity-related securities, commodity derivatives, fixed income obligations, and derivatives related to equity, fixed income, and commodity securities.

Sanderson International Value Fund – The investment objective is to achieve long-term growth from a diversified portfolio of equity securities of companies in any country other than the United States and Canada. The Fund seeks to achieve its objectives by investing in a wide range of equity instruments, including common and preferred stocks, convertible investment grade instruments, depository receipts and options and warrants on equity securities.

Weatherlow Offshore Fund I Ltd – The investment objective is to achieve long-term returns commensurate with the long-term returns from a portfolio invested in the general equity markets. The Fund seeks to have a low correlation with traditional equity, fixed income and style indices. The Fund seeks to achieve its investment objective by allocating capital to external portfolio managers that will generally be selected for expertise in one or more investment strategies.

AEW Global Property Securities Fund, LP – The Fund seeks to construct and actively managed a well-diversified portfolio of publicly traded equity securities issued by real estate investment trusts and other real estate and real estate related operating entities in North America, Europe and Asia Pacific.

Acadian International Small-Cap Fund – The Fund seeks long-term capital appreciation by investing primarily in securities of non-U.S. companies with market capitalizations of less than \$3 billion. The portfolio will be invested in common and preferred equity securities issued by non-U.S. corporations. The Fund may also invest in forward contracts for the purpose of currency hedging.

Colchester Global Fixed Income Fund – The Fund's investment objective is to achieve favorable income-oriented returns from a globally diversified portfolio of primarily debt or debt-like securities. An associated objective is the preservation and enhancement of principal

Nyes Ledge Capital Offshore Fund, Ltd. - The Fund's investment objective is to provide investors with attractive absolute and relative returns that exhibit moderate volatility and a low correlation to the overall stock and bond markets. The Fund attempts to achieve this objective by investing primarily with a diversified group of hedge fund managers while carefully diversifying across varying styles and strategies.

FPA Crescent Fund – The Fund seeks to generate equity-like returns over the long-term, take less risk than the market and avoid permanent impairment of capital. To pursue this investment objective, the Fund invests in both equity and debt securities of companies. The Fund believes that this combination broadens the universe of opportunities for the Fund, offers additional diversification and helps to lower volatility.

Vanguard Developed Markets Index Fund - The Fund employs an investment approach designed to track the performance of the MSCI EAFE Index. The fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index.

SPARTANBURG COUNTY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017 - CONTINUED

NOTE 3 – INVESTMENTS – continued

Dodge & Cox Income Fund - The Fund invests in a diversified portfolio of high-quality bonds and other debt securities. In selecting securities, the Fund considers many factors, including yield-to-maturity, quality, liquidity, call risk, current yield, and capital appreciation potential.

Vanguard Extended Market Index Fund - The Fund seeks to track the performance of the Standard & Poor's Completion Index that measures the investment return of small and mid-capitalization stock. The Fund holds a broadly diversified collection of securities that, in aggregate, approximates the full Index in terms of key characteristics.

Blackrock Strategic Income Opportunities Fund – Under normal market conditions, the Fund will invest in a combination of fixed income securities, including, but not limited to: high yield securities, international securities, emerging markets debt and mortgages. The Fund is a non-diversified portfolio and may engage in active and frequent trading of portfolio securities

Loomis Sayles Fund - The Fund seeks to provide an attractive absolute total return, complemented by prudent investment management designed to manage risks and protect investor capital. The Fund seeks to achieve these returns with relatively low volatility, utilizing a flexible investment approach that allocates investments across a global range of investment opportunities related to credit, currencies, and interest rates.

Charitable Remainder Trust

The Spartanburg County Foundation is the trustee for eleven charitable remainder trusts. One trust has named the Foundation as its irrevocable beneficiary. At December 31, 2018 and 2017, the trusts had assets with a market value of \$10,996,723.19 and \$12,631,597, respectively.

Gift Annuities

The Spartanburg County Foundation had two annuities at December 31, 2018 and 2017, respectively. The annuities are invested in separate Vanguard Fixed Income Securities Funds. Total gift annuity investments at December 31, 2018 and 2017 totaled \$74,284 and \$79,528, respectively.

Other Investments

The Spartanburg County Foundation has received several investments as contributions from donors that have not been liquidated as of December 31, 2018. In addition, several donors have requested funds not be invested in the investment pool, they are managed by other investment advisory companies. These investments at December 31, 2018 and 2017 totaled \$22,651,477 and \$17,862,483, respectively.

GS Mezzanine Partners 2006, LP – A donor contributed their investment in this partnership during 2010 to a support organization. The value on the date of contribution was \$294,585. The original investment called for a commitment of \$500,000, the outstanding commitment at December 31, 2018 and 2017 is \$5,001 and \$5,001.

SPARTANBURG COUNTY FOUNDATION
AND SUPPORTING ORGANIZATIONS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017 - CONTINUED

NOTE 3 – INVESTMENTS – continued

The fair value measurement of investments at December 31, 2018 and 2017 is as follows:

	Fair Value Measurements at December 31, 2018		
	Level 1	Level 2	Level 3
	Quoted Prices In Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
Mutual Funds	\$ 105,479,082	\$ -	\$ -
Commingled Funds	-	31,705,381	-
Certificates of Deposit	1,562,828	-	-
Partnerships	-	46,891,053	-
Notes Receivable	-	-	-
Stocks and Bonds	5,846,395	-	-
	\$ 112,888,305	\$ 78,596,434	\$ -

	Fair Value Measurements at December 31, 2017		
	Level 1	Level 2	Level 3
	Quoted Prices In Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
Mutual Funds	\$ 99,216,006	\$ -	\$ -
Commingled Funds	-	34,787,436	-
Certificates of Deposit	2,134,800	-	-
Partnerships	-	56,023,820	-
Notes Receivable	-	-	-
Stocks and Bonds	12,226,723	-	-
	\$ 113,577,529	\$ 90,811,256	\$ -

Generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consists of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs have the lowest priority. The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are inputs other than quoted prices that are observable for the asset, and Level 3 inputs were only used when Level 1 and Level 2 inputs were not available.

Level 1 Fair Value Measurements

The fair values of mutual funds, certificates of deposits, common stocks, corporate bonds and U.S. Government securities are based on quoted market prices.

SPARTANBURG COUNTY FOUNDATION
AND SUPPORTING ORGANIZATIONS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017 - CONTINUED

NOTE 3 – INVESTMENTS – continued

Level 2 Fair Value Measurements

The underlying investments of these funds are Level 1, however these investments are not actively traded and the value reported is the net asset value.

Level 3 Fair Value Measurements

The underlying investment is not actively traded and the value reported is value at date of gift.

The carrying amount of other assets, including cash, accounts receivable and accounts payable approximate their fair market value due to the short term maturities of these instruments.

NOTE 4 – CASH VALUE LIFE INSURANCE

Several individuals are utilizing a life insurance program which names the Foundation as the beneficiary and owner. Contributions equivalent to the insurance premiums are provided to the Foundation to fund the individual's life insurance policy. The cash value at December 31, 2018 and 2017 is \$1,328,098.24 and \$1,185,793, respectively.

NOTE 5 – FAIR VALUE MEASUREMENT - LIABILITIES

The fair value measurement of split-interest agreements and custodial accounts at December 31, 2018 and 2017 is as follows:

	Fair Value Measurements at December 31, 2018		
	Quoted Prices In Active Markets for Identical Liabilities	Significant Other Observable Inputs	Significant Unobservable Inputs
Trust agreements	\$ 54,583,126	\$ 249,073	\$ -
Custodial accounts	10,505,281	-	-
Annuities	-	42,895	-
	\$ 65,088,407	\$ 291,968	\$ -

	Fair Value Measurements at December 31, 2017		
	Quoted Prices In Active Markets for Identical Liabilities	Significant Other Observable Inputs	Significant Unobservable Inputs
Trust agreements	\$ 57,337,656	\$ 313,988	\$ -
Custodial accounts	12,050,602	-	-
Annuities	-	41,676	-
	\$ 69,388,258	\$ 355,664	\$ -

SPARTANBURG COUNTY FOUNDATION
AND SUPPORTING ORGANIZATIONS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017 - CONTINUED

NOTE 5 – FAIR VALUE MEASUREMENT – LIABILITIES - continued

Annuity Agreements – The gift is recorded as an asset at its fair market value at date of contribution. A liability is recorded for the present value of future annuity payments and the difference is recorded as contributions. Annually, the present value of future payments is revalued and recorded as an adjustment to contribution income for the year.

Charitable Trusts - The contribution is calculated based on the life expectancy (single or joint), distribution percentage and the donor's age at time of donation. The portion of the contribution due to other named remaindermen is recorded as a custodial liability. The balance is recorded as contributions. The difference between the amount received and the calculated contribution is recorded as annuity payable and is amortized over the life expectancy of the donor. Distributions are annually adjusted based on the fair market value on a date determined by the trust agreement (normally January 1) and the percentage payout defined in the trust agreement.

Custodial Accounts - The Foundation manages investments for other non-profit organizations. At December 31, 2018 and 2017, \$22,717,034.81 and \$23,327,099 was on deposit with the Foundation from unrelated organizations.

In accordance with generally accepted accounting principles, the Foundation has recorded Agency Endowments as due to other organizations in the amount of \$31,866,092.07 and \$34,010,557 at December 31, 2018 and 2017, respectively.

The fair value measurement of the custodial account liability is based on the underlying investment assets detailed in Note 3.

NOTE 6 – GRANT COMMITMENTS

At December 31, 2018 and 2017, the Foundation had approved grants which had not been requested by the grantees or restrictions had not been met in the amount of \$39,870 and \$41,000.

NOTE 7- RETIREMENT PLAN

The Foundation participates in the Teacher Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF). Contributions of \$83,603 and \$77,138, representing 12% of eligible employee salaries were made in 2018 and 2017. Employees may elect to participate in various deferred compensation plans of TIAA-CREF.

NOTE 8 – ENDOWMENTS

Spending and Investment policies

The Foundation has 216 endowment funds established for a variety of purposes as discussed in Note 1. As required by GAAP, net assets associated with the endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

SPARTANBURG COUNTY FOUNDATION
AND SUPPORTING ORGANIZATIONS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017 - CONTINUED

NOTE 8 – ENDOWMENTS – continued

The Board of Trustees of the Foundation has determined that it must preserve the amount explicitly stipulated by the donors. The Foundation classifies the endowed amount as net assets restricted by donors at the original value of gifts donated to the Foundation.

The Foundation has adopted endowment investment and spending policies that attempt to provide a predictable stream of funding to programs supported by the endowments while ensuring that the purchasing power of the endowments does not decline over time. The spending policy defines the amount of money that can be disbursed from a fund each year for charitable purposes. A spending percentage rate of 4% is the standard rate and is subject to the review and approval by the Foundation annually. The spending policy rate is based upon a “total return” approach, which anticipates that both income and capital appreciation will be withdrawn for charitable distributions. The calculation of the spending policy amount for each fund of the Foundation shall be made using the average of the previous 20 quarters of the fund’s market value. The formula shall be applied to the 20 quarters ending each December 31. The spending amount is intended to be used for grant making or similar related purposes approved by the Foundation. The fund’s annual contribution to the Community Fund of the Foundation will not be applied to the spending amount.

The endowments are subject to the State of South Carolina statute enacted under the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) effective July 1, 2008, which provides that unless otherwise stated in the gift instrument, the assets in an endowment fund are donor-restricted assets until appropriated for expenditure by the institution. The appropriation policy is as stated in the previous paragraph. Appropriation is deemed to occur upon approval for the expenditures, unless approval is for future period, in which case appropriation is deemed to occur when that period is reached.

The Board of Trustees has determined that the majority of the Foundation’s contributions are subject to the terms of the Foundation’s fund agreements and the Foundation’s Governing Documents. Certain contributions are received subject to other gift instruments, or are subject to specific agreements with the Foundation.

Underwater Endowment Funds

Endowment funds are considered to be underwater if the fair value of the donor-restricted endowment is less than the original value of the initial gift amount donated to the fund. The Board has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with UPMIFA, the Board considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and appreciation of the investments
- The investment policy of the Foundation

In December 2018, the stock market fell in the last two weeks of the year, causing the value of some funds to decrease below their donor-restricted values at the date of the initial gift, causing underwater status. As of the date of these financial statements, the stock market has recovered, and the funds are no longer underwater in March of 2019.

SPARTANBURG COUNTY FOUNDATION
AND SUPPORTING ORGANIZATIONS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017 - CONTINUED

NOTE 8 – ENDOWMENTS – continued

Endowment Net Asset Composition

The Foundation's endowment net assets are composed as follows as of December 31, 2018 and 2017:

	December 31, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	\$ 842,738	\$ -	\$ 842,738
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	6,074,946	6,074,946
Accumulated investment gains	-	10,748,299	10,748,299
Amount underwater	-	(140,086)	(140,086)
Total funds	\$ 842,738	\$ 16,683,158	\$ 17,525,896
	December 31, 2017		
	Without Donor Restrictions	With Donor Restrictions	Total
Board designated endowment funds	\$ 449,194	\$ -	\$ 449,194
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	-	-
Accumulated investment gains	472,771	8,466,601	8,466,601
Total funds	\$ 921,965	\$ 18,487,505	\$ 19,409,470

Fair value of underwater endowments

From time to time, the fair value of assets associated with the individual donor-restricted endowment funds may fall below the level that the donor or the Uniform Prudent Management of Institutional Funds Act (UPMIFA) requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature exist in 23 donor-restricted endowment funds, which together have an original gift value of \$850,226, a current fair value of \$720,263, and a deficiency of \$140,086 as of December 31, 2018.

SPARTANBURG COUNTY FOUNDATION
AND SUPPORTING ORGANIZATIONS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017 - CONTINUED

NOTE 8 – ENDOWMENTS – continued

Change in the endowment nets assets are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, December 31, 2016	\$ 810,787	\$ 16,459,367	\$ 17,270,155
Investment return, net	107,078	1,971,331	2,078,409
Contributions	11,500	568,435	579,935
Amounts appropriated for expenditures	(7,401)	(511,629)	(519,029)
Changes in endowment net assets	<u>111,177</u>	<u>2,028,137</u>	<u>2,139,315</u>
Endowment net assets, December 31, 2017	921,965	18,487,505	19,409,469
Investment return, net	(52,865)	(1,250,721)	(1,303,586)
Contributions	7,050	303,475	310,525
Amounts appropriated for expenditures	(33,412)	(857,101)	(890,513)
Changes in endowment net assets	<u>(79,227)</u>	<u>(1,804,347)</u>	<u>(1,883,574)</u>
Endowment net assets, December 31, 2018	<u>\$ 842,738</u>	<u>\$ 16,683,158</u>	<u>\$ 17,525,896</u>

NOTE 9 – LIQUIDITY

The Foundation's financial assets available within one year of the balance sheet date for general expenditures normally consists of cash and cash equivalents.

The foundation's endowment funds consist of donor-restricted endowments and board restricted endowments. Income (as determined under the Foundation's total return investment policy) from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditures. As described in note 8, the board-designated endowments have a spending rate of 4%. Appropriations of \$972,856 from these funds will be available in the next 12 months.

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. In addition, the Foundation invests cash in excess of daily requirements in short-term money market funds. The Foundation also has board designated endowment funds of \$842,738. Although the Foundation does not intend to spend from its board designated endowments other than the amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board designated endowments could be made available if necessary.

SPARTANBURG COUNTY FOUNDATION
AND SUPPORTING ORGANIZATIONS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017 - CONTINUED

NOTE 10 – FUNCTIONAL ALLOCATION OF EXPENSES

Expenses presented on a functional basis for the years ending December 31, 2018 and 2017 are as follows:

	SUPPORTING SERVICES			TOTAL SUPPORTING SERVICES	TOTALS 2018
	PROGRAM SERVICES	MANAGEMENT & GENERAL	FUNDRAISING		
2018:					
Grants and awards	\$ 14,445,587	\$ -	\$ -	\$ -	\$ 14,445,587
Grants interfund	1,591,450	-	-	-	1,591,450
	<u>16,037,037</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,037,037</u>
Depreciation	16,420	45,100	3,200	48,300	64,720
Dues	50,507	5,082	8,214	13,296	63,803
Insurance	31,565	86,704	6,152	92,856	124,421
Taxes - payroll	13,343	36,648	2,600	39,248	52,591
Legal and accounting	15,080	30,035	1,871	31,906	46,986
Office expense	1,344	17,516	715	18,231	19,575
Telephone	2,884	7,920	562	8,482	11,366
Travel and entertainment	24,483	3,417	16,577	19,994	44,477
Repairs and maintenance	40,411	51,217	3,634	54,851	95,262
Salaries	194,217	533,477	37,853	571,330	765,547
Retirement	21,209	58,260	4,134	62,394	83,603
Grant Expense	2,221,711	-	-	-	2,221,711
Fundraising	-	-	-	-	-
Other	-	-	-	-	-
Contributions in-kind	50,982	-	-	-	50,982
Operating expenses	<u>1,235,529</u>	<u>65,367</u>	<u>62,407</u>	<u>127,774</u>	<u>1,363,303</u>
	<u>\$ 19,956,722</u>	<u>\$ 940,743</u>	<u>\$ 147,919</u>	<u>\$ 1,088,662</u>	<u>\$ 21,045,384</u>

SPARTANBURG COUNTY FOUNDATION
AND SUPPORTING ORGANIZATIONS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017 - CONTINUED

NOTE 10 – FUNCTIONAL ALLOCATION OF EXPENSES - continued

	SUPPORTING SERVICES				TOTALS 2017
	PROGRAM SERVICES	MANAGEMENT & GENERAL	FUNDRAISING	TOTAL SUPPORTING SERVICES	
2017:					
Grants and awards	\$ 8,221,441	\$ -	\$ -	\$ -	\$ 8,221,441
Grants interfund	1,831,950	-	-	-	1,831,950
	<u>10,053,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,053,391</u>
Depreciation	17,098	46,966	3,333	50,299	67,397
Dues	27,171	27,937	1,982	29,919	57,090
Insurance	26,537	72,891	5,172	78,063	104,600
Taxes - payroll	12,814	35,198	2,497	37,695	50,509
Legal and accounting	-	43,688	-	43,688	43,688
Office expense	-	16,238	-	16,238	16,238
Telephone	2,854	7,839	556	8,395	11,249
Travel and entertainment	19,257	53,064	14,476	67,540	86,797
Repairs and maintenance	19,891	54,637	3,877	58,514	78,405
Salaries	186,357	511,889	36,321	548,210	734,567
Retirement	19,570	53,754	3,814	57,568	77,138
Grant Expense	1,627,790	-	-	-	1,627,790
Fundraising	14,000	-	-	-	14,000
Other	-	-	-	-	-
Contributions in-kind	55,459	-	-	-	55,459
Operating expenses	<u>1,143,150</u>	<u>147,921</u>	<u>10,496</u>	<u>158,417</u>	<u>1,301,567</u>
	<u>\$ 13,225,339</u>	<u>\$ 1,072,022</u>	<u>\$ 82,524</u>	<u>\$ 1,154,546</u>	<u>\$ 14,379,885</u>

The method used to allocate costs amounts to program and support functions, which primarily affects salaries and related expenses, is based upon employee time spent on programs versus support services. Other expenses are classified based upon the assessment by management of relevant programs supported by the expenses incurred or supporting functions benefited.

SPARTANBURG COUNTY FOUNDATION
AND SUPPORTING ORGANIZATIONS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017 - CONTINUED

NOTE 11 – COMPOSITION OF NET ASSETS WITH DONOR RESTRICTIONS

Subject to expenditure for a specified purpose:

Subject to discretion of the Scholarship Awards Committee		
Scholarship funds	\$	12,504,738
Subject to the discretion of the sponsor, or Awards Committee		
Designated funds		14,024,632
Field of interest funds		1,935,324
		<u>15,959,956</u>
Subject to the discretion of the donor advisor		
Donor advised funds		30,714,320
Subject to the discretion of sponsoring foundation		
Supporting Organizations		42,634,166
Subject to original donor's restriction, and the discretion of the Trustees of The Spartanburg County Foundation		
Trustee initiated field of interest funds		2,565,423
Subject to passage of time:		
Annuities		31,390
	Total non-endowed	<u>104,409,994</u>

Subject to the Foundation's spending policy and appropriation:

Subject to discretion of the Scholarship Awards Committee		
Scholarship funds		5,402,078
Subject to the discretion of the sponsor, or Awards Committee		
Designated funds		7,184,603
Field of interest funds		378,877
		<u>7,563,480</u>
Subject to the discretion of the donor advisor		
Donor advised funds		1,091,033
Subject to the discretion of sponsoring foundation		
Supporting Organizations		1,487,887
Subject to original donor's restriction, and the discretion of the Trustees of The Spartanburg County Foundation		
Trustee initiated field of interest funds		1,138,680
	Total endowed	<u>16,683,158</u>
Total net assets with donor restrictions		<u><u>\$ 121,093,152</u></u>

SPARTANBURG COUNTY FOUNDATION
AND SUPPORTING ORGANIZATIONS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017 - CONTINUED

NOTE 12 – BOARD DESIGNATED FUNDS WITHOUT DONOR-IMPOSED RESTRICTIONS

The Board has designated funds without donor-imposed restrictions for the following purposes:

Fund Name	Purpose	Net Assets
Annual Meeting Fund	Funding costs of the SCF Annual Meeting	8,116
CFP Capital Campaign Fund	Funding costs of the construction of the Robert H. Chapman, III Center for Philanthropy	43,380
Just Because Fund	Funding grant opportunities to local nonprofits	\$ 4,176
The SCF 75th Anniversary Fund	Funding the costs of the SCF 75th Anniversary events	19,903
Various Field of Interest Funds	Funding various costs for the field of interest funds	1,304,189
Board designated net assets, December 31, 2018		<u>\$ 1,379,765</u>

NOTE 13 – CHANGE IN ACCOUNTING PRINCIPLE

During 2018, The Foundation adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-For-Profit Entities*, which requires changes to the presentation of net assets and several enhanced disclosures. Net assets is now required to be presented in two classes with new terminology, rather than the three classes required in the previous standard. Net assets are now presented “with” or “without donor restrictions”. Enhanced disclosures include (a) amounts and purposes of governing board designations on the use of resources without donor-imposed restrictions, (b) composition of net assets with donor restrictions, (c) qualitative and quantitative information regarding the organization’s liquidity and its ability to meet cash needs within one year of the balance sheet date, (d) expenses classified by both their natural classification and functional classification, (e) information on underwater endowment funds, and (f) reporting of investment return net of investment expenses.

As stated in Note 14, the financial statements for 2017 have been restated for the change. Net assets as of December 31, 2017 has been adjusted for the effect of retroactive application of the new standard.

NOTE 14 – RECLASSIFICATIONS AND CHANGES IN PRESENTATION OF PRIOR YEAR ITEMS

Due to a change in accounting principle as discussed in Note 13, certain financial statement line items shown for the prior year have been reclassified and restated to conform to the current year presentation. There was no change in net income as a result of the reclassifications.

As discussed in Note 13, net assets were re-stated to conform to the new net asset classes of “with donor restrictions” and “without donor restrictions”. Certain funds were classified as “special” funds in prior years that were reclassified to “agency” funds, and vice-versa, to conform to the new requirements. Since agency funds are liabilities, not net assets, this required an adjustment of \$733,714 to reduce net assets.

SPARTANBURG COUNTY FOUNDATION
AND SUPPORTING ORGANIZATIONS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017 - CONTINUED

NOTE 14 – RECLASSIFICATIONS AND CHANGES IN PRESENTATION OF PRIOR YEAR ITEMS – continued

Accounts affected by the restatement are as follows:

	As Originally Reported	As Restated	Amount of Change
Due to Other Organizations	\$ (57,337,656)	\$ (58,071,370)	\$ 733,714
Net Assets with Donor Restrictions	\$ (123,056,684)	\$ (122,322,970)	\$ (733,714)

NOTE 15– SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 15, 2019 which is the date the financial statements were available to be issued.

The fair value of investments in endowment funds at the date of the financial statements that were available to be issued was approximately \$38,921,425. This amount alleviates the underwater status of certain endowment funds as detailed in Note 8.

The Foundation entered into an agreement with Carolina Alliance Bank on February 26, 2019, for a five-year \$5,000,000 unsecured line of credit, for the construction of The Robert Hett Chapman, III Center for Philanthropy. Proceeds of this loan will be used to bridge construction payments during the fundraising phase of the project. As of March 15, 2019, the outstanding balance of this loan was \$0.

SUPPLEMENTAL INFORMATION

SPARTANBURG COUNTY FOUNDATION
AND SUPPORTING ORGANIZATIONS
STATEMENT OF FINANCIAL POSITION - SPARTANBURG COUNTY FOUNDATION
DECEMBER 31, 2018

ASSETS	COMMUNITY	SPECIAL UNRESTRICTED	SPECIAL RESTRICTED	ANNUITY	AGENCY & CUSTODIAL	TOTALS (MEMORANDUM ONLY)	
						2018	2017
Cash	\$ 2,250,029	\$ -	\$ -	\$ -	\$ -	\$ 2,250,029	\$ 2,007,262
Investments							
Investment pool							
Cash	116,111	1,400	(12,776)	-	(104,735)	-	-
Investments	5,846,700	1,377,210	64,773,257	-	54,066,687	126,063,854	126,982,490
	<u>8,212,840</u>	<u>1,378,610</u>	<u>64,760,481</u>	<u>-</u>	<u>53,961,952</u>	<u>128,313,883</u>	<u>128,989,752</u>
Investment Portfolio							
Charitable trust	-	-	491,443	-	10,505,281	10,996,724	12,631,597
Annuities	-	-	-	74,284	-	74,284	79,528
Other	-	-	11,575,850	-	-	11,575,850	17,822,738
	<u>-</u>	<u>-</u>	<u>12,067,293</u>	<u>74,284</u>	<u>10,505,281</u>	<u>22,646,858</u>	<u>30,533,863</u>
Fixed Assets							
Land and buildings	3,761,684	1,155	390,082	-	621,174	4,774,095	4,774,096
Furniture and fixtures	251,559	-	-	-	-	251,559	251,559
	<u>4,013,243</u>	<u>1,155</u>	<u>390,082</u>	<u>-</u>	<u>621,174</u>	<u>5,025,654</u>	<u>5,025,655</u>
Less accumulated depreciation	1,053,893	-	115,529	-	-	1,169,422	1,104,703
	<u>2,959,350</u>	<u>1,155</u>	<u>274,553</u>	<u>-</u>	<u>621,174</u>	<u>3,856,232</u>	<u>3,920,952</u>
Other							
Real estate - nonoperating	1,240,734	-	-	-	-	1,240,734	1,240,734
Other	18,911	-	89,572	-	-	108,483	101,451
	<u>1,259,645</u>	<u>-</u>	<u>89,572</u>	<u>-</u>	<u>-</u>	<u>1,349,217</u>	<u>1,342,185</u>
Total Assets	<u>\$ 12,431,835</u>	<u>\$ 1,379,765</u>	<u>\$ 77,191,899</u>	<u>\$ 74,284</u>	<u>\$ 65,088,407</u>	<u>\$ 156,166,190</u>	<u>\$ 164,786,752</u>
LIABILITIES AND NET ASSETS							
Due to other organizations	\$ -	\$ -	\$ -	\$ -	\$ 54,583,126	\$ 54,583,126	\$ 58,071,370
Annuities payable	-	-	249,073	42,894	-	291,967	355,664
Other payables	12,083	-	3,118	-	10,505,281	10,520,482	12,053,901
	<u>12,083</u>	<u>-</u>	<u>252,191</u>	<u>42,894</u>	<u>65,088,407</u>	<u>65,395,575</u>	<u>70,480,935</u>
Net Assets							
Without donor restrictions	12,419,752	1,379,765	-	-	-	13,799,517	14,157,314
With donor restrictions	-	-	76,939,708	31,390	-	76,971,098	80,148,503
	<u>12,419,752</u>	<u>1,379,765</u>	<u>76,939,708</u>	<u>31,390</u>	<u>-</u>	<u>90,770,615</u>	<u>94,305,817</u>
Total Liabilities and Net Assets	<u>\$ 12,431,835</u>	<u>\$ 1,379,765</u>	<u>\$ 77,191,899</u>	<u>\$ 74,284</u>	<u>\$ 65,088,407</u>	<u>\$ 156,166,190</u>	<u>\$ 164,786,752</u>

SPARTANBURG COUNTY FOUNDATION
AND SUPPORTING ORGANIZATIONS
STATEMENT OF FINANCIAL POSITION - SUPPORTING ORGANIZATIONS
DECEMBER 31, 2018

	HABISREUTINGER & BLACK FOUNDATION	BALMER FOUNDATION	NOBLE TREE FOUNDATION	JUDY BRADSHAW CHILDREN'S FOUNDATION	BEN M. CART FOUNDATION	TENA AND FRED OATES FOUNDATION	BARNET FOUNDATION
ASSETS							
Investment							
Investment pool							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	(56)	27,837,599	3,681,698	1,383,021	610,185	658,969	3,079,745
Investment portfolio							
Other	-	-	-	-	-	-	4,620
Other							
Other investments	-	-	-	-	-	95,000	-
Real estate	-	-	-	-	-	-	-
Total Assets	<u>\$ (56)</u>	<u>\$ 27,837,599</u>	<u>\$ 3,681,698</u>	<u>\$ 1,383,021</u>	<u>\$ 610,185</u>	<u>\$ 753,969</u>	<u>\$ 3,084,365</u>
LIABILITIES AND NET ASSETS							
Other Payables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Assets							
Without donor restrictions	-	-	-	-	-	-	-
With donor restrictions	(56)	27,837,599	3,681,698	1,383,021	610,185	753,969	3,084,365
Total Liabilities and Net Asset:	<u>\$ (56)</u>	<u>\$ 27,837,599</u>	<u>\$ 3,681,698</u>	<u>\$ 1,383,021</u>	<u>\$ 610,185</u>	<u>\$ 753,969</u>	<u>\$ 3,084,365</u>

SPARTANBURG COUNTY FOUNDATION
AND SUPPORTING ORGANIZATIONS
STATEMENT OF FINANCIAL POSITION - SUPPORTING ORGANIZATIONS - continued
DECEMBER 31, 2018

	FALATOK FOUNDATION	BENEVOLENT FOUNDATION	BAIN FOUNDATION	ZIMMERLI FOUNDATION	PERRIN FOUNDATION	IVEY FOUNDATION	TOTALS (MEMORANDUM ONLY)	
							2018	2017
ASSETS								
Investment								
Investment pool								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	840,357	1,487,887	243,940	715,990	1,334,414	895,659	42,769,408	46,832,687
Investment portfolio								
Other	-	-	-	-	-	-	4,620	39,745
Other								
Other investments	1,240,376	-	-	-	-	-	1,335,376	1,191,241
Real estate	-	-	12,650	-	-	-	12,650	12,650
Total Assets	<u>\$ 2,080,733</u>	<u>\$ 1,487,887</u>	<u>\$ 256,590</u>	<u>\$ 715,990</u>	<u>\$ 1,334,414</u>	<u>\$ 895,659</u>	<u>\$ 44,122,054</u>	<u>\$ 48,076,323</u>
LIABILITIES AND NET ASSETS								
Other Payables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Assets								
Without donor restrictions	-	-	-	-	-	-	-	-
With donor restrictions	2,080,733	1,487,887	256,590	715,990	1,334,414	895,659	44,122,054	48,076,323
Total Liabilities and Net Assets	<u>\$ 2,080,733</u>	<u>\$ 1,487,887</u>	<u>\$ 256,590</u>	<u>\$ 715,990</u>	<u>\$ 1,334,414</u>	<u>\$ 895,659</u>	<u>\$ 44,122,054</u>	<u>\$ 48,076,323</u>

SPARTANBURG COUNTY FOUNDATION
AND SUPPORTING ORGANIZATIONS
STATEMENT OF ACTIVITIES - SPARTANBURG COUNTY FOUNDATION
YEAR ENDED DECEMBER 31, 2018

	WITHOUT DONOR RESTRICTIONS			WITH DONOR RESTRICTIONS			TOTALS (MEMORANDUM ONLY)	
	COMMUNITY	SPECIAL UNRESTRICTED	TOTAL	SPECIAL RESTRICTED	ANNUITY	TOTAL	2018	2017
Revenue, Gains and Other Support								
Contributions	\$ 98,091	\$ 110,275	\$ 208,366	\$ 14,910,983	\$ -	\$ 14,910,983	\$ 15,119,349	\$ 9,118,764
Contributions interfund	24,109	39,980	64,089	1,281,733	-	1,281,733	1,345,822	1,666,547
	<u>122,200</u>	<u>150,255</u>	<u>272,455</u>	<u>16,192,716</u>	<u>-</u>	<u>16,192,716</u>	<u>16,465,171</u>	<u>10,785,311</u>
Wingo income	55,725	-	55,725	-	-	-	55,725	7,500
Investment return, net	(145,824)	(81,963)	(227,787)	(4,659,952)	-	(4,659,952)	(4,887,739)	9,186,701
Change in value of split-interest agreements	-	-	-	-	(6,462)	(6,462)	(6,462)	10,637
Fundraising	60	-	60	80,321	-	80,321	80,381	68,743
Fees	1,587,832	19,809	1,607,641	86,768	-	86,768	1,694,409	1,612,720
Miscellaneous	-	-	-	-	-	-	-	-
	<u>1,619,993</u>	<u>88,101</u>	<u>1,708,094</u>	<u>11,699,853</u>	<u>(6,462)</u>	<u>11,693,391</u>	<u>13,401,485</u>	<u>21,671,612</u>
Net assets released from restrictions								
Transfers	-	-	-	-	-	-	-	-
Program restrictions satisfied	14,870,796	-	14,870,796	(14,870,796)	-	(14,870,796)	-	-
	<u>14,870,796</u>	<u>-</u>	<u>14,870,796</u>	<u>(14,870,796)</u>	<u>-</u>	<u>(14,870,796)</u>	<u>-</u>	<u>-</u>
Total revenue, gains and other support	<u>16,490,789</u>	<u>88,101</u>	<u>16,578,890</u>	<u>(3,170,943)</u>	<u>(6,462)</u>	<u>(3,177,405)</u>	<u>13,401,485</u>	<u>21,671,612</u>
Expenses								
Program expenses	15,638,882	209,143	15,848,025	-	-	-	15,848,025	10,702,705
Supporting services								
General and administrative	940,743	-	940,743	-	-	-	940,743	1,072,022
Fundraising and promotion	147,919	-	147,919	-	-	-	147,919	82,524
	<u>16,727,544</u>	<u>209,143</u>	<u>16,936,687</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,936,687</u>	<u>11,857,251</u>
Increase (Decrease) in Net Assets	(236,755)	(121,042)	(357,797)	(3,170,943)	(6,462)	(3,177,405)	(3,535,202)	9,814,361
Net Assets at Beginning of Year	12,656,507	1,500,807	14,157,314	80,110,651	37,852	80,148,503	94,305,817	84,491,456
Net Assets at End of Year	<u>\$ 12,419,752</u>	<u>\$ 1,379,765</u>	<u>\$ 13,799,517</u>	<u>\$ 76,939,708</u>	<u>\$ 31,390</u>	<u>\$ 76,971,098</u>	<u>\$ 90,770,615</u>	<u>\$ 94,305,817</u>

SPARTANBURG COUNTY FOUNDATION
AND SUPPORTING ORGANIZATIONS
STATEMENT OF ACTIVITIES - SUPPORTING ORGANIZATIONS
YEAR ENDED DECEMBER 31, 2018

	SPECIAL RESTRICTED						
	HABISREUTINGER & BLACK FOUNDATION	BALMER FOUNDATION	NOBLE TREE FOUNDATION	JUDY BRADSHAW CHILDREN'S FOUNDATION	BEN M. CART FOUNDATION	TENA AND FRED OATES FOUNDATION	BARNET FOUNDATION
Changes in Unrestricted Assets							
Revenues and gains							
Contributions	\$ -	\$ 1,573,317	\$ 42,175	\$ 2,195	\$ 4,000	\$ -	\$ -
Contributions interfund	-	-	15,500	-	-	-	-
Reimbursements	-	-	-	-	-	-	-
Investment return, net	4	(1,690,629)	(227,917)	(88,431)	(37,843)	(40,758)	(189,543)
	<u>4</u>	<u>(117,312)</u>	<u>(170,242)</u>	<u>(86,236)</u>	<u>(33,843)</u>	<u>(40,758)</u>	<u>(189,543)</u>
Expenses							
Program expenses							
Grants and awards	-	2,259,475	8,000	169,329	12,000	40,000	523,291
Grants interfund	-	203,850	250	9,000	-	-	110,390
Operating expenses	-	159,959	149,135	20,869	9,941	12,307	34,652
	<u>-</u>	<u>2,623,284</u>	<u>157,385</u>	<u>199,198</u>	<u>21,941</u>	<u>52,307</u>	<u>668,333</u>
Increase (Decrease) in Unrestricted Net Assets	4	(2,740,596)	(327,627)	(285,434)	(55,784)	(93,065)	(857,876)
Net Assets at Beginning of Year	(60)	30,578,195	4,009,325	1,668,455	665,969	847,034	3,942,241
Net Assets at End of Year	<u>\$ (56)</u>	<u>\$ 27,837,599</u>	<u>\$ 3,681,698</u>	<u>\$ 1,383,021</u>	<u>\$ 610,185</u>	<u>\$ 753,969</u>	<u>\$ 3,084,365</u>

SPARTANBURG COUNTY FOUNDATION
AND SUPPORTING ORGANIZATIONS
STATEMENT OF ACTIVITIES - SUPPORTING ORGANIZATIONS - continued
YEAR ENDED DECEMBER 31, 2018

	SPECIAL RESTRICTED						TOTALS (MEMORANDUM ONLY)	
	FALATOK FOUNDATION	BENEVOLENT FOUNDATION	BAIN FOUNDATION	ZIMMERLI FOUNDATION	PERRIN FOUNDATION	IVEY FOUNDATION	2018	2017
	Changes in Unrestricted Assets							
Revenues and gains								
Contributions	\$ 110,000	\$ -	\$ 851	\$ -	\$ -	\$ 1,042,285	\$ 2,774,823	\$ 7,711,522
Contributions interfund	-	-	-	-	0	10,044	25,544	35,602
Reimbursements	-	-	-	-	-	-	-	604
Investment return, net	(52,309)	(93,882)	(30,241)	(43,841)	(81,353)	(69,196)	(2,645,939)	5,019,715
	<u>57,691</u>	<u>(93,882)</u>	<u>(29,390)</u>	<u>(43,841)</u>	<u>(81,353)</u>	<u>983,133</u>	<u>154,428</u>	<u>12,767,443</u>
Expenses								
Program expenses								
Grants and awards	50,000	62,950	9,500	60,500	66,400	71,500	3,332,945	1,851,370
Grants interfund	-	2,250	11,750	2,950	1,100	6,750	348,290	295,090
Operating expenses	(27,600)	21,974	5,237	11,960	19,804	9,224	427,462	376,174
	<u>22,400</u>	<u>87,174</u>	<u>26,487</u>	<u>75,410</u>	<u>87,304</u>	<u>87,474</u>	<u>4,108,697</u>	<u>2,522,634</u>
Increase (Decrease) in Unrestricted Net Assets	35,291	(181,056)	(55,877)	(119,251)	(168,657)	895,659	(3,954,269)	10,244,809
Net Assets at Beginning of Year	<u>2,045,442</u>	<u>1,668,943</u>	<u>312,467</u>	<u>835,241</u>	<u>1,503,071</u>	<u>48,076,323</u>	<u>37,831,514</u>	
Net Assets at End of Year	<u>\$ 2,080,733</u>	<u>\$ 1,487,887</u>	<u>\$ 256,590</u>	<u>\$ 715,990</u>	<u>\$ 1,334,414</u>	<u>\$ 895,659</u>	<u>\$ 44,122,054</u>	<u>\$ 48,076,323</u>