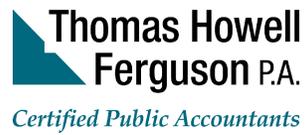


Financial Statements
and Other Financial Information

Southern Scholarship Foundation, Inc.

*Years ended December 31, 2017 and 2016
with Report of Independent Auditors*



Southern Scholarship Foundation, Inc.

Financial Statements
and Other Financial Information

Years ended December 31, 2017 and 2016

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Report of Independent Auditors

Board of Directors
Southern Scholarship Foundation, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Southern Scholarship Foundation, Inc. (the Foundation) which comprise the statements of financial position as of December 31, 2017 and 2016, the related statement of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southern Scholarship Foundation, Inc. as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of buildings and schedule of functional expenses are presented for purposes of additional analysis and are 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 or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Southern Scholarship Foundation, Inc.'s 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 10, 2017. In our opinion, the summarized comparative information presented in the statement of activities and changes in net assets as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Thomas Howell Ferguson P.A.

Tallahassee, Florida
April 24, 2018

Southern Scholarship Foundation, Inc.

Statements of Financial Position

	December 31,	
	2017	2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 690,499	\$ 579,168
Accounts and pledges receivable	304,653	200,670
Prepaid expenses and other assets	15,782	27,932
Short-term investments	128,526	67,101
Total current assets	1,139,460	874,871
Property and equipment, net	4,539,907	4,701,497
Investments	10,838,677	7,161,210
Other long-term receivables	233,257	284,153
Total assets	\$ 16,751,301	\$ 13,021,731
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 51,066	\$ 62,705
Accrued expenses	19,749	19,136
Accrued tax expense	1,244	1,288
Other current liabilities	183,215	128,764
Total current liabilities	255,274	211,893
Net assets:		
Unrestricted	5,349,889	5,568,608
Temporarily restricted	3,492,406	793,322
Permanently restricted	7,653,732	6,447,908
Total net assets	16,496,027	12,809,838
Total liabilities and net assets	\$ 16,751,301	\$ 13,021,731

See accompanying notes.

Southern Scholarship Foundation, Inc.

Statements of Activities and Changes in Net Assets

	Years ended December 31,				2016
	2017			Total	
	Unrestricted	Temporarily Restricted	Permanently Restricted		
	Total			Total	
Changes in net assets:					
Revenues and other support:					
Contribution revenue	\$ 470,367	\$ 2,598,902	\$ 1,205,824	\$ 4,275,093	\$ 857,321
Investment income, net	754,201	161,531	-	915,732	535,283
Fee revenue	405,407	-	-	405,407	400,798
In-kind contributions	81,747	-	-	81,747	45,330
Miscellaneous income	32,559	2,560	-	35,119	86,157
Net assets released from restrictions	<u>63,909</u>	<u>(63,909)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other support	<u>1,808,190</u>	<u>2,699,084</u>	<u>1,205,824</u>	<u>5,713,098</u>	<u>1,924,889</u>
Expenses:					
General and administrative	201,096	-	-	201,096	198,846
Fundraising	231,590	-	-	231,590	218,946
Program services	<u>1,594,223</u>	<u>-</u>	<u>-</u>	<u>1,594,223</u>	<u>1,530,792</u>
Total expenses	<u>2,026,909</u>	<u>-</u>	<u>-</u>	<u>2,026,909</u>	<u>1,948,584</u>
Change in net assets	(218,719)	2,699,084	1,205,824	3,686,189	(23,695)
Net assets at beginning of year	<u>5,568,608</u>	<u>793,322</u>	<u>6,447,908</u>	<u>12,809,838</u>	<u>12,833,533</u>
Net assets at end of year	<u>\$ 5,349,889</u>	<u>\$ 3,492,406</u>	<u>\$ 7,653,732</u>	<u>\$ 16,496,027</u>	<u>\$ 12,809,838</u>

See accompanying notes.

Southern Scholarship Foundation, Inc.

Statements of Cash Flows

	Years ended December 31,	
	2017	2016
Operating activities		
Change in net assets	\$ 3,686,189	\$ (23,695)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	341,647	343,955
Unrealized (gain) loss on investments	(408,609)	(65,797)
Realized (gain) loss	(271,850)	(253,771)
Donation of noncash items	(9,631)	(34,794)
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	12,150	(8,042)
Accrued expenses	613	1,496
Accrued tax expense	(44)	(1,610)
Accounts receivable	(103,983)	(32,462)
Other long-term receivables	50,896	14,441
Accounts payable	(11,639)	(3,690)
Other current liabilities	<u>54,451</u>	<u>3,133</u>
Net cash provided by (used in) operating activities	<u>3,340,190</u>	<u>(60,836)</u>
Investing activities		
Purchases of property and equipment	(180,057)	(95,652)
Proceeds from sale of investments	2,708,676	2,091,946
Purchases of investments	(6,963,302)	(1,982,542)
Construction in progress	<u>-</u>	<u>(17,076)</u>
Net cash used in investing activities	<u>(4,434,683)</u>	<u>(3,324)</u>
Financing activities		
Proceeds from contributions restricted for investment endowments	<u>1,205,824</u>	<u>62,821</u>
Net cash provided by financing activities	<u>1,205,824</u>	<u>62,821</u>
Increase (decrease) in cash and cash equivalents	111,331	(1,339)
Cash and cash equivalents at beginning of year	<u>579,168</u>	<u>580,507</u>
Cash and cash equivalents at end of year	<u>\$ 690,499</u>	<u>\$ 579,168</u>
Other supplemental disclosures of noncash operating activities		
Gifts of marketable securities	\$ 991	\$ 24,832
Gifts of furniture, materials, and supplies	81,747	45,330
Less: noncash items expensed	<u>(73,107)</u>	<u>(35,368)</u>
Total	<u>\$ 9,631</u>	<u>\$ 34,794</u>

See accompanying notes.

Southern Scholarship Foundation, Inc.

Notes to Financial Statements

Years ended December 31, 2017 and 2016

1. Nature of Operations and Significant Accounting Policies

Southern Scholarship Foundation, Inc. (the Foundation), a not-for-profit organization, assists capable and motivated students whose lack of personal resources would prevent them from gaining a college education without substantial assistance. Students from all states are eligible for assistance; however, the Foundation gives preference to students who are residents of Florida. The scholarship houses serve students at Florida State University, Florida A&M University, University of Florida, Florida Gulf Coast University, Tallahassee Community College, and Santa Fe Community College.

Basis of Accounting

The Foundation uses the accrual basis of accounting. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The significant accounting policies are described below.

Cash

Cash and cash equivalents consist of deposits with a financial institution and deposits in highly liquid money market funds.

Accounts and Pledges Receivable

Pledges receivable consist primarily of long-term pledges collectible over five to 10 years. They are reported at net present value using a discount rate. At December 31, 2017 and 2016, the Foundation provided an allowance of \$17,038 for amounts considered uncollectible.

Investments

Investments consist of government securities, corporate bonds, mutual funds, and equities. Investments are carried at fair value, which is based on quoted market values for these instruments. Investments maturing in less than one year are classified as short-term investments.

Southern Scholarship Foundation, Inc.

Notes to Financial Statements

1. Nature of Operations and Significant Accounting Policies (continued)

Concentration of Credit Risk

The Foundation's financial instruments exposed to concentrations of credit risk consist primarily of its cash, cash equivalents, and investments. The Foundation maintains its cash and cash equivalents at several financial institutions. Deposits with financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor. Bank deposits at times may exceed federally insured limits. The Foundation has not experienced any losses in such accounts.

All investment transactions have credit exposure to the extent that a counterparty may default on an obligation to the Foundation. Credit risk is a consequence of carrying investment positions. To manage credit risk, the Foundation focuses primarily on higher quality, fixed income and equity securities, reviews the credit strength of all entities in which it invests, limits its exposure in any one investment, and monitors portfolio quality, taking into account credit ratings assigned by recognized credit rating organizations.

Endowments

The Foundation's endowments consist of approximately 30 funds established for a variety of purposes. The Board of Directors requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The Foundation classifies as permanently restricted net assets the original value of the gifts donated to the permanent endowment. Any investment earnings or losses from the permanently restricted endowment fund are classified as unrestricted earnings to be used to fund the operation of the Foundation unless there are specific donor restrictions regarding the use of investment earnings, in which case those earnings are temporarily restricted.

Property and Equipment

Houses purchased or constructed by the Foundation are recorded at cost. Donated houses are recorded at fair value at the time of the gift. Depreciation is calculated using the straight-line method over the estimated useful life of the related asset.

Furniture and equipment is recorded at cost or fair value at the time of donation, if donated. Depreciation for furniture and equipment with a value in excess of \$500 is computed on the straight-line method over the estimated useful lives of the assets which range from three to 15 years. Expenditures for repairs and maintenance are charged to expense as incurred.

	<u>Useful Lives</u>
Furniture, fixtures and equipment	5-15
Buildings and improvements	20-40

Southern Scholarship Foundation, Inc.

Notes to Financial Statements

1. Nature of Operations and Significant Accounting Policies (continued)

Accrued Leave

The Foundation allows employees to accrue up to 180 hours of paid time off. Additionally, for employees with 10 years or more of service, the Foundation will pay out 25% of sick leave for a maximum of 120 hours. At December 31, 2017 and 2016, the Foundation had \$19,730 and \$20,414 of accrued leave liability at year end.

Contributions

Cash contributions, which are unrestricted by the donor or designated for general operating expenses of a certain facility, are classified as unrestricted contributions. Contributions, which are limited to specific purposes by the donors, are classified as either temporarily or permanently restricted contributions based on the nature of the donor's restriction. Contributions of materials are recorded at their fair value.

Operational Fees

Operational fees are collected from students each semester. The fees are recorded as unrestricted.

Advertising

Advertising costs are charged to operations when incurred and are broken out by functional allocation. Advertising expenses were \$4,609 and \$3,731 for the years ended December 31, 2017 and 2016, respectively.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among programs and the supporting services benefited.

Income Taxes

Pursuant to a determination letter received from the Internal Revenue Service, the Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and as such, is liable for tax only on business income unrelated to the purpose for which it is exempt.

Southern Scholarship Foundation, Inc.

Notes to Financial Statements

1. Nature of Operations and Significant Accounting Policies (continued)

Subsequent Events

The Foundation has evaluated subsequent events through April 24, 2018, the date the financial statements were available to be issued. During the period from December 31, 2017 to April 24, 2018, the Foundation did not have any material recognizable subsequent events.

Use of Estimates

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

Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation.

2. Investments

The Fair Value Measurement and Disclosures Topic of the FASB Accounting Standards Codification establishes a framework for measuring fair value. That framework provides 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 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under the Fair Value Measurement and Disclosures Topic are described as follows:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market based inputs or unobservable inputs that are corroborated by the market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

Southern Scholarship Foundation, Inc.

Notes to Financial Statements

2. Investments (continued)

Investments consist of the following at December 31, 2017:

	<u>Cost</u>	<u>Unrealized Gains (Losses)</u>	<u>Market and Carrying Value</u>	<u>Level 1</u>
Government securities	\$ 1,461,651	\$ 82	\$ 1,461,733	\$ 1,461,733
Corporate bonds	2,241,624	11,191	2,252,815	2,252,815
Mutual funds	1,958,250	(19,837)	1,938,413	1,938,413
Equities	<u>4,377,302</u>	<u>936,940</u>	<u>5,314,242</u>	<u>5,314,242</u>
	<u>\$ 10,038,827</u>	<u>\$ 928,376</u>	10,967,203	<u>\$ 10,967,203</u>
Less short-term			<u>(128,526)</u>	
Total			<u>\$ 10,838,677</u>	

Investments consist of the following at December 31, 2016:

	<u>Cost</u>	<u>Unrealized Gains (Losses)</u>	<u>Market and Carrying Value</u>	<u>Level 1</u>
Government securities	\$ 968,260	\$ 5,646	\$ 973,906	\$ 973,906
Corporate bonds	1,514,025	(6,532)	1,507,493	1,507,493
Mutual funds	1,336,287	(29,556)	1,306,731	1,306,731
Equities	<u>2,889,020</u>	<u>551,161</u>	<u>3,440,181</u>	<u>3,440,181</u>
	<u>\$ 6,707,592</u>	<u>\$ 520,719</u>	7,228,311	<u>\$ 7,228,311</u>
Less short-term			<u>(67,101)</u>	
Total			<u>\$ 7,161,210</u>	

Investment income consists of the following:

	Years ended December 31,	
	<u>2017</u>	<u>2016</u>
Interest and dividends	\$ 235,273	\$ 215,715
Net realized gains	271,850	253,771
Net unrealized gain	<u>408,609</u>	<u>65,797</u>
Total investment income	<u>\$ 915,732</u>	<u>\$ 535,283</u>

Southern Scholarship Foundation, Inc.

Notes to Financial Statements

3. Property and Equipment

Property and equipment consists of the following:

	December 31,	
	2017	2016
Land	\$ 459,986	\$ 459,986
Buildings	10,166,886	10,081,236
Furniture and equipment	1,029,940	918,457
Autos and trucks	24,037	24,037
Software	42,736	42,736
Construction in progress	-	17,076
	11,723,585	11,543,528
Less accumulated depreciation	7,183,678	6,842,031
	\$ 4,539,907	\$ 4,701,497

Depreciation expense totaled \$341,647 and \$343,955 for the years ended December 31, 2017 and 2016, respectively.

4. Pledges Receivable

Pledges receivable are reported at net present value using a discount rate of 4.50% for pledges entered into in 2017 and 2016. Pledges receivable at December 31, 2017 and 2016, are as follows:

	December 31,	
	2017	2016
Pledges receivable	\$ 558,991	\$ 519,374
Allowance for doubtful accounts	(17,038)	(17,038)
Net present value adjustment	(38,184)	(39,339)
Total pledges receivable, net	\$ 503,769	\$ 462,997

Future maturities of pledges receivable, net of present value discount at December 31, 2017 and 2016, were as follows:

	December 31,	
	2017	2016
Less than one year	\$ 276,224	\$ 184,556
One to five years	200,397	237,490
More than five years	44,186	57,989
	\$ 520,807	\$ 480,035

Southern Scholarship Foundation, Inc.

Notes to Financial Statements

5. Income Taxes

For the year ended December 31, 2017 and 2016, the Foundation has no unrelated business income and, accordingly, has incurred no income tax liability from unrelated business activities.

With few exceptions, the Foundation is no longer subject to examinations by major tax jurisdictions for years ended December 31, 2013 and prior.

6. Retirement Plan

The Foundation sponsors a simple retirement plan that covers any employees that have received at least \$5,000 in compensation in any one prior calendar year. The Foundation has the option to either match employee contributions up to 3% of compensation or provide a nonelective contribution of 2% of each employee's compensation. Total expense for the years ended December 31, 2017 and 2016, was \$8,475 and \$9,632, respectively.

7. Net Assets

All endowment funds are classified as permanently restricted net assets in accordance with donor stipulations. The Foundation recognizes endowment income as unrestricted or temporarily restricted, depending on the stipulations in the donor's contract. The Foundation's endowment investment policies limit its investments to certain types of investments. The overall objectives of the investment policy are production of sufficient income to meet the goals of the account and to provide for growth of assets to further objectives.

Contributions to the endowment of \$7,519,732 have been received as of December 31, 2017. Total income of \$254,569 has been recognized as of December 31, 2017.

Changes in endowment net assets for the fiscal year ended December 31, 2017, are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Endowment net assets, beginning of year	\$ 753,710	\$ 231,925	\$ 6,447,908
Net appreciation	<u>196,386</u>	<u>58,183</u>	<u>1,071,824</u>
Endowment net assets, end of year	<u>\$ 950,096</u>	<u>\$ 290,108</u>	<u>\$ 7,519,732</u>

The remaining permanently restricted net asset balance consists of a pledge receivable for \$134,000. This amount was received after year end.

Southern Scholarship Foundation, Inc.

Notes to Financial Statements

7. Net Assets (continued)

Permanently restricted endowments consist of the following:

	December 31,	
	2017	2016
Estelle Mills Bishop Scholarship Fund	\$ 132,628	\$ 132,628
Dr. E. Ray Solomon Endowment	62,730	62,730
Sara de Keni Scholarship Fund	67,991	67,991
Alfred I. DuPont Foundation, Inc. Endowment	406,000	406,000
Florida Retail Federation Scholarship House Endowment Fund	50,000	50,000
Freeman Repairs and Maintenance Endowment	150,000	150,000
Harry D. Frueauff, Jr. Endowment Fund	405,000	405,000
George Hawksley Endowment Fund	1,370,160	1,370,160
Robert and Sally Hurrle Endowment Fund	741,382	741,382
Kiwanis Endowment	27,720	27,345
Sam Lastinger Memorial Fund	34,675	34,675
Mahan Endowment Fund	35,634	35,634
Mary and Russell McCaughan Endowment Fund	64,946	64,946
General Endowment	51,590	24,295
Rybinski Family Scholarship Endowment	35,120	35,120
Virginia C. & Laura S. Snively Endowment for Repairs and Maintenance	2,125,541	2,175,561
Virginia C. & Laura S. Snively Endowment for Student Support	50,020	-
Ted Hines Memorial Scholarship Fund	92,326	86,085
Mack Tyner Endowment for Repairs and Maintenance	71,797	71,797
Mack Tyner Scholarship Endowment for Student Support	71,797	71,797
Pearl Tyner Endowment for Repairs and Maintenance	71,797	71,797
Pearl Tyner Scholarship Endowment	71,797	71,797
Ann Marie Leonard Endowment	25,000	25,000
Fred Martin Endowment	11,755	11,355
J. Velma Keen Endowment	104,641	104,641
Bill and Nancy Malthouse Endowment for Repairs and Maintenance	25,000	25,000
Bill and Nancy Malthouse Endowment for Student Support	1,054,513	25,000
Dennis J. Allen Endowment	25,000	25,000
Pilot Scholarship Fund	25,000	25,000
Zenon Hansen Endowment	25,000	25,000
Nancy D. Allen Endowment	33,172	25,172
	\$ 7,519,732	\$ 6,447,908

Southern Scholarship Foundation, Inc.

Notes to Financial Statements

8. Concentrations

During 2016, the Foundation received a \$85,000 unconditional promise to give from one related party donor to be received in five annual payments of \$17,000. Additionally, during 2017, the Foundation received a \$134,000 unconditional promise to give from one related party donor. Both of these promises to give comprise approximately 39% of total gross pledges receivable at December 31, 2017.

9. Related Party Transactions

In the normal course of business, the Foundation receives contributions, including cash, from Board members.

10. House Accounts

The Foundation provides for each of the scholarship homes to have a house bank account. The house accounts are budgeted and maintained by the student residents of each house held in the name of the Foundation. The house accounts are used to collect fees from the student residents to pay certain house expenses such as utilities, pest control, and security alarm services.

The cash balances of the house accounts have been recorded on the statements of financial position as cash and corresponding liabilities included with other current liabilities. The fees collected from the students are recorded on the statements of activities and changes in net assets as fee revenue with the corresponding house expenses included in program services. During the years ended December 31, 2017 and 2016, the Foundation billed \$285,956 and \$279,513, respectively, to student residents to cover these house expenses.

Other Financial Information

Southern Scholarship Foundation, Inc.

Schedule of Buildings

December 31, 2017

with Comparative Totals for the Year Ended December 31, 2016

	2017	2016
	Historical Cost	Historical Cost
	Before	Before
	Depreciation	Depreciation
<u>Tallahassee</u>		
Rotary - 811 W. Jefferson Street	\$ 190,179	\$ 190,179
Davis-Kiwanis - 325 Conradi Street	152,807	152,807
Polk County - 330 Stadium Drive	422,107	409,473
Pilot - 324 Stadium Drive	256,481	256,481
BPW - 326 Stadium Drive	310,626	310,626
E.C. Allen - 320A Stadium Drive	256,576	256,576
Frueauff - 318C Stadium Drive	315,817	315,817
Mode Stone - 320B Stadium Drive	219,625	219,625
Office - 322 Stadium Drive	380,087	380,087
Lundquist-Hovda - 316A Stadium Drive	218,269	218,269
Lastinger - 316B Stadium Drive	210,367	210,367
McKaig - 318A Stadium Drive	301,396	301,396
Smith - 318B Stadium Drive	263,831	263,831
ADK - 803 W Jefferson Drive	325,125	325,125
Warehouse II	8,119	8,119
Tyner Study Hall - 322B Stadium Drive	91,287	91,287
Hansen - 2500 S. Adams Street	404,770	392,290
Knight - 2500 S. Adams Street	402,244	389,764
Florida Retail Federation - 2500 S. Adams Street	401,066	388,586
Grace Fox - 1314 and 1318 High Road	361,779	361,779
<u>Gainesville</u>		
Thomas-Pilot - 705 SW 12th Street	502,512	502,512
Badcock - 1130 SW 8th Avenue	327,950	327,950
Rogers Rotary - 212 SW 165h Street	247,275	247,275
Hartman - 1065B SW 9th Street	370,591	370,591
Hansen - 1065A SW 9th Street	277,112	277,112
Williams - 1064A SW 9th Street	461,222	425,646
Hawksley I - 1084 SW 9th Street	309,239	309,239
Hawksley II - 1102 SW 9th Street	317,356	317,356
Mack Tyner House - 1065 SW 9th Street	1,225,496	1,225,496
<u>FT Myers</u>		
Pilot - 926 FGCU Campus Housing	635,575	635,575
	\$ 10,166,886	\$ 10,081,236

See report of independent auditors.

Southern Scholarship Foundation, Inc.

Schedule of Functional Expenses

	Years ended December 31,				2016
	2017			Total	
	Program	Fundraising	General and Administrative		
Functional expenses:				Total	
Accounting	\$ 6,750	\$ -	\$ 15,750	\$ 22,500	\$ 23,175
Advertising	3,444	1,166	-	4,609	3,731
Bank charges and investment fees	34,697	6,305	11,551	52,553	47,120
Depreciation	324,565	-	17,082	341,647	343,955
Dues and subscriptions	1,627	2,477	309	4,412	4,867
Fringe benefits	47,224	25,070	6,985	79,278	122,910
Insurance	90,681	1,531	27,433	119,646	118,744
In-kind, supplies and other	50,764	356	29	51,149	29,221
Legal and licenses	5,787	85	92	5,964	9,131
Office supplies and services	11,064	8,824	3,857	23,745	25,179
Bad debt	-	6,550	-	6,550	15,000
Other professional fees	20,037	11,640	44,073	75,750	65,507
Personnel	419,093	119,179	60,424	598,696	547,807
Postage	1,273	743	265	2,281	4,873
Printing and copying	2,367	4,835	325	7,528	8,894
Repairs and maintenance	173,726	3	4	173,733	145,279
Telephone	10,326	1,490	1,571	13,387	13,472
Student and alumni events	-	29,406	73	29,479	26,801
Travel and meetings	48,389	11,922	7,260	67,571	58,571
Utilities	326,607	(6)	3,998	330,598	318,965
Small equipment and furniture	7,500	-	-	7,500	104
Wishlist fulfillment	8,215	-	-	8,215	11,089
Miscellaneous	88	15	17	120	4,189
Total functional expenses	\$ 1,594,223	\$ 231,590	\$ 201,096	\$ 2,026,909	\$ 1,948,584

See report of independent auditors.