

**COMMUNITY FOUNDATION OF SOUTH GEORGIA, INC.
THOMASVILLE, GEORGIA**

**FINANCIAL STATEMENTS AS OF
DECEMBER 31, 2022 AND 2021 AND
INDEPENDENT AUDITOR'S REPORT**

COMMUNITY FOUNDATION OF SOUTH GEORGIA, INC.

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November 6, 2023

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Community Foundation of South Georgia, Inc.

Opinion

We have audited the financial statements of **Community Foundation of South Georgia, Inc.**, which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Community Foundation of South Georgia, Inc. as of December 31, 2022 and 2021 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Foundation of South Georgia, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Foundation of South Georgia, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Community Foundation of South Georgia, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Foundation of South Georgia, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter 2021 Financial Statements Audited by Another Auditor

The financial statements of Community Foundation of South Georgia, Inc. for the year ended December 31, 2021 were audited by other auditors who expressed an unmodified opinion of those financial statements dated November 1, 2022.


McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

COMMUNITY FOUNDATION OF SOUTH GEORGIA, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31

ASSETS

	2022	2021
Current Assets		
Cash and Cash Equivalents	\$ 8,660,992	\$ 7,147,582
Investments, at Fair Value	91,901,186	108,568,048
Investment Income Receivable	23,888	271
	100,586,066	115,715,901
Fixed Assets, Net of Accumulated Depreciation	216,203	227,376
Other Assets		
Other Receivables	178,113	178,113
Total Assets	\$ 100,980,382	\$ 116,121,390

LIABILITIES AND NET ASSETS

Current Liabilities		
Accrued Expenses	\$ 34,468	\$ 21,000
Gift Annuity Payable	2,064	2,207
	36,532	23,207
Other Liabilities		
Funds Held as Not-For-Profit Agency Endowments	9,892,043	11,652,508
Net Assets		
Without Donor Restrictions	82,745,127	95,147,483
With Donor Restrictions	8,306,680	9,298,192
	91,051,807	104,445,675
Total Liabilities and Net Assets	\$ 100,980,382	\$ 116,121,390

See accompanying notes which are an integral part of these financial statements.

COMMUNITY FOUNDATION OF SOUTH GEORGIA, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS THEN ENDED DECEMBER 31

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Support						
Gifts, Grants, and Contributions	\$ 13,037,019	\$ 945,880	\$ 13,982,899	\$ 8,035,887	\$ 1,084,971	\$ 9,120,858
Less Amounts Received on Behalf of Others	(635,099)	-	(635,099)	(125,989)	-	(125,989)
Net Gifts, Grants, and Contributions	<u>12,401,920</u>	<u>945,880</u>	<u>13,347,800</u>	<u>7,909,898</u>	<u>1,084,971</u>	<u>8,994,869</u>
Other Revenue						
Investment Income (Loss) - Net of Expenses	(12,544,266)	(1,383,328)	(13,927,594)	12,713,309	1,391,676	14,104,985
Change in Value of Split-Interest Agreements	-	(136)	(136)	-	(2,286)	(2,286)
Agency Endowment Management Fee Income	116,599	-	116,599	120,931	-	120,931
Other Income	2,553	-	2,553	69	-	69
Net Investment Income and Other Revenue	<u>(12,425,114)</u>	<u>(1,383,464)</u>	<u>(13,808,578)</u>	<u>12,834,309</u>	<u>1,389,390</u>	<u>14,223,699</u>
Net Assets Released from Restrictions	<u>553,928</u>	<u>(553,928)</u>	<u>-</u>	<u>673,009</u>	<u>(673,009)</u>	<u>-</u>
Total Support, Revenue, and Net Assets Released from Restrictions	<u>530,734</u>	<u>(991,512)</u>	<u>(460,778)</u>	<u>21,417,216</u>	<u>1,801,352</u>	<u>23,218,568</u>
Expenses						
Program Services						
Grants and Philanthropic Distributions	12,990,302	-	12,990,302	10,793,954	-	10,793,954
Less Amounts Disbursed on Behalf of Others	(672,865)	-	(672,865)	(415,947)	-	(415,947)
Total Grants and Philanthropic Distributions, Net	<u>12,317,437</u>	<u>-</u>	<u>12,317,437</u>	<u>10,378,007</u>	<u>-</u>	<u>10,378,007</u>
Community Programs	<u>184,690</u>	<u>-</u>	<u>184,690</u>	<u>162,568</u>	<u>-</u>	<u>162,568</u>
Total Program Services, Net	<u>12,502,127</u>	<u>-</u>	<u>12,502,127</u>	<u>10,540,575</u>	<u>-</u>	<u>10,540,575</u>
Support Services						
Fundraising and Development	123,131	-	123,131	108,381	-	108,381
Management and General	307,832	-	307,832	270,958	-	270,958
Total Support Services	<u>430,963</u>	<u>-</u>	<u>430,963</u>	<u>379,339</u>	<u>-</u>	<u>379,339</u>
Total Expenses	<u>12,933,090</u>	<u>-</u>	<u>12,933,090</u>	<u>10,919,914</u>	<u>-</u>	<u>10,919,914</u>
Changes in Net Assets	<u>(12,402,356)</u>	<u>(991,512)</u>	<u>(13,393,868)</u>	<u>10,497,302</u>	<u>1,801,352</u>	<u>12,298,654</u>
Net Assets - Beginning of Year	<u>95,147,483</u>	<u>9,298,192</u>	<u>104,445,675</u>	<u>84,650,181</u>	<u>7,496,840</u>	<u>92,147,021</u>
Net Assets - End of Year	<u>\$ 82,745,127</u>	<u>\$ 8,306,680</u>	<u>\$ 91,051,807</u>	<u>\$ 95,147,483</u>	<u>\$ 9,298,192</u>	<u>\$ 104,445,675</u>

COMMUNITY FOUNDATION OF SOUTH GEORGIA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS THEN ENDED DECEMBER 31

	2022	2021
Cash Flows from Operating Activities		
Changes in Net Assets	\$ (13,393,868)	\$ 12,298,654
Adjustments to Reconcile Change in Net Assets Provided by Operating Activities		
Depreciation	11,173	11,525
Noncash Contributions	(2,576,280)	(1,553,980)
Contributions Restricted for Long-Term Investments	(945,880)	(1,084,971)
Net Realized and Unrealized Gain/Loss on Investments	13,309,210	(12,762,844)
Change In		
Accrued Investment Income	(23,617)	167
Accrued Expenses	13,468	(7,966)
Gift Annuity Payable	(143)	(23,416)
Funds Held as Not-For-Profit Agency Endowments	(37,765)	(289,958)
	(3,643,702)	(3,412,789)
Cash Flow from Investing Activities		
Purchases of Furniture and Equipment	-	(15,053)
Purchase of Investments	(26,970,104)	(25,750,299)
Proceeds from Sales and Maturities of Investments	31,181,336	28,361,622
	4,211,232	2,596,270
Cash Flow from Financing Activities		
Contributions Restricted for Long-Term Investments	945,880	1,084,971
	1,513,410	268,452
Net Increase in Cash and Cash Equivalents	1,513,410	268,452
Cash and Cash Equivalents, Beginning of Year	7,147,582	6,879,130
Cash and Cash Equivalents, End of Year	\$ 8,660,992	\$ 7,147,582

See accompanying notes which are an integral part of these financial statements.

COMMUNITY FOUNDATION OF SOUTH GEORGIA, INC.

NOTES TO FINANCIAL STATEMENTS

(1) Nature of Operations

Organization

The Community Foundation of South Georgia, Inc. (the Foundation) was established in 1996 as a tax-exempt, publicly supported charitable organization to improve life in South Georgia and promote effective philanthropy. The Foundation accomplishes its purpose by building a permanent endowment for the benefit of the community through the support of philanthropically minded citizens of South Georgia. Funds are contributed by individuals, corporations, and non-profit agencies and support a wide range of organizations that promote the educational, cultural, health, social, and civic development in South Georgia. The Foundation operates a grant program that seeks out opportunities for the effective use of its resources in a manner that is consistent with its donors' intent.

(2) Summary of Significant Accounting Policies

Accounting records are maintained in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the *Accounting Standards Codification (ASC)* and related Accounting Standards Updates (ASUs). The following represent the more significant accounting policies:

Basis of Presentation

The Foundation is required to report information regarding its financial position and activities according to two classes of net assets, with donor restrictions and without donor restrictions, based upon the existence or absence of donor-imposed restrictions.

Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that the resource be maintained in perpetuity. All donor-restricted contributions are reported as increases in net assets with donor restrictions, with the exception of those with restrictions met in the same period. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statement of activities as net assets released from restrictions.

Net assets without donor restrictions consist of contributions, including those with certain donor-imposed restrictions, that are subject to the variance power established by the Foundation's governing documents. The variance power provision gives the Board of Directors of the Foundation (the Board) the ability to modify any restriction placed on gifts to the Foundation that is incapable of fulfillment or is no longer consistent with the charitable needs of the community. Accordingly, unless time restrictions have been imposed on contributions, net assets are generally classified as net assets without donor restrictions. The Foundation's governing documents provide that absent contrary directions given in the transferring instrument, all or part of any fund may be expensed subject to certain conditions. Contributions with donor-imposed restrictions that are met during the same reporting period as the contribution are included as support without restrictions which increases net assets without donor restrictions.

(2) Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

The Foundation solicits a variety of contributions to fund its grants, including donor-advised funds. Donor-advised funds allow the donor to recommend distributions to charitable programs or other charitable organizations approved by the Foundation. Although the Foundation generally fulfills the donors' recommendation, they are subject to approval by the Foundation's Executive Committee and are therefore classified as net assets without donor restrictions.

Revenue Recognition

Gifts, grants, and other income with and without donor restrictions are recorded as revenue and support when received by the Foundation. Such revenues and support are recorded at fair value. The Foundation's policy is to record revenue and support as without donor restrictions if the restriction is satisfied in the year the revenue and support is recognized. Investment income is recognized when earned.

Investments

Investments are made according to the Investment Objectives and Policies adopted by the Foundation's Board. These guidelines provide for investment in equities, fixed income, and other securities with performance measured against appropriate indices. The Foundation contracts with outside parties to provide investment management and consulting services.

Investment purchases and sales are accounted for on a trade-date basis. Interest income is recorded when earned and dividends are recorded on the ex-dividend date.

In accordance with *ASC 820*, fair value is defined as the price that the Foundation would receive upon selling an asset or transferring a liability in an orderly transaction to a independent buyer in the principal or most advantageous market of the asset.

U.S. GAAP established a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

- ***Level 1:*** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- ***Level 2:*** Valuations based on quoted market prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets or liabilities.
- ***Level 3:*** Valuations based on inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amount reported in the statements of financial position.

(2) Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include short-term, highly liquid investments with maturities of three months or less at the time of purchase.

Funds Held of Others

The Foundation receives and distributes assets under certain agency and intermediary arrangements. FASB ASC Section 958-605-05-4, *Transfers of Assets to a Not-for-Profit Entity or Charitable Trust that Raises or Holds Contributions for Others*, establishes the standards for transactions in which a recipient organization accepts a contribution from a donor and agrees to transfer those assets, the return on those assets, or both, to another entity that is specified by the donor.

FASB ASC Section 958-605-05-4 requires that if a not-for-profit organization establishes a fund at a recipient organization with its own funds and specifies itself or its affiliates as the beneficiary of that fund, the recipient organization must account for the transfer of such assets as a liability. The liability is reflected under funds held as nonprofit agency endowments on the accompanying statements of financial position.

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of certain donor restrictions.

Grants

Unconditional grants are recognized as an expense in the period in which they are approved by the Foundation's Board for discretionary grants. Grants are made from available principal and income in accordance with the designation of donors. Grants that are conditional on future uncertain events are expensed when those conditions are substantially met.

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Foundation generally pays for services requiring specific expertise. All contributed services for the years then ended December 31, 2022 and 2021 do not meet the criteria for recognition as contributed services.

Fixed Assets

Fixed Assets purchased in excess of \$2,500 are capitalized and are carried at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets as follows:

Building	39 Years
Building Improvements	39 Years
Office Furniture/Equipment	7 Years

(2) Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual amounts could differ from those estimates.

Income Taxes

The Foundation has received a determination letter from the Internal Revenue Service indicating it has been classified as a publicly supported charitable organization under Internal Revenue Code (IRC) Section 501(c)(3). As a publicly supported charity, the Foundation is exempt from federal income taxes under Section 509(a)(1) of the IRC, except on unrelated business income. The Organization's Department of the Treasury information returns are subject to examination, generally for three years after the filing date.

Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated are shown in Note 11 and are allocated on the basis of estimates of time and effort.

Reclassifications

Certain amounts included in the accompanying financial statements for the year ended December 31, 2021 have been reclassified from their original presentation to conform to the presentation for the year ended December 31, 2022. The reclassification had no effect on net margins for the year ended December 31, 2021.

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through November 6, 2023, the date the financial statements were available to be issued.

(3) Charitable Gift Annuities (Split Interest Agreements)

Donors have contributed assets to the Foundation in exchange for a promise by the Foundation to pay a fixed amount for a specified period of time to the donor. Under the terms of such agreements, no trust exists as the assets received are held by and the liability is an obligation of the Foundation. The present value of payments to beneficiaries under these arrangements is calculated using discount rates representing risk-free rates in existence at the date of gift. The liability is based upon Internal Revenue Service annuity and mortality tables.

(4) Retirement Plan

The Foundation provides employee benefits to substantially all employees through a defined contribution Savings Plan (401-k). In this defined contribution plan, the Foundation's contributory portion of costs of this plan totaled \$21,886 and \$17,223 for the years ended December 31, 2022 and 2021, respectively.

(5) Liquidity and Availability

The Foundation is primarily funded by contributions from donors and investment earnings. The following represents the Foundation's financial assets as of the as of the statements of financial positions dates, reduced by amounts not available for general use because of contractual or donor-imposed restrictions.

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 8,660,992	\$ 7,147,582
Investments	91,901,186	108,568,048
Pledges, Notes, and Other Receivables	<u>202,001</u>	<u>178,384</u>
Total Financial Assets	<u>100,764,179</u>	<u>115,894,014</u>
Less Amounts not Available for General Expenditure Within One Year		
Net Assets with Donor Restrictions	<u>(8,306,680)</u>	<u>(9,298,192)</u>
Available for General Expenditure Within One Year	<u>\$ 92,457,499</u>	<u>\$ 106,595,822</u>

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 become due. The Foundation invests cash in excess of daily requirements in short-term investments and money market funds.

(6) Fixed Assets

Listed below are the major classes of fixed assets as of December 31:

	<u>2022</u>	<u>2021</u>
Building	\$ 215,000	\$ 215,000
Building Improvements	39,448	39,448
Office Furniture/Equipment	38,531	38,531
Less: Accumulated Depreciation	<u>(76,776)</u>	<u>(65,603)</u>
	<u>\$ 216,203</u>	<u>\$ 227,376</u>

(7) Fair Value Measurements

Following is a description of the valuation methodologies used for assets measured at fair value. There have no changes in the methodologies used at December 31, 2022 and 2021.

- *Common and Preferred Stock:* Valued using quoted market prices and recent transactions.
- *Equity/Bond Mutual Funds and ETFs:* Valued using quoted market prices and recent transactions.
- *Corporate Bonds:* Valued utilizing inputs that are derived principally from or corroborated by observable market data by correlation or other mean.
- *Municipal Bonds:* Valued utilizing inputs that are derived principally from or corroborated by observable market data by correlation or other mean.
- *U.S. Government and Agency Bonds:* Valued utilizing inputs that are derived principally from or corroborated by observable market data by correlation or other mean.
- *Certificate of Deposits and Other:* Valued utilizing inputs that are derived principally from or corroborated by observable market data by correlation or other mean.
- *Real Estate:* Valued initially based on independent appraisals, which are occasionally updated with comparable sales data sourced from third-parties annually.

The fair value measurements of the Foundation's investments consisted of the following:

Fair Value Measurements at December 31, 2022

	<u>Total</u>	<u>Quoted Prices In Active Markets (Level 1)</u>	<u>Significant Observable Inputs (Level 2)</u>	<u>Other Inputs (Level 3)</u>
Investments				
Common and Preferred Stock	\$ 43,490,089	\$ 43,490,089	\$ -	\$ -
Equity/Bond Mutual Funds and ETFs	27,880,129	27,880,129	-	-
Corporate Bonds	8,003,345	-	8,003,345	-
Municipal Bonds	64,318	-	64,318	-
U.S. Government and Agency Bonds	10,279,893	-	10,279,893	-
Certificate of Deposits and Other	1,712,555	-	1,712,555	-
Real Estate	470,857	-	-	470,857
	<u>\$ 91,901,186</u>	<u>\$ 71,370,218</u>	<u>\$ 20,060,111</u>	<u>\$ 470,857</u>

(7) Fair Value Measurements (Continued)

Fair Value Measurements at December 31, 2021

	Total	Quoted Prices In Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Other Inputs (Level 3)
Investments				
Common and Preferred Stock	\$ 53,783,823	\$ 53,783,823	\$ -	\$ -
Equity/Bond Mutual Funds and ETFs	42,178,716	42,178,716	-	-
Corporate Bonds	8,283,874	-	8,283,874	-
Municipal Bonds	67,432	-	67,432	-
U.S. Government and Agency Bonds	1,723,910	-	1,723,910	-
Certificate of Deposits and Other	2,059,436	-	2,059,436	-
Real Estate	470,857	-	-	470,857
	<u>\$ 108,568,048</u>	<u>\$ 95,962,539</u>	<u>\$ 12,134,652</u>	<u>\$ 470,857</u>

The cost basis of investments approximated \$80,707,147 and \$82,181,419 for the years ended December 31, 2022 and 2021, respectively.

The table below provides information about significant unobservable inputs related to the Foundation's investment categorized as level 3 in the fair value hierarchy:

	2022 Fair Value	2021 Fair Value	Valuation Technique	Significant Unobservable Inputs	Range of Significant Values
Real Estate	\$ 470,857	\$ 470,857	Market value of underlying real estate holdings	External appraisal estimate	N/A

(8) Investment Management and Custodial Fees

The Foundation entrusts its invested funds to professional investment advisors, who manage the funds primarily in custodial investment accounts. As a result, the Foundation has established agreements with these advisors, which are generally subject to cancellation by either party upon written notice.

Investment management and custodial fees approximated \$533,296 and \$547,799 as of December 31, 2022 and 2021, respectively.

(9) Concentration of Credit and Economic Risk

Financial instruments, which potentially subject the Foundation to concentrations of credit risk, consist principally of cash, cash equivalents and investments. The Foundation places cash and cash equivalents with high credit quality financial institutions. The Foundation's combined deposits at each financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. From time to time, the Foundation's deposits significantly exceed the FDIC insured limit.

(10) Risks and Uncertainties

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rate risk, market volatility, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect investment account balances and the amounts reported in the statements of financial position.

(11) Functional Classification of Expenses

Functional expenses were as follows for the year ended December 31, 2022:

	Program Services	Management and General	Fundraising and Development	Total
Grants and Philanthropic Distributions	\$ 12,317,437	\$ -	\$ -	\$ 12,317,437
Salaries and Wages	116,015	193,360	77,344	386,719
Payroll Taxes	7,640	12,735	5,094	25,469
Insurance Benefits	19,565	32,610	13,044	65,219
Retirement Benefits	6,566	10,943	4,377	21,886
Office Expenses	835	1,392	557	2,784
Office Maintenance	2,149	3,583	1,433	7,165
Postage and Delivery	829	1,381	552	2,762
Bank Charges	3	5	2	10
Technology	5,535	9,226	3,690	18,451
Telephone	1,515	2,526	1,010	5,051
Utilities	1,072	1,787	715	3,574
Repairs and Maintenance	600	1,001	400	2,001
Insurance - Other	6,196	10,327	4,131	20,654
Property Taxes	2,260	3,767	1,507	7,534
Storage	368	615	246	1,229
Professional Fees	3,992	6,653	2,661	13,306
Dues and Memberships	5,173	8,622	3,449	17,244
Training/Seminars	-	-	-	-
Depreciation	3,351	5,587	2,235	11,173
Mileage/Donor Development	1,026	1,712	684	3,422
	<u>\$ 12,502,127</u>	<u>\$ 307,832</u>	<u>\$ 123,131</u>	<u>\$ 12,933,090</u>

(11) Functional Classification of Expenses (Continued)

Functional expenses were as follows for the year ended December 31, 2021:

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising and Development</u>	<u>Total</u>
Grants and Philanthropic Distributions	\$ 10,378,007	\$ -	\$ -	\$ 10,378,007
Salaries and Wages	104,289	173,816	69,526	347,631
Payroll Taxes	7,281	12,137	4,855	24,273
Insurance Benefits	13,833	23,056	9,222	46,111
Retirement Benefits	5,166	8,612	3,445	17,223
Office Expenses	1,418	2,363	945	4,726
Office Maintenance	4,328	7,213	2,885	14,426
Postage and Delivery	794	1,324	530	2,648
Bank Charges	6	10	4	20
Technology	2,358	3,931	1,572	7,861
Telephone	1,647	2,745	1,098	5,490
Utilities	933	1,556	622	3,111
Repairs and Maintenance	126	210	84	420
Insurance - Other	5,110	8,516	3,406	17,032
Property Taxes	2,368	3,946	1,578	7,892
Storage	430	718	287	1,435
Professional Fees	3,420	5,700	2,280	11,400
Dues and Memberships	4,847	8,079	3,232	16,158
Training/Seminars	105	177	71	353
Depreciation	3,457	5,763	2,305	11,525
Mileage/Donor Development	652	1,086	434	2,172
	<u>\$ 10,540,575</u>	<u>\$ 270,958</u>	<u>\$ 108,381</u>	<u>\$ 10,919,914</u>

(12) Endowments

The Foundation endowments consists of donor restricted funds. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based upon the existence or absence of donor-imposed restrictions.

Accounting Standards Codification 958, Not-for-Profit Entities, provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA), which enacted in the state of Georgia in 2008. The Foundation interprets the UPMIFA as requiring the preservation of the fair value at the original gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Also, classified as net assets with donor restrictions is accumulated appreciation on donor-restricted endowment funds until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. The Foundation considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

1. The purposes of the Foundation and the donor-restricted endowment fund,
2. General economic conditions,
3. The possible effect on inflation and deflation,
4. The expected total return from income and appreciation of investments,
5. Other resources of the Foundation, and
6. The investment policies of the Foundation

Endowment net asset composition by type of fund as of December 31, 2022:

	Without Donor Restrictions	With Donor Restrictions			Total
		Corpus Held in Perpetuity	Accumulated Gains (Losses)	Total With Donor Restrictions	
Corpus	\$ -	\$ 8,823,012	\$ -	\$ 8,823,012	\$ 8,823,012
Accumulated Earnings	-	-	-	-	-
Unappropriated Accumulated Earnings	-	-	(516,332)	(516,332)	(516,332)
Total Endowment Funds	\$ -	\$ 8,823,012	\$ -	\$ 8,306,680	\$ 8,306,680

(12) Endowments (Continued)

Changes in endowment net assets for December 31, 2022:

	Without Donor Restrictions	With Donor Restrictions			Total
		Corpus Held in Perpetuity	Accumulated Gains (Losses)	Total With Donor Restrictions	
Endowment Net Assets, January 1, 2022	\$ -	\$ 7,877,132	\$ 1,421,060	\$ 9,298,192	\$ 9,298,192
Investment Income (Loss)	-	-	(1,383,464)	(1,383,464)	(1,383,464)
Contributions	-	945,880	-	945,880	945,880
Appropriation of Endowment Assets for Expenditure	-	-	(553,928)	(553,928)	(553,928)
Endowment Net Assets, December 31, 2022	<u>\$ -</u>	<u>\$ 8,823,012</u>	<u>\$ (516,332)</u>	<u>\$ 8,306,680</u>	<u>\$ 8,306,680</u>

Endowment net asset composition by type of fund as of December 31, 2021:

	Without Donor Restrictions	With Donor Restrictions			Total
		Corpus Held in Perpetuity	Accumulated Gains (Losses)	Total With Donor Restrictions	
Corpus	\$ -	\$ 7,877,132	\$ -	\$ 7,877,132	\$ 7,877,132
Accumulated Deficit	-	-	-	-	-
Unappropriated Accumulated Earnings	-	-	1,421,060	1,421,060	1,421,060
Total Endowment Funds	<u>\$ -</u>	<u>\$ 7,877,132</u>	<u>\$ 1,421,060</u>	<u>\$ 9,298,192</u>	<u>\$ 9,298,192</u>

Changes in endowment net assets for December 31, 2021:

	Without Donor Restrictions	With Donor Restrictions			Total
		Corpus Held in Perpetuity	Accumulated Gains (Losses)	Total With Donor Restrictions	
Endowment Net Assets, January 1, 2021	\$ -	\$ 6,792,161	\$ 702,393	\$ 7,494,554	\$ 7,494,554
Investment Income	-	-	1,391,676	1,391,676	1,391,676
Contributions	-	1,084,971	-	1,084,971	1,084,971
Appropriation of Endowment Assets for Expenditure	-	-	(673,009)	(673,009)	(673,009)
Endowment Net Assets, December 31, 2022	<u>\$ -</u>	<u>\$ 7,877,132</u>	<u>\$ 1,421,060</u>	<u>\$ 9,298,192</u>	<u>\$ 9,298,192</u>

(12) Endowments (Continued)

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund or perpetual duration. These deficiencies result from unfavorable market fluctuations that occur after the initial investment of the donor-restricted contributions. Both fund deficiencies and subsequent gains above that amount are reported in net assets with donor restrictions.

The Foundation has adopted investment and spending policies for endowment assets (including any underwater amounts) that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period. Endowment assets are invested to achieve a long-term rate of return in excess of the spending policy rate, plus the rate of inflation, and after deducting for fees and other investment costs. Results are measured against performance benchmarks of similarly managed funds.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

(13) List of Charitable Funds

As of December 31, 2022, the following charitable funds had been established with the Foundation:

Field of Interest Funds - Charitable Funds established to benefit a particular area of concern.

1928 Traditional Episcopal Support Fund	O.F. and Montez Roberts Fund for Eye Sight
Community Public Education Fund	Preservation-Donalsonville Lions Club
Dick Bob Mason Memorial Education Fund	One Heartbeat Charitable Fund
Friends of Downtown Thomasville Charitable Fund	Open Arms Foundation Fund
Grace Recovery Foundation Fund	Pelham Public Education Endowment Fund
Grady County Public Education Endowment Fund	Richard & Teresa Vanlandingham Maxi Grant
Harrison Cemetery Preservation Fund	Smile Fund
Jim Neill Memorial Foundation Fund	South Georgia Disaster Relief Fund
Justice League for Opportunity Fund	South Georgia Episcopal Outreach Fund
Lowndes Excellence in Education	Spark Thomasville Fund
Mitchell Electric Charitable Fund	Thomas County Children's Dental Assistance Fund
Mitchell EMC Patronage Capital Fund	Thomasville Creates Charitable Funds
MNW Fund to Support Youth with Special Needs	Valdosta Classical Music Fund
Murray H. Gaskins Sr. Charitable Fund	Wiregrass Disaster Recovery Fund

Designated Funds - Charitable Funds established for the sole benefit of a designated nonprofit organization.

Early A. Reed, Merle Reed Shingler, Sidney H. Shingler, Sr., and Sue Shingler Charitable Fund	Marvin M., Lorene B., and David Grubbs Charitable Fund
First Baptist Church of Thomasville Charitable Fund	Stockton Baptist Church Fund
Frank R. Pidcock Foundation Fund	Thomasville Police Community Fund
	Thomasville YMCA Gift Annuities Fund
	Trinity Anglican Church of Thomasville Fund

Donor Advised Funds - Charitable Funds where the donor participates in the grant making process by advising the Foundation when and where grants are given.

170 Individual and Family Donor Advised Funds	Fifth Friday Foundation Fund
Change for Children Charitable Fund	Rise Development Charitable Fund
Equity Group - GA Division Fund	

(13) List of Charitable Funds (Continued)

Scholarship Funds - Charitable Funds set up to assist students with expenses of post-secondary educational endeavors.

Alan George Memorial YMCA Scholarship
Attorneys' Title Guaranty Scholarship
Bacon County High School Scholarship
Benjamin E. Gordon Memorial Scholarship
Bill Reynolds Memorial Scholarship
Cairo High School Band Scholarship
Candice Sellers Memorial Scholarship
Charles M. Stripling 4-H Scholarship
Cleve Bostick Memorial Scholarship
Coy Williams Memorial Scholarship
Dr. Charlie Watt Scholarship
Dr. Lewis & Audrey Chisholm Scholarship
Gaskins Environmental Scholarship
Geraldine Grant Memorial Scholarship
Georgia Dental Hygienists' Association
Scholarship
Griffin Family Scholarship
Harrison Hooks Memorial Scholarship
Homer E. Breckenridge, Jr. Memorial
Scholarship
Hosea Hall Vann & Lilly Eason Vann
Scholarship
J.B. Jenkins Memorial Scholarship
Jack Gibbs Memorial Scholarship
James D. Eunice Scholarship
Joanne Pierce Drake Music Scholarship
John B. & Elizabeth V. Wight Scholarship
John Bulloch Scholarship
Johnny Grimsley Golf Scholarship
Julien B. Roddenbery Scholarship

Kevin Walden Memorial Scholarship
Marie Wertz Memorial Scholarship
Mary Kirkland Scholarship
Mitchell EMC Operation Roundup Scholarship
Molly Elkins Joiner Memorial Scholarship
Moultrie-Colquitt County High Schools Alumni
Scholarship
Philip Pugh Memorial Scholarship
Plymel Family Scholarship
QUMC William S. McMichael Memorial
Scholarship Fund
Robert P. "Bobby" Singletary Scholarship
Robert Warde Chambers Scholarship & Public
Education Fund
Rocky Ivey Memorial Scholarship
Savannah Singletary Memorial Scholarship
Senior Chief David Blake McLendon
Scholarship
T.B. McDowell Memorial Scholarship
Terri Matthew Nursing Scholarship
Thomas McComb Scholarship
Thomasville Antiques Show Foundation
Scholarship
Thomasville Rotary Scholarship
Tucker Baptist Assoc. Scholarship
University of GA Forestry Scholarship
Valwood School/William G. Eager III Memorial
W.C. Ivey Memorial Scholarship
Wh & Mary P. Muggridge Charitable Fund
William J. & Margaret McKay Powell
Scholarship
Wyatt Hutchins Alexander Family Scholarship
Zack Alday Memorial Scholarship

(13) List of Charitable Funds (Continued)

Agency Funds - Charitable Funds established by an agency agreement where the Foundation has agreed to transfer the assets contributed, the return on investment of those assets or both back to the entity specified in the agency agreement.

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|---|--|
| Albany Area FCA Endowment Fund | Randolph County Schools Charitable Fund |
| Archbold Hospital-Brooks County Fund | Roddenbery Memorial Library Fund |
| Archbold Hospital-Grady County Fund | S. W. Georgia Technical College Foundation Fund |
| B'nai Israel Synagogue Fund | Second Harvest of South Georgia Fund |
| Behavioral Health Services Fund | South Georgia Pediatric Charitable Fund |
| Birdsong Nature Center Fund | Strive2Thrive, Inc. Endowment Fund |
| Bishop Hall Charitable Fund | Thomas Area Soccer Association Fund |
| Boys & Girls Clubs of Camilla/Mitchell County Fund | Thomas County Historical Society Fund |
| Boys & Girls Clubs of Moultrie/Colquitt County Endowment Fund | Thomas-Grady ARC Fund |
| Camp Arrow Endowment Fund | Thomas County Public Library Endowment Fund |
| Community Soup Kitchen Endowment Fund | Thomasville Antiques Show Fund |
| Easter Seals Southern Georgia Fund | Thomasville Center for the Arts Building Fund |
| First Presbyterian Church of Moultrie Fund | Thomasville Center for the Arts Capital Improvement Fund |
| First Presbyterian Church of Thomasville Fund | Thomasville Community Resource Center Fund |
| First Presbyterian Church of Valdosta Fund | Thomasville Garden Club Endowment Fund |
| First United Methodist Church of Thomasville Fund | Thomasville Landmarks Fund |
| Friends of Cherokee Lake Fund | Thomasville Music & Drama Troupe Fund |
| Fulwood Garden Center Endowment Fund | Thomasville Primitive Baptist Church Foundation Fund |
| Georgia Pines Consumers Fund | Thomasville YMCA & Youth Center Fund |
| Hands and Hearts for Horses Fund | Tree House of Thomasville Fund |
| Hands on Thomas County Fund | Turner Center for the Arts Endowment Fund |
| Mitchell County Hospital Endowment Fund | Turner Center for the Arts-Hudson Fund |
| MNW Boys & Girls Clubs of Thomas County Fund | Valwood School Endowment Fund |
| Nepenthic Society Fund | Vashti Center Endowment Fund |
| Open Door Charitable Fund | Wesley Chapel Endowment Fund |
| Open Future Fund | Westbrook School Endowment Fund |