

Communities of Coastal Georgia Foundation, Inc.

Financial Reports

December 31, 2021 and 2020



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Communities of Coastal Georgia Foundation, Inc.
St. Simons Island, Georgia

Opinion

We have audited the accompanying financial statements of Communities of Coastal Georgia Foundation, Inc. (the "Foundation"), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets and statements of cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Communities of Coastal Georgia Foundation, Inc. as of December 31, 2021 and 2020, 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 audit in accordance with auditing standards generally accepted in the United States of America. 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 the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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; 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.

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 the Foundation's ability to continue as a going concern within 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 auditors' 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 generally accepted auditing standards 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepting auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement 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 the Foundation'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 the Foundation'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 audits.

A handwritten signature in black ink that reads "MS Miller LLC". The signature is written in a cursive, slightly stylized font.

Brunswick, Georgia
October 12, 2022

Communities of Coastal Georgia Foundation, Inc.

Statements of Financial Position

December 31, 2021 and 2020

Assets

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 3,537,403	\$ 1,689,200
Grant receivables	7,350	22,350
Investments, at fair value	51,367,215	44,693,982
Beneficial interest in trusts	50,000	91,915
Other assets	<u>8,753</u>	<u>9,596</u>
Total Assets	<u>\$ 54,970,721</u>	<u>\$ 46,507,043</u>

Liabilities and Net Assets

Liabilities

Accounts payable	\$ 12,481	\$ 13,000
Accrued expenses	7,080	4,833
Amounts held to benefit agency funds	<u>3,046,299</u>	<u>2,924,691</u>
Total Liabilities	<u>3,065,860</u>	<u>2,942,524</u>

Net Assets

Without donor restrictions	51,831,307	43,428,531
With donor restrictions	<u>73,554</u>	<u>135,988</u>
Total net assets	<u>51,904,861</u>	<u>43,564,519</u>
Total Liabilities and Net Assets	<u>\$ 54,970,721</u>	<u>\$ 46,507,043</u>

See accompanying notes to the financial statements.

Communities of Coastal Georgia Foundation, Inc.
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue			
Contributions	\$ 8,062,097	\$ -	\$ 8,062,097
Investment income	1,598,327	-	1,598,327
Investment expenses	(176,527)	-	(176,527)
Net gains on investments	3,292,007	-	3,292,007
Change in value of split-interest agreements	-	(41,915)	(41,915)
Management fee	21,442	-	21,442
Other income	17,170	-	17,170
Net assets released from restriction	<u>20,519</u>	<u>(20,519)</u>	<u>-</u>
Total Support and Revenue	12,835,035	(62,434)	12,772,601
Grants Paid	3,959,790	-	3,959,790
Operating Expenses			
Salaries	325,286	-	325,286
General and administrative	<u>147,183</u>	<u>-</u>	<u>147,183</u>
Total Operating Expenses	<u>472,469</u>	<u>-</u>	<u>472,469</u>
Total Grants and Operating Expenses	<u>4,432,259</u>	<u>-</u>	<u>4,432,259</u>
Increase (Decrease) in Net Assets	8,402,776	(62,434)	8,340,342
Net Assets, Beginning	<u>43,428,531</u>	<u>135,988</u>	<u>43,564,519</u>
Net Assets, Ending	<u>\$ 51,831,307</u>	<u>\$ 73,554</u>	<u>\$ 51,904,861</u>

See accompanying notes to the financial statements.

Communities of Coastal Georgia Foundation, Inc.
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue			
Contributions	\$ 12,655,164	\$ -	\$ 12,655,164
Investment income	811,708	-	811,708
Investment expenses	(135,882)	-	(135,882)
Net gains (losses) on investments	3,922,269	-	3,922,269
Change in value of split-interest agreements	-	3,629	3,629
Management fee	13,544	-	13,544
Other income	13,733	-	13,733
Net assets released from restriction	<u>161,948</u>	<u>(161,948)</u>	<u>-</u>
Total Support and Revenue	17,442,484	(158,319)	17,284,165
Grants Paid	3,100,430	-	3,100,430
Operating Expenses			
Salaries	254,328	-	254,328
General and administrative	<u>178,341</u>	<u>-</u>	<u>178,341</u>
Total Operating Expenses	<u>432,669</u>	<u>-</u>	<u>432,669</u>
Total Grants and Operating Expenses	<u>3,533,099</u>	<u>-</u>	<u>3,533,099</u>
Increase (Decrease) in Net Assets	13,909,385	(158,319)	13,751,066
Net Assets, Beginning	<u>29,519,146</u>	<u>294,307</u>	<u>29,813,453</u>
Net Assets, Ending	<u>\$ 43,428,531</u>	<u>\$ 135,988</u>	<u>\$ 43,564,519</u>

See accompanying notes to the financial statements.

Communities of Coastal Georgia Foundation, Inc.

Statements of Cash Flows

For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Increase in net assets	\$ 8,340,342	\$ 13,751,066
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Net gains on investments	(3,292,007)	(3,922,269)
Contributions of securities	(3,740,571)	(9,163,698)
Changes in operating assets and liabilities:		
Receivables	15,000	11,500
Beneficial interest in trusts	41,915	126,371
Other assets	843	1,997
Accounts payable	(519)	(5,969)
Accrued expenses	2,247	2,811
Amounts held to benefit agency funds	121,608	325,772
<i>Net Cash Provided by Operating Activities</i>	<u>1,488,858</u>	<u>1,127,581</u>
Cash Flows From Investing Activities		
Purchase of investments	(28,470,985)	(19,540,470)
Proceeds from sale of investments	<u>28,830,330</u>	<u>18,348,844</u>
<i>Net Cash Provided by (Required by) Investing Activities</i>	<u>359,345</u>	<u>(1,191,626)</u>
Net Change in Cash and Cash Equivalents	1,848,203	(64,045)
Cash and Cash Equivalents, Beginning	<u>1,689,200</u>	<u>1,753,245</u>
Cash and Cash Equivalents, Ending	<u>\$ 3,537,403</u>	<u>\$ 1,689,200</u>
Supplemental schedule of noncash investing and financing activities:		
Investment securities acquired from donor contributions	\$ 3,740,571	\$ 9,163,698

See accompanying notes to the financial statements.

Communities of Coastal Georgia Foundation, Inc.

Notes to Financial Statements

December 31, 2021 and 2020

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

General: Communities of Coastal Georgia Foundation, Inc. (the “Foundation”) is a publicly-supported community foundation based in Glynn County. The Foundation was established in 2005 for the purpose of improving the quality of life in Coastal Georgia by promoting and increasing responsible, effective philanthropy.

The Foundation provides grants to charitable organizations throughout Camden, Glynn, and McIntosh Counties in Southeast Georgia. Through the Foundation’s donor advised funds, grants can be made to any qualified nonprofit organization in the United States of America.

Basis of Presentation: The Foundation follows standards established by the Financial Accounting Standards Board (“FASB”). References to Generally Accepted Accounting Principles (“GAAP”) in these notes are to *FASB Accounting Standards Codification*, sometimes referred to as the “Codification” or “ASC”. To ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, GAAP requires that resources be classified into categories established according to its nature and purpose. The Foundation reports its financial position and activities according to two classes of net assets as follows:

Net Assets without Donor Restrictions – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions (see Note 10).

Net Assets with Donor Restrictions – These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted (see Note 10).

The Foundation enters into individual agreements with donors to reflect the types of funds to be created and the purposes for which the contributions are intended. Pursuant to the Foundation's articles of incorporation and by-laws, as well as all fund agreements by and between the Foundation and donors, the Board of Directors maintains ultimate authority and control over contributions received and the related income and net change in value realized thereon. As a result of this "variance power", net assets are generally classified to net assets without donor restrictions, unless otherwise encumbered by a stipulation.

Accounting Standards: In August 2018, the FASB issued Accounting Standards Update No. 2018-13, *Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement* (“ASU 2018-13”). ASU 2018-13 eliminates and modifies certain disclosure requirements for fair value measurements, including the amount, reason, and policy for timing of transfers between hierarchy levels; valuation process for Level 3 fair value measurements; and changes in unrealized gains/losses for Level 3 fair value measurements. Nonpublic entities that use the practical expedient to measure the fair value of certain investments at their net asset values are required to disclose the timing of liquidation of an investee’s assets and the date when redemption restrictions will lapse (see Note 6). The Foundation adopted the standard on January 1, 2020. The adoption of this standard did not have a significant impact on the Foundation’s financial statements.

Contributions: Contributions, including unconditional promises, are reported at fair value at the date the contribution is made. Conditional promises are not recognized until they become unconditional, that is, when

Communities of Coastal Georgia Foundation, Inc.

Notes to Financial Statements

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the conditions on which they depend are substantially met. Contributions of charitable assets other than cash, which are primarily donated investment securities, are recorded at their estimated fair value at the date of donation.

Contributions with donor-imposed restrictions are reported as contributions with donor restrictions. When a donor-imposed restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Restricted contributions whose restrictions are met in the same year are reported as contributions without donor restrictions.

Cash and Cash Equivalents: Cash and cash equivalents include checking accounts, savings accounts, money market accounts and certificates of deposit, except for those managed as part of investment management strategies.

On occasion, the Foundation maintains cash balances on deposit with financial institutions in excess of federally insured limits. Management continually monitors the soundness of these financial institutions and believes the exposure of loss to be minimal.

Receivables: Receivables are stated at the present value of their estimated future cash flows. The discounts on these amounts is computed using an appropriate interest rate applicable to the year in which those promises are received. Amortization of the discounts is included in “contributions” in the accompanying statements of activities and changes in net assets. Receivables are reviewed for collectability and reserves for uncollected amounts are established when needed. Management evaluates collectability based upon the Foundation’s review of current receivables, historical experience, and management’s evaluation. There was no allowance for doubtful accounts at December 31, 2021 and 2020. Recoveries of amounts previously written off are recorded as revenue at the time such amounts are collected.

Investments: Investments in common stocks, mutual funds, and exchange traded funds are carried at fair value based on unadjusted quoted market prices. Fixed income corporate and government bonds are valued based upon yields or prices of securities of comparable quality, coupon, maturity and type as well as indications as to values from brokers and dealers. For all other investments, the Foundation uses the practical expedient method for measuring fair value. Practical expedient permits an entity holding investments in certain entities that calculate net asset value (or equivalent) for which the fair value is not readily determined to measure the fair value of such investments on the basis of the most recent net asset value per share (or equivalent) provided without adjustment. Investment partnerships, for which there is no ready market, are stated at fair value using the most recent net asset value per share (or equivalent) estimated by the partnerships’ general partner which generally represents the Foundation’s proportionate share of the fair market value of the underlying securities. The alternative asset, private equity, and real estate partnerships, for which there is no ready market, are stated at fair value using the most recent net asset value per share (or equivalent) estimated by the partnerships’ general partner. Because investment partnerships are not readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investment existed. Such differences could be material.

These alternative investments, private equity, and real estate investments may have exposure to transactions with counterparts including futures, swaps, options, and other derivatives. These investments may be subject to various risks of loss if the counterparty becomes insolvent or is otherwise unable to meet its obligations.

Investment transactions are recorded on a settlement-date basis. Realized gains and losses on sales of

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investments are determined on the specific identification basis. Investment income and gains and losses on investments are recorded as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Investment securities are exposed to various risks, such as interest rate risk, market risk and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to the value of investment securities, it is reasonably possible that risks in the near term could materially affect the amounts reported in the accompanying financial statements.

The Foundation maintains several custody accounts with major custodian institutions. Although the Foundation monitors and believes that all are appropriate custodians, there is no guarantee that the custodians, or any other custodian that the Foundation may use from time to time, will not become insolvent.

Beneficial Interest in Trusts: The Foundation records charitable remainder and lead trusts that are expected to be collected in future years at the present value of estimated future cash flows. The discounts on estimated future cash flow amounts are computed using an appropriate interest rate applicable to the year in which the promise is received and actuarially determined life expectancies (if applicable). Amortization of the discounts is included in the “change in value of split-interest agreements” in the accompanying statements of activities and change in net assets. Any change in the value of the assets in the trusts are included in contributions with donor restrictions when the Foundation is aware of the value change.

Property and Equipment: Property and equipment are stated at cost. Acquisitions in excess of \$2,500 are capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives of the individual assets. For the years ending December 31, 2021 and 2020, the Foundation’s property and equipment are fully depreciated.

Deferred Revenue: Deferred revenue arises from grants and conditional gifts received for specific purposes for which related expenditures have not been made.

Income Taxes: The Foundation is recognized as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the “Code”) and is classified as a private foundation as defined under the Code.

GAAP provides guidance for how uncertain tax positions should be recognized, measured, presented, and disclosed in the Foundation’s financial statements. The Foundation’s management has evaluated the implications of these standards and has not identified any uncertain tax positions for the Foundation; therefore, no tax expense or accruals for uncertain tax positions are included in the accompanying financial statements. Interest and penalties are expensed as incurred. There were no interest and penalties charged to expense for the years ended December 31, 2021 and 2020.

Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications: Certain amounts in the December 31, 2020 financial statements have been reclassified to conform to the presentation utilized in December 31, 2021. These reclassifications, if any, have no impact on previously reported financial position, change in net assets, or cash flows.

Communities of Coastal Georgia Foundation, Inc.

Notes to Financial Statements

December 31, 2021 and 2020

NOTE 2 – RECEIVABLES

Grant Receivables for the years ended December 31, 2021 and 2020 totaled \$7,350 and \$22,350, respectively. The total balance as of December 31, 2021 is expected to be received within one year.

NOTE 3 – BENEFICIAL INTEREST IN TRUSTS

Beneficial interest in trusts are recorded at the present value of the estimated future cash flows. Details of the discounts on beneficial interest in trusts is as follows as of December 31:

	2021	2020
Beneficial interest in trusts	\$ 50,000	\$ 96,400
Less discount to present value	-	(4,485)
	<u>\$ 50,000</u>	<u>\$ 91,915</u>

NOTE 4 – ENDOWMENT FUND

The Foundation's endowments consist of board-designated endowment funds which are classified and reported as net assets without restriction. Currently there are no individual donor-restricted endowment funds.

Interpretation of Relevant Law: The investment policies enacted by the Foundation's Board seek to manage and invest assets in good faith and prudence in accordance with the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as enacted by the state of Georgia in 2008.

Endowment Spending Policy: In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

The Foundation has a spending policy of appropriating for distribution each year 5% of its board-designated endowment fund's average asset value calculated on September 30 each year over a rolling twelve-quarter period. In establishing this policy, the Foundation considered the long-term expected investment return on its endowment. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its general endowment fund to grow at a minimum of 5% annually, plus inflation. Therefore, the Directors reserve the right in any given year to spend below its 5% spending policy level.

Endowment Investment Policy: The Foundation's return objective for endowment assets is to preserve the principal of the endowed funds as well as provide funding to programs supported by the endowment. The goal is to produce an annualized total return that equals, and if possible, exceeds inflation (as measured by CPI) plus the Foundation's long-term spending allocation rate. To achieve its return objectives, the Foundation

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employs a total return strategy where investment returns are generated through capital appreciation (realized and unrealized) and current yield (interest and dividends).

Composition of and changes in endowment net assets for the years ended December 31, 2021 and 2020 were as follows:

	2021	2020
Board-designated endowment net assets, beginning of year	\$ 6,446,006	\$ 5,827,354
Contributions	296,807	91,192
Interest and dividends, net of fees	263,461	86,376
Realized/unrealized gains (losses)	509,637	638,744
Transfer from (to) nonendowed net assets	55,413	(127,628)
Amounts appropriated for expenditure	(57,448)	(70,032)
Board-designated endowment net assets, end of year	<u>\$ 7,513,876</u>	<u>\$ 6,446,006</u>

NOTE 5 – INVESTMENTS

Investments were comprised of the following at December 31, 2021 and 2020:

	2021	2020
Equity based funds	\$ 34,738,820	\$ 29,600,944
Bonds and fixed income funds	10,396,767	8,750,940
Certificates of deposit	3,613,259	4,339,307
Money market funds	2,065,576	1,565,124
Alternative asset funds	552,793	437,667
	<u>\$ 51,367,215</u>	<u>\$ 44,693,982</u>

Investment fees for the years ended December 31, 2021 and 2020 totaled \$176,527 and \$135,882, respectively.

NOTE 6 – FAIR VALUE MEASUREMENTS

In accordance with the authoritative guidance on fair value measurements and disclosures under GAAP, the Foundation discloses and recognizes the fair value of its assets and liabilities using a 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 guidance establishes three levels of fair value as follows:

Level 1 — Valuation is based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical investments.

Level 2 — Valuation is based on inputs other than quoted prices that are observable for the asset either

Communities of Coastal Georgia Foundation, Inc.

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directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 — Valuation is based on unobservable inputs as they trade infrequently or not at all.

Investments include privately held investments and securities held in partnerships and use the Net Asset Value (NAV) as a practical expedient to determine their values. These investments are not classified in the fair value hierarchy, but the amounts are included in this table to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments.

When available, the Foundation uses unadjusted quoted market prices to determine the fair value of investment securities, and they are included in Level 1. When quoted market prices are unobservable, the Foundation uses other observable inputs including market interest rate curves, and credit spreads, where applicable. These investments are included in Level 2 and primarily consist of corporate and governmental bonds. The carrying value of certificates of deposit and money market funds approximates fair value due to the short-term maturity of these instruments and therefore these investments are included in Level 1.

Assets as of December 31, 2021 measured at fair value are summarized below:

	Level 1	Level 2	Level 3	NAV	Total	Liquidation	Day's Notice
Equity based funds	\$ 34,738,820	\$ -	\$ -	\$ -	\$ 34,738,820	Daily	1
Bonds and fixed income funds	6,943,910	3,452,857	-	-	10,396,767	Daily	1
Certificates of deposit	3,613,259	-	-	-	3,613,259		
Money market funds	2,065,576	-	-	-	2,065,576		
Alternative asset funds	-	-	-	552,793	552,793	Illiquid ⁽ⁱ⁾	N/A
	<u>\$ 47,361,565</u>	<u>\$ 3,452,857</u>	<u>\$ -</u>	<u>\$ 552,793</u>	<u>\$ 51,367,215</u>		

(i) Illiquid private equity funds are closed-end funds which means the Foundation cannot redeem or withdraw funds from these investments until the fund is terminated or liquidated, though it is likely to receive distributions that include some return of principal. The outstanding illiquid balance in the private equity fund as of December 31, 2021 was \$552,793. The fund is scheduled to self-liquidate by 2029 with a possible, one-time three-year extension.

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Assets as of December 31, 2020 measured at fair value are summarized below:

	Level 1	Level 2	Level 3	NAV	Total	Liquidation	Day's Notice
Equity based funds	\$ 29,600,944	\$ -	\$ -	\$ -	\$ 29,600,944	Daily	1
Bonds and fixed income funds	3,773,535	4,977,405	-	-	8,750,940	Daily	1
Certificates of deposit	4,339,307	-	-	-	4,339,307		
Money market funds	1,565,124	-	-	-	1,565,124		
Alternative asset funds	-	-	-	437,667	437,667	Illiquid ⁽ⁱ⁾	N/A
	<u>\$ 39,278,910</u>	<u>\$ 4,977,405</u>	<u>\$ -</u>	<u>\$ 437,667</u>	<u>\$ 44,693,982</u>		

Fair Value Measurements of Other Financial Items: The carrying amounts of receivables approximates fair value based on the discounted values of estimates to be received or the underlying value of the trustee assets.

NOTE 7 – AMOUNTS HELD TO BENEFIT AGENCY FUNDS

The Foundation received assets from various not-for-profit organizations to establish funds. The Organizations specified themselves as the sole beneficiary of the funds. Accounting standards require that the Foundation account for these transfers of assets as a liability. The Foundation has reported this liability as amounts held to benefit agency funds on the Statements of Financial Position.

The Foundation maintains variance power and legal ownership of the agency funds, and as such continues to report these funds as assets of the Foundation. In accordance with GAAP, a liability has been established for the fair value of the funds, which is generally equivalent to the present value of future payments expected to be made to these not-for-profit organizations.

The fair market value of the agency funds at December 31, 2021 and 2020 was \$3,046,299 and \$2,924,691, respectively. Financial activity related to these funds for the years ended December 31, 2021 and 2020 are excluded from the Foundation's statements of activities and changes in net assets.

The following summarizes the activity:

	2021	2020
Beginning Balance	\$ 2,924,691	\$ 2,598,919
Contributions	7,736	11,723
Net return on investments	339,196	328,095
Grants	(203,869)	(503)
Support of Foundation services	(21,455)	(13,543)
Agency fund balances at December 31	<u>\$ 3,046,299</u>	<u>\$ 2,924,691</u>

Communities of Coastal Georgia Foundation, Inc.

Notes to Financial Statements

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NOTE 8 – EMPLOYEE BENEFIT PLAN

401(k) Deferred Compensation Plan: The Foundation sponsors a defined contribution retirement plan covering all employees meeting certain eligibility requirements. The Foundation makes discretionary contributions to the plan based on a percentage of employees’ compensation. The contribution for the years ending December 31, 2021 and 2020 was \$1,566 and \$2,030, respectively.

NOTE 9 – EXPENSE CLASSIFICATION

Certain categories of operating expenses are attributed to multiple functions. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Costs are directly applied to the related program, support, or fundraising category when identifiable and possible. General operating costs across natural categories are allocated based on estimates of time and effort.

Functional expenses for the year ended December 31, 2021 were comprised of the following:

	Program Services	Management and General	Fundraising	Total
Grants awarded	\$ 3,959,790	\$ -	\$ -	\$ 3,959,790
Salaries, taxes and benefits	192,397	87,453	69,962	349,812
Management fees	14,867	6,758	5,406	27,031
Professional fees and services	13,956	6,344	5,075	25,375
Occupancy	7,152	3,251	2,604	13,007
Other	31,486	14,311	11,447	57,244
Total	<u>\$ 4,219,648</u>	<u>\$ 118,117</u>	<u>\$ 94,494</u>	<u>\$ 4,432,259</u>

Functional expenses for the year ended December 31, 2020 were comprised of the following:

	Program Services	Management and General	Fundraising	Total
Grants awarded	\$ 3,100,430	\$ -	\$ -	\$ 3,100,430
Salaries, taxes and benefits	152,086	69,130	55,303	276,519
Management fees	29,857	13,572	10,857	54,286
Professional fees and services	7,425	3,375	2,700	13,500
Occupancy	7,041	3,200	2,560	12,801
Consultants - Program	28,572	-	-	28,572
Other	25,845	11,747	9,399	46,991
Total	<u>\$ 3,351,256</u>	<u>\$ 101,024</u>	<u>\$ 80,819</u>	<u>\$ 3,533,099</u>

Communities of Coastal Georgia Foundation, Inc.

Notes to Financial Statements

December 31, 2021 and 2020

NOTE 10 – NET ASSETS

Net assets without donor restrictions consisted of the following fund balances designated by the Board at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Donor advised funds	\$ 44,250,962	\$ 36,917,795
Endowment funds	7,513,876	6,446,006
Other	<u>66,469</u>	<u>64,730</u>
Total net assets without donor restrictions	<u>\$ 51,831,307</u>	<u>\$ 43,428,531</u>

Net assets with donor restrictions consisted of the following fund balances at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Leasehold improvement purchase fund	\$ 19,460	\$ 19,460
Beneficial interest in remainder trust	50,000	91,915
Purpose-restricted	<u>4,094</u>	<u>24,613</u>
Total net assets with donor restrictions	<u>\$ 73,554</u>	<u>\$ 135,988</u>

NOTE 11 – LEASES

As of December 31, 2021, the Foundation leases administrative office space under a lease expiring in August 2022. Lease expense totaled \$13,004 and \$12,801 for the years ended December 31, 2021 and 2020, respectively. Future minimum lease payments under the non-cancelable operating lease are \$8,992 for the ended December 31, 2022.

Communities of Coastal Georgia Foundation, Inc.

Notes to Financial Statements

December 31, 2021 and 2020

NOTE 12 – LIQUIDITY AND AVAILABILITY OF FINANCIAL NET ASSETS

Financial assets available for general expenditure, that is, without donor or other restrictions limiting use, comprise the following:

	2021	2020
Financial assets at year end:		
Cash and cash equivalents	\$ 3,537,403	\$ 1,689,200
Receivables	7,350	22,350
Beneficial interest in trusts	50,000	91,915
Investments, at fair value	51,367,215	44,693,982
Available without restriction within one year	54,961,968	46,497,447
Less amounts not available to be used within one year:		
Amounts held to benefit agency funds	3,046,299	2,924,691
Net assets without restrictions, donor advised	44,250,962	36,917,795
Net assets with donor restrictions	73,554	135,988
Beneficial interests in trusts	-	44,246
Total not available to be used within one year	47,370,815	40,022,720
Financial assets available to meet general expenditures over the next twelve months	\$ 7,591,153	\$ 6,474,727

Financial assets available for expenditure do not include board-designated donor advised funds at December 31, 2021 and 2020, that would be available for granting within one year. The Foundation does not consider these available for general expenditure since these funds are available for distribution to charitable organizations or causes based upon recommendations from the fund establisher or their designated fund advisor(s).

The Foundation does not intend to spend the board-designated endowment funds of \$7,393,463 and \$6,446,006 at December 31, 2021 and 2020, respectively, but the funds are available for general expenditures if needed so they are not deducted in the table above. The Foundation's investment policy incorporates the need to support grant making and operating expenses. As part of this policy, the Foundation maintains a significant amount of cash to cover its expenses.

NOTE 13 – RISKS AND UNCERTAINTIES

The coronavirus outbreak has disrupted the U.S. and global economies, which could potentially cause significant overall market declines that would affect the Foundation's investment values. The length and severity of the coronavirus outbreak and its impact on the U.S. and global economies is unknown. The extent to which these events will impact the Foundation's investment values remains uncertain. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Communities of Coastal Georgia Foundation, Inc.

Notes to Financial Statements

December 31, 2021 and 2020

NOTE 14 – SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events occurring after December 31, 2021 through October 12, 2022, which is the date on which the financial statements were available to be issued. No significant events occurred subsequent to the statement of financial position date but prior to issuance that would have a material impact on the financial statements or disclosures.