

**COMMUNITY FOUNDATION OF  
CENTRAL GEORGIA, INC. AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2021 AND 2020**

**COMMUNITY FOUNDATION OF  
CENTRAL GEORGIA, INC. AND SUBSIDIARIES**

**TABLE OF CONTENTS**

	<b><u>Page Number</u></b>
<b>INDEPENDENT AUDITOR'S REPORT</b> .....	1
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
Consolidated Statements of Financial Position .....	2
Consolidated Statements of Activities .....	3 - 4
Consolidated Statements of Functional Expenses .....	5 - 6
Consolidated Statements of Cash Flows .....	7
Notes to the Consolidated Financial Statements .....	8 - 16

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CERTIFIED PUBLIC ACCOUNTANTS  
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MACON, GEORGIA 31210

**October 26, 2021**

**INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors of  
Community Foundation of Central Georgia, Inc. and Subsidiaries**

We have audited the accompanying consolidated financial statements of Community Foundation of Central Georgia, Inc. and Subsidiaries (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Community Foundation of Central Georgia, Inc. and Subsidiaries as of June 30, 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.

*Butler, Williams & Wyche, LLP*

**COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2021 AND 2020**

<b>ASSETS</b>	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	\$ 10,484,726	\$ 8,204,763
Investments, at market value	133,067,839	98,484,782
Interest and dividends receivable	96,589	95,997
Contributions and pledges receivable, net	435,685	420,527
Notes receivable	228,000	-
Prepaid expenses	34,158	25,256
Donated real property, at appraised fair value	1,390,000	1,140,000
Office equipment & renovations	150,664	159,176
Accumulated depreciation	(143,867)	(159,176)
Collections	12,000	12,000
Assets held in split interest agreements	29,365,245	24,170,085
<b>TOTAL ASSETS</b>	<b>\$ 175,121,039</b>	<b>\$ 132,553,410</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 768	\$ 344
Grants payable	1,274,275	1,482,750
Accrued annual leave	11,761	20,559
Deferred revenue	500	3,000
Loan payable	-	123,315
Agency endowments	14,871,764	11,291,191
Liabilities under split interest agreements	16,302,567	13,819,968
<b>TOTAL LIABILITIES</b>	<b>32,461,635</b>	<b>26,741,127</b>
 <b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	129,141,255	95,026,733
Total without donor restrictions	129,141,255	95,026,733
With donor restrictions		
Time-restricted	13,518,149	10,785,550
Total with donor restrictions	13,518,149	10,785,550
<b>TOTAL NET ASSETS</b>	<b>142,659,404</b>	<b>105,812,283</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 175,121,039</b>	<b>\$ 132,553,410</b>

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

**COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<b>2021</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES, GAINS AND OTHER SUPPORT</b>			
Contributions & pledges, net of bad debt of \$0 and \$30,444	\$ 10,838,825	\$ 435,685	\$ 11,274,510
Net investment income	31,530,300	-	31,530,300
Gain upon loan forgiveness	123,315	-	123,315
Administration of funds, grants, and trusts net of related expenses of \$936,140 and \$830,369	195,146	(47,064)	148,082
Change in value of split interest agreements	-	2,764,505	2,764,505
Decrease in contributions & pledges receivable due to receipt of assets	420,527	(420,527)	-
	<b>\$ 43,108,113</b>	<b>\$ 2,732,599</b>	<b>\$ 45,840,712</b>
<b>EXPENSES</b>			
Program services:			
Grants	7,858,338	-	7,858,338
Other	481,419	-	481,419
Supporting services:			
Management and general	358,407	-	358,407
Fundraising	295,427	-	295,427
	<b>8,993,591</b>	<b>-</b>	<b>8,993,591</b>
<b>CHANGE IN NET ASSETS</b>	<b>34,114,522</b>	<b>2,732,599</b>	<b>36,847,121</b>
<b>NET ASSETS-BEGINNING OF YEAR</b>	<b>95,026,733</b>	<b>10,785,550</b>	<b>105,812,283</b>
<b>NET ASSETS-END OF YEAR</b>	<b>\$ 129,141,255</b>	<b>\$ 13,518,149</b>	<b>\$ 142,659,404</b>

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

<b>2020</b>		
<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
\$ 15,904,593 (4,117,767) -	\$ 420,527 - -	\$ 16,325,120 (4,117,767) -
192,112	(56,281)	135,831
-	(458,500)	(458,500)
<u>6,688,757</u>	<u>(6,688,757)</u>	<u>-</u>
<u>\$ 18,667,695</u>	<u>\$ (6,783,011)</u>	<u>\$ 11,884,684</u>
7,339,011 557,058	- -	7,339,011 557,058
417,487 343,789	- -	417,487 343,789
<u>8,657,345</u>	<u>-</u>	<u>8,657,345</u>
10,010,350	(6,783,011)	3,227,339
<u>85,016,383</u>	<u>17,568,561</u>	<u>102,584,944</u>
<u>\$ 95,026,733</u>	<u>\$ 10,785,550</u>	<u>\$ 105,812,283</u>

**COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<b>2021</b>				
	<b>Program Services</b>		<b>Supporting Services</b>		
	<b>Grants</b>	<b>Other</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Business Insurance	\$ -	\$ 1,436	\$ 1,262	\$ 783	\$ 3,481
Communications	-	67,281	-	57,614	124,895
Computer related expenses	-	25,692	22,578	14,014	62,284
Depreciation	-	-	-	-	-
Development	-	-	-	18,724	18,724
Dues	-	11,038	9,700	6,020	26,758
Grants	7,858,338	-	-	-	7,858,338
Health insurance	-	16,123	14,169	8,795	39,087
Legal and professional	-	13,900	37,064	-	50,964
Meeting cost	-	6,158	-	-	6,158
Merchant fees	-	-	-	1,587	1,587
Office supplies	-	3,709	3,260	2,023	8,992
Payroll taxes	-	18,493	14,155	10,241	42,889
Postage	-	1,506	1,323	821	3,650
Property taxes	-	-	9,817	-	9,817
Rent	-	20,253	17,799	11,047	49,099
Retirement plan	-	23,047	17,640	12,762	53,449
Salaries	-	265,233	203,006	146,880	615,119
Telephone	-	5,304	4,661	2,892	12,857
Training and seminars	-	1,709	1,501	932	4,142
Travel	-	537	472	292	1,301
	<b>\$ 7,858,338</b>	<b>\$ 481,419</b>	<b>\$ 358,407</b>	<b>\$ 295,427</b>	<b>\$ 8,993,591</b>

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

**2020**

<u>Program Services</u>		<u>Supporting Services</u>		
<u>Grants</u>	<u>Other</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
\$ -	\$ 5,905	\$ 5,189	\$ 3,221	\$ 14,315
-	90,000	12,328	7,652	109,980
-	27,908	24,525	15,223	67,656
-	444	391	242	1,077
-	-	-	24,460	24,460
-	12,802	11,251	6,983	31,036
7,339,011	-	-	-	7,339,011
-	19,258	16,924	10,504	46,686
-	108,394	20,909	12,978	142,281
-	4,557	4,004	2,486	11,047
-	-	-	2,246	2,246
-	6,907	6,070	3,767	16,744
-	14,364	15,945	13,876	44,185
-	1,840	1,617	1,003	4,460
-	-	13,609	-	13,609
-	20,294	17,834	11,070	49,198
-	16,397	18,202	15,840	50,439
-	208,945	231,955	201,851	642,751
-	5,433	4,775	2,963	13,171
-	3,672	3,226	2,003	8,901
-	9,938	8,733	5,421	24,092
<u>\$ 7,339,011</u>	<u>\$ 557,058</u>	<u>\$ 417,487</u>	<u>\$ 343,789</u>	<u>\$ 8,657,345</u>



**COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ 36,847,121	\$ 3,227,339
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	-	1,077
(Increase) decrease in:		
Prepaid expenses	(8,902)	5,745
Contributions receivable	(15,158)	6,237,786
Notes receivable	(228,000)	30,444
Increase (decrease) in:		
Accounts payable	424	(717)
Accrued annual leave	(8,798)	8,658
Deferred revenue	(2,500)	3,000
Loan payable	(123,315)	123,315
Agency endowments	3,580,573	(86,398)
Grants payable	(208,475)	456,130
Marketable securities received as contributions	(4,242,876)	(14,278,982)
(Increase) in donated real property	(250,000)	(88,000)
Net unrealized and realized gains on marketable securities	<u>(29,415,652)</u>	<u>6,697,490</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>5,924,442</u>	<u>2,336,887</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Increase) decrease in interest and dividends receivable	(592)	1,000
Purchases of marketable securities	(28,501,530)	(27,514,656)
Proceeds from sale of marketable securities	27,577,001	25,247,972
Purchases of equipment	(6,797)	-
(Increase) decrease in assets under split interest agreements	(5,195,160)	1,683,763
Increase (decrease) in liabilities under split interest agreements	<u>2,482,599</u>	<u>(1,193,199)</u>
<b>NET CASH (USED)/PROVIDED BY INVESTING ACTIVITIES</b>	<u>(3,644,479)</u>	<u>(1,775,120)</u>
 <b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	2,279,963	561,767
 <b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<u>8,204,763</u>	<u>7,642,996</u>
 <b>ENDING CASH AND CASH EQUIVALENTS</b>	<u>\$ 10,484,726</u>	<u>\$ 8,204,763</u>
 <b>SUPPLEMENTAL DISCLOSURE</b>		
Non-cash contributions	\$ 4,492,876	\$ 14,838,982

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

**COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The mission of the Community Foundation of Central Georgia, Inc. and Subsidiaries (collectively referred to as the “Foundation”) is to enhance the quality of life for the people of Central Georgia. The Foundation receives gifts and bequests from individuals, families, businesses and organizations. These gifts and bequests make up the funds of the Foundation.

**Basis of Presentation**

The Foundation’s consolidated financial statements have been prepared on the accrual basis of accounting which recognizes revenue when earned and expenses when incurred in accordance with generally accepted accounting principles in the United States of America.

**Basis of Consolidation**

The consolidated financial statements of the Foundation include the Community Foundation of Central Georgia, Inc. and the two wholly owned subsidiaries of the Foundation: CFCG Holdings, LLC and Dover Hall Tract 100, LLC. These entities have been set up for the purpose of holding real estate contributed to the Foundation. All significant balances and transactions between the entities have been eliminated in consolidation.

**Cash and Cash Equivalents**

Cash and cash equivalents as reported on the Consolidated Statements of Financial Position consist of cash, money market funds, and U.S. Treasury notes with a maturity of three months or less at the time of purchase.

**Investments**

Investments in money market funds and marketable securities are reported at their fair market values based upon published quotes. Investments received as contributions are recorded at their fair market value as determined at the time of the gift. Gains and losses on investments for the year are reported in the Consolidated Statements of Activities as part of net unrealized and realized gain (loss) on marketable securities.

**Donated Real Property**

Donated real property held for sale is stated at fair market value at the date of donation. Fair market values are adjusted periodically if values materially decline. Periodic fair value appraisals are made as deemed necessary based upon economic conditions and management’s discretion to determine whether the value of the real estate is impaired.

**Property and Equipment**

Office equipment is recorded on the basis of cost. Depreciation is provided using the straight-line method over the estimated useful lives of three to thirty years. Depreciation expense in fiscal year ends ended June 30, 2021 and 2020 was \$0 and \$1,077, respectively.

**COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Collections**

Works of art, historical treasures and similar assets donated to the Foundation are recorded at their estimated fair market value on the date of the gift. They are not depreciated because their economic benefit is used up so slowly that their estimated useful lives are extraordinarily long.

**Public Support and Revenue**

Support from contributions is recognized when donations and unconditional promises to give are received by the Foundation. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are recorded at the present value of their net realizable value using a risk-free interest rate. All non-cash contributions are recognized at their fair market value on the date received. Gifts of cash and other assets are reported as restricted support if they are received with time restrictions such as split interest agreements, contributions receivable, and unconditional promises to give. When the stipulated time restriction ends, time-restricted net assets are reclassified to undesignated net assets and reported in the Consolidated Statements of Activities as net assets released from restrictions.

**Functional Allocation of Expenses**

The Consolidated Statement of Functional Expenses allocates expenses between two categories or “functions.” These functions are program services, which are grants made in support of the Foundation’s mission and related expenses, and supporting services, which are general, administrative and fundraising expenses. During the year ended June 30, 2021 and 2020, the Foundation made grants totaling \$7,858,338 and \$7,339,011 respectively, for various community needs. Certain costs have been allocated between program services and supporting services based on estimates made by management.

**Grants**

Grants are recorded as expenses in the year they are approved for payment.

**Net Assets**

The accompanying financial statements have been prepared in accordance with the Financial Accounting Standards Board (FASB) in Accounting Standards Codification (ASC) Topic 958, *Not-For-Profit Entities*. Under ASC 958, the Foundation is required to present its net assets and its revenue and gains (losses) based upon the existence or absence of donor-imposed restrictions.

*Net Assets Without Donor Restrictions* – The portion of net assets that has no use or time restrictions. Net assets available for general use and not subject to donor restrictions. Net assets without donor restrictions also include the investment in property and equipment, net of accumulated depreciation.

*Net Assets With Donor Restrictions* – The portion of net assets that consist of a restriction on the specific use or the occurrence of a certain future event. Net assets resulting from contributions and endowment investment earnings subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by actions of the Foundation and/or the passage of time.

**COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

ASC 958 provides guidance for the classification of donor-restricted endowment funds that are subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The subtopic also provides for enhanced disclosures about endowment funds (both donor-restricted endowment funds and board designated endowment funds). The Board of Directors, on the advice of legal counsel, has determined that the majority of the Foundation’s net assets do not meet the definition of endowment under UPMIFA. While not UPMIFA-defined endowment, reference to “endowment” or “endowed assets” in these notes relate to those intentions of the Foundation.

The Foundation is governed subject to its Articles of Incorporation and Bylaws, its adopted investment policy and individual gift agreements. Certain contributions are received subject to other gift instruments, or are subject to specific agreements with the Foundation. Under the terms of its Articles of Incorporation, the Foundation has the ability to distribute all or any part of its net income, principal or property, in accordance with determination made by the Foundation’s Board of Directors. As a result of the ability to distribute corpus, all contributions not classified as net assets with donor restrictions are classified as net assets without donor restrictions for financial statement purposes.

Net assets with donor restrictions consist of irrevocable charitable trusts, restricted contributions receivable, and the remaining portion of donor-restricted endowment funds. When donor restrictions expire, that is, when a stipulated time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Net assets with donor restrictions consist of the following at June 30:

	<b>2021</b>	<b>2020</b>
Contributions Receivable, net	\$ 435,685	\$ 420,527
Split Interest Agreements	13,082,464	10,365,023
Total net assets with donor restrictions	\$ 13,518,149	\$ 10,785,550

**Endowment Investment and Spending Policies**

Endowment assets are invested pursuant to the Foundation’s investment policy. 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 parameters. The Foundation’s investment policy statement establishes a payout rate for distribution.

**COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Funds Due to Other Organizations for Organizational Endowments**

In accordance with FASB ASC Topic 958-605, if a not-for-profit organization establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the community foundation must account for the transfer of such assets as a liability. The Foundation refers to such funds as organizational endowments.

The Foundation maintains variance power and legal ownership of organizational endowment funds and, as such, continues to report the funds as assets of the Foundation. However, in accordance with ASC 958-605, a liability has been established for the present value of the future payments expected to be made to the not-for-profit organizations, which is generally equivalent to the fair value of the funds. All financial activity for the years ended June 30, 2020 and 2019 related to these funds is not reflected in the Consolidated Statements of Activities and has been classified as a liability in the Consolidated Statements of Financial Position.

**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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Income Taxes**

The Foundation has been granted exemption from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and has been determined not to be a private foundation under Section 509(a)(1) of the Code. As such, no provision for income taxes is reflected in the financial statements.

The Foundation is required to report unrelated business income as defined under Code sections 511 through 515. There was no unrelated business income tax expense for the years ended June 30, 2021 and 2020.

The Foundation files an information organization return and unrelated business income tax returns, when applicable, in the Federal jurisdiction.

**NOTE B – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash	\$ 10,484,726	\$ 8,204,763
Receivables	532,274	516,524
Investments	<u>133,067,839</u>	<u>98,484,782</u>
Total	<u>\$ 144,084,839</u>	<u>\$ 107,206,069</u>

As part of the Foundation’s liquidity management plan, financial assets are structured to be available as awarded grants, 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.

**COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**NOTE C – INVESTMENTS**

The Foundation’s investments are reported at fair value. All other Foundation financial instruments’ fair values approximate carrying value. Investments are summarized as follows at June 30:

	2021		2020	
	Cost	Fair Market Value	Cost	Fair Market Value
Stocks, Bonds and Mutual Funds	\$ 135,673,298	\$ 133,067,839	\$ 94,401,065	\$ 98,484,782

*Fair Value Measurement*

The Foundation follows the provisions of fair value measurement and disclosures codified in the *Fair Value Measurements and Disclosures* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820. This Standard is intended to increase consistency and comparability in fair value measurements by defining fair value, establishing a framework for measuring fair value, and expanding disclosures about fair value measurements. FASB ASC 820 establishes a three-level hierarchy for disclosure of assets and liabilities recorded at fair value. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent sources while unobservable inputs reflect estimates about market data.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

**Level I** – Quoted prices are available in active markets for identical investments as of the reporting date. Valuation adjustments are not applied to Level I instruments. Since valuations are based on quoted prices that are readily available in an active market, valuation of these products does not entail a significant degree of judgment. Classifications consist of common stocks and mutual funds that are valued at the closing price reported on the active market on which the individual securities are traded.

**Level II** – Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level I. Inputs include quoted prices for similar assets in active markets, quoted prices for identical assets in inactive markets, or other than quoted prices that are observable for assets. Classifications consist of commingled funds, private placement mutual funds, and limited partnerships where detailed holdings were available and consisted of securities reported on active markets, as well as debt securities valued using inputs of quoted prices for similar assets.

**Level III** – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Classifications consist of hedge funds and other securities that do not have a readily determinable market value because detailed holdings were unavailable or the securities are not publicly traded. Fair values are based on information provided by administrators of each underlying fund.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given investment is based on the lowest level of input that is significant to the fair value measurement. The Foundation’s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

**COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**NOTE C – INVESTMENTS (CONTINUED)**

The fair value of each financial instrument in the table below was measured using FASB ASC 820 input guidance and valuation techniques. The following table sets forth carrying amounts and estimated fair values for financial instruments measured and recorded at fair value on recurring bases at June 30:

	2021			
	Level I	Level II	Level III	Total
Fixed income	\$ 4,900,350	\$ -	\$ -	\$ 4,900,350
Equity funds	42,968,381	-	-	42,968,381
Mutual funds	84,804,108	-	-	84,804,108
Closely held stock	-	-	395,000	395,000
Total Investments	\$ 132,672,839	\$ -	\$ 395,000	\$ 133,067,839

  

	2020			
	Level I	Level II	Level III	Total
Fixed income	\$ 4,596,264	\$ -	\$ -	\$ 4,596,264
Equity funds	30,627,323	-	-	30,627,323
Mutual funds	62,892,195	-	-	62,892,195
Closely held stock	-	-	369,000	369,000
Total Investments	\$ 98,115,782	\$ -	\$ 369,000	\$ 98,484,782

For the years ended June 30, 2021 and 2020, the change in Level III assets and liabilities measured at fair value on a recurring basis:

	<b>Closely Held Stock</b>
Balance - June 30, 2019	\$ 356,000
Change in market value of Level III assets	13,000
Balance - June 30, 2020	369,000
Change in market value of Level III assets	26,000
Balance - June 30, 2021	\$ 395,000

**COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**NOTE D – CONTRIBUTIONS RECEIVABLE**

Unconditional contributions are recorded when the promise to contribute is made. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions received with donor-imposed restrictions (including those for acquisition of long-lived assets) that are met within the same year as received are reported as revenues of the without donor restrictions net asset class.

Unconditional contributions and pledges outstanding are generally due as follows:

	<u>2021</u>	<u>2020</u>
Unconditional promises expected to be collected in:		
Less than one year	\$ 435,685	\$ 410,527
One to five years	-	10,000
	<u>\$ 435,685</u>	<u>\$ 420,527</u>
Contributions receivable, net	<u>\$ 435,685</u>	<u>\$ 420,527</u>

**NOTE E – OPERATING LEASE**

During the year ended June 30, 2015, the Foundation entered into a new operating lease for office space. The lease term is for 122 months beginning April 1, 2015. The lease calls for the annual rent to commence on June 1, 2015. The total lease expense for the years ended June 30, 2021 and 2020 was \$44,748 and \$43,373 respectively.

The minimum future lease payments under operating leases at June 30, 2021 are as follows:

<b>Fiscal Year Ended June 30,</b>	
<u>2022</u>	\$ 44,748
2023	44,748
2024	44,748
2025	<u>41,019</u>
Total minimum future lease payments	<u>\$ 175,263</u>



**COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**NOTE F – SPLIT INTEREST AGREEMENTS**

**Charitable Remainder Split Interest Agreements**

The Foundation serves as trustee for various charitable remainder trusts. Under the terms of these agreements, the Foundation makes specified distributions to designated beneficiaries for a given term or the life of the beneficiaries. Upon the termination of the trust (at the end of the term or upon the death of the beneficiaries), assets remaining in the trust will be transferred to the Foundation. The Foundation records the assets held in these trusts at their fair value based on current quoted market values and records the liability for the respective agreements at the estimated discounted value of the amounts due to the income beneficiaries and other charitable beneficiaries based on Internal Revenue Service group annuity tables. The present value of payments to beneficiaries under these agreements is calculated using discount rates representing risk-free rates in existence at the date of the gift. Gains or losses resulting from changes in the value of split interest agreements are recorded in the statement of activities.

**NOTE G – RETIREMENT PLAN**

On March 31, 2020, the Foundation terminated an Internal Revenue Code section 408(K) Simplified Employee Pension plan for its employees. The Foundation's contribution rate was equal to 8% of the annual gross salaries of eligible employees. On April 1, 2020, the Foundation adopted a 401(k) defined contribution employee savings plan. Employees who complete 60 days of service a year are eligible to receive matching contributions from the Foundation. The Foundation contributes up to 4% of an employee's compensation as a match for elective employee salary deferrals into the plan. Additionally, a Safe Harbor Contribution of 4% of the employee's compensation is made to each participant's account by the Foundation. During the years ended June 30, 2021 and 2020, the Foundation's contribution to these plans totaled \$53,449 and \$50,439, respectively.

**NOTE H – DONATED SERVICES**

No amounts have been recognized in the financial statements for donated services; however, the Board of Directors and other volunteers have donated significant time to the Foundation's mission.

**NOTE I – CONCENTRATION OF CREDIT AND MARKET RISK**

Financial instruments that potentially expose the Foundation to concentrations of credit and market risk consist primarily of cash and cash equivalents and marketable securities. Cash and cash equivalents are maintained at financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation to specific limits. Deposits may at times exceed federally insured limits and credit exposure is limited to deposits at any one institution in excess of this limit. The Foundation has not experienced any losses on its cash and cash equivalents. Marketable securities do not represent significant concentrations of market risk inasmuch as the Foundation's marketable securities portfolio is diversified among issuers.

**NOTE J – NON-CASH TRANSACTIONS**

The Foundation received contributions of stock in the amount of \$4,242,876 and \$14,278,982 for the years ended June 30, 2020 and 2019, respectively. Contributions of real estate were received in the amount of \$250,000 and \$560,000 for the years ended June 30, 2021 and 2020, respectively. These contributions have been treated as non-cash transactions for the purpose of the statement of cash flows.

**COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**NOTE K – TRANSACTIONS IN FUNDS HELD FOR AGENCIES**

At June 30, 2021, the Foundation had 62 agency endowment funds. The agency endowments require accounting as funds held for agencies and had a combined value of \$14,871,764. At June 30, 2020, the Foundation had 59 agency endowment funds. The agency endowments require accounting as funds held for agencies and had a combined value of \$11,291,191.

The financial effects of transactions related to agency funds are recorded as changes in the funds held for agencies liability and are not included in the 2021 and 2020 Consolidated Statement of Activities.

The changes in this other liability are summarized as follows:

	<b>Fiscal Year Ended</b>	
	<b>June 30, 2021</b>	<b>June 30, 2020</b>
<b>Funds held for agencies, beginning balance</b>	\$ 11,291,191	\$ 11,377,589
Additions		
Contributions	257,427	775,305
Investment results - net of fees	3,902,439	(383,775)
Total additions	4,159,866	391,530
Deductions		
Distributions - grants	479,727	378,219
Events and other expenses	5,201	15,305
Administrative fees	94,365	84,404
Total deductions	579,293	477,928
<b>Funds held for agencies, ending balance</b>	<b>\$ 14,871,764</b>	<b>\$ 11,291,191</b>

**NOTE L – COVID-19**

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the Community Foundation and its future results and financial position is not presently determinable.

**NOTE M – PAYCHECK PROTECTION PROGRAM**

The Organization is using ASC 958-605, *Revenue Recognition*, to recognize income from Paycheck Protection Program (PPP) loan forgiveness. The PPP loan of \$123,315 was received on May 4, 2020. As of June 30, 2021, the Organization has met the requirements for loan forgiveness for the entire amount. Related expenses were incurred in fiscal year 2020 and all loan forgiveness requirements have been met. Therefore, the PPP loan is recognized as forgiven and the income is reflected in the income statement as *Gain upon loan forgiveness*.

**NOTE N – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through October 26, 2021, the date these financial statements were available to be issued.