

**COMMUNITY FOUNDATION OF
CENTRAL GEORGIA, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

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

TABLE OF CONTENTS

	<u>Page Number</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4 - 5
Consolidated Statements of Functional Expenses	6 - 7
Consolidated Statements of Cash Flows	8
Notes to the Consolidated Financial Statements	9 - 18

BUTLER, WILLIAMS & WYCHE, LLP
CERTIFIED PUBLIC ACCOUNTANTS
5223 RIVERSIDE DRIVE
MACON, GEORGIA 31210

October 30, 2023

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying combined financial statements of Community Foundation of Central Georgia, Inc. and Subsidiaries (a nonprofit organization), which comprise the combined statements of financial position as of June 30, 2023 and 2022, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Community Foundation of Central Georgia, Inc. and Subsidiaries as of June 30, 2023 and 2022, and the changes in their net assets and their cash flows for the year 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 Community Foundation of Central Georgia, Inc 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.

Change in Accounting Principle

As discussed in Note A to the financial statements, Community Foundation of Central GA, Inc. changed its method of accounting for leases as of July 1, 2022 due to the adoption of Topic 842. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 Community Foundation of Central 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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Community Foundation of Central 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.

Butler, Williams & Hayche, LLP

COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2023 AND 2022

ASSETS	2023	2022
Cash and cash equivalents	\$ 15,068,573	\$ 10,554,594
Investments, at market value	126,755,846	118,923,375
Contributions and other receivables, net	470,950	105,997
Notes receivable	-	228,000
Prepaid expenses	179,183	215,117
Donated real property, at appraised fair value	680,000	1,140,000
Office equipment & renovations	87,792	150,664
Right of use asset - operating lease	84,697	-
Accumulated depreciation	(85,526)	(146,132)
Collections	12,000	12,000
Assets held in split interest agreements	24,376,969	25,043,055
TOTAL ASSETS	\$ 167,630,484	\$ 156,226,670
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 6,449	\$ 1,649
Grants payable	1,375,754	1,544,741
Accrued annual leave	16,743	22,275
Deferred revenue	125,000	175,000
Lease liability - operating lease	81,824	-
Agency endowments	14,787,444	13,270,910
Liabilities under split interest agreements	13,192,407	13,605,566
TOTAL LIABILITIES	29,585,621	28,620,141
NET ASSETS		
Without donor restrictions		
Undesignated	126,373,371	116,139,898
Total without donor restrictions	126,373,371	116,139,898
With donor restrictions		
Time-restricted	11,671,492	11,466,631
Total with donor restrictions	11,671,492	11,466,631
TOTAL NET ASSETS	138,044,863	127,606,529
TOTAL LIABILITIES AND NET ASSETS	\$ 167,630,484	\$ 156,226,670

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, 2023 AND 2022

	2023		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT			
Contributions & pledges, net of bad debt of \$0 and \$0	\$ 10,210,399	\$ 470,950	\$ 10,681,349
Net investment income	10,400,331	-	10,400,331
Administration of funds, grants, and trusts net of related expenses of \$1,004,545 and \$1,147,786	203,525	(48,815)	154,710
Change in value of split interest agreements	-	(207,274)	(207,274)
Decrease in contributions & pledges receivable due to receipt of assets	<u>10,000</u>	<u>(10,000)</u>	<u>-</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>\$ 20,824,255</u>	<u>\$ 204,861</u>	<u>\$ 21,029,116</u>
EXPENSES			
Program services:			
Grants	8,905,441	-	8,905,441
Other	755,197	-	755,197
Supporting services:			
Management and general	591,002	-	591,002
Fundraising	<u>339,142</u>	<u>-</u>	<u>339,142</u>
TOTAL EXPENSES	<u>10,590,782</u>	<u>-</u>	<u>10,590,782</u>
CHANGE IN NET ASSETS	10,233,473	204,861	10,438,334
NET ASSETS-BEGINNING OF YEAR	<u>116,139,898</u>	<u>11,466,631</u>	<u>127,606,529</u>
NET ASSETS-END OF YEAR	<u>\$ 126,373,371</u>	<u>\$ 11,671,492</u>	<u>\$ 138,044,863</u>

The accompanying notes are an integral part of these statements.

2022		
<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
\$ 11,359,851 (14,142,471)	\$ 10,000 -	\$ 11,369,851 (14,142,471)
211,533	(62,903)	148,630
-	(1,562,930)	(1,562,930)
<u>435,685</u>	<u>(435,685)</u>	<u>-</u>
<u>\$ (2,135,402)</u>	<u>\$ (2,051,518)</u>	<u>\$ (4,186,920)</u>
9,470,802	-	9,470,802
611,064	-	611,064
407,200	-	407,200
<u>376,889</u>	<u>-</u>	<u>376,889</u>
<u>10,865,955</u>	<u>-</u>	<u>10,865,955</u>
(13,001,357)	(2,051,518)	(15,052,875)
<u>129,141,255</u>	<u>13,518,149</u>	<u>142,659,404</u>
<u>\$ 116,139,898</u>	<u>\$ 11,466,631</u>	<u>\$ 127,606,529</u>

COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	2023				
	Program Services		Supporting Services		
	Grants	Other	Management and General	Fundraising	Total
Business Insurance	\$ -	\$ 10,775	\$ 9,469	\$ 5,878	26,122
Communications	-	132,760	27,362	32,141	192,263
Computer related expenses	-	57,392	50,435	31,304	139,131
Depreciation	-	935	821	510	2,266
Development	-	-	-	37,651	37,651
Dues	-	13,732	12,068	7,490	33,290
Grants	8,905,441	-	-	-	8,905,441
Health insurance	-	27,587	24,243	15,048	66,878
Legal and professional	-	20,242	201,294	-	221,536
Meeting cost	-	15,339	-	-	15,339
Merchant fees	-	-	-	2,468	2,468
Occupancy expense	-	44,506	2,312	1,435	48,253
Office supplies	-	6,144	5,400	3,352	14,896
Payroll taxes	-	24,074	13,660	11,357	49,091
Postage	-	2,353	2,067	1,283	5,703
Property taxes	-	-	11,762	-	11,762
Repairs and maintenance	-	-	-	-	-
Retirement plan	-	29,831	16,926	14,072	60,829
Salaries	-	358,255	203,276	169,005	730,536
Telephone	-	6,573	5,777	3,585	15,935
Travel	-	4,699	4,130	2,563	11,392
	<u>8,905,441</u>	<u>755,197</u>	<u>591,002</u>	<u>339,142</u>	<u>10,590,782</u>

The accompanying notes are an integral part of these statements.

2022

Program Services		Supporting Services		
Grants	Other	Management and General	Fundraising	Total
\$ -	\$ 5,867	\$ 5,155	\$ 3,200	\$ 14,222
-	84,964	-	93,898	178,862
-	36,927	32,451	20,143	89,521
-	935	821	510	2,266
-	-	-	18,257	18,257
-	12,768	11,220	6,965	30,953
9,470,802	-	-	-	9,470,802
-	20,821	18,298	11,357	50,476
-	34,500	59,456	7,434	101,390
-	4,578	-	-	4,578
-	-	-	1,628	1,628
-	20,172	17,727	11,003	48,902
-	7,412	6,513	4,043	17,968
-	20,075	12,925	10,755	43,755
-	2,098	1,844	1,144	5,086
-	-	11,316	-	11,316
-	14,047	4,013	1,144	19,204
-	26,880	17,306	14,399	58,585
-	307,298	197,854	164,613	669,765
-	6,404	5,628	3,494	15,526
-	5,318	4,673	2,902	12,893
\$ 9,470,802	\$ 611,064	\$ 407,200	\$ 376,889	\$ 10,865,955

COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ 10,438,334	\$ (15,052,875)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation & amortization	39,704	2,266
(Increase) decrease in:		
Right of use asset - operating lease	(122,135)	-
Prepaid expenses	35,935	(180,960)
Contributions receivable	(460,950)	425,685
Notes receivable	228,000	-
Increase (decrease) in:		
Accounts payable	4,800	881
Accrued annual leave	(5,532)	10,514
Deferred revenue	(50,000)	174,500
Agency endowments	1,516,534	(1,600,854)
Lease liability - operating	81,824	-
Grants payable	(168,987)	270,466
Marketable securities received as contributions	(1,134,310)	(3,268,153)
(Increase) decrease in donated real property	460,000	250,000
Net unrealized and realized (gains) losses on marketable securities	(2,860,764)	23,240,186
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>8,002,453</u>	<u>4,271,656</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) decrease in interest and dividends receivable	95,997	592
Purchases of marketable securities	(21,269,912)	(30,475,945)
Proceeds from sale of marketable securities	17,432,513	24,648,376
(Increase) decrease in assets under split interest agreements	666,087	4,322,190
Increase (decrease) in liabilities under split interest agreements	(413,159)	(2,697,001)
NET CASH (USED) BY INVESTING ACTIVITIES	<u>(3,488,474)</u>	<u>(4,201,788)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,513,979	69,868
BEGINNING CASH AND CASH EQUIVALENTS	<u>10,554,594</u>	<u>10,484,726</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 15,068,573</u>	<u>\$ 10,554,594</u>
SUPPLEMENTAL DISCLOSURE		
Non-cash contributions	\$ 1,272,310	\$ 3,268,153

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, 2023 AND 2022

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, 2023 and 2022 was \$2,266 and \$2,266, respectively.

COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

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, 2023 and 2022, the Foundation made grants totaling \$8,905,441 and \$9,470,802 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, 2023 AND 2022

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:

	2023	2022
Contributions Receivable, net	\$ 470,950	\$ 10,000
Split Interest Agreements	11,200,542	11,456,631
Total net assets with donor restrictions	\$ 11,671,492	\$ 11,466,631

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, 2023 AND 2022

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, 2023 and 2022 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.

Recent Accounting Pronouncements Adopted

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codifications (ASC) 842, *Leases*) to increase transparency and comparability among organizations by requiring the recognition of Right of Use Assets and Lease Liabilities by lessees for those leases classified as operating leases. The amount recorded is based on the value of the discounted future lease payments. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Foundation adopted the standard effective July 1, 2022. In adopting ASC 842, the Foundation recognized and measured leases existing on July 1, 2022 using certain practical expedients. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

In connection with the adoption of ASC 842, the Foundation has recognized a right-of-use asset of \$84,697 and an operating lease liability of \$81,824 as of June 30, 2023. The Foundation has elected to use an incremental borrowing rate of 4.75% to discount its office lease to net present value. The implementation of the standard did not have a material impact on the Foundation's operating results and cash flows, however, as a result of the difference in accounting for the assets, liabilities, and expense items related to the Foundation's leases, certain variances may exist between the 6/30/2023 and 6/30/22 financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the statements of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. This ASU is effective for the Foundation's fiscal year ending June 30, 2023, but had no impact on the financial statements.

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.

COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

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, 2023 and 2022.

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:

	2023	2022
Cash	\$ 15,068,573	\$ 10,554,594
Receivables	470,000	105,997
Investments	126,755,847	118,923,375
Total	\$ 142,294,420	\$ 129,583,966

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, 2023 AND 2022

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:

	2023		2022	
	Cost	Fair Market Value	Cost	Fair Market Value
Stocks, Bonds and Mutual Funds	\$ 112,634,862	\$ 126,755,846	\$ 109,768,041	\$ 118,923,375

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, 2023 AND 2022

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:

	2023			
	Level I	Level II	Level III	Total
Fixed income	\$ 15,750,955	\$ -	\$ -	\$ 15,750,955
Equity funds	65,147,986	-	-	65,147,986
Mutual funds	45,413,905	-	-	45,413,905
Closely held stock	-	-	443,000	443,000
Total Investments	\$ 126,312,846	\$ -	\$ 443,000	\$ 126,755,846

	2022			
	Level I	Level II	Level III	Total
Fixed income	\$ 4,962,105	\$ -	\$ -	\$ 4,962,105
Equity funds	39,998,215	-	-	39,998,215
Mutual funds	73,540,055	-	-	73,540,055
Closely held stock	-	-	423,000	423,000
Total Investments	\$ 118,500,375	\$ -	\$ 423,000	\$ 118,923,375

For the years ended June 30, 2023 and 2022, the change in Level III assets and liabilities measured at fair value on a recurring basis:

	Closely Held Stock
Balance - June 30, 2021	\$ 395,000
Change in market value of Level III assets	28,000
Balance - June 30, 2022	423,000
Change in market value of Level III assets	20,000
Balance - June 30, 2023	\$ 443,000

COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

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:

	2023	2022
Unconditional promises expected to be collected in:		
Less than one year	\$ 470,950	\$ 10,000
One to five years	-	-
Contributions receivable, net	\$ 470,950	\$ 10,000

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 rental expense for the years ended June 30, 2022 was \$44,748.

The minimum future lease payments were as follows:

FYE	
June 30,	
2023	\$ 44,748
2024	44,748
2025	41,019
Total minimum future lease payments	\$ 130,515

Upon adoption of the new standard, the Foundation calculated the ROU asset and lease liability based on the present value of future lease payments over the lease term using the incremental borrowing rate to discount future lease payments.

COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

NOTE E – OPERATING LEASE (CONTINUED)

The total lease cost was \$41,875 for the year ended June 30, 2023. Total cash flows from the operating lease were \$44,748 for the year ended June 30, 2023.

Future maturities of lease liabilities are as follows:

FYE June 30,	
2024	\$ 44,748
2025	41,019
Less imputed interest	(3,943)
Total minimum future lease payments	\$ 81,824

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

The Foundation has established 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, 2023 and 2022, the Foundation’s contribution to these plans totaled \$60,829 and \$58,585 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.

COMMUNITY FOUNDATION OF CENTRAL GEORGIA, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

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 \$1,134,310 and \$3,268,152 for the years ended June 30, 2023 and 2022, respectively. Contributions of real estate were received in the amount of \$138,000 and \$0 for the years ended June 30, 2023 and 2022, respectively. These contributions have been treated as non-cash transactions for the purpose of the statement of cash flows.

NOTE K – TRANSACTIONS IN FUNDS HELD FOR AGENCIES

At June 30, 2023, the Foundation had 68 agency endowment funds. The agency endowments require accounting as funds held for agencies and had a combined value of \$14,787,444. At June 30, 2022, the Foundation had 65 agency endowment funds. The agency endowments require accounting as funds held for agencies and had a combined value of \$13,270,910.

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 2023 and 2022 Consolidated Statement of Activities.

The changes in this other liability are summarized as follows:

	Fiscal Year Ended	
	June 30, 2023	June 30, 2022
Funds held for agencies, beginning balance	\$ 13,270,910	\$ 14,871,764
Additions		
Contributions	996,848	1,220,557
Investment results - net of fees	1,328,824	(1,705,676)
Total additions	<u>2,325,672</u>	<u>(485,119)</u>
Deductions		
Distributions - grants	683,960	991,082
Events and other expenses	24,220	17,960
Administrative fees	100,958	106,693
Total deductions	<u>809,138</u>	<u>1,115,735</u>
Funds held for agencies, ending balance	<u>\$ 14,787,444</u>	<u>\$ 13,270,910</u>

NOTE L – SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 30, 2023, which is the date these financial statements were available to be issued.