

**SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
CUMMING, GEORGIA**

**FINANCIAL STATEMENTS AS OF
DECEMBER 31, 2021 AND 2020 AND
INDEPENDENT AUDITOR'S REPORT**



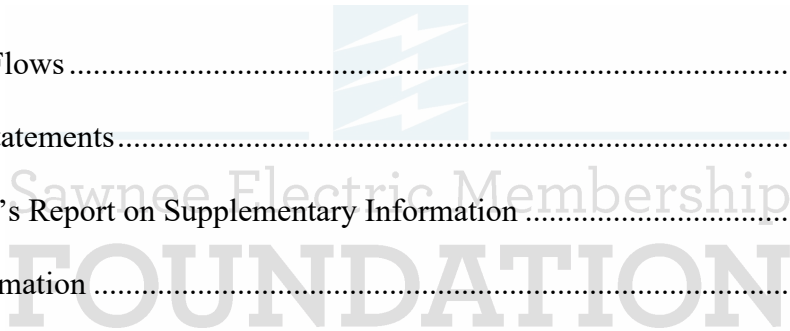
Sawnee Electric Membership
FOUNDATION

Supporting the Communities We Serve

SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.

CONTENTS

Independent Auditor’s Report.....	1
Statements of Financial Position.....	3
Statements of Activities	4
Statements of Cash Flows	5
Notes to Financial Statements.....	6
Independent Auditor’s Report on Supplementary Information	9
Supplementary Information	10



Supporting the Communities We Serve

March 2, 2022

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Sawnee Electric Membership Foundation, Inc.

Opinion

We have audited the financial statements of **Sawnee Electric Membership Foundation, Inc.**, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Sawnee Electric Membership Foundation, Inc. as of December 31, 2021 and 2020 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sawnee Electric Membership Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sawnee Electric Membership Foundation, 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.

McNair, McLeMore, Middlebrooks & Co., LLC
McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31

ASSETS

	<u>2021</u>	<u>2020</u>
Cash	\$ 419,944	\$ 398,196
Contributions Receivable	7,548	7,667
Total Assets	<u>\$ 427,492</u>	<u>\$ 405,863</u>

NET ASSETS

Net Assets Without Donor Restrictions	<u>\$ 427,492</u>	<u>\$ 405,863</u>
--	--------------------------	--------------------------



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

SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31

	2021	2020
Change in Net Assets Without Donor Restrictions		
<i>Revenue and Support</i>		
Contributions	\$ 311,671	\$ 349,898
Contributed Services	8,467	10,103
	320,138	360,001
<i>Expenses</i>		
Program Services		
Community Assistance	181,839	457,448
Scholarships	106,818	115,000
Supporting Services		
Administrative and General	9,852	11,429
	298,509	583,877
Change in Net Assets Without Donor Restrictions	21,629	(223,876)
Net Assets Without Donor Restrictions, Beginning	405,863	629,739
Net Assets Without Donor Restrictions, Ending	\$ 427,492	\$ 405,863

Sawnee Electric Membership
FOUNDATION

Supporting the Communities We Serve

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

SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31

	2021	2020
Cash Flows from Operating Activities		
Change in Net Assets Without Donor Restrictions	\$ 21,629	\$ (223,876)
Adjustment to Reconcile Change in Net Assets Without Donor Restrictions to Net Cash Provided (Used) by Operating Activities		
Change In		
Contributions Receivable	119	1,353
Net Increase (Decrease) in Cash	21,748	(222,523)
Cash, Beginning	398,196	620,719
Cash, Ending	\$ 419,944	\$ 398,196



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

SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

Organization

Sawnee Electric Membership Foundation, Inc. (the Foundation) is a nonprofit corporation organized under the laws of the state of Georgia.

Purpose

The purpose of the Foundation is to accumulate and disburse funds for charitable purposes in the service area of Sawnee Electric Membership Corporation (Sawnee EMC). The Foundation also awards scholarships to eligible high school seniors with a primary residence served by Sawnee EMC for college/university scholarships as well as vocational/technical college scholarships.

Accounting Policies

Accounting records are maintained in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis of Presentation

U.S. GAAP requires the Foundation to report its financial position and activities according to two classes of net assets:

- Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated the year-end balance of net assets without donor restrictions for the purpose of community assistance and scholarships.
- Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Donor-imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Foundation has no net assets with donor restrictions.

Revenue and Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash or an unconditional promise to give is received.

Income Taxes

The Foundation operates under the Internal Revenue Code Section 501(c)(3) as a tax-exempt organization. Currently, the Foundation's federal information returns for 2020, 2019, and 2018 are subject to examination by the Internal Revenue Service.

(1) Summary of Significant Accounting Policies (Continued)

Reclassifications

Certain amounts included in the accompanying financial statements for the year ended December 31, 2020 have been reclassified from their original presentation to conform to the presentation for the year ended December 31, 2021. The reclassifications had no effect on previously reported net assets.

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through March 2, 2022, the date the financial statements were available to be issued.

(2) Contributions

The Foundation solicits donations from Sawnee EMC members through a “roundup” program. For Sawnee EMC members who elect to donate, the difference between their electric bill and the next whole dollar amount is donated to the Foundation.

Contributions may also consist of unclaimed patronage capital considered abandoned by current or former members of Sawnee EMC, in accordance with Georgia law (O.C.G.A. Section 44-12-236). The law specifies that these funds must be designated for any of the following purposes:

- Donated to an Internal Revenue Code Section 501(c)(3) organization serving in Sawnee EMC’s service area;
- Used in support of education in Sawnee EMC’s service area; or
- Used for economic development purposes in Sawnee EMC’s service area.

Donations made by current members of Sawnee EMC through the roundup program have no donor restrictions. Contributions of unclaimed capital credits, made by current or former members of Sawnee EMC, contain no restrictions from the donors, although the board of directors of Sawnee EMC can designate the funds for the specific purposes allowed under the law before forwarding the funds to the Foundation. In conjunction, the Foundation board of directors would adopt the designations made by the Sawnee EMC board of directors. There were donations of \$200,000 of unclaimed patronage capital for the year ended December 31, 2021.

(3) Contributed Services

The Foundation receives in-kind donations of labor and related expenses from Sawnee EMC, an affiliate of the Foundation. The Foundation recognized revenue and related expense of \$8,467 and \$10,103 for the years ended December 31, 2021 and 2020.

(4) Functional Expenses

Functional expenses were as follows for the years ended December 31:

	<u>Program Services</u>		<u>Supporting Services</u>	<u>Total</u>
	<u>Community Assistance</u>	<u>Scholarships</u>	<u>Administrative and General</u>	
<u>2021</u>				
Grants	\$ 181,839	\$ 106,818	\$ -	\$ 288,657
Other	-	-	9,852	9,852
Total Expenses by Function	\$ 181,839	\$ 106,818	\$ 9,852	\$ 298,509
<u>2020</u>				
Grants	\$ 457,448	\$ 115,000	\$ -	\$ 572,448
Other	-	-	11,429	11,429
Total Expenses by Function	\$ 457,448	\$ 115,000	\$ 11,429	\$ 583,877

There were no allocations of expenses to functional categories.

(5) Liquidity and Availability

As of December 31, 2021, financial assets available for general expenditure without donor or other restrictions consists of the following:

Cash	\$ 419,944
Contributions Receivable	7,548
	<u>\$ 427,492</u>

General expenditures include all payments made by the Foundation, including community assistance and scholarships.

The Foundation's funds are maintained in checking and money market accounts and are available as needed. Receivables were collected and available soon after year-end. These assets are available for use within one year of the statement of financial position date.

March 2, 2022

**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION**

The Board of Directors
Sawnee Electric Membership Foundation, Inc.

We have audited the financial statements of Sawnee Electric Membership Foundation, Inc. as of and for the years ended December 31, 2021 and 2020 and have issued our report thereon dated March 2, 2022, which contained an unmodified opinion on the financial statements. Those audits were performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying information on pages 10 through 14 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Sawnee Electric Membership
FOUNDATION

McNair, McLemore, Middlebrooks & Co., LLC
McNAIR, MCLEMORE, MIDDLEBROOKS & CO., LLC

Supporting the Communities We Serve

**SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
SCHEDULE OF COMMUNITY ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Abdulrazak Alhalabi	\$ 185
Act Together Ministries, Inc.	4,250
Akhilesh Newatia	185
ALS Association of Georgia, Inc.	2,000
Amber Edwards	500
American Cancer Society, Inc.	2,500
Austin Hendry	185
Autrey Mill Nature Preserve	1,445
Bald Ridge Lodge, Inc.	5,000
Benevolent Association	350
Bethany Place, Inc.	5,000
Black's Mill Elementary School	424
Brooks Lightfoot	185
Bruno Xavier	500
Bryanna Ellington	185
C.A.S.T. For Kids Foundation	1,440
Candace Christmas	185
Carl Clayton	500
CASA of Forsyth County, Inc.	2,520
Champions Community Foundation, Inc.	250
Charles D'Agostino	185
Charles Lamb	500
Cherokee County Sheriff's Foundation	250
Chestatee Elementary School	1,492
Christine Fowler	185
Clyde Langston	500
Community Helping Place, Inc.	2,000
Corvetta Carpenter	185
Creekview High School	972
Cumming Elementary School	1,487
Dawson County Humane Society, Inc.	6,800
Dawson County Junior High School	1,025
Dawson County Middle School	1,491
Dawson County Wee Books Program, Inc.	2,160
Denmark High School	2,726
East Forsyth High School	2,967
Emily Hoza	500
Families Of Children Under Stress, Inc.	2,375
	<hr/>
Balance - Carried Forward	\$ 55,589
	<hr/>

SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
SCHEDULE OF COMMUNITY ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2021

Balance - Brought Forward	\$	55,589
Fill Ministries, Inc.		2,000
Forsyth County Family Haven, Inc.		4,000
Forsyth County Humane Society		500
Forsyth County Parks Foundation, Inc.		3,000
Forsyth County Schools		1,500
Frank Jones		500
George Snyder		185
Glory Hope & Life, Inc.		7,464
Good Shepherd Clinic Of Dawson County, Inc.		7,100
Gregory Kirchner		500
Hall-Dawson CASA Program, Inc.		1,655
Hendricks Middle School		735
Hightower Baptist Association		5,000
Holly Springs Elementary School		1,405
Irina Gozman		500
Jacquita Schecter		185
Jagannathan Iyengar		500
Jeremy Gray		185
Jerry Glazer		500
John Clemmer		500
John Dunkley		500
John Mirdo		500
Jonathan Levine		185
Jordan Crews		500
Juan Raul Hernandez		185
Kare For Kids, Inc.		3,140
Kate Rhodes		500
Kavitha Bijwaram		185
Kimberly Moore		185
Lambert Tip-Off Club		300
Larry Schwartz		500
Leslie Cole		185
Loretta Acquah		185
Meals On Wheels Forsyth		5,000
Mentor Me North Georgia, Inc.		2,750
Michael Matthews		185
		<hr/>
Balance - Carried Forward	\$	<u>108,488</u>

**SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
SCHEDULE OF COMMUNITY ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance - Brought Forward	\$ 108,488
Michael McBride	500
Michelle Sienkiewicz	500
Miguel Cornejo	185
Miller Sheryl	500
Misty Reynolds	185
Mohammad Latifi	185
Must Ministries, Inc.	10,000
Nicole Chiulli	500
North Forsyth High School	1,252
North Forsyth Middle School	1,488
Northview Techno Titans Robotics Foundation	1,600
Odobias Sanchez	185
Olivia Torres	500
Pauline Weiss	500
Phyllis D. Shipes	500
Prism of Georgia, Inc.	2,100
Reaping Nature Education Outreach Foundation	3,480
Recovery Community Foundation of Forsyth	300
Ricky Biancardi	500
Riverwatch Middle School	1,461
Robert Cooper	185
Rosa's Gift, Inc.	3,705
Safe Boating Lake Lanier	1,000
Savannah Witham	185
Sawnee Association of the Arts, Inc.	800
Sawnee Ballet Theatre, Inc.	3,227
Senior Services of North Fulton, Inc.	2,500
Shakyla Cooper	185
Shireen Wright	500
Shirley Destra	185
Skye Precious Kids, Inc.	4,855
Society of St. Vincent De Paul Georgia	7,400
Supporting Adoption & Foster Families	250
The Place of Forsyth County, Inc.	5,500
Thomas Harper	500
Tracy Roberts	500
	<hr/>
Balance - Carried Forward	<u>\$ 166,386</u>

**SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
SCHEDULE OF COMMUNITY ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2021**

Balance - Brought Forward	\$ 166,386
Variety - The Children's Charity of Georgia	10,084
West Forsyth High School	1,136
Whitlow Elementary School	4,233
	<hr/>
	\$ 181,839
	<hr/> <hr/>



**SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
SCHEDULE OF SCHOLARSHIPS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Alana Murray - Mercer University	\$	5,000
Annsley Anglin - University of Georgia		5,000
Caleb Roberson - University of Georgia		5,000
Christopher Kelly - Georgia Institute of Technology		5,000
Colby Hetzel - University of Georgia		5,000
Coley Loudermilk - North Georgia Technical College		1,000
Elizabeth Keys - Valdosta State University		5,000
Emily Baldwin - Georgia Southern University		5,000
Grace Lim - University of Pittsburgh		5,000
Jasmine Song - Georgia State University		5,000
Jeremy Brown - Kennesaw State University		5,000
Kathleen Daly - University of North Georgia		5,000
Katie Krnarich - Georgia Institute of Technology		5,000
Kevin Maranto - Georgia Institute of Technology		5,000
Kimberly Delgado - Georgia State University		5,000
Kylissa Katalinich - Berry College		5,000
Lauren Stephens - Sweet Briar College		5,000
Logan Carras - University of Georgia		5,000
Quinn Benson - Boston College		5,000
Tharini Kavitha - University of Georgia		5,000
Thomas Trudnak - North Georgia Technical College		546
Valerie Ponomarev - Georgetown University		5,000
Vibha Mohan - Georgia Institute of Technology		5,000
William Freeman - North Georgia Technical College		272
		272
	\$	106,818

Supporting the Communities We Serve