

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

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



Sawnee Electric Membership
FOUNDATION

Supporting the Communities We Serve

SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.

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February 24, 2023

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, 2022 and 2021, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Sawnee Electric Membership Foundation, Inc. as of December 31, 2022 and 2021 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>2022</u>	<u>2021</u>
Cash	\$ 428,806	\$ 419,944
Contributions Receivable	7,033	7,548
Total Assets	<u>\$ 435,839</u>	<u>\$ 427,492</u>

NET ASSETS

Net Assets Without Donor Restrictions	<u>\$ 435,839</u>	<u>\$ 427,492</u>
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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

	2022	2021
Change in Net Assets Without Donor Restrictions		
<i>Revenue and Support</i>		
Contributions	\$ 318,828	\$ 311,671
Contributed Services	9,580	8,467
	328,408	320,138
 <i>Expenses</i>		
Program Services		
Community Assistance	208,534	181,839
Scholarships	100,000	106,818
Supporting Services		
Administrative and General	11,527	9,852
	320,061	298,509
 Change in Net Assets Without Donor Restrictions	8,347	21,629
 Net Assets Without Donor Restrictions, Beginning	427,492	405,863
 Net Assets Without Donor Restrictions, Ending	\$ 435,839	\$ 427,492

Sawnee Electric Membership
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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

	2022	2021
Cash Flows from Operating Activities		
Change in Net Assets Without Donor Restrictions	\$ 8,347	\$ 21,629
Adjustment to Reconcile Change in Net Assets Without Donor Restrictions to Net Cash Provided by Operating Activities		
Change In		
Contributions Receivable	515	119
Net Increase in Cash	8,862	21,748
Cash, Beginning	419,944	398,196
Cash, Ending	\$ 428,806	\$ 419,944



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 2021, 2020, and 2019 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, 2021 have been reclassified from their original presentation to conform to the presentation for the year ended December 31, 2022. 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 February 24, 2023, 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 approximately \$230,000 of unclaimed patronage capital for the year ended December 31, 2022.

(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 \$9,580 and \$8,467 for the years ended December 31, 2022 and 2021, respectively.

(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>2022</u>				
Grants	\$ 208,534	\$ 100,000	\$ -	\$ 308,534
Other	-	-	11,527	11,527
Total Expenses by Function	\$ 208,534	\$ 100,000	\$ 11,527	\$ 320,061
<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

There were no allocations of expenses to functional categories.

(5) Liquidity and Availability

As of December 31, 2022, financial assets available for general expenditure without donor or other restrictions consists of the following:

Cash	\$ 428,806
Contributions Receivable	7,033
	<u>\$ 435,839</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.

February 24, 2023

**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, 2022 and 2021 and have issued our report thereon dated February 24, 2023, 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 13 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
FOUNDATION

Supporting the Communities We Serve

SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
SCHEDULE OF COMMUNITY ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2022

Act Together Ministries, Inc.	\$	3,500
Allen K. Calhoun		500
ALS Association of Georgia, Inc.		2,000
American Legion Post 307		1,100
Bald Ridge Lodge, Inc.		4,000
Big Creek Elementary School		600
Black's Mill Elementary School		1,500
Brandywine Elementary School		639
Brian Bradley		500
Brookwood Elementary School		362
C.A.S.T. for Kids Foundation		2,000
Camp Kudzu, Inc.		1,000
Champions Community Foundation, Inc.		2,500
Chattahoochee Elementary School		628
Cherokee County Sheriff's Foundation		250
Chestatee Elementary School		2,490
Chisolm Warthen		500
Conrad Bryan		500
Cumming Elementary School		5,924
Daves Creek Elementary School		1,186
Dawson County Middle School		1,415
Dawson County Wee Books Program, Inc.		1,000
De Sana Middle School		1,733
East Forsyth High School		3,313
Esther Jackson Elementary School		3,000
Families of Children Under Stress, Inc.		5,000
Ferst Readers, Inc.		1,000
Fill Ministries		5,000
Forsyth County Certified Literate Community Program, Inc.		3,500
Forsyth County Family Haven, Inc.		5,000
Forsyth County Lions Charities, Inc.		4,000
Free Home Elementary School		660
Georgia EMC Foundation		500
Georgia Stopping Pet Overpopulation		2,500
Glory, Hope & Life		7,190
Gwinnett Tech Foundation, Inc.		10,000
		<hr/>
Balance - Carried Forward	\$	<u>86,490</u>



Sawnee Electric Membership
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Supporting the Communities We Serve

SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
SCHEDULE OF COMMUNITY ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2022

Balance - Brought Forward	\$	86,490
Habitat for Humanity North Central Georgia		3,029
Haw Creek Elementary School		1,260
Hendricks Middle School		900
Holly Springs Elementary School		3,000
Jason Griffin		500
Jason Heath		500
Jennifer Bowman		500
Jerry L. Taylor		500
Johns Creek Elementary School		225
Jonathan Moorman		500
Junior Achievement of Georgia, Inc.		1,000
Justin Smith		500
KARE for Kids, Inc.		2,500
Kelly Mill Elementary School		1,800
Kilough Elementary		3,110
Lambert High School		3,000
Lanier Technical College Foundation		10,000
Liberty Middle School		1,800
Mashburn Elementary School		750
Matt Elementary School		900
Mentor Me - North Georgia, Inc.		1,000
Midway Elementary School		466
MUST Ministires, Inc.		2,500
New Hope Elementary School		1,051
No Longer Bound, Inc.		2,867
North Forsyth High School		609
North Fulton Community Charities		5,000
North Georgia Crappie Anglers, Inc.		4,550
North Metro Miracle League, Inc.		5,000
Northview Techno Titans Robotics Foundation		1,000
Operation Appreciation, Inc.		2,500
P. Michael Lynch, III		500
Piney Grove Middle School		2,100
Prevent Blindness Georgia		4,500
		86,490
Balance - Carried Forward	\$	156,407



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**SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
 SCHEDULE OF COMMUNITY ASSISTANCE
 FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance - Brought Forward	\$	156,407
Rachel's Gift, Inc.		1,123
Ral Than Tlir		500
Randy Emkey		500
River Trail Middle School		2,040
Riverview Elementary School		997
Safe Boating Lake Lanier, Inc.		517
Sawnee Elementary School		600
Senior Services of North Fulton, Inc.		2,500
Sharon Elementary School		600
Shiloh Point Elementary School		201
Society of St. Vincent De Paul, GA, Inc.		2,000
South Forsyth High School		375
South Forsyth Middle School		250
Sue Williams		500
The Place of Forsyth County, Inc.		10,000
The Rotary Foundation		500
There's Hope for the Hungry		1,705
United Way of Forsyth County, Inc.		2,500
University of North Georgia Foundation, Inc.		10,000
Vickery Creek Elementary School		743
Vickery Creek Middle School		3,000
West Forsyth High School		1,271
Whitlow Elementary School		9,205
William K. Folds, Jr.		500
		500
	\$	208,534



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**SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
SCHEDULE OF SCHOLARSHIPS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Ameya Jadhav - Stanford University	\$	5,000
Anna Connelly - University of Georgia		5,000
Anthony Giordano - University of North Georgia		5,000
Aspen Townley - University of Georgia		5,000
Cailee Jackson - Georgia Institute of Technology		5,000
Delaney Bourg - Georgia Institute of Technology		5,000
Gabriella Finamore - Georgia State University		5,000
Gillian Garner - University of North Georgia		5,000
Gisel Hernandez-Vazquez - University of Georgia		5,000
Hannah Shin - Georgia Institute of Technology		5,000
Jacob Hamil - University of Georgia		5,000
Jeremy Leurart - Georgia Institute of Technology		5,000
Kathryn Kuchinski - University of South Carolina		5,000
Lenna Park - University of Georgia		5,000
Mehar Nemani - University of Georgia		5,000
Mercedes Martinez - University of Georgia		5,000
Snigdha Ganjikutna - University of Georgia		5,000
Tafton Barber - Rollins College		5,000
Victoria May - University of Georgia		5,000
Wesley Lanter - Georgia Institute of Technology		5,000
		5,000
	\$	100,000

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