

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

**FINANCIAL STATEMENTS AS OF
DECEMBER 31, 2023 AND 2022 AND
INDEPENDENT AUDITOR'S REPORT**

SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.

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March 21, 2024

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, 2023 and 2022, 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, 2023 and 2022 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

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

ASSETS

	<u>2023</u>	<u>2022</u>
Cash	\$ 435,858	\$ 428,806
Contributions Receivable	8,090	7,033
Total Assets	<u>\$ 443,948</u>	<u>\$ 435,839</u>

NET ASSETS

Net Assets Without Donor Restrictions	<u>\$ 443,948</u>	<u>\$ 435,839</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

	2023	2022
Change in Net Assets Without Donor Restrictions		
<i>Revenue and Support</i>		
Contributions	\$ 307,640	\$ 318,828
Contributed Services	9,198	9,580
	316,838	328,408
<i>Expenses</i>		
Program Services		
Community Assistance	196,985	208,534
Scholarships	100,000	100,000
Supporting Services		
Administrative and General	11,744	11,527
	308,729	320,061
Change in Net Assets Without Donor Restrictions	8,109	8,347
Net Assets Without Donor Restrictions, Beginning	435,839	427,492
Net Assets Without Donor Restrictions, Ending	\$ 443,948	\$ 435,839

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

	2023	2022
Cash Flows from Operating Activities		
Change in Net Assets Without Donor Restrictions	\$ 8,109	\$ 8,347
Adjustment to Reconcile Change in Net Assets Without Donor Restrictions to Net Cash Provided by Operating Activities		
Change In Contributions Receivable	(1,057)	515
Net Increase in Cash	7,052	8,862
Cash, Beginning	428,806	419,944
Cash, Ending	\$ 435,858	\$ 428,806

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

SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

(1) Nature of Operations

Sawnee Electric Membership Foundation, Inc. (the Foundation) is a not-for-profit corporation organized under the laws of the state of Georgia. 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 is supported primarily by contributions received from members of Sawnee EMC.

(2) Basis of Presentation

The Foundation's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the *Accounting Standards Codification (ASC)* and related Accounting Standards Updates (ASUs).

(3) Summary of Significant Accounting Policies

Net Assets

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. As of December 31, 2023, the governing board has designated \$443,948 of net assets without donor restrictions for the purpose of community assistance and individual assistance.
- 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.

Contributed Services

The Foundation receives donated professional services that would typically be purchased if not provided as an in-kind contribution. These services, which require specialized skills, are recognized as in-kind contributions at fair value, with a corresponding expense allocated to supporting services. The estimated fair value of these professional services is based on comparable services provided by third parties.

(3) Summary of Significant Accounting Policies (Continued)

Income Taxes

The Foundation operates under the Internal Revenue Code (IRC) Section 501(c)(3) as a tax-exempt organization and has been determined not to be a private foundation under IRC Sections 509(a)(1) and (3), respectively. Accordingly, no provision for income taxes has been made in the financial statements. The Foundation's federal information returns for calendar years 2020 and after are subject to examination by the Internal Revenue Service.

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through March 21, 2024, the date the financial statements were available to be issued.

(4) 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 \$221,000 of unclaimed patronage capital for the year ended December 31, 2023.

Contributions receivable were \$8,090 and \$7,033 for the years ended December 31, 2023 and 2022, respectively. All contributions were received in total by the Foundation in January of the following year.

(5) Contributed Services

The Foundation recognized revenues and related administrative and general expenses of \$9,198 and \$9,580 for the years ended December 31, 2023 and 2022, respectively, for contributed services received from Sawnee EMC

(6) 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>2023</u>				
Grants	\$ 196,985	\$ 100,000	\$ -	\$ 296,985
Other	-	-	11,745	11,745
Total Expenses by Function	\$ 196,985	\$ 100,000	\$ 11,745	\$ 308,730
<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

There were no allocations of expenses to functional categories.

(7) Liquidity and Availability

As of December 31, 2023, financial assets available for general expenditure without donor or other restrictions consists of the following:

	<u>2023</u>	<u>2022</u>
Cash	\$ 435,858	\$ 428,806
Contributions Receivable	8,090	7,033
	\$ 443,948	\$ 435,839

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.

(8) Related Party Transactions

The Foundation receives professional services from personnel of Sawnee EMC, which is an affiliate of the Foundation. During the years ended December 31, 2023 and 2022, these services totaled \$9,198 and \$9,580, respectively, and are included in administrative and general on the statements of activities.

March 21, 2024

**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, 2023 and 2022 and have issued our report thereon dated March 21, 2024, 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 11 through 15 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.

McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
SCHEDULE OF COMMUNITY ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2023

Aaliya Alidina	\$	500
Act Together Ministries, Inc.		5,000
Adventure Bags, Inc.		1,000
Alexandra Katopodis Bullard		500
Alliance Academy for Innovation		1,500
American Legion Post 307		1,400
Ana Milena Herrera Ortiz		500
Andrew R. Satori		500
Avery Elementary School		474
Azael Villeda		500
Bald Ridge Lodge, Inc.		5,000
Big Creek Elementary School Nutrition Program		400
Black's Mill Elementary Nutrition Program		3,000
Black's Mill Elementary School		954
Blessings in a Backpack of Forsyth Inc.		4,680
Brandywine Elementary School Nutrition Program		580
Brookwood Elementary School Nutrition Program		225
Camille Arizmendi		500
Camp Kudzu, Inc.		1,000
Chattahoochee Elementary School Nutrition		345
Cherokee County Sheriff's Foundation		250
Chestatee Elementary School Nutrition Program		1,055
Clyde Trent		500
Corner Farms Forsyth, Inc.		1,000
Creekland Middle School		1,384
Dana Hotle		500
Daves Creek Elementary School Nutrition		100
Dawson County Rotary Foundation, Inc.		1,000
Dawson County Wee Books Program, Inc.		2,500
Dean Rusk Middle School		1,399
Denmark High School		1,428
Denmark High School Nutrition Program		900
DeSana Middle School Nutrition Program		1,155
Douglas Pendley		500
East Forsyth High School		1,493
East Forsyth High School Nutrition Program		1,800
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Balance - Carried Forward	\$	<u>45,522</u>

**SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
SCHEDULE OF COMMUNITY ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance - Brought Forward	\$	45,522
Emily Bowen		500
FertilizHER Soul		1,520
Fill Ministries, Inc. DBA Meals By Grace		500
Gail Dunn		500
Gail McClaney		500
Gareth Robertson		500
Georgia Lions' Camp for the Blind, Inc.		1,000
Georgia Mountains YMCA, Inc.		1,200
Glendalin Johnson		500
Glory Hope & Life, Inc.		7,500
Good Shepherd Clinic of Dawson County Inc.		5,000
Grace U Sim		500
Gwinnett Tech Foundation, Inc.		7,500
Harold Carter		500
Haw Creek Elementary School Nutrition Program		500
Heather Looney		500
Hendricks Middle School Nutrition Program		820
Hilario V Aquino		500
Historical Society of Cumming - Forsyth		5,000
Hoyt L. Alexander		500
Indian Knoll Elementary School		923
Jennifer W. Fithian		500
Jinha Jeong		500
John Pulley		500
Johns Creek Elementary School Nutrition		150
Johnston Elementary School		1,579
Jorge F. Borrego		500
Junior Achievement of Georgia, Inc.		1,000
Kelly Mill Elementary School Nutrition		1,550
Kenneth Kurtz		500
Kevin Eichhorn		500
Kilough Elementary School Nutrition Program		3,000
Lakeside Middle School Nutrition Program		775
Lambert High School Nutrition Program		3,000
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Balance - Carried Forward	\$	<u>96,039</u>

**SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
SCHEDULE OF COMMUNITY ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance - Brought Forward	\$ 96,039
Lamoy Coburn	500
Lanier Tech College Foundation, Inc.	7,500
Liberty Middle School Nutrition Program	1,240
Literacy Network of North GA, Inc.	4,000
Little Mill Middle School Nutrition Program	700
Lydia Glover	500
Mark A Turner	500
Mashburn Elementary School Nutrition Program	500
Matt Elementary School Nutrition Program	925
Mentor Me - North Georgia, Inc.	1,375
Midway Elementary School Nutrition Program	170
MUST Ministries, Inc.	5,000
Nathan Diller	500
New Hope Elementary School Nutrition Program	355
Nicolas Ramirez	500
No Longer Bound, Inc.	5,351
North Forsyth High School	2,139
North Fulton Community Charities	5,000
North GA Crappie Anglers, Inc.	2,000
Northview Techno Titans Robotics Foundation	1,000
Operation Appreciation, Inc.	5,000
Piney Grove Middle School Nutrition Program	1,220
Poole's Mill Elementary School Nutrition	1,500
Rachel's Gift, Inc.	1,000
Recovery Community Foundation of Forsyth	3,000
Rhonda C Staton	500
Riverwatch Middle School Nutrition Program	1,230
Rosa's Gift, Inc.	3,000
Sandra G. Smith	500
Sawnee Elementary School	1,361
Sawnee Elementary School Nutrition Program	3,000
Sawnee Elementary School Robotics	250
Senior Services of North Fulton, Inc.	5,000
Settles Bridge Elementary School Nutrition	490
	\$ 162,845

**SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
SCHEDULE OF COMMUNITY ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance - Brought Forward	\$	162,845
Sharon Elementary School Nutrition Program		670
Shiloh Point Elementary School Nutrition Program		220
Shirley S. DeLong		500
Skye Precious Kids, Inc.		6,301
Society of St. Vincent De Paul, GA Inc.		2,000
South Forsyth High School Nutrition Program		1,690
South Forsyth Middle School Nutrition Program		1,155
Teacher Reuse Exchange		1,710
The Childrens Center for Hope & Healing, Inc.		1,000
Thomas Gandolfi, Jr.		500
Tyler Mashburn		500
University of North GA Foundation, Inc.		7,500
Veterans Kayak Fishing USA, Inc.		500
Vickery Creek Elementary School Nutrition		435
Vickery Creek Middle School Nutrition Program		805
West Forsyth High School		1,160
West Forsyth High School Nutrition Program		765
Whitlow Elementary School		4,424
Whitlow Elementary School Nutrition Program		2,305
		196,985
	\$	196,985

SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
SCHEDULE OF SCHOLARSHIPS
FOR THE YEAR ENDED DECEMBER 31, 2023

Aadi Nag - University of Georgia	\$	5,000
Alison Lafayette - University of Chicago		5,000
Ashley Track - Georgia Institute of Technology		5,000
Clay Tucker - Georgia Institute of Technology		5,000
Douglas J. Fratt - Georgia Institute of Technology		5,000
Eshan Momin - Emory University		5,000
Gabriel St. George - Georgia Institute of Technology		5,000
Grant Witczak - University of Georgia		5,000
Harrison Lowe - University of Georgia		5,000
Jai NSR - Georgia State University		5,000
Joel Unger - University of North Georgia		5,000
John Tucker - Georgia Institute of Technology		5,000
Liam Reid - University of Georgia		5,000
Matthew Warren - Georgia Institute of Technology		5,000
Prem Stanley - Georgia Institute of Technology		5,000
Ramapriya Srinivas - Georgia State University		5,000
Samantha Schoenfeld - University of Georgia		5,000
Sara Watson - University of North Georgia		5,000
Suzette Lilly Du Toit - University of Georgia		5,000
William Taylor - University of Georgia		5,000
		5,000
	\$	100,000