

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

**FINANCIAL STATEMENTS AS OF
DECEMBER 31, 2025 AND 2024 AND
INDEPENDENT AUDITOR'S REPORT**

SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.

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March 6, 2026

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, 2025 and 2024, 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, 2025 and 2024 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>2025</u>	<u>2024</u>
Cash	\$ 742,550	\$ 517,981
Contributions Receivable	10,472	110,728
Total Assets	<u>\$ 753,022</u>	<u>\$ 628,709</u>

NET ASSETS

Net Assets Without Donor Restrictions	<u>\$ 753,022</u>	<u>\$ 628,709</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

	2025	2024
Change in Net Assets Without Donor Restrictions		
<i>Revenue and Support</i>		
Contributions	\$ 608,638	\$ 532,905
Contributed Services	21,342	12,908
	629,980	545,813
<i>Expenses</i>		
Program Services		
Community Assistance	379,825	244,598
Scholarships	104,500	101,910
Supporting Services		
Administrative and General	21,342	14,544
	505,667	361,052
Change in Net Assets Without Donor Restrictions	124,313	184,761
Net Assets Without Donor Restrictions, Beginning	628,709	443,948
Net Assets Without Donor Restrictions, Ending	\$ 753,022	\$ 628,709

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

	2025	2024
Cash Flows from Operating Activities		
Change in Net Assets Without Donor Restrictions	\$ 124,313	\$ 184,761
Adjustment to Reconcile Change in Net Assets Without Donor Restrictions to Net Cash Provided by Operating Activities		
Change In Contributions Receivable	100,256	(102,638)
Net Increase in Cash	224,569	82,123
Cash, Beginning	517,981	435,858
Cash, Ending	\$ 742,550	\$ 517,981

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, 2025, the governing board has designated \$753,022 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 2022 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 6, 2026, 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 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; or
- 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 \$410,000 of unclaimed patronage capital for the year ended December 31, 2025.

Contributions receivable were \$10,472 and \$110,728 for the years ended December 31, 2025 and 2024, 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 \$21,342 and \$12,908 for the years ended December 31, 2025 and 2024, 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>Community Assistance</u>	<u>Scholarships</u>	<u>Administrative and General</u>	<u>Total</u>
<u>2025</u>				
Grants	\$ 379,825	\$ 104,500	\$ -	\$ 484,325
Other	-	-	21,342	21,342
Total Expenses by Function	\$ 379,825	\$ 104,500	\$ 21,342	\$ 505,667
<u>2024</u>				
Grants	\$ 244,598	\$ 101,910	\$ -	\$ 346,508
Other	-	-	14,544	14,544
Total Expenses by Function	\$ 244,598	\$ 101,910	\$ 14,544	\$ 361,052

There were no allocations of expenses to functional categories.

(7) Liquidity and Availability

As of December 31, 2025 and 2024, financial assets available for general expenditure without donor or other restrictions consist of the following:

	<u>2025</u>	<u>2024</u>
Cash	\$ 742,550	\$ 517,981
Contributions Receivable	10,472	110,728
	<u>\$ 753,022</u>	<u>\$ 628,709</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.

(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, 2025 and 2024, these services totaled \$21,342 and \$12,908, respectively, and are included in administrative and general on the statements of activities.

March 6, 2026

**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, 2025 and 2024 and have issued our report thereon dated March 6, 2026, 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 16 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
McNAIR, MCLEMORE, MIDDLEBROOKS & CO., LLC

**SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
SCHEDULE OF COMMUNITY ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2025**

AboutFace USA, Inc.	\$ 6,800
Act Together Ministries, Inc.	5,000
Albin George	350
Alliance Academy for Innovation	750
ALS United of Georgia, Inc.	2,000
American Legion, Inc. - Cherokee County	500
American Legion, Inc.	3,500
Anastasiia Shumakoda	500
Anil Kumar Hassan Padmaraj	500
Arisa Vercande	350
Azur Imamovic	500
Bald Ridge Lodge, Inc.	6,000
Bethany Place, Inc.	5,000
Big Creek Elementary School Nutrition Program	288
Black's Mill Elementary School	1,464
Brandywine Elementary School Nutrition Program	289
Brenda Anderson	500
Brianna Otto	500
Bridgitte Goodall	350
Brittany Pilger	350
Brookwood Elementary School Nutrition Program	150
Camp Kudzu, Inc.	1,500
Carly Wells	500
Carolyn J. Moore	500
CASA of Forsyth County, Inc.	1,000
Charles D. Dockery	500
Chattahoochee Elementary School Nutrition Program	372
Cherokee Youth Foundation	945
Chestatee Elementary School Nutrition Program	831
Child Advocates of Forsyth County, Inc.	2,200
Chris Rainney	350
Creekland Middle School	1,575
Cynthia Marvell	350
Cynthia Roby	350
Daves Creek Elementary School Nutrition Program	217
David Rosoff	500
Dawson County Rotary Foundation, Inc.	1,000
Dawson Community Food Bank, Inc.	22,000
Dawson County Retired Educators Association	800
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Balance - Carried Forward	\$ 71,131

**SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
SCHEDULE OF COMMUNITY ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2025**

Balance - Brought Forward	\$ 71,131
DeSana Middle School	1,658
DeSana Middle School Nutrition Program	150
Deepak Dahiya	350
Denmark High School	2,437
Denmark High School Nutrition Program	979
East Forsyth High School Nutrition Program	717
Elizabeth Haden	350
Emory Patton	350
Executive Committee of the Baptist	13,000
Families of Children Under Stress, Inc.	5,000
Family Promise of Forsyth County, Inc.	1,000
Family Promise of Fulton County, Inc.	2,000
Ferst Readers, Inc.	1,000
Fill Ministries, Inc.	11,000
Florina Rubio Sanchez	500
Forsyth Community Clinic, Inc.	1,000
Forsyth County Humane Society, Inc.	4,000
Forsyth County Lions Charities, Inc.	4,000
Fort Foster Care, Inc.	500
Free Home Elementary School	1,245
Friendship Christian School, Inc.	1,200
Georgia Mountain Food Bank, Inc.	25,000
Ginger Hulsey	500
Gwinnett Tech Foundation, Inc.	10,000
Hall-Dawson CASA Program, Inc.	1,000
Haw Creek Elementary School	1,732
Haw Creek Elementary School Nutrition Program	150
Heather Blake	500
Hendricks Middle School Nutrition Program	255
Heroes of Forsyth County Sheriff, Inc.	10,000
Historical Society of Cumming - Forsyth	4,500
Holly Springs Elementary School Nutrition Program	2,334
Jayne G. Bowman	500
Johns Creek Community Arts Center	2,880
Johns Creek Elementary School Nutrition Program	150
Jorge Luis Camba Trujillo	500
Julia Butterwick	350
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Balance - Carried Forward	\$ <u>183,918</u>

**SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
SCHEDULE OF COMMUNITY ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2025**

Balance - Brought Forward	\$ 183,918
Julie Baier	500
Junior Achievement of Georgia, Inc.	1,000
KARE for Kids, Inc.	10,000
Kelly Mill Elementary School Nutrition Program	598
Kenan Stredic	350
Kenneth E. Adams	500
Kilough Elementary School	3,195
Lakeside Middle School Nutrition Program	1,005
Lambert High School Nutrition Program	180
Lanier Forsyth Rotary Club	500
Leadership Forsyth, Inc.	500
Liberty Middle School Nutrition Program	523
Lisa Tolbert	500
Little Mill Middle School	1,678
Little Mill Middle School Nutrition Program	294
Lumpkin County Family Connection, Inc.	1,000
Mansoor Jamani	500
Mark Balskey	350
Mark Kersul	350
Mark Wallace	500
Mashburn Elementary School Nutrition Program	195
Matt Elementary School	1,495
Matt Elementary School Nutrition Program	403
Matthew Yoshimura	500
Mentor Me - North Georgia, Inc.	2,013
Michael Aguilar	350
Michael E. Rowland	500
Michael Hughes	350
Midway Elementary School Nutrition Program	150
Monica Chevez	350
Mountain Road Elementary School	328
Muslimah Hasan	350
MUST Ministries, Inc.	15,000
Neeraj Yadav	350
New Hope Elementary School	475
New Hope Elementary School Nutrition Program	150
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Balance - Carried Forward	\$ 230,900

**SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
SCHEDULE OF COMMUNITY ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2025**

Balance - Brought Forward	\$ 230,900
Nicholas Sexton	350
No Longer Bound, Inc.	2,450
North Forsyth High School	3,320
North Fulton Community Charities	5,000
North Georgia Crappie Anglers	1,000
North Georgia Community Foundation	500
North Metro Miracle League, Inc.	5,500
Operation Appreciation, Inc.	7,500
Palangfat Jebak	350
Patrick Duncan	500
Pavan Maskikar	350
Piney Grove Middle School Nutrition Program	688
Poole's Mill Elementary School Nutrition Program	775
Ravi Kumar Chennamsetty	350
Recovery Community Foundation of Forsyth County	750
Regine Metayer	500
Riverwatch Middle School Nutrition Program	517
Rodrigo Alomia	500
Sarinna Yoder	500
Sawnee Elementary School Nutrition Program	3,000
Senior Services of North Fulton, Inc.	12,500
Service League of Cherokee County, Inc.	250
Settles Bridge Elementary School Nutrition Program	150
Sgt. D.P. Land Memorial Lodge 82, Inc.	300
Sharon Elementary School Nutrition Program	207
Shiloh Point Elementary School Nutrition Program	150
Sleep in Heavenly Peace, Inc.	2,820
Society of St. Vincent de Paul, Inc.	4,000
South Forsyth High School Nutrition Program	586
South Forsyth Middle School Nutrition Program	343
Special Olympics Georgia, Inc.	1,000
Srikaran Dasari	350
Steve Allen	500
Sunil Sannadi	350
Taylor Spooner	500
Teacher Reuse Exchange, Inc.	2,680
Terrill Wright	500
The Children's Center for Hope & Healing, Inc.	4,613
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Balance - Carried Forward	\$ 297,099

**SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
SCHEDULE OF COMMUNITY ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2025**

Balance - Brought Forward	\$	297,099
The Cottage School		1,750
The Place of Forsyth County, Inc.		15,000
There's Hope for the Hungry, Inc.		17,500
Thi Thao Ly Han		350
Thrive Together		3,000
Tori Dryden		350
United Way of Forsyth County, Inc.		1,000
University of North Georgia		10,000
Unseen Hand Ministries, Inc.		25,000
Vickery Creek Elementary School Nutrition Program		150
Vickery Creek Middle School Nutrition Program		459
West Forsyth High School		1,470
West Forsyth High School Nutrition Program		429
Whitlow Elementary School		4,867
Whitlow Elementary School Nutrition Program		1,051
Yiwei Zhang		350
		379,825
	\$	379,825

SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.
SCHEDULE OF SCHOLARSHIPS
FOR THE YEAR ENDED DECEMBER 31, 2025

Aarushi Ammavajjala - Georgia Institute of Technology	\$	5,000
Andrew Lin - Massachusetts Institute of Technology		5,000
Braden Bourg - University of Montevallo		2,500
Braden Bourg - University of North Georgia		2,500
Cody Webb - Georgia Institute of Technology		5,000
Conner Callihan - University of Georgia		5,000
Conor Eggleston - Hampden-Sydney College		5,000
Gabriella Burton - Augusta University		5,000
Georgia EMC		4,500
Isha Jamadagni - Georgia Institute of Technology		5,000
Kimia Askari - University of Georgia		5,000
Maria Murphy - University of Georgia		5,000
Maximilian Draughn - Georgia Institute of Technology		5,000
Maya Pankhania - University of North Georgia		5,000
Meredith Kane - University of Georgia		5,000
Nathan Tishgarten - Georgia Institute of Technology		5,000
Noah Boynton - Kennesaw State University		5,000
Peyton Buzeta - Georgia College & State University		5,000
Piper Clark - University of Georgia		5,000
Sahiti Dasari - University of Pennsylvania		5,000
Savannah Reynolds - Middle Georgia State University		5,000
Weston Eazor - Kennesaw State University		5,000
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	\$	<u>104,500</u>