

GOING FURTHER

COBB COMMUNITY FOUNDATION, INC.
FINANCIAL REPORT
DECEMBER 31, 2024



CPAs & ADVISORS

COBB COMMUNITY FOUNDATION, INC.

FINANCIAL REPORT

DECEMBER 31, 2024

COBB COMMUNITY FOUNDATION, INC.
FINANCIAL REPORT
DECEMBER 31, 2024

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-3
FINANCIAL STATEMENTS	
Statements of financial position	4
Statements of activities	5 and 6
Statements of functional expenses	7 and 8
Statements of cash flows	9
Notes to financial statements	10-24
SUPPLEMENTAL INFORMATION	
Statement of financial position by funds and operations	25
Reconciliation of net assets by fund type	26
Statement of activities by funds and operations	27



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Cobb Community Foundation, Inc.
Atlanta, Georgia

Opinion

We have audited the accompanying financial statements of **Cobb Community Foundation, Inc.** (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cobb Community Foundation, Inc. as of December 31, 2024 and 2023, and the changes in its net assets 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. 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 Cobb Community 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 the 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 Cobb Community Foundation, Inc.'s ability to continue as a going concern within 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 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, including omissions, 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 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 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 Cobb Community 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 Cobb Community 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.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information on pages 25-27 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 audit 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.

Mauldin & Jenkins, LLC

Atlanta, Georgia
May 8, 2025

COBB COMMUNITY FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
Cash	\$ 1,893,309	\$ 104,038
Investments	32,112,296	24,361,744
Unconditional promises to give	69,329	152,635
Prepaid expenses	2,447	-
Operating lease right-of-use asset	151,320	175,195
	\$ 34,228,701	\$ 24,793,612
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 29,293	\$ 7,873
Operating lease obligations	157,680	180,099
Agency funds	9,029,785	10,912,791
	9,216,758	11,100,763
Net assets		
Without donor restrictions		
Operating funds	263,054	182,343
Donor-advised funds	21,298,973	10,924,594
Designated funds	1,963,186	1,041,196
Unrestricted funds	100,735	59,954
Committee-advised scholarship funds	417,562	469,759
Field of interest funds	127,767	180,599
Employee assistance funds	66,327	60,714
Total without donor restrictions	24,237,604	12,919,159
With donor restrictions		
Operating funds	22,750	50,250
Donor-advised funds	519,200	495,248
Designated funds	192,748	175,390
Unrestricted funds restricted for the passage of time	39,641	52,802
Total with donor restrictions	774,339	773,690
Total net assets	25,011,943	13,692,849
Total liabilities and net assets	\$ 34,228,701	\$ 24,793,612

See Notes to Financial Statements.

COBB COMMUNITY FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions and special events	\$ 16,292,729	\$ 227,500	\$ 16,520,229
Net realized and unrealized gains on investments	1,436,924	-	1,436,924
Net investment income	352,528	79,767	432,295
Fee income	110,028	-	110,028
Other income	3,096	-	3,096
Net assets released from restrictions:			
Satisfaction of program restrictions	306,618	(306,618)	-
Total revenues and other support	<u>18,501,923</u>	<u>649</u>	<u>18,502,572</u>
EXPENSES			
Program services	6,707,035	-	6,707,035
Supporting services			
Management and general	196,416	-	196,416
Fundraising	280,027	-	280,027
Total expenses	<u>7,183,478</u>	<u>-</u>	<u>7,183,478</u>
CHANGE IN NET ASSETS	11,318,445	649	11,319,094
NET ASSETS, BEGINNING	<u>12,919,159</u>	<u>773,690</u>	<u>13,692,849</u>
NET ASSETS, ENDING	<u>\$ 24,237,604</u>	<u>\$ 774,339</u>	<u>\$ 25,011,943</u>

See Notes to Financial Statements.

COBB COMMUNITY FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions and special events	\$ 4,065,294	\$ 84,833	\$ 4,150,127
Net realized and unrealized gains on investments	1,227,732	77,493	1,305,225
Net investment income	313,934	16,629	330,563
Fee income	113,897	-	113,897
Net assets released from restrictions:			
Satisfaction of program restrictions	127,441	(127,441)	-
Total revenues and other support	<u>5,848,298</u>	<u>51,514</u>	<u>5,899,812</u>
EXPENSES			
Program services	5,009,903	-	5,009,903
Supporting services			
Management and general	207,231	-	207,231
Fundraising	232,669	-	232,669
Total expenses	<u>5,449,803</u>	<u>-</u>	<u>5,449,803</u>
CHANGE IN NET ASSETS	398,495	51,514	450,009
NET ASSETS, BEGINNING	<u>12,520,664</u>	<u>722,176</u>	<u>13,242,840</u>
NET ASSETS, ENDING	<u>\$ 12,919,159</u>	<u>\$ 773,690</u>	<u>\$ 13,692,849</u>

See Notes to Financial Statements.

COBB COMMUNITY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program services	Supporting services		Total
		Management and general	Fundraising	
Salaries	\$ 240,514	\$ 113,597	\$ 56,223	\$ 410,334
Payroll taxes	20,313	9,594	4,748	34,655
Benefits	37,676	17,796	8,807	64,279
Grants	6,207,173	-	-	6,207,173
Contractor expense	48,856	-	-	48,856
Training and development	9,997	746	745	11,488
Tax and audit	-	15,926	-	15,926
Dues and publications	2,442	977	1,465	4,884
Board meetings	-	5,635	-	5,635
Network meetings	1,066	320	746	2,132
Donor development	9,535	-	21,826	31,361
Credit card and e-check processing	11,583	-	2,714	14,297
Marketing and promotion	25,823	-	120,436	146,259
Office supplies	3,756	1,836	1,836	7,428
Administrative services (Chamber)	14,314	6,760	3,346	24,420
Rent	15,519	7,329	3,628	26,476
Backoffice processing and systems	56,757	10,016	-	66,773
Donor funds event expenses	-	-	52,870	52,870
Miscellaneous expense	1,711	5,884	637	8,232
Total expenses	<u>\$ 6,707,035</u>	<u>\$ 196,416</u>	<u>\$ 280,027</u>	<u>\$ 7,183,478</u>

See Notes to Financial Statements.

COBB COMMUNITY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program services	Supporting services		Total
		Management and general	Fundraising	
Salaries	\$ 265,007	\$ 111,684	\$ 61,342	\$ 438,033
Payroll taxes	22,566	9,510	5,223	37,299
Benefits	37,128	15,647	8,594	61,369
Grants	4,559,026	-	-	4,559,026
Training and development	10,146	1,268	1,268	12,682
Board of Directors and other insurance	-	3,685	-	3,685
Tax and audit	-	16,500	-	16,500
Dues and publications	4,958	1,983	2,975	9,916
Board meetings	-	4,635	-	4,635
Donor development	6,329	-	14,768	21,097
Bank or custodian fee	30	3,528	-	3,558
Credit card and e-check processing	477	-	4,951	5,428
Marketing and promotion	-	-	42,490	42,490
Network meetings	2,787	806	1,880	5,473
Printing and copying	13,110	-	-	13,110
Website hosting and maintenance	2,232	1,116	1,116	4,464
Office supplies	4,698	2,349	2,349	9,396
Administrative services (Chamber)	15,246	6,425	3,529	25,200
Rent	14,790	6,233	3,423	24,446
Graphic design	6,250	-	-	6,250
Backoffice processing and systems	41,442	7,313	-	48,755
Donor funds event expenses	-	-	78,562	78,562
Special project expense	-	13,504	-	13,504
Miscellaneous expense	3,681	1,045	199	4,925
Total expenses	<u>\$ 5,009,903</u>	<u>\$ 207,231</u>	<u>\$ 232,669</u>	<u>\$ 5,449,803</u>

See Notes to Financial Statements.

COBB COMMUNITY FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
OPERATING ACTIVITIES		
Change in net assets	\$ 11,319,094	\$ 450,009
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized (gain) on investments	(1,436,924)	(1,305,225)
Noncash rent expense for operating leases	1,456	2,127
Change in unconditional promises to give	83,306	(30,718)
Change in prepaid expenses	(2,447)	-
Change in accounts payable	21,420	(10,819)
	9,985,905	(894,626)
INVESTING ACTIVITIES		
Sales proceeds of investments	15,577,592	6,408,655
Purchases of investments	(23,774,226)	(6,071,963)
	(8,196,634)	336,692
Net increase (decrease) in cash	1,789,271	(557,934)
Cash, at beginning of year	104,038	661,972
Cash, at end of year	\$ 1,893,309	\$ 104,038

See Notes to Financial Statements.

COBB COMMUNITY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of activities:

The Cobb Community Foundation, Inc. (the "Foundation") received its 501(c)(3) designation effective in 2005. The Foundation has a mission of being a catalyst for a thriving community, mobilizing people, ideas, and resources to improve quality of life in and around Cobb County.

The Foundation is overseen by a Board of Directors consisting of local business and community leaders who are intimately familiar with the needs facing the Cobb community and intent on building resources to help address those needs. By mobilizing people, ideas, and resources, the Foundation seeks to fulfill a vision of a thriving community of engaged charitable citizens, where all people can access opportunities and achieve their greatest potential.

The Foundation's investments are overseen by the Investment Committee of the Board and managed by a team of professional advisors. The Foundation's operating activities are primarily funded through the fees charged for administrative services and contributions.

Significant accounting policies:

Basis of presentation:

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Foundation presents its financial statements in accordance with the Financial Accounting Standards Board (FASB)'s *Not-For-Profit* presentation and disclosure guidance. Under this guidance, the Foundation is required to report information regarding its financial position and activities according to two categories of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions consists of net assets that are not subject to donor-imposed stipulations, which are used to account for resources available to carry out the purposes of the Foundation.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting policies: (Continued)

Basis of presentation: (Continued)

Net assets with donor restrictions consist of net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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.

Agency funds:

Agency funds are established by nonprofit organizations with 501(c)(3) status who desire to avail themselves of the Foundation's services and benefits. With agency funds, the Foundation accepts funds from charitable agency donors that are also the sole beneficiaries. The Foundation maintains variance power and legal ownership of agency funds, reporting the funds as an asset with corresponding liability. Subject to its fiduciary responsibilities, the Foundation agrees to transfer back to the donor agency part or all of those assets and investment returns. All adjustments resulting from income, expenses, or distributions to the donor agency will be recorded in the agency funds liability account with no impact on the statements of activities of the Foundation.

Contributions:

Contributions received, including unconditional promises to give, are recognized as revenue in the period received at their estimated fair value. Conditional promises to give are recognized when the conditions are substantially met. The allowance for doubtful pledges is based on specifically identified amounts that the Foundation believes to be uncollectible, plus certain percentages of aged, pledged receivables, which are determined based on historical experience and management's assessment of the general financial conditions affecting the Foundation's donor base. If actual collections experience changes, revisions to the allowance may be required. The Foundation believes that all pledges are currently collectible as of both December 31, 2024 and 2023.

Contributed services:

Contributed services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Many individuals volunteer their time and perform a variety of tasks that assist in the Foundation's activities. No reportable services were recognized in 2024 or 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting policies: (Continued)

Cash:

Cash is invested with reputable financial institutions, and at times the balance may exceed federally insured amounts.

At December 31, 2024 and 2023, cash balances consisted of the following:

	<u>2024</u>	<u>2023</u>
Cash held in donor funds and agency	\$ 1,683,653	\$ (28,897)
Cash held for operations	<u>209,656</u>	<u>132,935</u>
Total cash	<u>\$ 1,893,309</u>	<u>\$ 104,038</u>

Investments:

Investments consist primarily of money market accounts, mutual funds, fixed-income securities, equity securities, and exchange traded funds and are carried at fair value.

Donated investments are recorded at fair value on the date received. Realized and unrealized gains and losses on the portfolio are recognized as income or loss.

Investment securities are exposed to various risks, such as interest rate risk, market risk, and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in conditions in the near term would materially affect the amounts reported in the accompanying financial statements.

Investment transaction and related income:

Purchases and sales of financial instruments and their related income and expenses are recorded on a trade-date basis. Realized gains and losses on the sales of investments are determined on the basis of specific identification method. Dividend income is recognized on the ex-dividend date and interest income is recognized on the accrual basis.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting policies: (Continued)

Donor funds:

Funds received from individuals or organizations are reported as contributions without donor restrictions, unless a restriction is explicitly imposed by the donor and accepted by the Foundation. In any event, the Foundation has the ability to remove any donor restriction and maintains this variance power and legal ownership. This variance power does not alter the Foundation's policy to distribute donated assets within the intention of the donor. The Foundation maintains these donated assets in component funds aligned with donor intentions. All income, expenses, and distributions from donor funds are included within the statements of activities and statements of cash flows of the Foundation.

Consistent with the National Standards for U.S. Community Foundations, the Foundation classifies its donor funds as follows:

Donor-advised fund: A charitable fund designed to allow the donor or the donor's designee to recommend grants from the fund to eligible charitable recipients.

Committee-advised scholarship fund: A charitable fund established for the purpose of providing education and/or training to individuals who meet defined set of qualifying criteria and who are selected by the Foundation's board or designated committee.

Designated fund: A charitable fund designed to benefit one or more 501(c)(3) organizations that are designated as the sole beneficiaries at the time of the fund's establishment.

Field of interest fund: A charitable fund overseen by the Foundation's board or designated committee established to support a specific cause, fulfill a specific charitable purpose, or benefit a particular geography as identified at the time of the fund's creation.

Unrestricted fund: A fund overseen by the Foundation's board or designated committee that is comprised of contributions that are not specifically designated to any particular use by the donor or for which any restrictions generally have expired or been removed. The Foundation uses Unrestricted funds for the purpose of community grantmaking and other charitable purposes.

All assets of donor funds are legally owned by the Foundation and reflected as assets on the books of the Foundation.

Use of estimates:

The Foundation prepares its financial statements in accordance with generally accepted accounting principles which require management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements, as well as the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting policies: (Continued)

Fair value of financial instruments:

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash - The carrying amount approximates fair value because of the short-term maturity of these instruments.

Investments - Investments are carried at fair value based on quoted market prices for those or similar investments, third-party pricing service for identical or similar investments, or from other valuation methodologies including option-pricing models, discounted cash flows, and similar techniques.

The Foundation follows FASB's fair value measurements and disclosure guidance, which provides a framework for measuring fair value under generally accepted accounting principles. This guidance applies to all financial instruments that are being measured and reported on a fair value basis.

As defined in the FASB-issued guidance, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Foundation uses various methods including market, income, and cost approaches.

Based on these approaches, the Foundation often utilizes certain assumptions that market participants would use in pricing the assets or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Foundation is required to provide the following information according to the fair value hierarchy.

The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Valuations for assets and liabilities traded in active markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting policies: (Continued)

Fair value of financial instruments: (Continued)

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option-pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker-traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets and liabilities.

If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of these instruments.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. For the years ended December 31, 2024 and 2023, the application of valuation techniques applied to similar assets and liabilities has been consistent.

Income tax status:

The Foundation qualifies as a tax-exempt organization as described in Internal Revenue Code Section 501(c)(3) and has been classified by the Internal Revenue Service as a publicly supported organization and not as a private foundation. However, income from certain activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income.

The Foundation follows the statutory requirements for its income tax accounting and generally avoids risks associated with potentially problematic tax positions that may be challenged upon examination. For the years ended December 31, 2024 and 2023, management believes any liability resulting from taxing authorities imposing additional income taxes from activities deemed to be unrelated to the Foundation's tax-exempt status would not have a material effect on the Foundation's financial statements.

The Foundation files Form 990 in the U.S. federal jurisdiction and the state of Georgia.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting policies: (Continued)

Functional allocation of expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis on the statements of activities and statements of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Furthermore, all other costs have been allocated among the programs and supporting services benefited as required by FASB's *Not-for-Profit* presentation and disclosure guidance. The expenses that are allocated include office space, office supplies, printing and copying, technology, postage, and salaries and benefits and are allocated based on estimated usage or estimated time and effort incurred by personnel.

NOTE 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following at December 31, 2024 and 2023:

	2024	2023
Cash	\$ 1,893,309	\$ 104,038
Investments	32,112,296	24,361,744
Unconditional promises to give	69,329	152,635
Total financial assets	34,074,934	24,618,417
Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions:		
Cash and investments held for agency funds	(9,029,785)	(10,912,791)
Cash and investments held for donor-advised funds	(21,828,733)	(11,420,768)
Cash and investments held for designated funds	(2,155,934)	(1,216,586)
Cash and investments held for unrestricted funds	(140,376)	(112,756)
Cash and investments held for committee-advised scholarship funds	(417,562)	(469,759)
Cash and investments held for field of interest funds	(127,767)	(180,599)
Cash and investments held for employee assistance funds	(66,327)	(60,714)
Financial assets available to meet cash needs for general expenditures within one year	\$ 308,450	\$ 244,444

The Foundation must maintain sufficient resources to meet donor responsibilities. Certain financial assets may not be available for general expenditures within one year. As part of the Foundation's liquidity management, it follows a practice to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Foundation may also draw upon its \$150,000 line of credit as further described in Note 9.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. AGENCY FUNDS AND DONOR FUNDS HELD

The following table summarizes activity in agency and donor funds held during 2024:

	Agency Funds	Donor Funds	Total
Beginning of the year	\$ 10,912,791	\$ 13,460,256	\$ 24,373,047
Contributions	973,257	16,596,911	17,570,168
Dividends and interest	373,222	509,074	882,296
Net realized and unrealized gains	341,300	1,436,717	1,778,017
Investment expenses	(23,187)	(79,499)	(102,686)
Other expense	(87,542)	(460,237)	(547,779)
Distributions	(3,460,056)	(6,737,083)	(10,197,139)
End of the year	9,029,785	24,726,139	33,755,924
Less: outstanding unconditional promises to give	-	(39,000)	(39,000)
End of the year, net	<u>\$ 9,029,785</u>	<u>\$ 24,687,139</u>	<u>\$ 33,716,924</u>

The following table summarizes activity in agency and donor funds held during 2023:

	Agency Funds	Donor Funds	Total
Beginning of the year	\$ 9,353,548	\$ 13,008,050	\$ 22,361,598
Contributions	1,384,661	3,698,410	5,083,071
Dividends and interest	317,896	385,614	703,510
Net realized and unrealized gains	662,543	1,305,225	1,967,768
Investment expenses	(26,419)	(57,388)	(83,807)
Other expense	(110,393)	(325,299)	(435,692)
Distributions	(669,045)	(4,554,356)	(5,223,401)
End of the year	10,912,791	13,460,256	24,373,047
Less: outstanding unconditional promises to give	-	(102,344)	(102,344)
End of the year, net	<u>\$ 10,912,791</u>	<u>\$ 13,357,912</u>	<u>\$ 24,270,703</u>

NOTE 4. UNCONDITIONAL PROMISES TO GIVE

At December 31, 2024, unconditional promises to give consisted of the following:

	<u>2024</u>
Amount due in:	
2025	<u>\$ 69,329</u>
	<u>\$ 69,329</u>

The adjustment to present value of future cash flows was deemed immaterial due to a short-term collection period. Management feels these unconditional promises to give are fully collectible as of December 31, 2024 and 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. FAIR VALUE MEASUREMENTS

The following table sets forth by level, within the fair value hierarchy, the Foundation's investments at fair value as of December 31, 2024:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 525,437	\$ -	\$ -	\$ 525,437
Equity securities	4,497,815	-	1,060,000	5,557,815
Mutual funds				
Equity	8,246,374	-	-	8,246,374
Bonds	4,995,725	-	-	4,995,725
Exchange traded funds				
Equity	10,513,745	-	-	10,513,745
Fixed income	2,273,200	-	-	2,273,200
Total assets at fair value	\$ 31,052,296	\$ -	\$ 1,060,000	\$ 32,112,296

The following table sets forth by level, within the fair value hierarchy, the Foundation's investments at fair value as of December 31, 2023:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 4,188,897	\$ -	\$ -	\$ 4,188,897
Equity securities	133,187	-	-	133,187
Mutual funds				
Equity	2,124,429	-	-	2,124,429
Fixed income	6,670,598	-	-	6,670,598
Exchange traded funds				
Equity	10,238,831	-	-	10,238,831
Fixed income	1,005,802	-	-	1,005,802
Total assets at fair value	\$ 24,361,744	\$ -	\$ -	\$ 24,361,744

NOTES TO FINANCIAL STATEMENTS

NOTE 6. RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions consist of the following as of December 31, 2024 and 2023:

	2024	2023
Subject to expenditure for specified purpose:		
MUST Ministries Fund	\$ 92,748	\$ 75,390
Marietta Kiwanis Foundation Art Fund	419,200	395,249
Cobb Community Impact Endowment Fund	3,141	2,302
Total subject to expenditure for specified purpose:	515,089	472,941
Subject to the passage of time:		
Promises to give that are not restricted by donors	50,250	91,749
Total subject to passage of time:	565,339	564,690
Perpetual in nature:		
MUST Ministries Fund	100,000	100,000
Marietta Kiwanis Foundation Art Fund	100,000	100,000
Cobb Community Impact Endowment Fund	9,000	9,000
Total perpetual in nature:	209,000	209,000
Total net assets with donor restrictions:	\$ 774,339	\$ 773,690

Net assets with donor restrictions as of December 31, 2024 and 2023 consisted of the following:

	2024	2023
Investments	\$ 724,089	\$ 681,941
Unconditional promises to give	50,250	91,749
	\$ 774,339	\$ 773,690

NOTE 7. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during the years ended December 31, 2024 and 2023 by incurring expenses satisfying the restricted purposes specified by donors as follows:

	2024	2023
Administrative fees and investment management expense	\$ 12,619	\$ 11,607
Grant distributions for specified purposes	25,000	35,000
Passage of time	268,999	80,834
	\$ 306,618	\$ 127,441

NOTES TO FINANCIAL STATEMENTS

NOTE 8. ENDOWMENT

Interpretation of Relevant Law

In approving endowment, spending, and related policies, as part of the prudent and diligent discharge of its duties, the Board of Directors of the Foundation, as authorized by the UPMIFA as enacted by the state of Georgia, has relied upon the actions, reports, information, advice, and counsel taken or provided by its duly constituted committees and the duly appointed officers of the Foundation and in doing so has determined that, absent explicit donor directions or an exercise of the Foundation's variance power to the contrary, the Foundation will seek to preserve the historic dollar value of donor-restricted endowment funds.

As a result of this interpretation, for accounting and financial statement purposes, the Foundation classifies as net assets with donor restrictions the historic dollar value of assets held as donor-restricted endowment, including any subsequent gifts and any accumulations to donor-restricted endowments made in accordance with the direction of the applicable gift instruments.

The portion of the donor-restricted endowment fund that is not classified as net assets with donor restriction held in perpetuity is classified for accounting and financial statement purposes in accordance with requirements of the Financial Accounting Standards Board and the law.

Endowments

Endowments as of December 31, 2024 and 2023 relate to contributions received which are specifically restricted for use as the corpus on an endowment fund to benefit Cobb Community Impact, MUST Ministries, Inc., and Marietta Kiwanis Foundation Art Fund and are held in investments on the statements of financial position.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending practices for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the historic dollar value of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization shall hold in perpetuity, barring the Foundation's exercise of its variance power or its approval of a donor's request for release of restriction, consistent with the Foundation's policy and practice. Under this practice, as approved by the Investment Committee of the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of benchmark indexes of similar assets classes while assuming a moderate level of investment risk.

Strategies Employed for Achieving Objectives

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 to achieve its long-term return objectives within prudent risk constraints.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. ENDOWMENT (Continued)

Endowment Investing Policy

The Foundation offers four investment options with general guideline portfolio mix allocations: cash fund, conservative growth fund, moderate growth fund, and aggressive growth fund. The overall investment objective of the Foundation is to utilize prudent investment management to achieve the return on the investments with the associated risk and volatility as provided in these investment options. The investment policy requires diversification and investment performance reviews against benchmark index objectives.

Spending Policy and How the Investment Objectives Related to Spending Policy

Each year, the Foundation's Investment Committee will recommend to the Board of Directors a spending rate to be applied to endowment funds. The spending rate is a percentage applied to the average net balance of each endowment for the immediately preceding 12 quarters. Distributions from endowment funds can be made on an annual or quarterly basis.

The Endowment Net Asset Composition by type of Fund as of December 31, 2024 and 2023 is as follows:

	<u>(Without Donor Restrictions)</u>	<u>(With Donor Restrictions)</u>	<u>Total</u>
December 31, 2024			
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 209,000	\$ 209,000
Accumulated investment gains	-	515,088	515,088
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 724,088</u>	<u>\$ 724,088</u>
December 31, 2023			
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 209,000	\$ 209,000
Accumulated investment gains	-	472,941	472,941
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 681,941</u>	<u>\$ 681,941</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. ENDOWMENT (Continued)

The Changes in Endowment Net Assets for the year ended December 31, 2024 are:

	<i>(Without Donor Restrictions)</i>	<i>(With Donor Restrictions)</i>	Total
Endowment net assets, Beginning of year	\$ -	\$ 681,941	\$ 681,941
Investment return:			
Net investment income	-	17,452	17,452
Net realized and unrealized losses	-	62,315	62,315
Total investment returns	-	79,767	79,767
Appropriation of endowment assets for expenditure	-	(37,620)	(37,620)
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 724,088</u>	<u>\$ 724,088</u>

The Changes in Endowment Net Assets for the year ended December 31, 2023 are:

	<i>(Without Donor Restrictions)</i>	<i>(With Donor Restrictions)</i>	Total
Endowment net assets, Beginning of year	\$ -	\$ 624,457	\$ 624,457
Investment return:			
Net investment income	-	13,413	13,413
Net realized and unrealized gains	-	77,493	77,493
Total investment returns	-	90,906	90,906
Appropriation of endowment assets for expenditure	-	(33,422)	(33,422)
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 681,941</u>	<u>\$ 681,941</u>

NOTE 9. LINE OF CREDIT

In January 2023, the Foundation entered into an unsecured line of credit with a borrowing capacity of \$150,000. The interest rate is variable and based on the lender's prime rate and matures in January 2025. There was no balance as of December 31, 2024 and 2023. In January 2025, the line of credit was renewed and matures in January 2026.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OPERATING LEASE

The Foundation elected to adopt FASB ASC 842, *Leases*, using the package of practical expedients available under the transition guidance with the new standard. This package includes the following: relief from determination of lease contracts included in existing or expiring leases at the point of adoption, relief from having to reevaluate the classification of leases in effect at the point of adoption, and relief from reevaluation of existing leases that have initial direct costs associated with the execution of the lease contract. The Foundation also elected to adopt the practical expedient to use hindsight to determine the lease term and assess the impairment of the right-of-use assets. The Foundation has elected to apply the short-term lease exception practical expedient to all leases with a term of one year or less.

In January 2020, the Foundation entered into an agreement with the Cobb Chamber for administrative services and office space through 2031. Under the terms of the agreement, the Foundation will pay, in monthly installments, an annual administrative fee of \$18,000 and an additional annual payment of \$22,443 for the facility rent. The Foundation received free rent for the first six months and half rent for the following year through May 2021. Starting in 2022, the facility rent will increase 2.75% each year. For the years ended December 31, 2024 and 2023, rent expense was \$26,476 and \$24,446, respectively, and administrative services expense was \$24,420 and \$25,200, respectively. The Foundation has elected to use the implied rate as the discount rate for all leases.

The following summarizes the weighted-average remaining lease term and discount rate for operating leases as of December 31, 2024 and 2023:

	2024	2023
Weighted-average remaining lease term	6 years	7.01 years
Weighted-average discount rate	1.55%	1.55%

The following is a schedule by years of minimum future rentals on the operating lease and the amortization of the net present value (NPV) of the lease liability as of:

Year Ending December 31:	Minimum annual lease payments	Amortization of NPV of lease liability
2025	\$ 25,704	\$ 23,459
2026	26,412	24,540
2027	27,132	25,649
2028	27,888	26,811
2029	28,644	27,992
Thereafter	29,436	29,229
	\$ 165,216	\$ 157,680

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OPERATING LEASE (Continued)

The carrying value of the related operating right-of-use assets as of December 31, 2024 and 2023 was:

	<u>2024</u>	<u>2023</u>
Accumulated basis	\$ 221,942	\$ 221,942
Less – accumulated amortization	(70,622)	(46,747)
	<u>\$ 151,320</u>	<u>\$ 175,195</u>

NOTE 11. RETIREMENT PLAN

On October 1, 2024, the Foundation adopted an individual retirement plan for eligible employees through Ameritas. The 401(k) assets are custodied at Charles Schwab. Total retirement expense in connection with this plan totaled \$310 and \$- for the years ended December 31, 2024 and 2023, respectively. All employees as of October 1, 2024, were immediately eligible and employees hired after that date are eligible after one year of employment. The Foundation contributes 3% to each eligible employee's 401(k) regardless of the employee's participation.

NOTE 12. SUBSEQUENT EVENTS

Management has evaluated events through May 8, 2025, the date on which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

COBB COMMUNITY FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION BY FUNDS AND OPERATIONS
DECEMBER 31, 2024

	Agency Funds	Donor Funds	Operations	Total
ASSETS				
Cash	\$ 1,889	\$ 1,681,764	\$ 209,656	\$ 1,893,309
Investments	9,037,956	23,005,875	68,465	32,112,296
Unconditional promises to give	-	39,000	30,329	69,329
Prepaid expenses	-	-	2,447	2,447
Right-of-use asset	-	-	151,320	151,320
Total assets	<u>\$ 9,039,845</u>	<u>\$ 24,726,639</u>	<u>\$ 462,217</u>	<u>\$ 34,228,701</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable	\$ 10,060	\$ 500	\$ 18,733	\$ 29,293
Operating lease obligations	-	-	157,680	157,680
Agency funds	<u>9,029,785</u>	<u>-</u>	<u>-</u>	<u>9,029,785</u>
Total liabilities	<u>9,039,845</u>	<u>500</u>	<u>176,413</u>	<u>9,216,758</u>
Net assets				
Without donor restrictions				
Operating funds	-	-	263,054	263,054
Donor-advised funds	-	21,298,973	-	21,298,973
Designated funds	-	1,963,186	-	1,963,186
Unrestricted funds	-	100,735	-	100,735
Committee-advised scholarship funds	-	417,562	-	417,562
Field of interest funds	-	127,767	-	127,767
Employee assistance funds	-	66,327	-	66,327
Total without donor restrictions	<u>-</u>	<u>23,974,550</u>	<u>263,054</u>	<u>24,237,604</u>
With donor restrictions				
Operating funds	-	-	22,750	22,750
Donor-advised funds	-	519,200	-	519,200
Designated funds	-	192,748	-	192,748
Unrestricted funds restricted for the passage of time	-	39,641	-	39,641
Total with donor restrictions	<u>-</u>	<u>751,589</u>	<u>22,750</u>	<u>774,339</u>
Total net assets	<u>-</u>	<u>24,726,139</u>	<u>285,804</u>	<u>25,011,943</u>
Total liabilities and net assets	<u>\$ 9,039,845</u>	<u>\$ 24,726,639</u>	<u>\$ 462,217</u>	<u>\$ 34,228,701</u>

COBB COMMUNITY FOUNDATION, INC.
RECONCILIATION OF NET ASSETS BY FUND TYPE
DECEMBER 31, 2024

Fund Type	Per Statement of Financial Position			Reconciliation to Note 2 Totals by Fund		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total Net Assets	Accounts Payable by Fund Type	Operating Lease Obligation by Fund Type	Total Assets by Fund Type
OPERATING FUNDS	\$ 263,054	\$ 22,750	\$ 285,804	\$ 18,733	\$ 157,680	\$ 462,217
DONOR FUNDS						
Donor-advised funds	21,298,973	519,200	21,818,173	500	-	21,818,673
Designated funds	1,963,186	192,748	2,155,934	-	-	2,155,934
Unrestricted funds	100,735	39,641	140,376	-	-	140,376
Committee-advised scholarship funds	417,562	-	417,562	-	-	417,562
Field of interest funds	127,767	-	127,767	-	-	127,767
Employee assistance funds	66,327	-	66,327	-	-	66,327
	<u>23,974,550</u>	<u>751,589</u>	<u>24,726,139</u>	<u>500</u>	<u>-</u>	<u>24,726,639</u>
Total Operating and Donor Funds	<u>\$ 24,237,604</u>	<u>\$ 774,339</u>	<u>\$ 25,011,943</u>	<u>\$ 19,233</u>	<u>\$ 157,680</u>	<u>\$ 25,188,856</u>
AGENCY FUNDS						
Agency fund liability						9,029,785
Accounts payable for agency funds						10,060
Total Assets						<u>\$ 34,228,701</u>

COBB COMMUNITY FOUNDATION, INC.
STATEMENT OF ACTIVITIES BY FUNDS AND OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Funds	Operations	Intercompany Transactions	Total
REVENUES AND OTHER SUPPORT				
Contributions and special events	\$ 16,596,911	\$ 519,111	\$ (595,793) B,C	\$ 16,520,229
Net realized and unrealized gains on investments	1,436,717	207	-	1,436,924
Investment income, net	429,575	2,720	-	432,295
Other income	-	3,096	-	3,096
Fee income	504	415,422	(305,898) A	110,028
Total revenues and other support	18,463,707	940,556	(901,691)	18,502,572
EXPENSES				
Salaries	-	410,334	-	410,334
Payroll taxes	-	34,655	-	34,655
Benefits	-	64,279	-	64,279
Grants	6,796,191	3,637	(592,655) C	6,207,173
Contractor expense	1,700	47,156	-	48,856
Training and development	4,032	7,456	-	11,488
Fund administrative fees	305,872	26	(305,898) A	-
Tax and audit	(574)	16,500	-	15,926
Dues and publications	-	4,884	-	4,884
Board meetings	-	5,635	-	5,635
Network meetings	-	2,132	-	2,132
Donor development	181	31,180	-	31,361
Credit card and e-check processing	11,583	5,852	(3,138) B	14,297
Marketing and promotion	25,823	120,436	-	146,259
Office supplies	84	7,344	-	7,428
Administrative services (Chamber)	-	24,420	-	24,420
Rent	-	26,476	-	26,476
Backoffice processing and systems	-	66,773	-	66,773
Donor funds event expense	52,870	-	-	52,870
Miscellaneous expense	62	8,170	-	8,232
Total expenses	7,197,824	887,345	(901,691)	7,183,478
CHANGE IN NET ASSETS	11,265,883	53,211	-	11,319,094
NET ASSETS, BEGINNING	13,460,256	232,593	-	13,692,849
NET ASSETS, ENDING	\$ 24,726,139	\$ 285,804	\$ -	\$ 25,011,943

A - Intercompany fund administrative fees between donor funds and operating funds

B - Intercompany credit card fees between donor funds and operating funds

C - Internal grants between funds