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COBB COMMUNITY FOUNDATION, INC.

FINANCIAL REPORT
DECEMBER 31, 2025



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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, 2025 and 2024, 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, 2025 and 2024, 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 23-25 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
September 3, 2026

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Cash	\$ 494,058	\$ 1,893,309
Investments	38,004,832	32,112,296
Unconditional promises to give	66,578	69,329
Prepaid expenses	18,694	2,447
Operating lease right-of-use asset	127,088	151,320
Total assets	<u>\$ 38,711,250</u>	<u>\$ 34,228,701</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 9,002	\$ 29,293
Operating lease obligations	134,220	157,680
Agency funds	10,003,372	9,029,785
Total liabilities	<u>10,146,594</u>	<u>9,216,758</u>
Net assets		
Without donor restrictions		
Operating funds	396,177	263,054
Donor-advised funds	24,630,759	21,298,973
Designated funds	1,924,464	1,963,186
Unrestricted funds	71,087	100,735
Committee-advised scholarship funds	345,920	417,562
Field of interest funds	345,940	127,767
Employee assistance funds	35,176	66,327
Total without donor restrictions	<u>27,749,523</u>	<u>24,237,604</u>
With donor restrictions		
Operating funds	23,500	22,750
Donor-advised funds	553,393	519,200
Designated funds	215,916	192,748
Unrestricted funds restricted for the passage of time	22,324	39,641
Total with donor restrictions	<u>815,133</u>	<u>774,339</u>
Total net assets	<u>28,564,656</u>	<u>25,011,943</u>
Total liabilities and net assets	<u>\$ 38,711,250</u>	<u>\$ 34,228,701</u>

See Notes to Financial Statements.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions and special events	\$ 8,000,816	\$ 280,000	\$ 8,280,816
Net realized and unrealized gains on investments	2,288,809	-	2,288,809
Net investment income	557,194	98,839	656,033
Fee income	105,507	-	105,507
Other income	13,837	-	13,837
Net assets released from restrictions:			
Satisfaction of program restrictions	338,045	(338,045)	-
Total revenues and other support	11,304,208	40,794	11,345,002
EXPENSES			
Program services	7,318,255	-	7,318,255
Supporting services			
Management and general	246,797	-	246,797
Fundraising	227,237	-	227,237
Total expenses	7,792,289	-	7,792,289
CHANGE IN NET ASSETS	3,511,919	40,794	3,552,713
NET ASSETS, BEGINNING	24,237,604	774,339	25,011,943
NET ASSETS, ENDING	\$ 27,749,523	\$ 815,133	\$ 28,564,656

See Notes to Financial Statements.

**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	18,501,923	649	18,502,572
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	7,183,478	-	7,183,478
CHANGE IN NET ASSETS	11,318,445	649	11,319,094
NET ASSETS, BEGINNING	12,919,159	773,690	13,692,849
NET ASSETS, ENDING	<u>\$ 24,237,604</u>	<u>\$ 774,339</u>	<u>\$ 25,011,943</u>

See Notes to Financial Statements.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 289,392	\$ 70,903	\$ 42,763	\$ 403,058
Payroll taxes	25,127	6,156	3,713	34,996
Benefits	64,155	15,718	9,480	89,353
Grants	6,474,686	-	-	6,474,686
Scholarship expense	276,247	-	-	276,247
Contractor expense	3,220	71,716	-	74,936
Training and development	-	9,735	-	9,735
Legal	20,398	-	-	20,398
Tax and audit	-	16,500	-	16,500
Board meetings	-	7,120	-	7,120
Network meetings	1,292	1,484	742	3,518
Donor development	18,526	-	15,964	34,490
Bank or custodian fees	3,888	432	-	4,320
Credit card and e-check processing	20,637	-	-	20,637
Marketing and promotion	39,764	9,791	78,329	127,884
Office supplies	8,684	1,810	1,810	12,304
Administrative services (Chamber)	19,127	4,686	2,826	26,639
Rent	19,010	4,657	2,809	26,476
Backoffice processing and systems	13,179	2,326	-	15,505
Donor funds event expenses	-	15,316	62,331	77,647
Miscellaneous expense	5,673	8,447	6,470	20,590
Bad debt expense	15,250	-	-	15,250
Total expenses	<u>\$ 7,318,255</u>	<u>\$ 246,797</u>	<u>\$ 227,237</u>	<u>\$ 7,792,289</u>

See Notes to Financial Statements.

**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	\$ 6,707,035	\$ 196,416	\$ 280,027	\$ 7,183,478

See Notes to Financial Statements.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 3,552,713	\$ 11,319,094
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized (gain) on investments	(2,288,809)	(1,436,924)
Noncash rent expense for operating leases	772	1,456
Change in unconditional promises to give	2,751	83,306
Change in prepaid expenses	(16,247)	(2,447)
Change in accounts payable	(20,291)	21,420
	<u>1,230,889</u>	<u>9,985,905</u>
Net cash provided by operating activities		
INVESTING ACTIVITIES		
Sales proceeds of investments	25,126,916	15,577,592
Purchases of investments	(27,757,056)	(23,774,226)
	<u>(2,630,140)</u>	<u>(8,196,634)</u>
Net cash (used in) investing activities		
Net (decrease) increase in cash	(1,399,251)	1,789,271
Cash, at beginning of year	<u>1,893,309</u>	<u>104,038</u>
Cash, at end of year	<u>\$ 494,058</u>	<u>\$ 1,893,309</u>

See Notes to Financial Statements.

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's ("FASB") *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.

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.

Notes To Financial Statements

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

Significant Accounting Policies (Continued)

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, 2025 and 2024.

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 2025 or 2024.

Cash

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

At December 31, 2025 and 2024, cash balances consisted of the following:

	<u>2025</u>	<u>2024</u>
Cash held in donor funds and agency	\$ 109,541	\$ 1,683,653
Cash held for operations	384,517	209,656
Total cash	<u>\$ 494,058</u>	<u>\$ 1,893,309</u>

Notes To Financial Statements

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

Significant Accounting Policies (Continued)

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.

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 a 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.

Notes To Financial Statements

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

Significant Accounting Policies (Continued)

Donor Funds (Continued)

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.

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.

Notes To Financial Statements

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

Significant Accounting Policies (Continued)

Fair Value of Financial Instruments (Continued)

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.

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, 2025 and 2024, 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, 2025 and 2024, 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, 2025 and 2024:

	2025	2024
Cash	\$ 494,058	\$ 1,893,309
Investments	38,004,832	32,112,296
Unconditional promises to give	66,578	69,329
Total financial assets	38,565,268	34,074,934
Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions:		
Cash and investments held for agency funds	(10,003,372)	(9,029,785)
Cash and investments held for donor-advised funds	(25,189,154)	(21,828,733)
Cash and investments held for designated funds	(2,140,380)	(2,155,934)
Cash and investments held for unrestricted funds	(93,411)	(140,376)
Cash and investments held for committee-advised scholarship funds	(345,920)	(417,562)
Cash and investments held for field of interest funds	(345,940)	(127,767)
Cash and investments held for employee assistance funds	(35,176)	(66,327)
Financial assets available to meet cash needs for general expenditures within one year	\$ 412,115	\$ 308,450

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 2025:

	Agency Funds	Donor Funds	Total
Cash and investments held, beginning of the year	\$ 9,029,785	\$ 24,687,139	\$ 33,716,924
Contributions	1,499,503	8,547,486	10,046,989
Dividends and interest	374,475	766,546	1,141,021
Net realized and unrealized gains	357,768	2,289,255	2,647,023
Investment expenses	(18,807)	(115,791)	(134,598)
Other expense	(112,160)	(535,094)	(647,254)
Distributions	(1,127,192)	(7,494,562)	(8,621,754)
Total fund balances, end of the year	10,003,372	28,144,979	38,148,351
Add: outstanding accounts payable	-	5,002	5,002
Less: outstanding unconditional promises to give	(17,150)	(25,928)	(43,078)
Cash and investments held, end of the year	<u>\$ 9,986,222</u>	<u>\$ 28,124,053</u>	<u>\$ 38,110,275</u>

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

	Agency Funds	Donor Funds	Total
Cash and investments held, 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)
Total fund balances, end of the year	9,029,785	24,726,139	33,755,924
Less: outstanding unconditional promises to give	-	(39,000)	(39,000)
Cash and investments held, end of the year	<u>\$ 9,029,785</u>	<u>\$ 24,687,139</u>	<u>\$ 33,716,924</u>

NOTE 4. UNCONDITIONAL PROMISES TO GIVE

At December 31, 2025, unconditional promises to give consisted of the following:

	2025
Amount due in:	
2026	\$ 66,578
	<u>\$ 66,578</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, 2025 and 2024.

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, 2025:

	Level 1	Level 2	Level 3	Total
Money market funds	\$ 431,634	\$ -	\$ -	\$ 431,634
Equity securities	5,942,208	-	599,100	6,541,308
Mutual funds				
Equity	7,212,996	-	-	7,212,996
Bonds	2,361,608	-	-	2,361,608
Exchange traded funds				
Equity	12,125,870	-	-	12,125,870
Fixed income	9,331,416	-	-	9,331,416
Total assets at fair value	<u>\$ 37,405,732</u>	<u>\$ -</u>	<u>\$ 599,100</u>	<u>\$ 38,004,832</u>

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
Fixed income	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	<u>\$ 31,052,296</u>	<u>\$ -</u>	<u>\$ 1,060,000</u>	<u>\$ 32,112,296</u>

Notes To Financial Statements

NOTE 6. RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions consist of the following as of December 31, 2025 and 2024:

	2025	2024
Subject to expenditure for specified purpose:		
MUST Ministries Fund	\$ 115,916	\$ 92,748
Marietta Kiwanis Foundation Art Fund	453,393	419,200
Cobb Community Impact Endowment Fund	4,324	3,141
Total subject to expenditure for specified purpose:	573,633	515,089
Subject to the passage of time:		
Promises to give that are not restricted by donors	32,500	50,250
Total subject to passage of time:	606,133	565,339
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:	<u>\$ 815,133</u>	<u>\$ 774,339</u>

Net assets with donor restrictions as of December 31, 2025 and 2024 consisted of the following:

	2025	2024
Investments	\$ 782,633	\$ 724,089
Unconditional promises to give	32,500	50,250
	<u>\$ 815,133</u>	<u>\$ 774,339</u>

NOTE 7. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during the years ended December 31, 2025 and 2024 by incurring expenses satisfying the restricted purposes specified by donors as follows:

	2025	2024
Administrative fees and investment management expense	\$ 13,295	\$ 12,619
Grant distributions for specified purposes	27,000	25,000
Passage of time	297,750	268,999
	<u>\$ 338,045</u>	<u>\$ 306,618</u>

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, 2025 and 2024 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 Relate 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, 2025 and 2024 is as follows:

	<i>(Without Donor Restrictions)</i>	<i>(With Donor Restrictions)</i>	Total
December 31, 2025			
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	-	573,632	573,632
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 782,632</u>	<u>\$ 782,632</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>

Notes To Financial Statements

NOTE 8. ENDOWMENT (CONTINUED)

Spending Policy and How the Investment Objectives Relate to Spending Policy (Continued)

The changes in endowment net assets for the year ended December 31, 2025 are:

	<i>(Without Donor Restrictions)</i>	<i>(With Donor Restrictions)</i>	Total
Endowment net assets, Beginning of year	\$ -	\$ 724,088	\$ 724,088
Investment return:			
Net investment income	-	23,939	23,939
Net realized and unrealized losses	-	74,898	74,898
Total investment returns	-	98,837	98,837
Appropriation of endowment assets for expenditure	-	(40,293)	(40,293)
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 782,632</u>	<u>\$ 782,632</u>

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 gains	-	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>

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 2026. There was no balance as of December 31, 2025 and 2024. 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 both the years ended December 31, 2025 and 2024, rent expense was \$26,476 and administrative services expense was \$26,640 and \$24,420, 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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Weighted-average remaining lease term	5 years	6 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:

<u>Year Ending December 31:</u>	<u>Minimum Annual Lease Payments</u>	<u>Amortization of NPV of Lease Liability</u>
2026	\$ 26,412	\$ 24,540
2027	27,132	25,649
2028	27,888	26,811
2029	28,644	27,992
2030	29,436	29,228
	<u>\$ 139,512</u>	<u>\$ 134,220</u>

Notes To Financial Statements

NOTE 10. OPERATING LEASE (CONTINUED)

The carrying value of the related operating right-of-use assets as of December 31, 2025 and 2024 was:

	<u>2025</u>	<u>2024</u>
Accumulated basis	\$ 151,320	\$ 221,942
Less – accumulated amortization	<u>(24,232)</u>	<u>(70,622)</u>
	<u>\$ 127,088</u>	<u>\$ 151,320</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 \$12,492 and \$310 for the years ended December 31, 2025 and 2024, 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 September 3, 2026, the date on which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

STATEMENT OF FINANCIAL POSITION BY FUNDS AND OPERATIONS
DECEMBER 31, 2025

	Agency Funds	Donor Funds	Operations	Total
ASSETS				
Cash	\$ 56,650	\$ 52,891	\$ 384,517	\$ 494,058
Investments	9,929,572	28,071,162	4,098	38,004,832
Unconditional promises to give	17,150	25,928	23,500	66,578
Prepaid expenses	-	-	18,694	18,694
Right-of-use asset	-	-	127,088	127,088
Total assets	<u>\$ 10,003,372</u>	<u>\$ 28,149,981</u>	<u>\$ 557,897</u>	<u>\$ 38,711,250</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable	\$ -	\$ 5,002	\$ 4,000	\$ 9,002
Operating lease obligations	-	-	134,220	134,220
Agency funds	<u>10,003,372</u>	<u>-</u>	<u>-</u>	<u>10,003,372</u>
Total liabilities	<u>10,003,372</u>	<u>5,002</u>	<u>138,220</u>	<u>10,146,594</u>
Net assets				
Without donor restrictions				
Operating funds	-	-	396,177	396,177
Donor-advised funds	-	24,630,759	-	24,630,759
Designated funds	-	1,924,464	-	1,924,464
Unrestricted funds	-	71,087	-	71,087
Committee-advised scholarship funds	-	345,920	-	345,920
Field of interest funds	-	345,940	-	345,940
Employee assistance funds	-	35,176	-	35,176
Total without donor restrictions	<u>-</u>	<u>27,353,346</u>	<u>396,177</u>	<u>27,749,523</u>
With donor restrictions				
Operating funds	-	-	23,500	23,500
Donor-advised funds	-	553,393	-	553,393
Designated funds	-	215,916	-	215,916
Unrestricted funds restricted for the passage of time	<u>-</u>	<u>22,324</u>	<u>-</u>	<u>22,324</u>
Total with donor restrictions	<u>-</u>	<u>791,633</u>	<u>23,500</u>	<u>815,133</u>
Total net assets	<u>-</u>	<u>28,144,979</u>	<u>419,677</u>	<u>28,564,656</u>
Total liabilities and net assets	<u>\$ 10,003,372</u>	<u>\$ 28,149,981</u>	<u>\$ 557,897</u>	<u>\$ 38,711,250</u>

RECONCILIATION OF NET ASSETS BY FUND TYPE
DECEMBER 31, 2025

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	\$ 396,177	\$ 23,500	\$ 419,677	\$ 4,000	\$ 134,220	\$ 557,897
DONOR FUNDS						
Donor-advised funds	24,630,759	553,393	25,184,152	5,002	-	25,189,154
Designated funds	1,924,464	215,916	2,140,380	-	-	2,140,380
Unrestricted funds	71,087	22,324	93,411	-	-	93,411
Committee-advised scholarship funds	345,920	-	345,920	-	-	345,920
Field of interest funds	345,940	-	345,940	-	-	345,940
Employee assistance funds	35,176	-	35,176	-	-	35,176
	<u>27,353,346</u>	<u>791,633</u>	<u>28,144,979</u>	<u>5,002</u>	<u>-</u>	<u>28,149,981</u>
Total Operating and Donor Funds	<u>\$ 27,749,523</u>	<u>\$ 815,133</u>	<u>\$ 28,564,656</u>	<u>\$ 9,002</u>	<u>\$ 134,220</u>	<u>28,707,878</u>
AGENCY FUNDS						
Agency fund liability						10,003,372
Accounts payable for agency funds						-
Total Assets						<u>\$ 38,711,250</u>

**STATEMENT OF ACTIVITIES BY FUNDS AND OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Funds	Operations	Intercompany Transactions	Total
REVENUES AND OTHER SUPPORT				
Contributions and special events	\$ 8,508,486	\$ 520,517	\$ (748,187) B	\$ 8,280,816
Net realized and unrealized gains				
on investments	2,289,254	(445)	-	2,288,809
Investment income, net	650,755	5,278	-	656,033
Other income	-	13,837	-	13,837
Fee income	-	478,477	(372,970) A	105,507
Total revenues and other support	11,448,495	1,017,664	(1,121,157)	11,345,002
EXPENSES				
Salaries	-	403,058	-	403,058
Payroll taxes	-	34,996	-	34,996
Benefits	-	89,353	-	89,353
Grants	7,217,919	4,954	(748,187) B	6,474,686
Scholarship expense	276,247	-	-	276,247
Contractor expense	3,220	71,716	-	74,936
Training and development	20,398	(10,663)	-	9,735
Fund administrative fees	372,970	-	(372,970) A	-
Legal		20,398		20,398
Tax and audit	-	16,500	-	16,500
Board meetings	-	7,120	-	7,120
Network meetings	550	2,968	-	3,518
Donor development	2,562	31,928	-	34,490
Bank or custodian fees	3	4,317	-	4,320
Credit card and e-check processing	20,166	471	-	20,637
Marketing and promotion	29,973	97,911	-	127,884
Office supplies	5,064	7,240	-	12,304
Administrative services (Chamber)	-	26,639	-	26,639
Rent	-	26,476	-	26,476
Backoffice processing and systems	-	15,505	-	15,505
Donor funds event expense	62,331	15,316	-	77,647
Bad debt expense	15,000	250	-	15,250
Miscellaneous expense	3,252	17,338	-	20,590
Total expenses	8,029,655	883,791	(1,121,157)	7,792,289
CHANGE IN NET ASSETS	3,418,840	133,873	-	3,552,713
NET ASSETS, BEGINNING	24,726,139	285,804	-	25,011,943
NET ASSETS, ENDING	\$ 28,144,979	\$ 419,677	\$ -	\$ 28,564,656

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

B - Internal grants between funds