

Communities of Coastal Georgia Foundation, Inc.

Financial Report

December 31, 2025 and 2024



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Communities of Coastal Georgia Foundation, Inc.

Opinion

We have audited the accompanying financial statements of Communities of Coastal Georgia Foundation, Inc. (a Georgia corporation), which comprise the statement of financial position as of December 31, 2025, and the related statement of activities and changes in net assets and statements of cash flows for the year 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 Communities of Coastal Georgia Foundation, Inc. as of December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of Communities of Coastal Georgia Foundation, Inc. as of December 31, 2024, were audited by MSTiller, LLC, whose practice became part of Armanino LLP as of March 1, 2026, and whose report dated September 26, 2025 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 the Communities of Coastal Georgia 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 judgement 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 the Communities of Coastal Georgia 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 the Communities of Coastal Georgia 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 audits.

Armanino LLP

Brunswick, Georgia
September 15, 2026

Communities of Coastal Georgia Foundation, Inc.

Statements of Financial Position

December 31, 2025 and 2024

Assets

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 4,168,629	\$ 4,750,819
Investments, at fair value	55,494,689	48,769,434
Operating right-of-use assets, net	453,816	496,645
Program-related investment loans, net	575,000	400,000
Beneficial interest in trusts	50,000	50,000
Property and equipment, net	4,468	-
Other assets	<u>6,340</u>	<u>8,887</u>
Total Assets	<u>\$ 60,752,942</u>	<u>\$ 54,475,785</u>

Liabilities and Net Assets

Liabilities		
Accounts payable	\$ 21,940	\$ 7,336
Accrued expenses	-	10,520
Obligations under operating leases	472,310	507,715
Amounts held to benefit agency funds	<u>4,476,585</u>	<u>4,586,505</u>
Total Liabilities	<u>4,970,835</u>	<u>5,112,076</u>
Net Assets		
Without donor restrictions	55,732,107	49,313,709
With donor restrictions	<u>50,000</u>	<u>50,000</u>
Total net assets	<u>55,782,107</u>	<u>49,363,709</u>
Total Liabilities and Net Assets	<u>\$ 60,752,942</u>	<u>\$ 54,475,785</u>

See accompanying notes to the financial statements.

Communities of Coastal Georgia Foundation, Inc.
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	\$ 8,616,062	\$ -	\$ 8,616,062
Investment income	1,447,704	-	1,447,704
Investment expenses	(147,712)	-	(147,712)
Net gains on investments	4,458,679	-	4,458,679
Management fee	35,117	-	35,117
Net assets released from restriction	-	-	-
Total Support and Revenue	14,409,850	-	14,409,850
Grants Awarded	7,089,626	-	7,089,626
Operating Expenses			
Salaries	407,354	-	407,354
General and administrative	494,472	-	494,472
Total Operating Expenses	901,826	-	901,826
Total Grants and Operating Expenses	7,991,452	-	7,991,452
Increase in Net Assets	6,418,398	-	6,418,398
Net Assets, Beginning	49,313,709	50,000	49,363,709
Net Assets, Ending	<u>\$ 55,732,107</u>	<u>\$ 50,000</u>	<u>\$ 55,782,107</u>

See accompanying notes to the financial statements.

Communities of Coastal Georgia Foundation, Inc.
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	\$ 7,331,090	\$ -	\$ 7,331,090
Investment income	1,158,491	-	1,158,491
Investment expenses	(64,814)	-	(64,814)
Net gains on investments	3,752,510	-	3,752,510
Management fee	25,962	-	25,962
Other income	15,706	-	15,706
Net assets released from restriction	<u>5,843</u>	<u>(5,843)</u>	<u>-</u>
Total Support and Revenue	12,224,788	(5,843)	12,218,945
Grants Awarded	7,191,453	-	7,191,453
Operating Expenses			
Salaries	410,479	-	410,479
General and administrative	<u>309,506</u>	<u>-</u>	<u>309,506</u>
Total Operating Expenses	<u>719,985</u>	<u>-</u>	<u>719,985</u>
Total Grants and Operating Expenses	<u>7,911,438</u>	<u>-</u>	<u>7,911,438</u>
Increase (Decrease) in Net Assets	4,313,350	(5,843)	4,307,507
Net Assets, Beginning	<u>45,000,359</u>	<u>55,843</u>	<u>45,056,202</u>
Net Assets, Ending	<u><u>\$ 49,313,709</u></u>	<u><u>\$ 50,000</u></u>	<u><u>\$ 49,363,709</u></u>

See accompanying notes to the financial statements.

Communities of Coastal Georgia Foundation, Inc.

Statements of Cash Flows

For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities		
Increase in net assets	\$ 6,418,398	\$ 4,307,507
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Net gains on investments	(4,458,679)	(3,752,510)
Contributions of securities	(1,542,644)	(1,305,109)
Change in carrying value of ROU assets	42,829	65,553
Changes in operating assets and liabilities:		
Other assets	2,547	8,666
Accounts payable	14,604	(6,776)
Accrued expenses	(10,520)	2,200
Operating lease liabilities	(35,405)	(56,113)
Amounts held to benefit agency funds	(109,920)	1,359,205
<i>Net Cash Provided by Operating Activities</i>	<u>321,210</u>	<u>622,623</u>
Cash Flows From Investing Activities		
Program-related investment loans	(175,000)	(400,000)
Purchase of investments	(26,304,147)	(11,579,234)
Proceeds from sale of investments	25,580,215	12,351,270
Purchases of property and equipment	(4,468)	-
<i>Net Cash Provided by (Required by) Investing Activities</i>	<u>(903,400)</u>	<u>372,036</u>
Net Change in Cash and Cash Equivalents	(582,190)	994,659
Cash and Cash Equivalents, Beginning	<u>4,750,819</u>	<u>3,756,160</u>
Cash and Cash Equivalents, Ending	<u>\$ 4,168,629</u>	<u>\$ 4,750,819</u>
Supplemental Disclosures of Non-Cash Information:		
Investment securities acquired from donor contributions	\$ 1,542,644	\$ 1,305,109

See accompanying notes to the financial statements.

Communities of Coastal Georgia Foundation, Inc.

Notes to Financial Statements

December 31, 2025 and 2024

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

General: Communities of Coastal Georgia Foundation, Inc. (the “Foundation”) is a publicly-supported community foundation based in Glynn County. The Foundation was established in 2005 for the purpose of improving the quality of life in Coastal Georgia by promoting and increasing responsible, effective philanthropy.

The Foundation provides grants to charitable organizations throughout Camden, Glynn, and McIntosh Counties in Southeast Georgia. Through the Foundation’s donor advised funds, grants can be made to any qualified nonprofit organization in the United States of America.

Basis of Presentation: The Foundation follows standards established by the Financial Accounting Standards Board (“FASB”). References to Generally Accepted Accounting Principles (“GAAP”) in these notes are to *FASB Accounting Standards Codification*, sometimes referred to as the “Codification” or “ASC”. To ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, GAAP requires that resources be classified into categories established according to its nature and purpose. The Foundation reports its financial position and activities according to two classes of net assets as follows:

Net Assets without Donor Restrictions – These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, performing administrative functions, and fiscal sponsorships (see Note 9).

Net Assets with Donor Restrictions – These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted (see Note 9).

The Foundation enters into individual agreements with donors to reflect the types of funds to be created and the purposes for which the contributions are intended. Pursuant to the Foundation's articles of incorporation and by-laws, as well as all fund agreements by and between the Foundation and donors, the Board of Directors maintains ultimate authority and control over contributions received and the related income and net change in value realized thereon. As a result of this "variance power", net assets are generally classified as net assets without donor restrictions, unless otherwise encumbered by a stipulation.

Recently Adopted Accounting Pronouncement: On January 1, 2025, the Foundation early adopted Accounting Standards Update (“ASU”) No. 2025-05, Financial Instruments—Credit Losses (*Topic 326*): *Measurement of Credit Losses for Accounts Receivable and Contract Assets*. The amendments provide a practical expedient for estimating expected credit losses on current accounts receivable and current contract assets arising from transactions accounted for under ASC Topic 606, Revenue from Contracts with Customers. Under the practical expedient, the Foundation assumes that current conditions as of the statement of financial position date do not change for the remaining life of the asset. The Foundation also elected the accounting policy election available to entities other than public business entities to consider collection activity after the statement of financial position date when estimating expected credit losses for such receivables. The amendments were applied prospectively. Adoption of ASU 2025-05 did not have a material effect on the Foundation’s financial statements.

Communities of Coastal Georgia Foundation, Inc.

Notes to Financial Statements

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Leases: The Foundation assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. ASC Topic 842 requires disclosures about the amount, timing, and uncertainty of cash flows arising from leases. Leases will be classified as finance or operating, with classification affecting both the pattern and classification of expense recognition in the statements of activities and changes in net assets. Leases with an initial term of 12 months or less are not recorded on the statements of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease term. The Foundation also elected the practical expedient with ASC Topic 842 to not separate lease and non-lease components for operating leases. The Foundation determined that its lease is an operating lease as of December 31, 2025 and 2024.

Contributions: Contributions, including unconditional promises, are reported at fair value at the date the contribution is made. Conditional promises are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of charitable assets other than cash, which are primarily donated investment securities, are recorded at their estimated fair value at the date of donation.

Contributions with donor-imposed restrictions are reported as contributions with donor restrictions. When a donor-imposed restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Restricted contributions whose restrictions are met in the same year are reported as contributions without donor restrictions.

Cash and Cash Equivalents: The Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents include checking accounts, savings accounts, money market accounts and certificates of deposit, except for those managed as part of investment management strategies.

The Foundation maintains cash accounts with major national association banks. At times throughout the year the Foundation's deposits with such banks may exceed limits of the Federal Deposit Insurance Corporation. Management continually monitors the soundness of these financial institutions and believes the exposure of loss to be minimal.

Receivables: Receivables are stated at the present value of their estimated future cash flows. The discounts on these amounts are computed using an appropriate interest rate applicable to the year in which those promises are received. Amortization of the discounts is included in "contributions" in the accompanying statements of activities and changes in net assets. Receivables are expected to be collected within one year

Program-Related Investment Loans: The Foundation issues program-related investment loans ("PRI loans") to other nonprofit organizations for charitable purposes. The PRI loans are unsecured and bear below market interest rates. PRI loans are measured at fair value at inception to determine if a contribution element exists. PRI loans are recorded on a net basis to reflect a discount on the loan receivable (if a contribution element exists) or a reasonable loss reserve. As of December 31, 2025 and 2024, no discount was recorded on PRI loans as management determined each to be either insignificant or not applicable.

Allowance for Credit Losses: PRI loans are evaluated for expected credit losses under ASC Topic 326. The Foundation has applied the practical expedients and accounting policy elections discussed above in estimating credit losses. Accordingly, management considers loan recipient creditworthiness, past transaction history,

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current economic and industry conditions, changes in current payment terms, and collection activity after year-end when determining collectability. If the financial condition of a loan recipient were to deteriorate, adversely affecting its ability to make payments, additional allowances could be required. Management has considered collection activity through the date the financial statements were available to be issued when estimating expected credit losses. Management evaluated the collectability of PRI loan receivables and determined that no allowance was necessary at December 31, 2025 and 2024.

Investments: Investments in common stocks, mutual funds, and exchange traded funds are carried at fair value based on unadjusted quoted market prices. Fixed income corporate and government bonds are valued based upon yields or prices of securities of comparable quality, coupon, maturity and type as well as indications as to values from brokers and dealers. For all other investments, the Foundation uses the practical expedient method for measuring fair value. Practical expedient permits an entity holding investments in certain entities that calculate net asset value (or equivalent) for which the fair value is not readily determined to measure the fair value of such investments on the basis of the most recent net asset value per share (or equivalent) provided without adjustment. Investment partnerships, for which there is no ready market, are stated at fair value using the most recent net asset value per share (or equivalent) estimated by the partnerships' general partner which generally represents the Foundation's proportionate share of the fair market value of the underlying securities. The alternative asset, private equity, and real estate partnerships, for which there is no ready market, are stated at fair value using the most recent net asset value per share (or equivalent) estimated by the partnerships' general partner. Because investment partnerships are not readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investment existed. Such differences could be material.

These alternative investments, private equity, and real estate investments may have exposure to transactions with counterparts including futures, swaps, options, and other derivatives. These investments may be subject to various risks of loss if the counterparty becomes insolvent or is otherwise unable to meet its obligations.

Investment transactions are recorded on a settlement-date basis. Realized gains and losses on sales of investments are determined on the specific identification basis. Investment income and gains and losses on investments are recorded as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

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 the value of investment securities, it is reasonably possible that risks in the near term could materially affect the amounts reported in the accompanying financial statements.

The Foundation maintains several custody accounts with major custodian institutions. Although the Foundation monitors and believes that all are appropriate custodians, there is no guarantee that the custodians, or any other custodian that the Foundation may use from time to time, will not become insolvent.

Beneficial Interest in Trusts: The Foundation records charitable remainder and lead trusts that are expected to be collected in future years at the present value of estimated future cash flows. The discounts on estimated future cash flow amounts are computed using an appropriate interest rate applicable to the year in which the promise is received and actuarially determined life expectancies (if applicable). Amortization of the discounts is included in the "change in value of split-interest agreements" in the accompanying statements of activities and change in net assets. Any change in the value of the assets in the trusts are included in contributions with donor restrictions when the Foundation is aware of the value change. Discounts of beneficial interest in trusts

Communities of Coastal Georgia Foundation, Inc.

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were insignificant at December 31, 2025 and 2024.

Property and Equipment: Property and equipment are stated at cost. Acquisitions in excess of \$2,500 are capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives of the individual assets. Long-lived assets are reviewed for possible impairments whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. No impairment charges were recognized on long-lived assets for the years ended December 31, 2025 and 2024. Depreciation expense was \$0 for the years ended December 31, 2025 and 2024.

Deferred Revenue: Deferred revenue arises from grants and conditional gifts received for specific purposes for which related expenditures have not been made.

Income Taxes: The Foundation is recognized as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the “Code”) and is classified as a public charity defined under the Code.

GAAP provides guidance for how uncertain tax positions should be recognized, measured, presented, and disclosed in the Foundation’s financial statements. The Foundation’s management has evaluated the implications of these standards and has not identified any uncertain tax positions for the Foundation; therefore, no tax expense or accruals for uncertain tax positions are included in the accompanying financial statements. Interest and penalties are expensed as incurred. There were no interest and penalties charged to expense for the years ended December 31, 2025 and 2024.

Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – ENDOWMENT FUND

The Foundation’s endowments consist of board-designated endowment funds which are classified and reported as net assets without restriction. Currently there are no individual donor-restricted endowment funds.

Interpretation of Relevant Law: The investment policies enacted by the Foundation’s Board seek to manage and invest assets in good faith and prudence in accordance with the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) as enacted by the state of Georgia in 2008.

Endowment Spending Policy: The Foundation has adopted a spending policy designed to provide a sustainable level of support for current charitable purposes while preserving the long-term purchasing power of its board-designated endowment funds. In accordance with the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”), as enacted in Georgia, the Foundation may appropriate for expenditure each year up to 5% of the endowment fund’s average market value, calculated as of September 30 using a rolling twenty-quarter average. In determining the amount to appropriate for expenditure, the Board considers the factors set forth in UPMIFA, including:

- (1) The duration and preservation of the fund
- (2) The purposes of the Foundation and the endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation

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- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation

The Foundation seeks to balance current distributions with preservation of the endowment's purchasing power over time. The 5% spending rate represents a maximum policy guideline rather than a required annual distribution, and the Board retains discretion to approve a lower spending rate in any year when investment performance, market conditions, liquidity needs, or other relevant circumstances warrant a more conservative level of spending.

Endowment Investment Policy: The Foundation's return objective for endowment assets is to preserve the principal of the endowed funds as well as provide funding to programs supported by the endowment. The goal is to produce an annualized total return that equals, and if possible, exceeds inflation (as measured by CPI) plus the Foundation's long-term spending allocation rate. To achieve its return objectives, the Foundation employs a total return strategy where investment returns are generated through capital appreciation (realized and unrealized) and current yield (interest and dividends).

Composition of and changes in endowment net assets for the years ended December 31, 2025 and 2024 were as follows:

	2025	2024
Board-designated endowment net assets, beginning of year	\$ 8,559,874	\$ 6,748,239
Contributions	3,760,607	2,062,675
Interest and dividends, net of fees	296,608	162,344
Realized/unrealized gains (losses)	808,631	680,877
Transfer from (to) nonendowed net assets	(213)	56,172
Amounts appropriated for expenditure	(2,026,237)	(1,150,433)
Board-designated endowment net assets, end of year	<u>\$ 11,399,270</u>	<u>\$ 8,559,874</u>

NOTE 3 – INVESTMENTS

Investments were comprised of the following at December 31, 2025 and 2024:

	2025	2024
Equity based funds	\$ 34,758,809	\$ 30,620,001
Bonds and fixed income funds	15,898,091	13,978,795
Money market funds	3,612,413	1,929,264
Certificates of deposit	904,824	1,816,136
Alternative asset funds	320,552	425,238
	<u>\$ 55,494,689</u>	<u>\$ 48,769,434</u>

Investment fees for the years ended December 31, 2025 and 2024 totaled \$147,712 and \$64,814, respectively.

Communities of Coastal Georgia Foundation, Inc.

Notes to Financial Statements

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NOTE 4 – FAIR VALUE MEASUREMENTS

In accordance with the authoritative guidance on fair value measurements and disclosures under GAAP, the Foundation discloses and recognizes the fair value of its assets and liabilities using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The guidance establishes three levels of fair value as follows:

Level 1 — Valuation is based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical investments.

Level 2 — Valuation is based on inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 — Valuation is based on unobservable inputs as they trade infrequently or not at all. Investments include privately held investments and securities held in partnerships and use the Net Asset Value (NAV) as a practical expedient to determine their values. These investments are not classified in the fair value hierarchy, but the amounts are included in this table to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments.

When available, the Foundation uses unadjusted quoted market prices to determine the fair value of investment securities, and they are included in Level 1. When quoted market prices are unobservable, the Foundation uses other observable inputs including market interest rate curves, and credit spreads, where applicable. These investments are included in Level 2 and primarily consist of corporate and governmental bonds and certificates of deposit. The carrying value of money market funds approximate fair value due to the short-term maturity of these instruments and therefore these investments are included in Level 1.

Assets as of December 31, 2025 measured at fair value are summarized below:

	Level 1	Level 2	Level 3	NAV	Total	Liquidation	Day's Notice
Equity based funds	\$ 34,758,809	\$ -	\$ -	\$ -	\$ 34,758,809	Daily	1
Bonds and fixed income funds	10,341,825	5,556,266	-	-	15,898,091	Daily	1
Money market funds	3,612,413	-	-	-	3,612,413		
Certificates of deposit	-	904,824	-	-	904,824		
Alternative asset funds	-	-	-	320,552	320,552	Illiquid ⁽ⁱ⁾	N/A
	<u>\$ 48,713,047</u>	<u>\$ 6,461,090</u>	<u>\$ -</u>	<u>\$ 320,552</u>	<u>\$ 55,494,689</u>		

(i) Illiquid private equity funds are closed-end funds which means the Foundation cannot redeem or withdraw funds from these investments until the fund is terminated or liquidated, though it is likely to receive distributions that include some return of principal. The outstanding illiquid balance in the private equity fund as of December 31, 2025 was \$320,552. The fund is scheduled to begin the liquidation phase in 2026.

Communities of Coastal Georgia Foundation, Inc.

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Assets as of December 31, 2024 measured at fair value are summarized below:

	Level 1	Level 2	Level 3	NAV	Total	Liquidation	Day's Notice
Equity based funds	\$ 30,620,001	\$ -	\$ -	\$ -	\$ 30,620,001	Daily	1
Bonds and fixed income funds	8,841,508	5,137,287	-	-	13,978,795	Daily	1
Money market funds	1,929,264	-	-	-	1,929,264		
Certificates of deposit	-	1,816,136	-	-	1,816,136		
Alternative asset funds	-	-	-	425,238	425,238	Illiquid ⁽ⁱ⁾	N/A
	<u>\$ 41,390,773</u>	<u>\$ 6,953,423</u>	<u>\$ -</u>	<u>\$ 425,238</u>	<u>\$ 48,769,434</u>		

Fair Value Measurements of Other Financial Items: The carrying amounts of receivables approximates fair value based on the discounted values of estimates to be received or the underlying value of the trusted assets.

NOTE 5 – PROGRAM-RELATED INVESTMENT LOANS

PRI loans consisted of the following at December 31, 2025 and 2024:

	2025	2024
Note receivable for \$400,000 to support the construction of affordable housing in Brunswick, Georgia. Interest accrues at 3% per annum. The note is unsecured and requires quarterly interest payments. Total outstanding principal and unpaid interest balance is due July 2027.	\$ 400,000	\$ 400,000
Note receivable for \$100,000 to support the construction of affordable housing in Brunswick, Georgia. Interest accrues at 3% per annum. The note is unsecured and requires quarterly interest payments. Total outstanding principal balance and unpaid interest balance is due January 2028.	100,000	-
Note receivable with an original commitment of \$100,000 for improvements at a transitional community for homeless veterans in Brunswick, Georgia. Interest accrues at 0% per annum. The note is unsecured with total outstanding principal and unpaid interest balance due February 2028.	75,000	-
Total	<u>\$ 575,000</u>	<u>\$ 400,000</u>

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NOTE 6 – AMOUNTS HELD TO BENEFIT AGENCY FUNDS

The Foundation received assets from various not-for-profit Foundations to establish funds. The Foundations specified themselves as the sole beneficiary of the funds. Accounting standards require that the Foundation account for these transfers of assets as a liability. The Foundation has reported this liability as amounts held to benefit agency funds on the Statements of Financial Position.

The Foundation maintains variance power and legal ownership of the agency funds, and as such continues to report these funds as assets of the Foundation. In accordance with GAAP, a liability has been established for the fair value of the funds, which is generally equivalent to the present value of future payments expected to be made to these not-for-profit Foundations.

The fair market value of the agency funds at December 31, 2025 and 2024 was \$4,476,585 and \$4,586,505, respectively. Financial activity related to these funds for the years ended December 31, 2025 and 2024 are excluded from the Foundation's statements of activities and changes in net assets.

The following summarizes the activity:

	2025	2024
Beginning Balance	\$ 4,586,505	\$ 3,227,300
Contributions	50	992,513
Net gains (losses) on investments	498,087	401,661
Grants	(460,000)	-
Support of Foundation services	(148,057)	(34,969)
Agency fund balances at December 31	<u>\$ 4,476,585</u>	<u>\$ 4,586,505</u>

NOTE 7 – EMPLOYEE BENEFIT PLAN

401(k) Deferred Compensation Plan: The Foundation sponsors a defined contribution retirement plan covering all employees meeting certain eligibility requirements. The Foundation makes discretionary contributions to the plan based on a percentage of employees' compensation. The contribution for the years ending December 31, 2025 and 2024 was \$8,114 and \$10,546, respectively.

NOTE 8 – EXPENSE CLASSIFICATION

Certain categories of operating expenses are attributed to multiple functions. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Costs are directly applied to the related program, support, or fundraising category when identifiable and possible. General operating costs across natural categories are allocated based on estimates of time and effort.

Communities of Coastal Georgia Foundation, Inc.

Notes to Financial Statements

December 31, 2025 and 2024

Functional expenses for the year ended December 31, 2025 were comprised of the following:

	Program Services	Management and General	Fundraising	Total
Grants awarded	\$ 7,089,626	\$ -	\$ -	\$ 7,089,626
Salaries, taxes and benefits	245,740	111,700	89,360	446,800
Management fees	29,030	13,196	10,556	52,782
Professional fees and services	16,038	7,290	5,832	29,160
Occupancy	42,084	19,130	15,304	76,518
Other	163,111	74,142	59,313	296,566
Total	<u>\$ 7,585,629</u>	<u>\$ 225,458</u>	<u>\$ 180,365</u>	<u>\$ 7,991,452</u>
Percent of total	95%	3%	2%	100%

Functional expenses for the year ended December 31, 2024 were comprised of the following:

	Program Services	Management and General	Fundraising	Total
Grants awarded	\$ 7,191,453	\$ -	\$ -	\$ 7,191,453
Salaries, taxes and benefits	249,096	113,226	90,580	452,902
Management fees	6,957	3,162	2,530	12,649
Professional fees and services	12,925	5,875	4,700	23,500
Occupancy	51,635	23,470	18,776	93,881
Other	75,380	34,263	27,410	137,053
Total	<u>\$ 7,587,446</u>	<u>\$ 179,996</u>	<u>\$ 143,996</u>	<u>\$ 7,911,438</u>
Percent of total	96%	2%	2%	100%

Communities of Coastal Georgia Foundation, Inc.

Notes to Financial Statements

December 31, 2025 and 2024

NOTE 9 – NET ASSETS

Net assets without donor restrictions consisted of the following fund balances designated by the Board at December 31, 2025 and 2024:

	2025	2024
Donor advised funds	\$ 43,961,888	\$ 40,281,466
Endowment funds	11,399,270	8,559,874
Fiscal sponsorships	297,823	421,785
Other	73,126	50,584
Total net assets without donor restrictions	<u>\$ 55,732,107</u>	<u>\$ 49,313,709</u>

Net assets with donor restrictions consisted of a beneficial interest in a remainder trust totaling \$50,000 at December 31, 2025 and 2024.

NOTE 10 – LEASES

The Foundation leases administrative office space under a non-cancelable operating lease. The exercise of lease renewal options is at the Foundation's sole discretion, and only lease options that the Foundation believes are reasonably certain to exercise are included in the measurement of the lease assets and liabilities.

Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Foundation's lease does not provide an implicit rate; therefore, the Foundation used an incremental borrowing rate similar to rates in place at the time of lease execution for owner occupied commercial real estate based on terms that are similar to the respective lease term.

Lease expense totaled \$76,518 and \$93,881 for the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025, the Foundation's operating lease had an interest rate of 6.85% and the remaining lease term was 7.76 years.

The estimated future minimum lease payments under noncancelable operating lease agreements with terms in excess of one year are as follows for the years ended December 31:

2026	\$ 71,167
2027	73,302
2028	75,501
2029	77,766
2030	80,099
Thereafter	<u>240,055</u>
	617,890
Less imputed interest	<u>(145,580)</u>
Total	<u>\$ 472,310</u>

Communities of Coastal Georgia Foundation, Inc.

Notes to Financial Statements

December 31, 2025 and 2024

NOTE 11 – LIQUIDITY AND AVAILABILITY OF FINANCIAL NET ASSETS

Financial assets available for general expenditure, that is, without donor or other restrictions limiting use, comprise the following:

	2025	2024
Financial assets at year end:		
Cash and cash equivalents	\$ 4,168,629	\$ 4,750,819
Program-related investment loan, net	575,000	400,000
Beneficial interest in trusts	50,000	50,000
Investments, at fair value	55,494,689	48,769,434
Available without restriction within one year	60,288,318	53,970,253
Less amounts not available to be used within one year:		
Amounts held to benefit agency funds	4,476,585	4,586,505
Program-related investment loan, net	575,000	400,000
Net assets without restrictions, donor advised	43,961,888	40,281,466
Net assets without restrictions, fiscal sponsorships	297,823	421,785
Net assets with donor restrictions	50,000	50,000
Total not available to be used within one year	49,361,296	45,739,756
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 10,927,022</u>	<u>\$ 8,230,497</u>

Financial assets available for expenditure do not include board-designated donor advised funds at December 31, 2025 and 2024, that would be available for granting within one year. The Foundation does not consider these available for general expenditure since these funds are available for distribution to charitable Foundations or causes based upon recommendations from the fund establisher or their designated fund advisor(s).

The Foundation does not intend to spend the board-designated endowment funds of \$11,399,270 and \$8,559,874 at December 31, 2025 and 2024, respectively, but the funds are available for general expenditures if needed so they are not deducted in the table above. The Foundation's investment policy incorporates the need to support grant making and operating expenses. As part of this policy, the Foundation maintains a significant amount of cash to cover its expenses.

NOTE 12 – SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events occurring after December 31, 2025 through September 15, 2026, which is the date on which the financial statements were available to be issued. No significant events occurred subsequent to the statement of financial position date but prior to issuance that would have a material impact on the financial statements or disclosures.