GEORGIA SHERIFFS' YOUTH HOMES FOUNDATION, INC.

McDONOUGH, GEORGIA

REPORT ON AUDIT OF FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

GEORGIA SHERIFFS' YOUTH HOMES FOUNDATION, INC.

TABLE OF CONTENTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Officers
Georgia Sheriffs' Youth Homes Foundation, Inc.

We have audited the accompanying financial statements of Georgia Sheriffs' Youth Homes Foundation, Inc. (a Georgia nonprofit organization) which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, cash flows and functional expenses for the year then ended and the related notes to the financial statements.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Directors and Officers
Georgia Sheriffs' Youth Homes Foundation, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Georgia Sheriffs' Youth Homes Foundation, Inc. as of June 30, 2021 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Georgia Sheriffs' Youth Homes Foundation, Inc.'s June 30, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 3, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Fowler, Holley, Rambo & Stalvey, P.C.

Valdosta, Georgia
December 29, 2021

GEORGIA SHERIFFS' YOUTH HOMES FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)

ASSETS

	JUNE 30, 2021	JUNE 30, 2020
Cash, Note 1	$ 296,837	74,610
Cash-Tribute Fund, Note 1	148,977	23,377
Certificate of deposit, Notes 1 and 8	357,335	349,860
Investments, Notes 1, 2 and 8	18,361,184	16,582,430
Accounts receivable	16,638	5,391
Interest and other receivables	83,626	100,294
Prepaid expenses	9,982	5,827
Property, net of accumulated depreciation, Notes 1 and 3	1,230,477	215,560
Other assets	966	966
Total Assets	$ 20,506,022	17,358,315

LIABILITIES AND NET ASSETS

	2021	2020
Liabilities:		
Accounts payable, trade	$ 22,674	-
Accounts payable, other, Note 5	1,967,686	1,820,723
Accrued expenses	-	1,110
Deferred revenue, Note 1	135	55
Accrued compensated absences, Note 1	29,007	30,062
Total Liabilities	2,019,502	1,851,950
Net Assets:		
Without donor restrictions	13,726,087	11,179,725
With donor restrictions	4,760,433	4,326,640
Total Net Assets	18,486,520	15,506,365
Total Liabilities and Net Assets	$ 20,506,022	17,358,315

Note: The accompanying notes to financial statements are an integral part of this statement.

GEORGIA SHERIFFS' YOUTH HOMES FOUNDATION, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL YEAR ENDED JUNE 30, 2021	2020
Revenues:				
Investment income	$ 315,710	41,870	357,580	411,126
Gains (losses) on sales of investments	1,033,132	43,821	1,076,953	381,949
Unrealized gain (loss) on investments	2,045,406	328,342	2,373,748	(335,766)
Gains (losses) on sales of other property	(4,403)	-	(4,403)	(9,476)
Contributions and bequests-Foundation, Note 5	226,141	-	226,141	290,361
Contributions and bequests Non-cash-Foundation	123,622	-	123,622	772,810
Contributions-Tribute Fund, Notes 5 and 10	-	140,844	140,844	65,936
Grant Income	1,564	-	1,564	-
Scholarships	-	-	-	1,500
Miscellaneous income	12,965	-	12,965	-
Total Revenues	3,754,137	554,877	4,309,014	1,578,440
Net assets released from restriction	123,844	(123,844)	-	-
Total Revenues and Support	3,877,981	431,033	4,309,014	1,578,440
Expenses:				
Program Services:				
Program Services	893,341	-	893,341	855,075
Total Program Services Expenses	893,341	-	893,341	855,075
Supporting Services:				
Management and general	168,961	-	168,961	153,864
Fund raising	266,557	-	266,557	277,161
Total Supporting Services Expenses	435,518	-	435,518	431,025
Total Expenses	1,328,859	-	1,328,859	1,286,100
Change in Net Assets Before Transfers	2,549,122	431,033	2,980,155	292,340
Transfers Between Funds, Note 9	(2,760)	2,760	-	-
Increase (Decrease) in Net Assets	2,546,362	433,793	2,980,155	292,340
Net Assets, Beginning of Year	11,179,725	4,326,640	15,506,365	15,214,025
Net Assets, End of Year	$ 13,726,087	4,760,433	18,486,520	15,506,365

Note: The accompanying notes to financial statements are an integral part of this statement.

GEORGIA SHERIFFS' YOUTH HOMES FOUNDATION, INC.

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	YEAR ENDED JUNE 30, 2021	2020
Cash Flows From Operating Activities:		
Increase (Decrease) in net assets	$ 2,980,155	292,340
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	21,832	17,069
(Gains) losses on sale of capital assets	4,403	9,477
Non-cash contributions	(123,622)	(772,810)
(Gains) losses on sale of investments	(1,076,953)	(381,949)
Unrealized (Gain) loss on investments	(2,373,748)	335,766
Change in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(11,247)	(2,469)
(Increase) Decrease in accrued interest and other receivables	16,668	2,655
(Increase) Decrease in prepaid expenses	(4,155)	4,520
Increase (Decrease) in other accounts payable	146,963	187,041
Increase (Decrease) in trade accounts payable	22,674	(2,954)
Increase (Decrease) in deferred revenue	80	(1,445)
Increase (Decrease) in accrued expenses	(1,110)	1,110
Increase (Decrease) in accrued compensated absences	(1,055)	9,290
Net Cash Provided (Used) By Operating Activities	(399,115)	(302,359)
Cash Flows From Investing Activities:		
Capital expenditures	(928,969)	(49,065)
Net proceeds from sale of capital assets	4,817	-
Purchase of securities	(949,345)	(1,555,360)
(Increase) Decrease in certificates of deposit	(7,475)	(349,860)
Net proceeds from sale of securities	2,627,914	2,149,059
Net Cash Provided (Used) By Investing Activities	746,942	194,774
Net Increase (Decrease) In Cash And Cash Equivalents	347,827	(107,585)
Cash And Cash Equivalents At Beginning of Year	97,987	205,572
Cash And Cash Equivalents At End of Year	$ 445,814	97,987
Disclosure of Non-Cash Investing and Financing Activities		
Non-cash contributions of land, securities and other assets	$ 123,622	772,810

Note: The accompanying notes to financial statements are an integral part of this statement.

GEORGIA SHERIFFS' YOUTH HOMES FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

		SUPPORTING SERVICES		TOTALS	
	PROGRAM	MANAGEMENT		YEAR ENDED JUNE 30,	
	SERVICES	AND GENERAL	FUNDRAISING	2021	2020
Contribution to GSYH, Inc.	$ 742,952	-	-	742,952	725,853
Salaries	-	-	167,003	167,003	181,166
Payroll taxes and retirement	-	-	37,083	37,083	37,062
Insurance	4,158	6,397	61,084	71,639	68,825
Postage	2,151	5,768	-	7,919	8,691
Telephone	3,558	1,154	-	4,712	6,123
Travel	-	-	9	9	1,153
Public relations	-	47	-	47	507
Dues and subscriptions	-	-	1,044	1,044	2,226
Special events	24,057	-	334	24,391	4,274
Professional services	-	2,017	-	2,017	1,232
Allowances	13,118	-	-	13,118	15,000
Hospital, drugs and medical	1,553	-	-	1,553	1,044
Clothing	2,731	-	-	2,731	1,896
Utilities	4,430	-	-	4,430	8,626
Vehicle operating costs	3,388	18,682	-	22,070	27,670
Fees, taxes and licenses	-	30	-	30	57
Food	9,967	-	-	9,967	7,857
Household items and fixtures	1,022	-	-	1,022	1,541
Bank charges	173	88	-	261	535
Advertising	-	30	-	30	-
Awards	50	-	-	50	600
Educational expense and tuition	31,128	-	-	31,128	28,757
Student housing and occupancy	29,361	-	-	29,361	21,883
Repairs maintenance-buildings	40	9,025	-	9,065	4,511
Personal care	519	-	-	519	664
Lawn care expense	-	135	-	135	-
Legal and auditing	-	59,681	-	59,681	54,496
Office supplies	-	1,140	-	1,140	1,144
Printing	5,883	3,052	-	8,935	10,711
Property taxes	-	6,261	-	6,261	2,789
Training and conferences	-	-	-	-	901
Computer expense	790	6,306	-	7,096	5,850
Investment fees	4,554	24,773	-	29,327	28,599
Rent	-	3,600	-	3,600	3,600
Credit card processing fees	2,142	85	-	2,227	898
Contributions to other organizations	2,488	-	-	2,488	-
Meetings	-	1,986	-	1,986	2,290
Total Expenses Before Depreciation	890,213	150,257	266,557	1,307,027	1,269,031
Depreciation, Notes 1 and 3	3,128	18,704	-	21,832	17,069
	$ 893,341	168,961	266,557	1,328,859	1,286,100

Note: The accompanying notes to financial statements are an integral part of this statement.

GEORGIA SHERIFFS' YOUTH HOMES FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

Organization and nature of activities: Georgia Sheriffs' Youth Homes Foundation, Inc. (The Organization) is responsible for the management and investment of cash, securities and other assets which have been contributed to the Georgia Sheriffs' Youth Homes Foundation, Inc.

Cash and cash equivalents: The Organization considers funds held in money market investment accounts and other highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. At June 30, 2021 and 2020, the Organization had $679 and $12,700, respectively, in cash equivalent assets included in cash.

Investments: In conformity with FASB ASC 958-320, all investments are carried at fair value based on quoted market values. Unrealized gains and losses on securities are recognized in the statement of activities. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Cost of securities sold is determined by the specific identification method.

Property, net of accumulated depreciation: Purchased property is recorded at cost. Donated property is reflected as contributions in the accompanying statements at their estimated values. Depreciation of property is computed on the straight-line method over the estimated useful lives of the assets. Expenditures for maintenance, repairs, removals and betterments which do not materially prolong the useful lives of the assets are charged to revenues as incurred. The cost of property retired or sold, and the related accumulated depreciation, is removed from the accounts and any gain or loss is transferred to revenues.

Deferred revenue: The Organization had $135 and $55 for the years ended June 30, 2021 and 2020, respectively, related to deferred scholarship funds.

Compensated absences: Compensated absences are accrued as a liability as the benefits are earned if the employee's right to receive compensation are attributable to services already rendered and it is probable that the Organization will compensate employees for the benefits through paid time off or some other means. The Organization accrues a liability for unused leave when earned; however, upon termination of employment, the maximum amount of annual leave that can be paid is 30 days.

Cost allocation: The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Administrative and clerical services of the entity are performed by personnel of the Georgia Sheriffs' Youth Homes, Inc. All salaries allocated to the Foundation are reimbursed to Georgia Sheriffs' Youth Homes, Inc to cover the cost of payroll taxes, group insurance, retirement and other related costs. Substantially all other expenses incurred are directly chargeable to program or supporting function and are not allocated.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. The Organization did not have any outstanding uncollected contributions that were, in substance, unconditional. Also, the Organization had no donated services.

Note 1 – Summary of Significant Accounting Policies (Continued)

Financial statement presentation and accounting for contributions received and contributions made: The financial statement presentation is in conformity with the requirements of the Financial Accounting Standards Board in FASB ASC 958. Under FASB ASC 958, the Georgia Sheriffs' Youth Homes Foundation, Inc. is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, include a statement of cash flows and a statement of function expenses. Under FASB ASC 958, contributions are recorded as without donor restrictions or with donor restrictions depending on the existence or nature of any donor restrictions. FASB ASC 958 also addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources and the lack of consistency in the type of information provided about expenses and investment return.

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comparative data: Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Organization's financial position and operations. However, full comparative data for the prior year has not been included since such inclusion would make the financial statements unduly complex and difficult to read.

Concentrations of credit risk: At various times, the Organization has cash deposits in excess of federally insured limits deposited in financial institutions. The Organization has not experienced any losses from cash deposits exceeding federally insured limits.

Accounting for uncertainty in income taxes: The Organization evaluates any income tax benefits generated from uncertain tax positions using a more-likely-than-not of being sustained upon examination analysis. If a tax benefit is not more-likely-than-not of being sustained upon examination, the Organization records a liability for the recognized income tax benefit. The Organization recognizes accrued interest associated with uncertain tax positions as part of interest expense and penalties associated with uncertain tax positions as part of other expenses.

Reclassifications: Certain reclassifications of information presented for the year ended June 30, 2020 have been made to conform to the classifications for the year ended June 30, 2021, without affecting financial position, changes in net assets or cash flows.

New Accounting Standards Implemented:

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, as amended by subsequent ASU's (collectively, ASC 606). ASC 606 amends the existing accounting standards for revenue recognition and establishes principles for recognizing revenue upon the transfer of promised goods or services to customers, based on the expected consideration to be received in exchange for those goods or services. The Organization's revenues are primarily composed of contributions, grants, contracts, training conference income and membership fees. The Organization also has earnings related to its investment portfolio (interest income, dividend income and realized and unrealized gains and losses on investments). The scope of the new revenue recognition guidance explicitly excludes interest and dividend income and income derived from securities. Also, the Organization's contributions and membership fees falls under the guidance of ASU 2018-08. Accordingly, the majority of the Organization's revenues are outside the scope of the new guidance.

Note 1 – Summary of Significant Accounting Policies (Continued)

The ASU was to have become effective for years after December 15, 2018; however, as a result of the COVID-19 pandemic in early 2020, the implementation date was postponed by the FASB and became effective for the Organization beginning July 1, 2020. The Organization implemented the provisions of ASU 2014-09 during the year ended June 30, 2021, but the implementation of the new guidance did not have a material impact on the Organization's financial statements.

New Accounting Standards Pending Implementation:

In February 2016, the FASB issued ASU No. 2016-02 Leases (Topic 842) (ASU 2016-02). The amendments in ASU 2016-02 create FASB ASC Topic 842, Leases and supersede the requirements in ASC Topic 840, Leases. ASU 2016-02 requires the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under ASC Topic 840. Under the guidance of ASU 2016-02, a lessee should recognize in the balance sheet a liability to make lease payments (lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. The accounting applied by a lessor under ASU 2016-02 is largely unchanged from that applies under ASC Topic 840. The ASU, as extended, is effective for fiscal years beginning after December 15, 2021 and will be implemented during the year beginning July 1, 2022. Management does not expect it to have a material effect on the Organization's financial statements.

Note 2 – Investments

Investments consist of the following:

	JUNE 30, 2021			JUNE 30, 2020		
	COST	MARKET VALUE	UNREALIZED APPRECIATION (DEPRECIATION)	COST	MARKET VALUE	UNREALIZED APPRECIATION (DEPRECIATION)
Equity securities	$ 813,793	1,010,386	196,593	820,860	766,564	(54,296)
Money and mutual funds	5,533,264	10,942,881	5,409,617	6,118,437	9,281,998	3,163,561
Fixed income securities	5,908,650	6,407,917	499,267	5,911,404	6,533,868	622,464
	$12,255,707	18,361,184	6,105,477	12,850,701	16,582,430	3,731,729

Note 3 – Property, Net of Accumulated Depreciation

Property, net of accumulated depreciation, consists of the following:

	JUNE 30, 2021	JUNE 30, 2020	ESTIMATED USEFUL LIVES
Land	$ 925,678	141,300	
Construction in progress	218,464	-	
Equipment	3,420	3,420	5 years
Vehicles and machinery	112,841	101,044	5 years
Other depreciable assets	22,448	22,448	7 years
	1,282,851	268,212	
Accumulated depreciation	(52,374)	(52,652)	
	$ 1,230,477	215,560	

Note 3 – Property, Net of Accumulated Depreciation (Continued)

The accompanying statements of activities include charges for depreciation of $21,832 and $17,069 for the years ended June 30, 2021 and 2020, respectively. The accompanying statements of financial position include construction-in-progress of $218,464 and $- as of June 30, 2021 and 2020, respectively for costs associated with the construction of a new headquarters building. Total remaining estimated construction costs are approximately $9,800,000. The project is expected to be completed in October 2022.

Note 4 – Income Taxes

Income taxes have not been provided as the Organization is a non-profit corporation under Section 501(c)(3) of the Internal Revenue Code and therefore no provision is necessary. For the year ended June 30, 2021, management believes there are no material amounts of uncertain tax positions. Additionally, there were no amounts of interest or penalties recognized in the statement of financial position as of June 30, 2021 or the statement of activities for the year then ended. Further, all years subsequent to June 30, 2018 remain subject to examination.

Note 5 – Related Party Transactions

The Georgia Sheriffs' Youth Homes Foundation, Inc. is a supporting organization of the Georgia Sheriffs' Youth Homes, Inc.

The Georgia Sheriffs' Youth Homes, Inc. made contributions of cash in the amount of $117,407 and $75,536 to the Georgia Sheriffs' Youth Homes Foundation, Inc. during the years ended June 30, 2021 and 2020, respectively. The current-year amount was a contribution of PPP Loan forgiveness proceeds from the Georgia Sheriffs' Youth Homes, Inc., and the prior-year amount was a contribution of timber proceeds from a campus location of the Georgia Sheriffs' Youth Homes, Inc.

During the years ended June 30, 2021 and 2020, Georgia Sheriffs' Youth Homes Foundation, Inc. paid or accrued contribution support for the activities of the Georgia Sheriffs' Youth Homes, Inc. of $742,952 and $725,853, respectively.

As of June 30, 2021 and 2020, Georgia Sheriffs' Youth Homes Foundation, Inc. owes $1,966,881 and $1,818,495, respectively, to Georgia Sheriffs Youth Homes, Inc. for accrued support and expense reimbursements.

As of June 30, 2021 and 2020, Georgia Sheriffs' Youth Homes Foundation, Inc. had accounts payable to the Georgia Sheriffs' Association, Inc. of $265 and of $510, respectively.

Note 6 – Restrictions on Net Assets

Net assets with donor restrictions are available for the following purposes:

	JUNE 30,	
	2021	2020
With donor restrictions:		
Restricted by the donor to support the activities of the Georgia Sheriffs' Youth Homes, Inc.	$ 2,012,913	1,578,040
Permanently restricted education endowment	375,000	375,000
Restricted by the donor, the income from which is expendable to support the activities of the Georgia Sheriffs' Youth Homes, Inc.	2,372,520	2,373,600
	$ 4,760,433	4,326,640

Note 6 – Restrictions on Net Assets (Continued)

In August 2009, the Financial Accounting Standards Board (FASB) issued FASB ASC 958-205 (formerly Staff Position No. FAS 117-1, "Endowments of Not-for-Profit Foundations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds"). FASB ASC 958-205 provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA).

As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors of the Organization has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of fair value of the original gift as of the gift date if the donor-restricted endowment funds do not include explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

Investment Return Objectives, Risk Parameters and Strategies. The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets. The Organization engages the services of professional investment advisors to assist in monitoring compliance with its policies in this area.

Spending Policy. The current spending policy is based upon an allocation of 100% of the realized and unrealized income earned as available for current and future expenditures, except where restricted by the donor. However, spending is limited to reasonable and necessary expenses for management, general and fundraising and a contribution to the Georgia Sheriffs' Youth Homes, Inc. of 5% of the net assets of the Organization as of the beginning of the year.

Management, Reporting and Monitoring. Endowment and other funds are managed by the Organization through management and the Board of Directors with the assistance of professional investment advisors. Investment results are compared to certain predetermined benchmarks.

Note 7 – Retirement Plan

The Organization participates with the Georgia Sheriffs' Youth Homes, Inc. in a defined contribution employee benefit plan that has money purchase and 401(k) components. The Organization makes matching contributions to the individual account of each eligible participant equal to 100 percent of the amount of the employee's elective deferrals that do not exceed three percent of compensation, plus 50 percent of the amount of the employee's elective deferrals that exceed three percent of the employee's compensation but do not exceed five percent of the employee's compensation. In addition, the Organization may elect to make additional discretionary contributions to the Plan on an annual basis, but is not required to do so. The Organization made contributions to the plan totaling $25,631 and $25,199 for the years ended June 30, 2021 and 2020, respectively.

Note 8 – Fair Value Measurements

Generally accepted accounting principles define fair value, establishes a framework for measuring fair value and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques. 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. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Organization has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Organization's own data.)

The following table presents the Organization's fair value hierarchy for the financial assets measured at fair value on a recurring basis as of June 30, 2021 and 2020:

	ASSETS AT FAIR VALUE JUNE 30, 2021			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Mutual Funds:				
Balanced funds	$ 933,337	-	-	933,337
Blended funds	4,840,040	-	-	4,840,040
Growth funds	4,999,141	-	-	4,999,141
Fixed income funds	6,407,917	-	-	6,407,917
Certificates of deposit	-	357,335	-	357,335
Other funds	170,363	-	-	170,363
Total mutual funds	17,350,798	357,335	-	17,708,133
Equity Securities:				
Common Stocks:				
Consumer	408,654	-	-	408,654
Energy	35,875	-	-	35,875
Finance-Banking	118,630	-	-	118,630
Healthcare-Biotechnology	93,040	-	-	93,040
Industrial	202,131	-	-	202,131
Technology	45,363	-	-	45,363
Telecommunications	12,320	-	-	12,320
Transportation	94,373	-	-	94,373
Total common stocks	1,010,386	-	-	1,010,386
Total assets at fair value	$ 18,361,184	357,335	-	18,718,519

Note 8 – Fair Value Measurements (Continued)

	ASSETS AT FAIR VALUE JUNE 30, 2020			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Mutual Funds:				
Balanced funds	$ 768,060	-	-	768,060
Blended funds	3,881,877	-	-	3,881,877
Growth funds	4,499,652	-	-	4,499,652
Fixed income funds	6,533,868	-	-	6,533,868
Certificates of deposit	-	349,860	-	349,860
Other funds	132,408	-	-	132,408
Total mutual funds	15,815,865	349,860	-	16,165,725
Equity Securities:				
Common Stocks:				
Consumer	310,380	-	-	310,380
Energy	23,503	-	-	23,503
Finance-Banking	104,863	-	-	104,863
Healthcare-Biotechnology	154,596	-	-	154,596
Industrial	91,847	-	-	91,847
Technology	31,533	-	-	31,533
Telecommunications	13,887	-	-	13,887
Transportation	35,956	-	-	35,956
Total common stocks	766,565	-	-	766,565
Total assets at fair value	$ 16,582,430	349,860	-	16,932,290

Note 9 – Transfers between Net Asset Classifications

Transfers between net asset classifications consist of the following:

	YEAR ENDED JUNE 30,	
	2021	2020
Transfer from (to) net assets without donor restrictions	$ 2,760	257,442
Transfer (to) from net net assets with donor restrictions	(2,760)	(257,442)
Net transfers between funds	$ -	-

Transfers between funds occur when net assets are released from donor restrictions.

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Note 10 – College Tribute Fund

Activity in the College Tribute Fund consists of the following:

	YEAR ENDED JUNE 30, 2021	YEAR ENDED JUNE 30, 2020
Net assets beginning of year	$ 647,327	696,969
Contributions-Other	140,844	65,936
Scholarships	-	1,500
Refunds and Reimbursements	1,071	-
Investment Income	11,289	16,147
Unrealized Gain (Loss)	66,291	(16,161)
Gain (Loss) on Disposal	38,316	21,634
Expenses	(126,333)	(138,698)
Net assets end of year	$ 778,805	647,327

Note 11 – Liquidity and Availability of Financial Assets

The following represents the Organization's financial assets as of June 30, 2021, reduced by amounts not available for general use because of contractual, donor-imposed or Board designated restrictions within one year of the statement of financial position date:

Financial assets at year end:	
Cash and certificates of deposit	$ 803,149
Investments	18,361,184
Accounts receivable	16,638
Interest and other receivables	83,626
	19,264,597
Less amounts not available to be used within one year, due to:	
Accounts payable - related entities	1,967,686
Net assets with donor restrictions	4,760,433
Less net assets with purpose restrictions expected to be met in less than a year	-
	6,728,119
Financial assets available to meet cash needs for general expenditures within one year	$ 12,536,478

The Organization engages the services of investment advisors and money managers to ensure that assets are invested for a reasonable return. These professionals in consultation with management plan the composition of investment assets such as to provide sufficient liquidity for operating purposes.

Note 12 - Contingency

As of August 1, 2021, the Georgia Sheriffs Youth Homes Foundation, Inc. (the "Borrower"), entered into a Loan Agreement with the Development Authority of Morgan County, Georgia ("the Issuer"). The Borrower requested that the Issuer issue a Series 2021 Bond (the "Bond") in the principal face amount of $10,000,000 for the purpose of financing the costs of a new headquarters facility in Morgan County, Georgia for the Borrower and related entities and paying the costs of issuing the Bond. Morris Bank, located in Houston County, Georgia, purchased the Bond Issuance and will be financing the Loan. The Facility will be financed for up to 20 years at a rate of 2.95%, with an approximate mortgage payment of $50,000 per month upon completion of the project. The Georgia Sheriffs' Youth Homes Foundation will be the loan borrower with the Georgia Sheriffs' Youth Homes, Inc. being the loan guarantor. Loan collateral is to include the current headquarters location and projected sales proceeds as well as the new headquarters building. Land was purchased at the proposed location of Madison, Georgia on December 29, 2020 in the amount of $784,370. In addition to the Georgia Sheriffs' Youth Homes Foundation, Inc. and the Georgia Sheriffs' Youth Homes, Inc., the Georgia Sheriffs' Association, Inc. and the Sheriffs' Retirement Fund of Georgia each will contribute their equitable share of costs associated with the construction, operations and maintenance of the facility as tenants. The construction of the new headquarters is anticipated to be completed in October 2022.

Note 13 – Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through December 29, 2021, the date on which the financial statements were available to be issued.

Beginning around March 2020, the COVID-19 was declared a global pandemic as it continues to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries could be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management of the Organization is continuing to carefully monitor the ongoing situation and evaluating the necessary responses as issues arise. A Paycheck Protection (PPP) Loan of $784,600 was received by Georgia Sheriffs' Youth Homes, Inc., a related entity, on April 29, 2020 to assist each of the related Organizations with maintaining their level of employment during the pandemic. The PPP Loan and accrued interest of $789,188 was forgiven on December 2, 2020. On March 18, 2021, the Organization acquired an additional Paycheck Protection (PPP2) Loan of $789,700 to continue assisting each of the related Organizations with maintaining their level of employment during the pandemic. The PPP2 Loan was forgiven in November 2021 and the Organization received $65,725 in contribution proceeds from the Georgia Sheriffs' Youth Homes, Inc. as a result of the extinguishment of debt.