Financial Information

The foundation operates on a June 30 fiscal year. These figures are for the end of each year.

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>$33,541,533</td>
</tr>
<tr>
<td>2001</td>
<td>$34,167,060</td>
</tr>
<tr>
<td>2000</td>
<td>$34,652,317</td>
</tr>
</tbody>
</table>

EXPENDITURES

<table>
<thead>
<tr>
<th>Category</th>
<th>2002</th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>$295,787</td>
<td>$201,422</td>
<td>$189,160</td>
</tr>
<tr>
<td>Assets Management</td>
<td>$87,843</td>
<td>$90,468</td>
<td>$86,904</td>
</tr>
<tr>
<td>Taxes</td>
<td>$40,616</td>
<td>$42,104</td>
<td>$50,735</td>
</tr>
<tr>
<td>Grants &amp; Scholarships</td>
<td>$1,537,031</td>
<td>$1,687,819</td>
<td>$1,504,950</td>
</tr>
</tbody>
</table>

Officers, Trustees, and Staff

*Reynolds family members continue to play an active role in the foundation

**Officers**

- Susan Lehman Carmichael: President
- Dr. Annemarie Reynolds: Honorary President
- Henry H. Carey: Vice-President
- William K. Broker: Secretary
- Smith Bagley: Treasurer

**Trustees**

- Irene Reynolds
- Katharine R. Grant
- The Honorable Nan Grogan Orrock
- Franklin D. Bobrow-Williams

**Staff and Counsel**

- Phyllis Bowen: Executive Director
- Barbara S. Bowdry: Administrative Assistant
- Hubert Humphrey: Counsel

Illustrations

*Flora*: grass-pink orchid; *Flora Cover*: grass-stage and mature longleaf pine; *Flora Page*: trumpet pitcheplants and hatching; *Flora Cover*: red-cockaded woodpecker.

"Even now in places, in the Red Hills near Thomasville, for example, and on Fort Stewart Military Reservation near Hinesville, you can see how south Georgia used to be, before all the old longleaf pine forests that were our sublimity and our majesty were cut. Nothing is more beautiful, nothing more mysterious, nothing more breathtaking, nothing more surreal."

"Ecology of a Cracker Childhood"  
Janisse Ray

History

The Sapelo Foundation grew out of Richard J. Reynolds, Jr.'s interest in Sapelo Island, one of the many barrier islands along the Georgia coast. This coastal region, rich in culture, history and natural resources, captured the interest and imagination of the young tobacco heir upon his first visit in the early 1930's. Over his lifetime, Mr. Reynolds developed a deep appreciation for the beauty, history and culture of Sapelo Island. He was especially intrigued by the vast saltmarsh ecosystem separating Sapelo from the mainland. In 1953, he created the Sapelo Island Marine Institute as a research affiliate of the University of Georgia. The Sapelo Foundation served as the vehicle for the development and operation of the Institute until 1976 when the University of Georgia took charge and the foundation turned towards funding charitable activities.

Over the years, the Sapelo Foundation has become one of the more progressive foundations in Georgia and the greater South. Through its broad grantmaking program, it furthers Mr. Reynolds’ philanthropic goals, still dear to the family, of promoting positive social change and natural resource protection for the benefit of all Georgians.

Ongoing Programs

The Richard J. Reynolds, Jr. Scholarship Program awards scholarships, based on financial need and academic standing, to accredited colleges and universities on behalf of residents of McIntosh County, Georgia.

Musgrove Conferences provide the opportunity for a small group of participants to engage in open discussion and stimulating debate on timely and pivotal issues. Each year grant funds are allocated for a selected organization to convene a conference at Musgrove, the private retreat of the Bagley family. Invited grant proposals must be submitted during the two annual grant cycles, although the conference may be held at any time during the year.

The Organizational Development Fund provides limited funding to existing grantee organizations that have received a grant within the past three years. These funds enable grantees to attend training programs, conferences and workshops on fundraising and organizational development, and to participate in the Peer-to-Peer Resource Exchange with fellow Sapelo grantees.

The Georgia Rural Philanthropy Initiative brings nonprofits and funders together to build relationships, strengthen the nonprofit sector, and help funders identify new projects. The Southeastern Council of Foundations, the Georgia Center for Nonprofits, and the Georgia Rural Development Council partner with the foundation on this new Initiative. Each year the Initiative selects a rural region of Georgia and assists its nonprofit organizations in hosting a funders’ event that highlights the special character and needs of that region. The first event, the North Georgia Philanthropy Forum, held in October 2001, raised $748,200 in new grants.
The Sapelo Foundation promotes progressive social change affecting, in particular, rural communities and the natural environment in the state of Georgia.

The Sapelo Foundation:
- Takes risks in grantmaking and encourages others to do so.
- Works to empower people who are powerless or marginalized.
- Encourages networking and cooperation, particularly among groups with differing racial and ethnic backgrounds.
- Is strategic in its funding and leverages financial resources.
- Acts as a catalyst in promoting change through affecting public policies.
- Shares experiences with foundations and other potential partners.

Foundation Priorities

From May 2002 through May 2005 the foundation will concentrate its grantmaking on the two programs indicated below.

The Environmental Protection Program addresses issues such as water and air quality, sprawl and sustainable development, corporate effects on rural communities, and the protection and management of natural resources. Currently, the primary focus is a strategic campaign addressing water resource policy and management issues in Georgia.

The Social Justice Program addresses issues such as civil rights, voting rights, workers’ rights, judicial system reform, school reform, and the building of progressive coalitions for social change. Currently, the primary focus is creating a progressive multi-racial coalition in Georgia, with particular emphasis on promoting working relationships between African-American and Latino/a community leaders.

**Ongoing Programs:**

- **Southern Environmental Law Center:**
  - First grant in a two-year commitment for providing legal counsel to nonprofits that focus on the protection of natural resources.

- **Savannah-Chatham County Fair Housing Council:**
  - Support for ongoing services to its foundation members.

- **Savannah-Chatham County Fair Housing Council:**
  - Support for additional services to operate a fair housing program.

- **Georgia Rural Philanthropy Network:**
  - Initial funding to develop a two-year commitment to launch a 40-unit multi-family development.

- **Greater Atlanta Presbytery:**
  - Funding for the Prison Jubilee Project, which monitors the criminal justice system and addresses issues in exercising and protecting civil rights.

**Special Initiatives, Conferences and Ongoing Programs:**

- **Georgia Rural Philanthropy Initiative:**
  - To support the expansion of three key programs: cultural and historical preservation, land retention, and economic development.

- **Southern Technological Advocacy Resources Foundation:**
  - To support the “Growing Smarter” Training Program that teaches low-income residents critical skills and assists them with job placement and retention.

- **Appalachian Community Enterprise Foundation:**
  - To support the Quality of Life Candidates Forum, 2002, a series of collaborative events and training opportunities aimed at producing a Georgia voters guide during the coming year.

- **Community Connection of Northeast Georgia:**
  - First grant in a two-year commitment to launch a 40-unit multi-family development.

- **Georgia Campaign for Adolescent Pregnancy Prevention Fund:**
  - To support the Quality of Life Candidates Forum, 2002, a series of collaborative events and training opportunities aimed at producing a Georgia voters guide during the coming year.

- **Democracy South:**
  - To encourage new laws requiring public financing of judicial elections in Georgia, and to develop educational information about the legal processes involved in voting rights litigation.

- **National Wildlife Federation:**
  - For ongoing support of the Savannah-Chatham County Fair Housing program.

- **Coastal Empire Habitat for Humanity:**
  - To support the “Growing Smarter” Training Program that teaches low-income residents critical skills and assists them with job placement and retention.

- **Southern Environmental Law Center:**
  - First grant in a two-year commitment for providing legal counsel to nonprofits that focus on the protection of natural resources.

- **Georgia Rural Philanthropy Network:**
  - Initial funding to develop a two-year commitment to launch a 40-unit multi-family development.

- **Greater Atlanta Presbytery:**
  - Funding for the Prison Jubilee Project, which monitors the criminal justice system and addresses issues in exercising and protecting civil rights.