

HISTORY

The Sapelo Foundation grew out of Richard J. Reynolds, Jr.'s interest in Sapelo Island, one of the many barrier island 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 resources 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.

THE GEORGIA RURAL PHILANTHROPY INITIATIVE brings nonprofits and funders together to build relationships, help funders identify new projects and strengthen the nonprofit sector. Every other year an Initiative committee 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, has resulted in more than \$1.2 million in new grants to its eleven-county region.

NEW INITIATIVE

The foundation recently made a four-year commitment to the creation of the **GEORGIA BUDGET AND POLICY INSTITUTE (GBPI)**, an independent, nonprofit, non-partisan organization engaged in research and education on the fiscal and economic health of the state of Georgia. The Institute will provide reliable, accessible and timely analysis to promote greater state government fiscal accountability as a way to improve services to Georgians in need and to promote quality of life for all Georgians. It will function as a part of the national State Fiscal and Analysis Initiative (SFAI) coordinated by the Center on Budget and Policy Priorities (CBPP) in Washington, DC.

GRANT APPLICATION PROCESS

For the most current information concerning funding priorities and application procedures, please visit our website or contact the office. www.sapelofoundation.org, 912/265-0520.

FINANCIAL INFORMATION

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

	2006	2005	2004
NET ASSETS	\$33,068,233	\$33,011,704	\$34,476,480
EXPENDITURES			
Administration	\$ 285,442	\$ 266,000	\$ 266,600
Assets Management	\$ 115,040	\$ 87,426	\$ 80,483
Taxes	\$ 22,231	\$ 14,737	\$ 49,614
Grants & Scholarships	\$ 1,144,109	\$ 1,494,019	\$ 1,482,769

OFFICERS, TRUSTEES, AND STAFF

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

OFFICERS

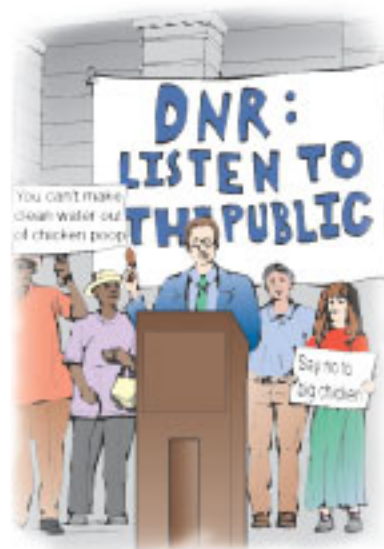
Susan Lehman Carmichael*	President
Annemarie Reynolds*	Honorary President
Henry H. Carey*	Vice-President
Irene Reynolds*	Secretary
William K. Broker	Treasurer

TRUSTEES

Nicole Bagley*
Katharine R. Grant*
Bettieanne C. Hart
Russell Long*
The Honorable Nan Grogan Orrock

STAFF AND COUNSEL

Phyllis Bowen	Executive Director
Barbara S. Bowdry	Program Officer / Office Manager
Benjamin T. White	Counsel
Alston & Bird, L.L.P.	



DEMOCRACY AND CIVIC ENGAGEMENT, two of the most important cornerstones upon which our nation was founded.

The Sapelo Foundation seeks to foster a government that is accountable to the needs of the people; a citizenry that is engaged, well-informed and actively participates in the governance of the state; and sound public policy that is built upon comprehensive and balanced research.

CREDITS

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THE SAPELO FOUNDATION

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We Be People



THE SAPELO FOUNDATION
BIENNIAL REPORT 2005-2006

THE SAPELO FOUNDATION

promotes progressive social change affecting, in particular, vulnerable populations, rural communities and the natural environment in the state of Georgia.

The Sapelo Foundation:

- Works to empower people who are powerless or marginalized.
- Acts as a catalyst in promoting change primarily through affecting public policy.
- Is strategic and proactive in its funding and leverages financial resources.
- Convenes potential partners around issues.
- Encourages collaborative action and networking, particularly among groups with differing racial, cultural, and ethnic backgrounds.
- Takes risks in grantmaking and encourages other funders to participate.
- Shares experiences with foundations and other potential partners.

FOUNDATION PRIORITIES

From May 2005 through May 2011 the Foundation will concentrate its grantmaking on the two program areas indicated below.

The Environmental Protection Program addresses such issues as water and air quality, sprawl and sustainable development, and the protection and management of natural resources.

During this period, the primary focus is a strategic campaign addressing water resource management and policy in Georgia.

The Social Justice Program addresses such issues as civil rights, voting rights, workers' rights, judicial system reform, school reform, and building progressive coalitions for social change.

During this period, the primary focus is encouraging a criminal justice system that is more fair to Georgia's children.



GRANTS LIST

JULY 1, 2004 - JUNE 30, 2005

ENVIRONMENTAL PROTECTION FOCUS AREA: WATER RESOURCES

Altamaha Riverkeeper	\$25,000
Center for a Sustainable Coast	\$15,000
Center for a Sustainable Coast-Satilla Riverwatch Alliance Project	\$14,000
Chattahoochee Hill Country Conservancy	\$30,000
Chattooga Conservancy	\$18,000
Conservation Research Institute	\$25,000
Coosa River Basin Initiative	\$15,000
Georgia Center for Law in the Public Interest	\$30,000
Georgia Conservancy-Georgia Water Coalition	\$30,000
Georgia Environmental Policy Institute	\$12,500
Georgia Forestwatch	\$30,000
Georgia Public Interest Research Group Education Fund	\$40,000
Georgia River Network	\$25,000
Georgia Wildlife Federation-Georgia Water Coalition	\$30,000
National Wildlife Federation	\$18,000
Ogeechee-Canoochee Riverkeeper	\$15,000
Savannah Riverkeeper	\$25,000
Soque River Watershed Association	\$ 7,500
Southern Alliance for Clean Energy	\$20,000
Southern Environmental Law Center	\$40,000
Southern Environmental Law Center - Georgia Water Coalition	\$30,000
Upper Chattahoochee Riverkeeper Fund	\$20,000
Upper Chattahoochee Riverkeeper Fund - Georgia Water Coalition	\$30,000

ENVIRONMENTAL PROTECTION: GENERAL

American Farmland Trust	\$15,000
Carolina Peace Resource Center	\$20,000
Environmental Community Action	\$20,000
Friends of the Earth	\$15,000
Glynn Environmental Coalition	\$20,000
Land Trust Alliance	\$18,000
SouthWings	\$ 8,000
University of Georgia	\$18,000
Wilderness Watch	\$15,000
Women's Action for New Directions Education Fund	\$30,000

SOCIAL JUSTICE FOCUS AREA: NEW COALITIONS

ACLU Foundation of Georgia	\$25,000
Fund for Southern Communities - Georgia Rural Urban Summit Project	\$30,000
GALEO Latino Community Development Fund	\$20,000

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New Coalitions continued

Grassroots Empowerment Alliance of Rome	\$ 8,000
James L. Barnes Community Development	\$15,000
Latin American Resource Center	\$ 8,000
Latinos for Education & Justice Organization	\$10,000
League of Women Voters of Georgia Education Fund	\$15,000
National Network of Forest Practitioners	\$15,000

SOCIAL JUSTICE: GENERAL

Center for Policy Alternatives	\$20,000
Fund for Southern Communities	
Athens Living Wage Coalition Project	\$10,000
Georgia Clients Council	\$15,000
Georgia Innocence Project	\$20,000
Georgia Poultry Justice Alliance	\$15,000
Georgians for Choice	\$20,000
Greater Atlanta Presbytery-Prison & Jail Project	\$15,000
Justice Project Education Fund	\$25,000
McIntosh County Sustainable Environment and Economic Development	\$20,000
NARAL Pro-Choice Georgia Foundation	\$23,000
Project South the Institution for the Elimination of Poverty & Genocide-Communities United for Action, Power & Justice Project	\$ 8,000
Savannah-Chatham County Fair Housing Council	\$25,000
Smithville Neighborhood Freedom Center	\$20,000
Southern Center for Human Rights	\$25,000
Southern Technological Advocacy Resources Foundation	\$18,000

SPECIAL INITIATIVES, CONFERENCES AND ONGOING PROGRAMS

Georgia Rural Philanthropy Initiative	
North Georgia Community Foundation-Nonprofit Network Program	\$20,000

ONGOING PROGRAMS

Organizational Development Fund	\$23,238
Richard J. Reynolds, Jr. Scholarship Program	\$146,785

SPECIAL GRANTS

Council on Foundations	\$ 3,980
National Network of Grantmakers	\$ 2,000
Rockefeller Family Fund-Environmental Grantmakers Association	\$ 850
Southeastern Council of Foundations	\$ 3,166

GRANTS LIST

JULY 1, 2005 - JUNE 30, 2006

ENVIRONMENTAL PROTECTION FOCUS AREA: WATER RESOURCES

Altamaha Riverkeeper	\$20,000
Center for a Sustainable Coast	\$15,000
Chattooga Conservancy	\$15,000
Conservation Research Institute	\$30,000
Coosa River Basin Initiative	\$20,000
Friends of the Chattahoochee	\$10,000
Georgia Center for Law in the Public Interest	\$20,000
Georgia Conservancy-Georgia Water Coalition	\$30,000
Georgia Forestwatch	\$20,000
Georgia River Network	\$20,000
Georgia Wildlife Federation-Georgia Water Coalition	\$30,000
Ogeechee-Canoochee Riverkeeper	\$20,000
Satilla Riverwatch Alliance	\$20,000
Savannah Riverkeeper	\$20,000
Sierra Club Foundation	\$12,000
Southern Alliance for Clean Energy	\$20,000
Southern Environmental Law Center	\$30,000
Southern Environmental Law Center - Georgia Water Coalition	\$30,000
Upper Chattahoochee Riverkeeper Fund	\$20,000
Upper Chattahoochee Riverkeeper Fund-Georgia Water Coalition	\$30,000

ENVIRONMENTAL PROTECTION: GENERAL

Chattowah Open Land Trust	\$ 6,000
Environmental Community Action	\$25,000
Forest Guild	\$20,000
Friends of the Earth	\$15,000
Glynn Environmental Coalition	\$18,000
SouthWings	\$ 8,000
Trust for Public Land	\$ 8,000
Women's Action for New Directions Education Fund	\$15,000

SOCIAL JUSTICE FOCUS AREA: FAIRNESS IN THE LEGAL SYSTEM

Family Support Center-Prison & Jail Project	\$18,000
Georgia Innocence Project	\$30,000
Southern Center for Human Rights	\$25,000

SOCIAL JUSTICE: GENERAL

American Forum	\$15,000
Center for Policy Alternatives	\$15,000
Economic Justice Coalition	\$20,000
Fund for Southern Communities-Georgia Rural Urban Summit Project	\$18,000
GALEO Latino Community Development Fund	\$25,000
Georgians for Choice	\$20,000
Latin American Services Organization	\$ 8,000
Latinos for Education & Justice Organization	\$ 8,000
Smithville Neighborhood Freedom Center	\$20,000
Southeast Georgia Communities Project	\$10,000

SPECIAL INITIATIVES, CONFERENCES AND ONGOING PROGRAMS

Fight for the Vote! Task Force Advancement Project	\$20,000
Georgia Rural Philanthropy Initiative	
United Way of Coastal Georgia	\$ 5,500
Global Warming Task Force	
Georgia Conservancy-Global Warming in Georgia	
Musgrove Conference	\$15,000

ONGOING PROGRAMS

Organizational Development Fund	\$17,206
Richard J. Reynolds, Jr. Scholarship Program	\$156,473

SPECIAL GRANTS

National Network of Grantmakers	\$ 2,000
Rockefeller Family Fund-Environmental Grantmakers Association	\$ 930
Southeastern Council of Foundations	\$ 3,000